

CONDOMINIUM RESIDENCES I OF FALLSGROVE
DECLARATION

Dated: June 21, 2004

The purpose of recording this Declaration is to correct the address and corresponding Unit numbers in Exhibit "A" thereto. The original Declaration was recorded among the Land Records of Montgomery County, Maryland on June 22, 2004.

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Condominium Residences I of Falls Grove

DECLARATION

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- Exhibit B - Allocation of Percentage Interests and Votes
- Exhibit C - Bylaws
- Exhibit D - Land to be Developed by Declarant

CONDOMINIUM RESIDENCES I OF FALLSGROVE

DECLARATION

THIS DECLARATION, made this 21st day of June, 2004, by BP FALLSGROVE LLC, a Maryland limited liability company having an address at 6401 Golden Triangle Drive, Suite 200, Greenbelt, Maryland 20770 (hereinafter referred to as the "Declarant").

WITNESSETH, THAT WHEREAS Declarant is the owner, in fee simple, of certain real property, situate and lying in Montgomery County, Maryland, which is more particularly described in Exhibit A attached hereto (the "Property"); and

WHEREAS, Declarant intends to construct thereon certain improvements, which improvements consist of one building containing up to forty-nine (49) residential Condominium Units and certain other improvements consisting of up to thirty (30) internal garage Units, four (4) detached garage Units, and up to eight (8) storage Units and the appurtenances thereto; and

WHEREAS, Declarant intends by this Declaration to subject such land, improvements and appurtenances to a horizontal property regime pursuant to Sections 11-101, et seq. of the Real Property Article of the Annotated Code of Maryland (the "Maryland Condominium Act"); and

WHEREAS, Declarant has filed on the 22nd day of June, 2004 in the office of the Clerk of the Circuit Court for Montgomery County, Maryland, the "Condominium Plat, As Constructed Plan, Condominium Residences I of Falls Grove" consisting of two (2) sheets (the "Plats") prepared by VIKI Incorporated, dated June __, 2004, which Plats are recorded in Plat Book No. 8506 through 8507.

NOW, THEREFORE, Declarant hereby declares that all the Property, together with all improvements hereinafter constructed thereon, and all rights, alleys, ways, privileges and appurtenances thereto (all of which land, improvements and appurtenances are hereinafter referred to collectively as the "Condominium"), is subject to a regime established under the provisions of the Maryland Condominium Act.

UPON THE TERMS and subject to the conditions which are hereinafter set forth:

RECEIVED FOR TRANSFER
No transfer will be made on
Assessments & Records due to

CONDOM PLAT(S)

State Department of
Assessments & Taxation
for Montgomery County

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By

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SIGNATURE MAR

**ARTICLE I.
DEFINITIONS**

1.1 Specific Definitions. As used in the provisions of this Declaration, each of the following terms shall be deemed to have the meaning which is hereinafter ascribed to it:

(1) "Act" shall mean the statutes entitled "The Maryland Condominium Act", codified as Title 11 of the Real Property Article of the Code, as amended from time to time.

(2) "Assessment" shall mean an amount assessed by the Council against a Unit Owner with respect to a Unit, pursuant to the provisions of Section 5.5.

(3) "Board of Directors" shall mean the board of directors of the Council.

(4) "Bylaws" shall mean those bylaws, the initial form of which is referred to in the provisions of Section 5.1 and is attached hereto as Exhibit C, as amended from time to time.

(5) "Code" shall mean the Annotated Code of Maryland as presently enacted.

(6) "Common Elements" shall mean all of the Condominium except the Units.

(7) "Common Expenses" shall mean the aggregate of any and all expenses which are incurred by the Council in the exercise of the rights and powers, and in the discharge of the duties, which are vested in, exercisable by or imposed upon the Council under the Act, the Declaration or the Bylaws. Common Expenses shall include all insurance deductibles paid in connection with any required insurance.

(8) "Common Profits" shall mean all profits realized by the Council.

(9) "Community Architectural Committee" shall mean and refer to the architectural committee established and/or described in the Community Declaration.

(10) "Community Articles" shall mean and refer to the Articles of Incorporation of the Community Association, as the same may from time to time be duly amended.

(11) "Community Assessment" shall mean and refer collectively or individually, as required by the context, to all or any of the assessments levied by the Community Association pursuant to the Community Declaration.

(12) "Community Association" shall mean and refer to the Falls Grove Property Owners Association, Inc., a nonprofit nonstock corporation, incorporated under the laws of the

State of Maryland, or any successor entity charged with the duties, obligations and powers of said Community Association.

(13) "Community Declaration" shall mean the declaration of covenants, conditions and restrictions, as amended, recorded with respect to the Community Association, including the declarations providing for annexation of additional areas, if any.

(14) "Condominium" shall have the meaning given to it in the Recitals.

(15) "Condominium Plat" shall mean, collectively, those plats hereinabove referred to, together with any amendatory plats thereto.

(16) "Contract Purchaser" shall mean any person who enters into a contract which entitles such person to purchase a Unit from the Declarant or any other Unit Owner, but who does not hold the legal title of record to such Unit.

(17) "Council" shall mean the Council of Unit Owners, the entity described in the provisions of Section 5.2.

(18) "Declaration" shall mean this instrument, as amended from time to time.

(19) "Declarant" shall mean BP Falls Grove LLC, a Maryland limited liability company, and each person or entity to whom or which either such named entities or other person who is the Declarant expressly assigns its rights as the Declarant hereunder in the manner set forth in Section 9.2.

(20) "Eligible Mortgagee" shall mean a Mortgagee who has requested the Council to notify it on any proposed action that requires the consent of a specified percentage of Eligible Mortgagees.

(21) "General Common Elements" shall have the meaning ascribed to it by the provisions of Section 3.3.3.

(48) "Limited Common Elements" shall have the meaning ascribed to it by the provisions of Section 3.3.2.

(23) "Mortgage" shall mean any mortgage or deed of trust encumbering any Unit, and any other security instrument used from time to time in the locality of the Condominium, provided that such mortgage, deed of trust or other form of security instrument has been recorded among the Land Records of Montgomery County, Maryland.

(24) "Mortgagee" shall mean the party secured by a Mortgage and any private, public or quasi-public entity guaranteeing or insuring any Mortgage.

(25) "Mortgagee in Possession" shall mean any person who is either (a) a Mortgagee which has possession of a Unit as a result of a default under a Mortgage held by such person, or (b) the Unit Owner of a Unit as the result of the conveyance to such person of the Mortgagor's equity of redemption therein, either as the result of a foreclosure proceeding under a Mortgage, or in lieu of such foreclosure proceeding.

(26) "Person" shall mean any natural person, trustee, corporation, partnership or other legal entity.

(27) "Property" shall mean that tract of land described in Exhibit A hereto.

(28) "Rules and Regulations" shall mean the rules and regulations from time to time adopted by the Council pursuant to the Bylaws, as from time to time in effect.

(29) "Unit" shall have the meaning ascribed to it by the provisions of Section 3.1.

(30) "Unit Owner" shall mean any person or combination of persons (including, by way of example rather than of limitation, the Declarant) who holds the legal title to a Unit under a deed or other instrument; provided, however, that (a) no lessee or Contract Purchaser shall, merely by virtue of such person's status as such, be deemed to be a Unit Owner; and (b) no Mortgagee shall be deemed to be the Unit Owner of a Unit unless and until such Mortgagee acquires of record the Mortgagor's equity of redemption.

(31) "Votes" shall mean the votes which under the provisions of Section 5.3, the Unit Owners are entitled to cast in their capacities as such at meetings of the Council.

1.2. General Definitions. Any other term to which meaning is specifically ascribed by any provision of this Declaration shall for purposes of this Declaration and the Bylaws be deemed to have such meaning.

1.3. Sections; Articles. Unless otherwise stated, any reference to a section, article or paragraph shall mean the section, article or paragraph of this Declaration.

1.4. Consistency With Act. Any term to which meaning is specifically ascribed by any provision of this Declaration or the Bylaws, and which is used in the Act, wherever possible shall be construed in a manner which is consistent with any construction of such term as so used in the Act. Where such consistency of construction is not possible, the definitions set forth hereinabove shall govern to the extent allowed by law.

ARTICLE II. NAME

The Condominium shall be known as "Condominium Residences I of Falls Grove".

**ARTICLE III.
UNITS AND COMMON ELEMENTS**

3.1. General. The Condominium shall be comprised of Units and Common Elements. There shall be residential Units, internal garage Units and storage Units, and the term "Units" shall collectively refer to all such Units, unless the context otherwise requires.

3.2. Units.

3.2.1. The Condominium shall contain up to forty-nine (49) residential Units, up to thirty (30) internal garage Units, up to four (4) detached garage Units and up to eight (8) storage Units.

3.2.2. The location within the Condominium, and the dimensions of each Unit are shown on the Condominium Plat and are more particularly defined by the provisions of this Article III.

3.2.3. Each Unit shall have and be known by a number or letter, or combination thereof, corresponding to the number or letter, or combination thereof, shown with respect to it on the Condominium Plat, together with the street address or building number of the building in which the Unit is located.

3.2.4. Except as may be otherwise provided herein, each Unit shall consist of all of the following:

(a) The space bounded by and contained within:

(i) with respect to the vertical limits of walls abutting another Unit or Common Elements, the centerline of such walls (i.e., the first half of such walls to the middle thereof shall form a part of the Unit in question and the remaining half shall form a part of the adjacent Unit or Common Elements); and

(ii) with respect to the vertical limits of walls not abutting another Unit, the outermost edge of the last layer of the exterior covering of the building within which such Unit is contained, including, without limitation, the siding, brick, paint, eaves, fascia or other material covering the exterior of such building; and

(iii) with respect to any window opening or doorway opening to the outside surface of any of the walls described in Section 3.2.4(a)(ii), the exterior surface (in the closed position) of the outermost window (including storm window), or the outermost door, set within such opening; and

(iv) with respect to the upper horizontal limit of Units located

on levels of buildings having other Units located above such Unit, the centerline of such ceiling (i.e., the first half of such ceiling to the middle thereof shall form part of the Unit in question and the remaining half shall form a part of the Unit located above such Unit); and

(v) with respect to the upper horizontal level of Units located on the top floor of buildings within the Condominium, the top outermost edge of the last layer of the exterior covering of the building within which such Unit is contained, including, without limitation, the shingles, flashing and other roofing material covering the exterior roof of such building; and

(vi) with respect to the lower horizontal limit of Units located on levels of buildings having other Units located below such Unit, the centerline of such Unit (i.e., the first half of such floor to the middle thereof shall form part of the Unit in question and the remaining half shall form a part of the Unit located below such Unit); and

(vii) with respect to the lower horizontal limit of a Unit located on the terrace (lowermost) level of a building, the lower edge of the bottom of the concrete slab.

(b) Any circuit breaker panel, electrical meter, gas meter and any and all gas or electrical installations and fixtures (including, by way of example rather than of limitation, any outlets, meters, switches, lampholders or other electrical or gas service terminals, wherever located) which exist for the exclusive use of such Unit, and all wiring and conduits running from any such circuit breaker panel to any such installation or fixture.

(c) All of the equipment for the heating and air conditioning of such Unit and the heating of water, including all mechanical equipment and appurtenances located outside such Unit which are designed, designated or installed to serve only that Unit, and all of their controls and control wiring.

(d) All duct work running from such heating and air conditioning equipment to its outlets into such Unit, and any such outlets.

(e) All sprinkler heads located within such Unit, and all sprinkler lines to which such heads are connected to the extent such lines are located within the boundaries of such Unit as defined herein.

(f) All fireplaces within such Unit, all fireplace flues and exterior fluestacks to the extent such fireplace flues and/or exterior fluestacks are located on or within the boundaries of such Unit as defined herein.

(g) All range hoods or bath fans for such Unit, and all duct work connecting the same to any common exhaust duct serving such Unit as well as other Units to the extent that such duct work is located within the boundaries of such Unit as defined herein.

(h) All bathroom and kitchen plumbing fixtures and connections thereto for such Unit, including, by way of example rather than of limitation, all sinks, faucets, commodes, bathtubs, shower stalls, hot or cold water pipes or drain pipes connecting any of the same with any common water or drain pipes serving such Unit as well as other Units.

(i) All regular windows, storm windows, screens, sliding doors and regular doors which are set within any of the walls of such Unit.

(j) Any smoke detectors serving such Unit.

(k) All floor coverings, wall furnishings and all improvements, fixtures and installations of every kind and nature whatsoever located within the boundaries of such Unit as hereinabove set forth, as well as all improvements, fixtures and installations specifically designated by the provisions hereof as being part of such Unit, but not located within such boundaries.

(l) All antennas and/or satellite dishes servicing such Unit.

(m) All patios and balconies serving any such Unit.

(n) All plumbing lines, electrical lines, mechanical lines, drain lines or other lines and/or raceways or conduits used in connection therewith to the extent located within the boundaries of the Unit as defined herein.

3.2.5. Anything contained in the foregoing provisions of this Section 3.2 to the contrary notwithstanding, whenever there is located within the boundaries of a Unit, as described hereinabove, any loadbearing or structural wall, partition or column, such Unit shall not include the loadbearing or structural portions of such wall, partition or column, or such thing or device, but such loadbearing or structural portions of such wall, partition or column, or such thing or device shall be a General Common Element.

3.2.6. Each Unit shall have all of the incidents of real property under applicable law. Nothing in the provisions of this Declaration shall be deemed to confer upon (a) any Unit Owner, by virtue of his status as such, or (b) any other person having any other interest in such Unit, by virtue of such interest, any interest in any other Unit.

3.3. The Common Elements.

3.3.1. Composition. The Common Elements (a) shall consist of all of the Condominium other than Units, the legal title to which is held by a person other than the Council, and (b) shall be comprised of the Limited Common Elements, if any, and the General Common Elements.

3.3.2. The Limited Common Elements. The Limited Common Elements shall consist of those Common Elements which are designated as Limited Common Elements on the Condominium Plat, if any. The Condominium Plat shall designate certain portions of the Condominium as Limited Common Elements by designating each such portion as a "Limited Common Element" or "LCE". The exclusive right to use all Limited Common Elements is hereby reserved and restricted exclusively to residential Unit Owners, their agents, contractors and invitees, occupying or owning a residential Unit in a building served by such Limited Common Element.

3.3.3. The General Common Elements. The General Common Elements shall consist of all of the Common Elements other than the Limited Common Elements, if any. Without limiting the Declarant's right to designate other portions of the Condominium as General Common Elements by designating such portions of the Condominium as such on the Condominium Plat, the Declarant anticipates designating all structural and mechanical aspects of one or more elevators serving the building and certain hallways, stairways and lobby areas as General Common Elements. The Condominium Plat may designate certain portions of the Condominium as General Common Elements by designating each such portion as a "General Common Element" or "GCE".

3.3.4. Ownership of the Common Elements. The Common Elements shall be owned by all of the Unit Owners, each of whom shall have that undivided percentage interest therein which is established pursuant to the provisions of Article IV.

3.4. Presumption as to Existing Physical Boundaries of Units and Common Elements The existing physical boundaries of any Unit or Common Element which is constructed or reconstructed in such a way that such existing physical boundaries substantially conform to the boundaries shown on the Condominium Plat shall conclusively be presumed to be the boundaries of such Unit or Common Element, regardless of whether (a) there has occurred any shifting, settlement or lateral movement of the building or other portion of the Condominium within or upon which such Unit or Common Element is located, or (b) there exists any minor variation between the boundaries shown on the Condominium Plat and the existing physical boundaries.

3.5. Encroachment. If any of the improvements included within the Common Elements encroach upon any Unit, or if any of the improvements included within a Unit encroach upon another Unit or the Common Elements, as a result of any construction, reconstruction, repair, shifting, settlement or movement of any building or other improvement forming part of the Condominium which occurs for any reason (including, by way of example rather than of limitation, the partial or total destruction thereof by fire or other casualty, or as a result of the condemnation or other taking thereof through the exercise or threatened exercise of a power of eminent domain) an easement for such encroachment and for the maintenance of the improvements so encroaching shall exist for so long as such improvements exist.

3.6. Maintenance, Repair and Replacement of Aspects of Units and Common Elements. Certain aspects of the Units and the Common Elements will require ongoing

maintenance and repair and eventual replacement. Unit Owners acknowledge the foregoing and agree that part of being a homeowner with respect to any type of home, including a Unit in the Condominium involves accepting this reality and the economic burden associated with it.

**ARTICLE IV.
PERCENTAGE INTERESTS**

4.1. General. Each Unit Owner, by virtue of his ownership of a Unit, shall own (a) an undivided percentage interest in the Common Elements (as they from time to time exist), and (b) a percentage interest in the Common Expenses and Common Profits, each of which shall be determined in accordance with the provisions of this Section.

4.2. Percentage Interests in Common Elements and Common Expenses and Common Profits. Each Unit Owner's undivided percentage interest in the Common Elements shall equal the percentage which is set forth with respect to his Unit in a schedule attached hereto as Exhibit B. Each Unit Owner's percentage interest in the Common Expenses and Common Profits shall equal the percentage which is set forth with respect to his Unit in Exhibit B.

4.3. Characteristics of Percentage Interests. The percentage interests which are created by the foregoing provisions of this Section may not be separated from the respective Units to which they are appurtenant, shall have a permanent character, and shall not be changed unless and until:

(a) each Unit Owner and each Mortgagee has consented thereto in writing (except where such change is made pursuant to the provisions of this Article IV, or Section 11-107(d) of the Act); and

(b) this Declaration has been amended to effect such change through the recordation of an appropriate amendatory instrument among the Land Records of Montgomery County.

4.4. Relationship of Unit to Percentage Interests. Any instrument, matter, circumstance, action, occurrence or proceeding which in any manner affects a Unit shall also affect, in a like manner, the undivided percentage interest in the Common Elements and the percentage interest in the Common Expenses and Common Profits which are appurtenant to such Unit.

**ARTICLE V.
THE BYLAWS; THE COUNCIL OF UNIT OWNERS;
VOTES; COUNCIL PROPERTY; ASSESSMENTS**

5.1. The Bylaws. The affairs of the Condominium shall be governed in accordance

with the Bylaws, the initial form of which is attached as Exhibit C hereto, is to be recorded among the Land Records of Montgomery County simultaneously herewith, and may be amended from time to time in accordance with the provisions thereof and of the Act and this Declaration.

5.2. The Council of Unit Owners. The affairs of the Condominium shall be governed by The Council of Unit Owners of Condominium Residences I of Falls Grove, Inc., an entity which is both a council of unit owners under the provisions of the Act and a nonstock corporation organized and existing under the law of Maryland. The membership of the Council shall be comprised of and limited to all of the Unit Owners. The Council shall have the rights, powers and duties which are vested in, exercisable by or imposed upon it by the provisions of this Declaration, the Bylaws, its Articles of Incorporation and applicable law.

5.3. Votes. Each residential Unit Owner shall be entitled to cast at meetings of the Council the number of votes set forth on Exhibit B. The Votes which a Unit Owner is entitled to cast shall be appurtenant to, and may not be separated from, his Unit. Nothing in the foregoing provisions of this paragraph shall be deemed (a) to prohibit any Unit Owner from giving a proxy to cast such Votes to any person in accordance with the provisions and subject to the limitations of this Declaration and the Bylaws, or (b) to alter or impair the operation and effect of any provision of this Declaration, the Bylaws or applicable law pursuant to which a Unit Owner's exercise of such right may be conditioned upon his having furnished to the Council any information which he is required to furnish under any such provision. THERE SHALL BE NO VOTING RIGHTS ASSOCIATED WITH OR APPURTENANT TO ANY GARAGE OR STORAGE UNITS.

5.4. Council Property. Except for his ownership of a percentage interest in the Common Expenses and Common Profits pursuant to the provisions of this Declaration, no Unit Owner shall, by virtue of his status as such or as a member of the Council, have either (a) any right, title or interest in or to any of the Council's property or other assets, or (b) any right to possess, use or enjoy any such property or other assets, other than as is expressly conferred upon him by the provisions of the Act, this Declaration, the Bylaws or the Council.

5.5. Assessments. The Council shall obtain funds for the payment of Common Expenses from time to time by levying assessments (each of which is hereinafter referred to as an "Assessment") against the Unit Owners and their respective Units in proportion to their respective percentage interests in the Common Expenses and Common Profits, all upon the terms, for the purposes and subject to the conditions which are set forth in the provisions of the Act, this Declaration and the Bylaws.

ARTICLE VI. CONTROL OF, AND RIGHTS IN, COMMON ELEMENTS AND UNITS

6.1. Conveyance or Dedication by Council of Easements or Other Rights in the

Common Elements and Certain Aspects of Units.

6.1.1. The Council may grant to any person an easement, right-of-way, license, lease in excess of one (1) year, or similar interest in the Common Elements, if and only if such grant is approved by the affirmative vote of Unit Owners holding in the aggregate at least sixty-six and two-thirds percent (66-2/3%) of the number of Votes held by all of the Unit Owners, and with the express written consent of the Mortgagees of those Units as to which the Unit Owners vote affirmatively.

6.1.2. Notwithstanding the foregoing, (a) the Board of Directors may grant easements, rights-of-way, licenses, leases in the Common Elements and in certain aspects of the Units as to which the Council is obligated to provide maintenance, repair and/or replacement activities in excess of one (1) year or similar interests for the provision of utility services or communication systems for the exclusive benefit of Units within the Condominium, provided that such grant is first approved by the affirmative vote of a majority of the Directors and further provided that such grant is otherwise in compliance with all of the applicable requirements of Section 11-125(f) of the Act; and (b) the Board of Directors may settle an eminent domain proceeding or grant to the State of Maryland or any county, municipality, or agency or instrumentality thereof with condemnation authority, perpetual easements, rights-of-way, licenses, leases in excess of one (1) year, or similar interests affecting the Common Elements of the Condominium for road, highway, sidewalk, bikeway, storm drain, sewer, water, utility and similar public purposes, provided that such grant is first approved by the affirmative vote of a majority of the Directors and further provided that such grant is otherwise in compliance with all of the applicable requirements of Section 11-125(f) of the Act.

6.1.3. Each Unit Owner, purchaser, heir, assignee or other transferee of or to the legal or beneficial title to, or any other interest in, any Unit shall be conclusively presumed, by his acceptance thereof, irrevocably to have appointed the Council to be his attorney-in-fact, with full and irrevocable power and authority (which shall be deemed to be coupled with an interest and to survive his disability), in the name of and on behalf of the Condominium, the Council and/or such Unit Owner, purchaser, heir, assignee or other transferee, to take any of the following actions:

(a) grant, convey or dedicate (i) to any one or more public or quasi-public governmental authorities or utility companies, any and all licenses, easements and/or rights-of-way in, over and through the Common Elements and in certain aspects of the Units as to which the Council is obligated to provide maintenance, repair and/or replacement activities for the construction, installation, use, operation, maintenance, repair and replacement of any and all sanitary, sedimentary control or storm sewer lines, drains, culverts, ponds or pumping stations, water lines, mains, or pumping stations, electrical lines or cables, telephone or television lines or cables, gas lines or mains, and other similar facilities, for similar or other purposes, all as the Council considers appropriate for the provision of any utility or utility service to the Condominium, and (ii) to Montgomery County, the City of Rockville, WSSC or any other governmental body, any land then forming part of the Common Elements which is improved or

to be improved by a roadway, sidewalk or parking area;

(b) convey the legal title to, or an interest in, any or all of the Common Elements to or at the direction of any governmental or quasi-governmental authority either (i) through the condemnation thereof or the exercise of any power of eminent domain with respect to the same, or (ii) under threat of such condemnation or exercise and in lieu thereof (after which grant, conveyance or dedication that portion of the Common Elements which is the subject of the same shall not form part of the Common Elements);

(c) grant easements, rights-of-way, licenses, leases in excess of one (1) year and other similar interests provided such grant has been approved in accordance with the provisions of Sections 6.1.1 or 6.1.2;

(d) grant to the Declarant an easement in, over and through the Common Elements and in certain aspects of the Units as to which the Council is obligated to provide maintenance, repair and/or replacement activities for the construction, installation, use, operation, maintenance, repair and replacement of any improvement of the types enumerated in the provisions of Section 6.3;

(e) execute, enseat, acknowledge, deliver and record on behalf of and in the name of the Condominium, the Council and/or such Unit Owner, purchaser, heir, personal representative, successor, assign or other transferee, any and all documents, the execution, ensealing, acknowledgment, delivery or recordation of which in the name of and on behalf of the same is deemed appropriate by the Council in order to effectuate the provisions of this Section 6.1 or to exercise any of the rights and powers granted to the Council under this Section 6.1; and

(f) grant to the Declarant, for the benefit of any adjacent property, an easement in, over and through the Common Elements for the construction, installation, use, operation, maintenance, repair and replacement of any improvement.

6.1.4. Any instrument executed by the Council pursuant to the aforesaid power of attorney shall contain a certification that such instrument, or the transactions contemplated thereby have been approved by Unit Owners having the requisite number of Votes to approve such instrument or transaction, if such instrument or transaction requires such approval.

6.2. Easements Benefiting Units.

6.2.1. Each Unit shall have the benefit of a perpetual easement for the lateral and vertical support of the improvements included within such Unit, which easement shall burden the Common Elements and each other Unit.

6.2.2. Each Unit shall have the benefit of a perpetual, non-exclusive easement for the use of:

(a) each main, duct, exhaust system, stack, raceway, wire, conduit,

line, drain, pipe, sprinkler pipe, or other device located within the Common Elements or another Unit and used in providing any utility or service to the first such Unit; and

(b) each sidewalk, parking lot, corridor, stairway or entranceway which from time to time is part of the General Common Elements or another Unit for unrestricted ingress and egress to and from his Unit.

6.2.3. Each Unit shall have the benefit of a non-exclusive easement for the use of the General Common Elements; provided, however, that:

(a) such use is in accordance with applicable law and the provisions of this Declaration, the Bylaws and the Rules and Regulations;

(b) no person other than the Council may construct, reconstruct, alter or maintain any structure or make or create any excavation or fill upon, or remove any tree, shrub or other vegetation from, or otherwise damage, the General Common Elements;

(c) no person shall without first obtaining the Council's consent do anything within the General Common Elements which will cause an increase in any premium paid by the Council for liability or other insurance with respect to the General Common Elements, or the cancellation of any such insurance; and

(d) no person shall do anything in the General Common elements which would constitute a violation of the Community Declaration.

6.2.4. The conveyance of the title to any Unit having the benefit or the burden of an easement created by any of the provisions of this Declaration shall constitute a conveyance of such benefit or burden, without the necessity of any reference thereto in any instrument by which such conveyance of title is made. No such benefit or burden may be conveyed other than with a conveyance of the title to such Unit. Any conveyance, encumbrance, judicial sale or other transfer (voluntary or involuntary) of an individual interest in the Common Elements is void unless the Unit to which that interest is allocated is also transferred.

6.3. Development and Other Easements.

6.3.1. The Declarant shall have, and the Declarant hereby reserves, irrevocable, non-exclusive easements in, over and through the Common Elements:

(a) for pedestrian and vehicular ingress and egress to and from each public roadway which at any time abuts the Condominium, from and to each Unit and any condominium building and/or unit therein to be constructed by the Declarant (or any affiliate of the Declarant) on any adjacent property (a "Neighboring Condominium"), for access by (i) the Declarant and its personal representatives, successors and assigns as owner of any adjacent property and of each respective Unit or other portion thereof, (ii) any contractor, subcontractor,

real estate agent or broker utilized by the Declarant, and (iii) their respective agents, officers, employees, and invitees, all for any purpose consistent with applicable law in connection with the construction, replacement, repair, maintenance, development or marketing of such respective Unit (even if not then a part of the Condominium) or Neighboring Condominium;

(b) for the construction, installation, maintenance, repair, replacement and use of any or all utility lines and facilities, to and from their respective points of connection with those respective public utility lines and facilities to which the same are to be connected, from and to each Unit and any Neighboring Condominium for the benefit of (i) the Declarant and its personal representatives, successors and assigns, and/or any affiliate of the Declarant, as owner of any adjacent property or any Unit or other portion thereof, and (ii) their respective agents, employees, invitees, visitors and guests;

(c) for the construction, installation, maintenance, repair and replacement of advertising signs, construction trailers and sales trailers and for the storage of construction materials anywhere on the Common Elements and for the use of any Unit owned by the Declarant or any affiliate of the Declarant as a model unit, sales office or management office, in connection with the sale, leasing, management, development and marketing of the Units in the Condominium and the units in any Neighboring Condominium and/or the Community Association; and

(d) for the monitoring and evaluation from time to time of the maintenance, operation and repair being performed by the Community Association and/or the Council of Unit Owners with respect to the Common Elements, the adjacent roadways, parking areas and any Condominium facilities (including, without limitation, any entranceways, gates, fountains and other recreational facilities, if any).

6.3.2. The Declarant shall have, and the Declarant hereby reserves, easements in, over and through the Common Elements and the Units for the purpose of servicing and performing warranty work on the Units and the Common Elements, for the purpose of performing fine grading, seeding, sodding and landscaping, and for the purpose of constructing or modifying other Units or the units in any Neighboring Condominium.

6.3.3. The burden of such easements shall terminate with respect to the Common Elements when and only when the benefit thereof has terminated with respect to all of the parcels and Units pursuant to the provisions of Section 6.3.4.

6.3.4. The benefit of such easements shall terminate with respect to any parcel contained within the Condominium, upon the latest to occur of (a) the completion of the construction of the improvements to be constructed by the Declarant within such parcel, (b) the completion of the construction of all Neighboring Condominiums, (c) three (3) years after the conveyance of record by the Declarant (to a person who, by virtue of such conveyance, is the Unit Owner of such Unit and has not succeeded to the Declarant's right, title and interest as the Declarant under this Declaration), of the legal title to each Unit within such parcel, and (d) the

expiration of all warranty obligations of the Declarant with respect to all of the Units and Common Elements contained in such parcel.

6.3.5. The Council and each Unit Owner hereby grants to each unit owner and each council of unit owners with respect to any condominium constructed on any portion of the land described on Exhibit D attached hereto and made a part hereof a non-exclusive easement for the use of the General Common Elements that are located outside of any building constructed on such property; provided that (a) such other condominium is developed and built by an affiliate of Declarant, and (b) such use is in compliance with the provisions of Sections 6.2.3(a), (b) and (c).

6.4. Rights and Responsibilities of Unit Owners and Council.

6.4.1. Rights and Responsibilities of Unit Owner with Respect to Maintenance, Repair and Replacement of Units.

Each Unit Owner hereby expressly acknowledges and agrees that various components and aspects of his Unit and the Common Elements will require ongoing maintenance and repair and eventual replacement, and shall:

(a) maintain, repair and replace all portions of his Unit, except those portions of his Unit, if any, which, under the provisions of this Declaration, are to be maintained, repaired and replaced by the Council, and otherwise keep such Unit in a neat and clean condition;

(b) in accordance with all applicable laws and after obtaining all required permits, maintain, repair and replace (i) the heating and air conditioning system, hot water heater and smoke detector serving his Unit, (ii) all fixtures, equipment and appliances installed in his Unit, (iii) all chutes, flues, ducts, conduits, wires, pipes and other apparatus forming a part of his Unit, and (iv) the sprinkler heads within his Unit, but such maintenance, repair and replacement of the sprinkler heads shall be performed only by a contractor designated by the Council;

(c) wash, maintain, repair and replace the glazing, windows, screens, storm windows, doors (including sliding glass doors and screens installed as part of sliding glass doors) which are a part of his Unit, excluding the exterior finished surface of the entry door and doorframe to such Unit and the exterior finished surface of the window frames to such Unit;

(d) maintain, repair or replace at his own expense any portion of his Unit which may cause injury or damage to any other Unit or the Common Elements;

(e) make all routine repairs and perform all ordinary maintenance with respect to any balconies or patios comprising a portion of such Unit;

(f) exercise his rights and perform his duties under the provisions of

the Act, the Bylaws and this Declaration in such manner and at such hours as will not unreasonably disturb any other Unit Owner;

(g) prior to performing any repair work of any kind, the responsibility for which lies with the Council, furnish the Council with two (2) weeks written notice of the same, during which two (2) week period the Council may notify such Unit Owner to refrain from performing such repair work and that the Council shall perform such repair work (provided that the Council's failure to take action on any such notice shall not be deemed a waiver by it of its said responsibility, a consent by it to the taking of such action, or an agreement by it to bear the expense of such work; and further provided, that the Unit Owner shall abide by any terms specified by the Council relating to the conduct of such work);

(h) clean the fireplace flue and interior of the fireplace chimney serving his Unit; and

(i) pay any expense which is duly incurred by the Council in making any repair or replacement of the Common Elements which is not covered by insurance and results from the willful or negligent act or failure to act of such Unit Owner or of any tenant, Contract Purchaser, family member, invitee or other occupant or user of his Unit.

6.4.2. Responsibilities of Council with Respect to Maintenance, Repair and Replacement of Common Elements and Certain Aspects of Units.

(a) The Council shall maintain, repair and replace all General Common Elements and Limited Common Elements, if any, and all portions of the Units comprising the exterior of any building containing Units, including, without limitation, all exterior walls (including all siding, paint and other coverings), roofs, fireplace flues (subject to the provisions of Section 6.4.1(h)), fluestacks, stairways and lobbies, and all portions of the Units located within walls, ceilings and floors, but only to the extent that utility services and/or lines and/or sprinkler lines are located therein, including all maintenance and repair responsibilities within any public utility easements affecting the Property, all structural repairs and replacements to General Common Elements, if any. In order to facilitate the performance by the Council of its maintenance and repair obligations under this Declaration, the Declarant shall provide one or more manuals to the Council which describe, in a clear and understandable manner, how complex facilities which are part of the Common Elements (i.e., stormwater management facilities and large recreational facilities) function and which provide instructions on how to inspect and perform routine maintenance on such facilities. The Declarant shall provide each such manual or manuals to the Council within six (6) months of the completion of the respective facility.

(b) In particular, the Council (i) shall paint and maintain the exterior surfaces of all exterior doors, door frames and window frames, except that the replacement and cleaning of all glass and glazing therein shall be the responsibility of the Unit Owner, (ii) shall paint or stain the exterior surfaces of all portions of the Units constituting balconies, patios,

decks and/or porches (other than screened in porches, if any), which, in any event, are of wooden construction, (iii) shall make all non-routine repairs and perform all extraordinary maintenance with respect to any balconies, patios, decks and/or porches comprising a portion of such Unit, and (iv) shall paint, maintain and clean the internal lobbies and stairwells of each condominium building.

(c) The Council shall maintain, repair and periodically clean the portions of all fireplace flues forming a part of the Units, the costs of which shall be a Common Expense.

(d) In the event that any portion of the Common Areas are designated as reforestation areas (or are similarly designated), the Council and each Unit Owner acknowledges and agrees that such areas must be treated as indicated by the Declarant and/or any governmental authority or any other organization having jurisdiction.

(e) Each Unit Owner grants to the Council an easement for purposes of enabling the Council to carry out its obligations described in this Section 6.4.2.

6.5. Control of Common Elements. Anything contained in the foregoing provisions of this Section to the contrary notwithstanding, the Council may:

(a) borrow money to improve the Common Elements in accordance with the provisions of this Declaration, and secure its repayment by subjecting any or all of the General Common Elements to the lien of a mortgage or by pledging all or any portion of the Assessments; provided that anything contained in the provisions of such mortgage to the contrary notwithstanding, if there is a default in the performance of the borrower's obligations thereunder, the mortgagee's remedies on account of such default shall, as to the property covered by such lien, be limited to those of (i) taking possession of any or all of the same, (ii) thereafter charging admission or other fees as a condition to the continued use thereof by the Unit Owners, their family members and guests, and (iii) if necessary and if not prohibited by applicable law, opening the enjoyment thereof to the general public or any segment thereof until such debt is satisfied;

(b) take such steps as are reasonably necessary to protect such property against foreclosure under such mortgage (including, by way of example rather than of limitation, that of opening the enjoyment thereof to the general public or any segment thereof, as aforesaid);

(c) may adopt reasonable Rules and Regulations as it deems appropriate with respect to the use of the Common Elements, including the Limited Common Elements, by Unit Owners, their family members, invitees and guests or any other person, in accordance with the provisions of the Bylaws and the Act; and

(d) may not alter or remove any sidewalks or ramps intended to provide access for Units initially constructed for use by a handicapped person without the prior written

consent of the Unit Owner of such Unit and shall at all times designate by appropriate signage one parking space in close proximity of such Unit as "handicapped parking."

6.6. Right of Entry.

6.6.1. The Council, acting through the Board of Directors, its officers, or any management company for the Condominium, and their duly authorized representatives and employees, may enter any Unit whenever such entry is reasonably necessary in order (a) to install, inspect, maintain, repair or replace any of the Common Elements or portions of any Unit as to which the Council has maintenance, repair and replacement obligations hereunder to which access can reasonably be obtained only through such entry, or (b) to maintain, repair or replace any portion of such Unit if such maintenance, repair or replacement is the responsibility of the Council or is necessary to prevent injury or damage to any other Unit or to the Common Elements or, with respect to antennas that are part of a Unit, to maintain or repair same, at the applicable Unit Owner's expense, if such Unit Owner fails to properly maintain any such antenna. Such costs incurred by the Council to maintain or repair any such antenna shall become the Unit Owner's obligation and shall be payable and may be enforced in the same manner as Assessments for Common Expenses.

6.6.2. Except in the event of an emergency situation, the Board of Directors or the Manager shall provide reasonable notice prior to exercising such right of entry. Exercise of such right of entry either following reasonable notice or in the event of an emergency situation shall not constitute a trespass by the Council, the Board of Directors, the Manager or their respective agents and employees.

6.7. Management of Condominium.

6.7.1. The Council may enter into an agreement with a professional management company to provide management services to the Council for the Condominium. Such agreement:

(a) shall expressly provide that the Council may, without the consent of any other party thereto and without payment of any termination fee or penalty, terminate such agreement, (i) in accordance with Section 11-133 of the Act, (ii) for cause at any time provided that it has given to each other party thereto written notice of its intention to do so by not later than thirty (30) days before the effective date of such termination, and (iii) without cause at any time provided that it has given to each other party thereto written notice of its intention to do so by not later than ninety (90) days before the effective date of such termination;

(b) shall be for a term of not more than one (1) year; and

(c) if provision is made therein for a renewal of such agreement from time to time by agreement of the parties thereto, shall provide that no such renewal provision and no such renewal or combination of renewals made pursuant thereto shall be effective to bind the

Council to such agreement for longer than (1) year from the date of such renewal or combination of renewals.

6.7.2. Anything contained in the foregoing provisions of this subsection to the contrary notwithstanding, the Council shall not effectuate any decision by it both (a) to terminate any such management agreement, and (b) thereafter to assume or undertake the management of the Condominium without utilizing or employing professional management services with respect to the same, without obtaining the prior approval of Eligible Mortgagees who represent at least fifty-one percent (51%) of the Votes of Units that are subject to Mortgages held by Eligible Mortgagees.

6.8. Proceeds of Insurance.

6.8.1. Receipt and Distribution of Proceeds by Council. The Council shall:

(a) receive any proceeds which are payable under any policy of casualty or physical damage insurance held by it, and shall hold and distribute the same in trust for the purposes set forth in this Section, for the benefit of the Unit Owners, their respective Mortgagees, the Council and any other insured thereunder; and

(b) not make any distribution of any such proceeds directly to a Unit Owner where a mortgagee endorsement is noted on the certificate of insurance covering his Unit, but shall make any such distribution only to such Unit Owner and his Mortgagee jointly.

6.8.2. Adjustment of Losses. Each Unit Owner shall be deemed to have delegated to the Council his right to adjust with the insurer all losses which are payable under policies purchased by the Council.

6.8.3. Repair or Reconstruction Following a Casualty.

(a) Except as may be otherwise provided by the Act, or this Declaration, if any of the improvements which are insured by the Council are damaged or destroyed, they shall be fully and promptly repaired and restored by the Council using any proceeds of insurance which are payable on account of the same and are held by the Council.

(b) The Council (subject to the operation and effect of the provisions of Section 6.10) shall be responsible for restoring such improvements to and only to substantially the same condition as they were in immediately prior to the occurrence of any damage to, or the destruction of, the same. If, as a result of such repair or reconstruction, any change is made in the location of the improvements within any Unit or the Common Elements, the Council shall record among the Land Records of Montgomery County an amendment to the Condominium Plat which relocates the boundaries of such Unit or the Common Elements so as to conform to the location of such improvements as so changed, and shall hold a power of attorney from each Unit Owner and Mortgagee for such purpose.

6.8.4. Estimate of Cost of Repair. Immediately after the occurrence of any damage to, or the destruction of, any or all of the Condominium which the Council is required to repair, the Board of Directors shall obtain a reliable and detailed estimate of the cost thereof (including, by way of example rather than of limitation, the cost of any professional service or bond which the Board of Directors desires to obtain in connection with such repair).

6.8.5. Construction Fund. Any proceeds of insurance received by the Council as a result of any damage to, or the destruction of, the Condominium, and any other sums received by the Council from any Unit Owner as a result thereof, shall constitute a construction fund which shall be disbursed by the Council in payment of the costs of the reconstruction and repair thereof, in the following manner:

(a) If the amount of the estimated cost of reconstruction and repair of the damaged or destroyed portion of the Condominium is less than One Hundred Thousand Dollars (\$100,000.00), such construction fund shall be disbursed from time to time by the Council in payment of such cost upon authorization by the Board of Directors; provided that at the written request of any Mortgagee which is a beneficiary of any such fund, such fund shall be disbursed in the manner set forth in the provisions of paragraph (b) of this Section.

(b) If the amount of the estimated cost of reconstruction and repair of the damaged or destroyed portion of the Condominium is not less than One Hundred Thousand Dollars (\$100,000.00), such construction fund shall be disbursed in payment of such cost upon the approval of such disbursement by an architect or professional engineer licensed to practice in Maryland and employed by the Council to supervise such reconstruction and repair, from time to time as such reconstruction and repair progress. Such architect or professional engineer shall be required to furnish to the Council a certificate giving a brief description of the services and materials supplied by each contractor, subcontractor, materialman, architect, engineer or other person who has rendered services or furnished materials in connection with such reconstruction and repair, and stating (i) that the sum requested by each such person in payment therefor is justly due and owing, and does not exceed the value of the services and materials furnished; (ii) that there is, to the best of such architect's or engineer's knowledge, information and belief, no other outstanding debt incurred for such services and materials as so described; and (iii) that the cost, as reasonably estimated by such architect or engineer, for so much of such repair and reconstruction as remains to be done after the date of such certificate does not exceed the amount which will remain in such construction fund after the payment therefrom of the sum so requested.

(c) If any amount remains in such construction fund after the reconstruction or repair of such casualty damage has been fully completed and all of the costs thereof have been paid, such portion shall be distributed to the Unit Owners and their insured Mortgagees, as their respective interests may appear.

6.9. Substantial or Total Destruction.

6.9.1. Grounds for Not Reconstructing. Any portion of the Condominium which is damaged or destroyed shall be repaired and reconstructed unless (a) the Condominium is terminated pursuant to the provisions of the Act and this Declaration, (b) the reconstruction and repair of such portion would be illegal under any applicable Maryland or local health or safety statute or ordinance, or (c) at least eighty percent (80%) of the Unit Owners (including every Unit Owner of a Unit or assigned Limited Common Element which would not be reconstructed) vote not to reconstruct such portion at a special meeting of the Council held pursuant to the provisions of the Bylaws.

6.9.2. Distribution of Proceeds. If pursuant to the provisions of Section 6.9.1. such damage or destruction is not to be repaired or reconstructed, subject to the provisions of Section 7.6, the net proceeds of any insurance which are payable to the Council as a result of such damage or destruction shall be held in one fund, which shall be used or distributed by the Council as follows:

(a) the net proceeds attributable to damaged Common Elements shall be used to restore such damaged Common Elements to a condition compatible with the remainder of the Condominium;

(b) the net proceeds attributable to Units and Limited Common Elements which are not to be rebuilt shall be distributed to the Unit Owners of such Units in accordance with the provisions of the Act; and

(c) the remainder of such net proceeds shall be distributed to all of the Unit Owners in proportion to their respective undivided percentage interests in the Common Elements.

6.10. Conflicts. Except to the extent otherwise required by Section 11-114 of the Act or by HUD, VA or FNMA rules and/or regulations, the provisions of Section 6.9 shall govern in lieu of any provisions of the Act concerning restoration and repair and the use of insurance proceeds.

ARTICLE VII. RIGHTS OF MORTGAGEES

7.1. General.

7.1.1. Regardless of whether a Mortgagee in Possession of a Unit is the Unit Owner thereof, (a) it shall have, in addition to its rights hereunder as a Mortgagee, all of the rights under the provisions of this Declaration, the Condominium Plat, the Bylaws and applicable law which would otherwise be held by such Unit Owner, subject to the operation and effect of anything to the contrary contained in its Mortgage, unless such rights are exercisable only by a

Unit Owner pursuant to applicable law, and (b) the Council and any other Unit Owner or person shall be entitled, in any matter arising under the provisions of this Declaration and involving the exercise of such rights, to deal with such Mortgagee in Possession as if it were the Unit Owner thereof.

7.1.2. Any Mortgagee in Possession of a Unit shall (subject to the operation and effect of the provisions of this Declaration, the Bylaws or applicable law) bear all of the obligations under the provisions thereof which are borne by the Unit Owner thereof; provided, that nothing in the foregoing provisions of this Section 7.1.2 shall be deemed in any way to relieve any Unit Owner of any such obligation, or of any liability to such Mortgagee in Possession on account of any failure by such Unit Owner to satisfy any of the same.

7.2. Rights of First Refusal. Any Mortgagee in Possession shall be exempt from any right of first refusal or similar restriction held by the Council.

7.3. Priority over Assessment. The interest in a Unit held by a Mortgagee thereof under its Mortgage shall be:

(a) free of any claim or lien for any Assessment which is levied against such Unit prior to the recordation of such Mortgage (unless prior to such recordation a statement of lien [as that term is defined by the provisions of Section 14-201 of the Maryland Contract Lien Act, and sufficient for the purposes thereof] covering such Assessment is recorded); and

(b) free of any such claim or lien arising after such recordation of such Mortgage, and before such Mortgagee is a Mortgagee in Possession of such Unit.

7.4. Actions Conditioned on Mortgagee's Approval.

7.4.1. Unless at least two-thirds (2/3rds) of the first Mortgagees (based upon one vote for each first Mortgage owned) have given their prior written approval thereof, the Council shall not by act or omission:

(a) except pursuant to the provisions of Sections 11-107(d) and 11-115 of the Act, partition or subdivide, or seek to partition or subdivide, any Unit;

(b) seek to abandon, partition, subdivide, encumber, sell or transfer any of the Common Elements (provided, that the granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Elements, or pursuant to other provisions of this Declaration, shall not be deemed to be prohibited by the foregoing provisions of this subsection);

(c) except pursuant to the provisions of Sections 11-107(d) and 11-115 of the Act, change the undivided percentage interests in the Common Elements or the percentage interests in the Common Elements and Common Profits of a Unit; or

(d) use any proceeds derived from hazard insurance and paid to the Council on account of any damage to or destruction of any of the improvements within any Unit or the Common Elements, for other than the repair, replacement or reconstruction of such improvements, except to the extent and in the manner provided by the Act in the event that:

(i) the Condominium is terminated pursuant to Section 9.3;

(ii) repair or replacement would be illegal under any state or local health or safety statute; or

(iii) eighty percent (80%) of the Unit Owners, including every Unit Owner of a Unit which would not be rebuilt and every Unit Owner to whom the use of a Limited Common Element which would not be rebuilt is assigned, vote not to rebuild.

7.5. Right to Inspect, to Receive Audited Statement and to Receive Notice.

7.5.1. Right to Inspect and to Receive Audited Statement. A Mortgagee shall, upon written request of the Council, be entitled to (a) inspect the Council's books and records during normal business hours, and (b) receive an annual audited financial statement of the Council within ninety (90) days following the end of any fiscal year of the Council.

7.5.2. Right to Notice. A Mortgagee, upon written request of the Council (which request must state the name and address of the Mortgagee and the Unit number of the Unit which its Mortgage encumbers) shall be entitled to be given timely written notice by the Council of:

(a) any proposed action of the Council which, under the provisions of Section 6.7.2 or 9.3.4 requires the consent of a specified percentage of Eligible Mortgagees;

(b) any proposed termination of the Condominium Regime;

(c) any condemnation or eminent domain proceeding or casualty loss affecting either a material portion of the Condominium or the Unit securing its Mortgage;

(d) any default in the performance by the Unit Owner of the Unit on which such Mortgagee holds a Mortgage of any obligations (including, without limitation, the obligation to pay Assessments) under the Declaration, Bylaws or Rules and Regulations which is not cured within sixty (60) days;

(e) any lapse, cancellation or material modification of any insurance policy or fidelity bond held by the Council; or

(f) the interests in the General or Limited Common Elements appertaining to any Unit or the liability for Common Expenses appertaining thereto.

7.6. Rights in Event of Damage or Destruction.

7.6.1. If any part or all of a Unit is damaged substantially, destroyed or made the subject of any condemnation or eminent domain proceeding, or the acquisition thereof is otherwise sought by any condemning authority, each Unit Owner and each Mortgagee shall have such rights in connection therewith as are set forth in the provisions of the Act and this Declaration (including, by way of example rather than of limitation, those of such provisions which govern the disposition or distribution of the proceeds thereof, any resulting reallocation of the respective undivided percentage interests in the Common Elements, percentage interests in the Common Expenses and Common Profits and the Votes which are appurtenant to the Units, and any restoration or repair of the Condominium necessitated thereby). Without limitation upon the foregoing, Mortgagees shall have the following protections in connection with destruction and/or taking in condemnation of the Condominium property:

(a) Any restoration or repair of the Condominium after a partial condemnation or damage due to an insurable hazard is required to be substantially in accordance with the Declaration and the original plans and specifications unless the approval of Mortgages on Units to which at least fifty-one percent (51%) of the votes of Units subject to Mortgages held by Mortgagees are allocated, is obtained.

(b) Any election to terminate the Condominium regime after substantial destruction or a substantial taking in condemnation of the Condominium property requires the approval of Mortgages on Units to which at least fifty-one percent (51%) of the votes of Units subject to Mortgages held by Mortgagees are allocated.

7.6.2. Nothing in the provisions of this Declaration, the Bylaws or the Condominium Plat shall entitle the Unit Owner of a Unit or any other party to priority over any Mortgagee of such Unit in the distribution with respect to such Unit of the proceeds of (a) any insurance which accrue as a result of any such damage or destruction, or (b) any award or settlement made as a result of any such condemnation, eminent domain proceeding or acquisition.

ARTICLE VIII.
FALLSGROVE PROPERTY OWNERS ASSOCIATION, INC.
and
FALLSGROVE RECREATION ASSOCIATION, INC.

8.1. Fallsgrove Property Owners Association, Inc.

8.1.1. It is understood that the property subject to this Declaration is further subject to certain provisions of a certain Fallsgrove Property Owners Association, Inc. Master (Declaration of Covenants, Conditions and Restrictions) recorded among the Land Records of

Montgomery County, Maryland at Liber 17906, Folio 451 (as amended, the "Community Declaration"), which, among other things, created the Fallsgrove Property Owners Association, Inc., the master homeowners' association for the Fallsgrove development. Among the provisions of the Community Declaration is the obligation to pay general and local assessments to the Community Association, which obligation is enforceable by means of a lien on the Units in the Condominium. Unit Owners shall pay such assessments to the Council of Unit Owners, which shall act as agent for, and remit the assessments to, the Community Association on a monthly basis without charge to the Association. The lien for assessments payable to the Community Association shall be enforceable by the Community Association in the manner set forth in the Community Declaration; provided, however, that the Council of Unit Owners shall not be liable to the Community Association for the failure of individual unit owners to remit payment of assessments payable to the Community Association to the Council of Unit Owners for payment to the Community Association.

8.1.2. The Community Declaration contains various "protective covenants" which are binding upon the Condominium Units and the Property subject hereto and are in addition to covenants and obligations created by this Declaration and the Bylaws. The Community Declaration also provides for various easements in favor of the Declarants, Developers and the Master Association (all as defined in the Community Declaration) which may encumber and be binding upon the Condominium Units and the Property subject hereto.

8.2. Fallsgrove Recreation Association, Inc.

8.2.1. It is understood that the property subject to this Declaration is further subject to certain provisions of a certain Fallsgrove Recreation Association, Inc. Declaration of Covenants, Conditions and Restrictions recorded among the Land Records of Montgomery County, Maryland at Liber _____, Folio ____ (as amended, the "Recreation Declaration"), which, among other things, created the Fallsgrove Recreation Association, Inc. (the "Recreation Association"), the recreation association for the Fallsgrove development. Among the provisions of the Recreation Declaration is the obligation to pay an assessment to such association, which obligation is enforceable by means of a lien on the Units in the Condominium. Unit Owners shall pay such assessments to the Council of Unit Owners, which shall act as agent for, and remit the assessments to, such association on a monthly basis without charge to the Recreation Association. The lien for assessments payable to such association shall be enforceable by such association in the manner set forth in the Recreation Declaration; provided, however, that the Council of Unit Owners shall not be liable to such association for the failure of individual unit owners to remit payment of assessments payable to the Recreation Association to the Council of Unit Owners for payment to the Recreation Association.

8.2.2. The Recreation Declaration contains various "protective covenants" which are binding upon the Condominium Units and the Property subject hereto and are in addition to covenants and obligations created by this Declaration and the Bylaws. The Recreation Declaration also provides for various easements in favor of the Declarants and Owners (each as defined in the Recreation Declaration) which may encumber and be binding upon the

Condominium Units and the Property subject hereto.

**ARTICLE IX.
GENERAL**

9.1. Effectiveness. This Declaration shall become effective upon and only upon its having been executed and acknowledged by the Declarant and recorded among the Land Records of Montgomery County, Maryland.

9.2. Assignment.

9.2.1. The Declarant shall be entitled at any time to assign to any person or persons any or all of its right, title and interest hereunder (including, by way of example rather than of limitation, the Declarant's rights (and any proxy) under, or held pursuant to, the provisions of Articles VI) by an instrument which makes specific reference to this subsection, and is executed and delivered by the Declarant and recorded among the Land Records of Montgomery County. Notwithstanding any such assignment, the Declarant shall remain liable for the performance of the obligations of the Declarant hereunder.

9.2.2. The Declarant from time to time hereafter may permit any right which it holds under the provisions of this Declaration to be exercised on its behalf by any of its officers, directors, employees or agents.

9.3. Amendment and Termination.

9.3.1. Except as provided in Sections 9.3.2 and 9.3.3 and in addition to the requirements of Section 9.3.4, this Declaration and the Condominium Plat may be amended with and only with the prior, express written consent thereto of eighty percent (80%) of the Unit Owners, acting in accordance with the provisions of the Act.

9.3.2. Notwithstanding the provisions of Section 9.3.1, this Declaration and the Condominium Plat may be amended with and only with the prior express, written consent thereto of each Unit Owner and each Mortgagee acting in accordance with the provisions of the Act if:

(a) such amendment would effect a change in (i) the boundaries of any Unit, (ii) the individual percentage interest in the Common Elements or the percentage interest in the Common Expenses and Common Profits which is appurtenant to any Unit, or (iii) the number of Votes held by the Unit Owner of any Unit;

(b) such amendment would permit any Unit to be used for other than a residential use;

(c) such amendment would modify in any way rights expressly reserved for the benefit of the Declarant (including, without limitation, the provisions of Section 6.3, Section 9.2 and Section 9.3.3(c)) or provisions required by any governmental authority (including, without limitation, Article VII and Section 9.3.4) or provisions for the benefit of any public utility, any such amendment also requiring the express written consent of the Declarant, regardless of whether the Declarant is then a Unit Owner;

(d) such amendment would redesignate General Common Elements as Limited Common Elements (or vice versa); or

(e) such amendment would modify this Section 9.3.2.

9.3.3. Anything contained in any of the provisions of this Declaration to the contrary notwithstanding:

(a) for purposes of the provisions of Section 9.3.1, an amendment of the Bylaws in accordance with the provisions thereof shall not be deemed an amendment of this Declaration;

(b) the Bylaws may be amended by and only by the affirmative vote of Unit Owners having at least sixty-six and two-thirds percent (66-2/3%) of the total number of Votes then held by all of the Unit Owners;

(c) the Declarant may, without obtaining the consent thereto of any Unit Owner or Mortgagee, amend this Declaration, the Bylaws or the Condominium Plat if and only if such amendment is (in the Declarant's reasonable opinion) necessary to correct obvious typographical, mathematical or similar errors therein; and

(d) nothing in the foregoing provisions of Sections 9.3.1 and 9.3.2 shall be deemed in any way to require the consent of each Unit Owner and each Mortgagee to any amendment of this Declaration made pursuant to the provisions of Section 11-107(d) or Section 11-115 of the Act, so long as such amendment is made in accordance with such provisions of the Act.

9.3.4. Anything contained in any of the provisions of this Declaration notwithstanding, this Declaration and the Condominium Plat may be amended with and only with the approval of Eligible Mortgagees who represent at least fifty-one percent (51%) of the Votes of Units that are subject to Mortgages held by Eligible Mortgagees if the amendment would effect a change in:

(a) Voting rights;

(b) increases in assessments that raise the previously assessed amount by more than 25%, assessment liens, and/or the priority of assessment liens;

- (c) reduction in reserves for maintenance, repair and replacement of the Common Elements;
- (d) responsibility for maintenance and/or repairs;
- (e) reallocation of the individual percentage interests in the Common Elements or the rights to use Limited Common Elements and General Common Elements;
- (f) redefinition of the boundaries of Units other than as referred to in Section 9.3.3(d);
- (g) conversion of Units into Common Elements or vice versa;
- (h) hazard or fidelity insurance requirements;
- (i) any restrictions on the leasing or use of Units;
- (j) the imposition of any restrictions on a Unit Owner's right to sell or transfer his Unit;
- (k) a decision by the Council of the Unit Owners to establish self-management;
- (l) any provision requiring the restoration or repair of the Condominium after a casualty or condemnation; and
- (m) any provisions that expressly benefit mortgage holders, insurers or guarantors.

9.3.5. Any amendment to this Declaration shall become effective upon and only upon the recordation of an appropriate amendatory instrument or plat among the Land Records of Montgomery County.

9.3.6. Except as is otherwise provided in this Declaration, the Condominium regime may be terminated with and only with (a) the prior express written consent thereto of eighty percent (80%) of the Unit Owners acting in accordance with the provisions of the Act, (b) the approval of Eligible Mortgagees, if such termination is upon substantial destruction of the Condominium or the condemnation thereof, and (c) the approval of Eligible Mortgagees who represent at least sixty-seven percent (67%) of the Votes of Units that are subject to Mortgages held by Eligible Mortgagees, if such termination is for other reasons.

9.3.7. An Eligible Mortgagee shall be deemed to have approved any action referred to in Sections 9.3.4, 9.3.6 or 6.7.2 if the Eligible Mortgagee fails to submit a response to

any written proposal with respect to the foregoing within thirty (30) days after such Eligible Mortgagee receives notice of the proposal, provided the notice was delivered by certified or registered mail, with a return receipt requested.

9.4. Waiver. Neither the Declarant nor the Council shall be deemed to have waived the exercise of any right which it holds hereunder unless such waiver is made expressly and in writing. Without limiting the generality of the foregoing, no delay or omission by the Declarant or the Council in exercising any such right shall be deemed to be a waiver of the exercise thereof. No such waiver made with respect to any instance involving the exercise of any such right shall be deemed to be a waiver with respect to any other instance involving the exercise thereof, or with respect to any other such right.

9.5. Applicable Law. This Declaration shall be given effect and construed by application of the law of Maryland.

9.6. Headings. The headings of the articles, sections, subsections, paragraphs and subparagraphs hereof are provided herein for and only for convenience of reference, and shall not be considered in construing the contents thereof.

9.7. Severability. No determination by any court, governmental or administrative body or otherwise that any provision of this Declaration, the Bylaws, the Condominium Plat or any amendment thereof is invalid or unenforceable in any instance shall affect the validity or enforceability of (a) any other provision thereof, or (b) such provision in any instance which is not controlled by such determination. Each such provision shall be valid and enforceable to the fullest extent allowed by law, and shall be construed wherever possible as being consistent with applicable law.

9.8. Construction. All references made herein in the neuter, masculine or feminine gender shall be deemed to have been made in all such genders, and in the singular or plural number shall be deemed to have been made, respectively, in the plural or singular number as well.

9.9. Contract Purchasers and Lessees. Nothing in the provisions of this Declaration or the Bylaws shall be deemed in any way to condition the effectiveness of any action upon the consent thereto or joinder therein of any Contract Purchaser or lessee of a Unit, notwithstanding that such effectiveness may be conditioned upon the consent thereto or joinder therein of the Unit Owner of such Unit.

9.10. Exhibits. Each writing or plat which is referred to herein as being attached hereto as an exhibit or is otherwise designated herein as an exhibit hereto is hereby made a part hereof.

9.11. General Plan of Development.

9.11.1. The provisions of this Declaration, the Bylaws and the Condominium Plat shall conclusively be deemed to be part of a general plan or scheme of development and use for the Condominium and, as such, to be covenants running with, binding upon, benefiting and burdening the respective titles to each Unit and the Common Elements.

9.11.2. Subject to the provisions of the Act, if any Unit Owner, lessee or family member of a Unit Owner or other person fails to comply with any of the provisions of this Declaration, the Bylaws, the Rules and Regulations or the Condominium Plat, such failure shall give rise to a cause of action for the recovery of damages, injunctive relief or both, in the Council and each Unit Owner (including the Declarant if he is a Unit Owner), and the prevailing party shall be entitled to recover all of its expenses incurred in bringing such an action against such person. In addition, each Unit Owner shall have a similar right of action against the Council of Unit Owners if the Council of Unit Owners fails to comply with the provisions of this Declaration, the Bylaws, the Rules and Regulations or the Condominium Plat.

9.11.3. Both the Declarant, by delivering to any person a deed conveying to him the title to a Unit, and such person, by accepting such delivery, shall be deemed thereby to have agreed with each other, the Council and each other Unit Owner, to be bound by the provisions of this Declaration, the Bylaws and the Condominium Plat.

9.12. Liability of Unit Owners. The liability of each person who, together with one or more other persons, is a Unit Owner or a lessee for the adherence to the terms and the satisfaction of the conditions hereof and of the Bylaws shall be joint and several.

9.13. Notices.

9.13.1. Any notice, demand, consent, approval, request or other communication or document to be provided hereunder to the Declarant, the Council, a Unit Owner or any other person shall be in writing, and shall be provided by first-class mail, postage prepaid, or by hand delivery.

9.13.2. Anything contained in the provisions of this Declaration to the contrary notwithstanding, unless a Unit Owner has notified the Council of its status as such and furnished the Council with its Notice Address in accordance with the provisions of the Bylaws, such person shall have no right under the provisions thereof or of this Declaration (a) to be given any notice, demand, consent, approval, request or other communication or document by the Council, (b) to participate in the consideration of or cast any vote on any question voted upon by the Membership, or (c) otherwise to be recognized as such by the Council.

9.14. Waiver of Reversionary Right. The provisions of this Declaration shall not be construed as conditions subsequent, or as creating a possibility or reverter, and no provision hereof shall be deemed to vest in the Declarant or any other person any reversionary right with respect to any Unit or the Common Elements. Any such reversionary right is hereby expressly waived.

9.15. Declarant's Affirmation Pursuant to Section 11-102.1 of the Act. The Declarant hereby affirms under penalty of perjury that the notice requirements of Section 11-102.1 of the Act, if applicable to this Declaration or to the Condominium, have been fulfilled.

9.16. Declarant's Power of Attorney. The Declarant hereby reserves for itself, its successors, transferees and assigns, for a period of seven (7) years from the date the first Unit is conveyed to an individual purchaser, or until it conveys title to the last Unit, whichever occurs first, the right to execute on behalf of all Contract Purchasers, Unit Owners, Eligible Mortgagees, Mortgagees, mortgagees, and other lienholders or parties claiming a legal or equitable interest in the Condominium, any such agreements, documents, amendments or supplements to this Declaration, the Bylaws or the Condominium Plat which may be so required by FNMA, FHA, VA, FHLMC, GNMA or by any governmental or quasi-governmental agency having regulatory jurisdiction over the Condominium, or institutional lender or title insurance company designated by the Declarant.

9.16.1. By acceptance of a deed to any Unit or by the acceptance of any other legal or equitable interest in the Condominium, each and every such Contract Purchaser, Unit Owner, Eligible Mortgagee, Mortgagee, mortgagee or other lienholder or party having a legal or equitable interest in the Condominium does automatically and irrevocably name, constitute, appoint and confirm the Declarant, its successors, transferees and assigns, as attorney-in-fact for the purpose of executing such agreement, document, amendment, supplement and other instrument(s) necessary to effect the foregoing subject to the limitations set forth herein.

9.16.2. No such agreement, document, amendment, supplement or other instrument which adversely affects the value or substantially alters the floor plan of a Unit, or changes the percentage interest appurtenant to such Unit as determined pursuant to Article IV, or substantially increases the financial obligations of the Unit Owner, or reserves any additional or special privileges for the Declarant not previously reserved, shall be made without the prior written consent of the affected Unit Owner(s) and all owners of any mortgage(s) encumbering the Unit(s) owned by the affected Unit Owner(s). Any such agreement, document, amendment, supplement or instrument which adversely affects the priority or validity of any mortgage which encumbers any Unit shall not be made without the prior written consent of the owners of all such mortgages.

9.16.3. The power of attorney aforesaid is expressly declared and acknowledged to be coupled with an interest in the subject matter hereof and the same shall run with the title to any and all Units and be binding upon the heirs, personal representatives, successors, transferees and assigns of any of the foregoing parties. Further, said power of attorney shall not be affected by the death or disability of any principal and is intended to deliver all right, title and interest of the principal in and to said power of attorney. Said power of attorney shall be vested in the Declarant, its successors, transferees and assigns until the initial conveyance of all Units planned to be within the Condominium of the expiration of same.

9.17. HUD, VA, FHA, FNMA, FHLMC and/or GNMA Approval. In the event of any

conflict between any rules, regulations or requirements of HUD, VA, FHA, FNMA, FHLMC and/or GNMA and any provision of this Declaration or the Bylaws or in the event of any omission of any requirement of HUD, VA, FHA, FNMA, FHLMC and/or GNMA from this Declaration or the Bylaws, this Declaration and/or the Bylaws shall be deemed to be modified such that the HUD, VA, FHA, FNMA, FHLMC and/or GNMA rule, regulation or requirement shall control in the event of a conflict or this Declaration and/or the Bylaws shall be deemed to be supplemented in the event of any such omission.

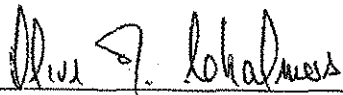
IN WITNESS WHEREOF, Declarant has executed this Declaration under its corporate seal as of the day and year first above written.

WITNESS: BP FALLSGROVE LLC

By: Thomas Farm, LLC,
Managing Member

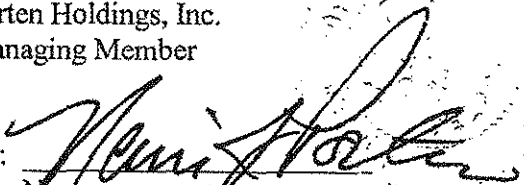
By: BA Thomas Farm, LLC
Managing Member

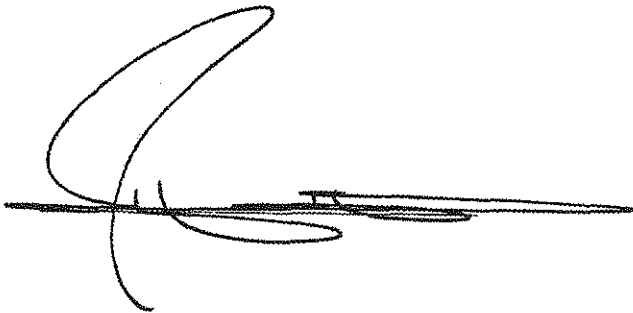
By: Bozzuto & Associates, Inc.
Managing Member

By: 
Name: OLIVE M. CHALMERS
Title: VICE PRESIDENT

By: PC Thomas Farm, LLC
Managing Member

By: Porten Holdings, Inc.
Managing Member

By: 
Name: Nanci L. Porten
Title: Chairman of the Board/CEO

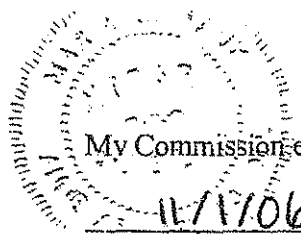


ACKNOWLEDGEMENT

STATE OF MARYLAND, COUNTY OF PRINCE GEORGE'S, TO WIT:

I HEREBY CERTIFY that on this 20th day of June, 2004, before me, the subscriber, a Notary Public of the State of Maryland, personally appeared OLIVE M. CHAMBERS, who acknowledged ~~himself~~ to be the VICE PRESIDENT of Bozzuto & Associates, Inc., and that ~~she~~ as such VICE PRESIDENT, being authorized so to do executed the foregoing instrument on behalf of such corporation in its capacity as the Managing Member of BA Thomas Farm, LLC, the Managing Member of Thomas Farm, LLC, the Managing Member of BP Fallsgrove LLC, for the purposes therein contained by signing the name of the corporation by ~~her~~ himself as such VICE PRESIDENT.

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



My Commission expires:

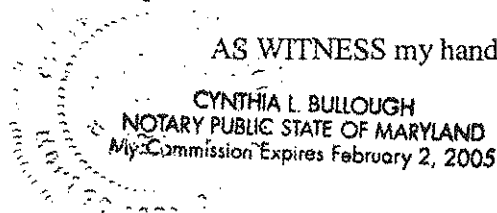
11/1/06

Maria X Faur
Notary Public

STATE OF MARYLAND, COUNTY OF PRINCE GEORGE'S, TO WIT:

I HEREBY CERTIFY that on this 3rd day of June, 2004, before me, the subscriber, a Notary Public of the State of Maryland, personally appeared Nanci J. Portico, who acknowledged herself to be the CHAIRMAN/CEO of Porten Holdings, Inc., and that she as such CHAIRMAN/CEO, being authorized so to do executed the foregoing instrument on behalf of such corporation in its capacity as the Managing Member of PC Thomas Farm, LLC, the Managing Member of Thomas Farm, LLC, the Managing Member of BP Fallsgrove LLC, for the purposes therein contained by signing the name of the corporation by herself as her free act and deed as such CHAIRMAN/CEO.

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



CYNTHIA L. BULLOUGH
NOTARY PUBLIC STATE OF MARYLAND
My Commission Expires February 2, 2005

My Commission expires:

February 2, 2005

Cynthia J Bullough
Notary Public

JOINDER AND CONSENT OF BENEFICIARY

Wachovia Bank, National Association, as beneficiary under that certain Indemnity Deed of Trust and Security Agreement dated December 26, 2001, as amended, and recorded among the Land Records of Montgomery County, Maryland ("Land Records") in Liber 10210, folio 442 and re-recorded among the Land Records in Liber 21088, folio 363, as amended by the Amendment to Indemnity Deed of Trust and Security Agreement dated March 31, 2003 and recorded among the Land Records in Liber 23456, folio 207 and that certain Indemnity Second Deed of Trust and Security Agreement dated March 31, 2003 and recorded among the Land Records in Liber 23456, folio 218, each granted by BP Fallsgrove LLC (collectively, the "Deed of Trust"), hereby joins in the aforesaid Declaration for the sole purpose of expressing consent thereto and of binding, subjecting and subordinating the Deed of Trust and its interest in the property encumbered by the Deed of Trust to the terms of the aforesaid Declaration of Condominium and the Condominium Plat.

WITNESSETH:

WACHOVIA BANK, NATIONAL ASSOCIATION

Carly Sinker

By: Margaret J. Dunsmore
Name: Margaret J. Dunsmore
Title: Vice President

VIRGINIA

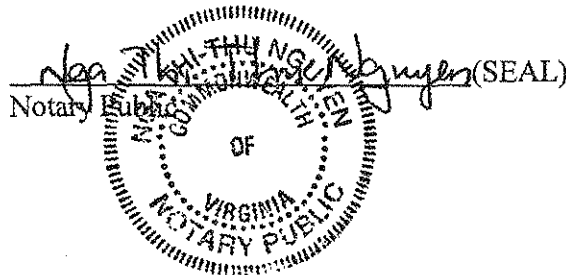
FAIRFAX

STATE OF ~~MARYLAND~~, COUNTY OF MONTGOMERY to wit:

I HEREBY CERTIFY, that on this 13th day of July, 2004, before me, the undersigned Notary Public of the State of Maryland, personally appeared Margaret J. Dunsmore known to me (or satisfactorily proved) to be the Vice President of Wachovia Bank, National Association, who executed the foregoing instrument, and acknowledged that he/she executed the same in the capacity and for the purposes therein recited.

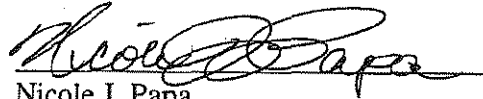
IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

My Commission Expires:
August 31, 2007



CERTIFICATION

THE UNDERSIGNED hereby certifies that the above instrument was prepared by an attorney admitted to practice before the Court of Appeals of Maryland, or under the supervision of an attorney admitted to practice before the Court of Appeals of Maryland, or by one of the parties named in the instrument.



Nicole J. Papa

EXHIBIT A

DESCRIPTION OF THE LAND
SUBJECT TO THE CONDOMINIUM

185357v3 BJH
006100-0128

**DESCRIPTION OF
OWNERSHIP PARCEL BI-4**

Being a strip or parcel of land lying in the Rockville (4th) Election District, Montgomery County, Maryland, and being a part of the property acquired by JPI Rockville, L.L.C. from Riggs Bank N.A. (formerly known as Riggs National Bank of Washington, D.C.), a national banking association, personal representative under the estate of Katherine G. Thomas, deceased, probated in the Orphan's Court for Montgomery County, Maryland, by deed dated February 28, 2000 and recorded among the Land Records of Montgomery County, Maryland in Liber 17906 at Folio 246, said JPI Rockville, L.L.C. now being known as BP Fallsgrove, L.L.C., and also being a part of Parcel BI, Block EE, as shown on a subdivision record plat entitled "Subdivision Record Plat, Parcel BI, Block EE, Plat 57, Fallsgrove" and recorded among said Land Records as Plat Number 22024; and being more particularly described as follows

Beginning at point at the northwesterly end of the South $51^{\circ}02'20''$ East, 26.99' line of Parcel BI as shown on said Plat No. 22024; thence with said line and with the outline of Parcel BI

1. South $51^{\circ}02'20''$ East, 26.99 feet to a point; thence
2. South $26^{\circ}48'32''$ East, 414.09 feet to a point; thence leaving the outline of Parcel BI to cross and include a part thereof
3. South $62^{\circ}50'00''$ West, 190.10 feet to a point; thence
4. North $27^{\circ}10'00''$ West, 342.80 feet to a point on curve no. 3 of Parcel BI; thence with a part of said curve and with the outline of Parcel BI
5. 209.38 feet along the arc of a curve deflecting to the left, having a radius of 314.50 feet and a chord bearing North $35^{\circ}00'06''$ East, 205.54 feet to a point to the point of beginning, containing 72,770 square feet or 1.6706 acres of land more or less.

Subject to any and all easements, rights of way, and covenants of record.

Building & Unit addresses for Bldg. 1

9405 Blackwell Road, Rockville MD 20850, #101
9405 Blackwell Road, Rockville MD 20850, #102
9405 Blackwell Road, Rockville MD 20850, #103
9405 Blackwell Road, Rockville MD 20850, #104
9405 Blackwell Road, Rockville MD 20850, #105
9405 Blackwell Road, Rockville MD 20850, #106
9405 Blackwell Road, Rockville MD 20850, #107
9405 Blackwell Road, Rockville MD 20850, #108
9405 Blackwell Road, Rockville MD 20850, #109
9405 Blackwell Road, Rockville MD 20850, #201
9405 Blackwell Road, Rockville MD 20850, #202
9405 Blackwell Road, Rockville MD 20850, #203
9405 Blackwell Road, Rockville MD 20850, #204
9405 Blackwell Road, Rockville MD 20850, #205
9405 Blackwell Road, Rockville MD 20850, #206
9405 Blackwell Road, Rockville MD 20850, #207
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9405 Blackwell Road, Rockville MD 20850, #401
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9405 Blackwell Road, Rockville MD 20850, #407
9405 Blackwell Road, Rockville MD 20850, #408
9405 Blackwell Road, Rockville MD 20850, #409
9405 Blackwell Road, Rockville MD 20850, #410
9405 Blackwell Road, Rockville MD 20850, #411
9405 Blackwell Road, Rockville MD 20850, #412

Internal Garage Units - 30

9405 Blackwell Road, Rockville MD 20850, G-1

9405 Blackwell Road, Rockville MD 20850, G-2
9405 Blackwell Road, Rockville MD 20850, G-3
9405 Blackwell Road, Rockville MD 20850, G-4
9405 Blackwell Road, Rockville MD 20850, G-5
9405 Blackwell Road, Rockville MD 20850, G-6
9405 Blackwell Road, Rockville MD 20850, G-7
9405 Blackwell Road, Rockville MD 20850, G-8
9405 Blackwell Road, Rockville MD 20850, G-9
9405 Blackwell Road, Rockville MD 20850, G-10
9405 Blackwell Road, Rockville MD 20850, G-11
9405 Blackwell Road, Rockville MD 20850, G-12
9405 Blackwell Road, Rockville MD 20850, G-13
9405 Blackwell Road, Rockville MD 20850, G-14
9405 Blackwell Road, Rockville MD 20850, G-15
9405 Blackwell Road, Rockville MD 20850, G-16
9405 Blackwell Road, Rockville MD 20850, G-17
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9405 Blackwell Road, Rockville MD 20850, G-23
9405 Blackwell Road, Rockville MD 20850, G-24
9405 Blackwell Road, Rockville MD 20850, G-25
9405 Blackwell Road, Rockville MD 20850, G-26
9405 Blackwell Road, Rockville MD 20850, G-27
9405 Blackwell Road, Rockville MD 20850, G-28
9405 Blackwell Road, Rockville MD 20850, G-29
9405 Blackwell Road, Rockville MD 20850, G-30

External Garages - 4

9405 Blackwell Road, Rockville MD, A-1
9405 Blackwell Road, Rockville MD, A-2
9405 Blackwell Road, Rockville MD, A-3
9405 Blackwell Road, Rockville MD, A-4

Storage Units - 8

9405 Blackwell Road, Rockville MD, S-1
9405 Blackwell Road, Rockville MD, S-2
9405 Blackwell Road, Rockville MD, S-3
9405 Blackwell Road, Rockville MD, S-4
9405 Blackwell Road, Rockville MD, S-5
9405 Blackwell Road, Rockville MD, S-6
9405 Blackwell Road, Rockville MD, S-7
9405 Blackwell Road, Rockville MD, S-8

EXHIBIT 'B'
PERCENTAGE INTERESTS & VOTES

FALLSGROVE CONDOMINIUM I
 PERCENT INTEREST & VOTING SCHEDULE

Residential Units - 49				
101	M3	1061	1.82592%	1
102	B2	1653	1.82592%	1
103	A1	1397	1.82592%	1
104	M1	910	1.82592%	1
105	M2	858	1.82592%	1
106	M1	910	1.82592%	1
107	A1	1396	1.82592%	1
108	B2	1642	1.82592%	1
109	M3	1053	1.82592%	1
201	F	3073	1.82592%	1
202	B1	1663	1.82592%	1
203	D	2049	1.82592%	1
204	D	2052	1.82592%	1
205	C	1704	1.82592%	1
206	C1	1755	1.82592%	1
207	A1	1395	1.82592%	1
208	E	2689	1.82592%	1
209	A1	1400	1.82592%	1
210	C1	1752	1.82592%	1
211	C	1704	1.82592%	1
212	D	2049	1.82592%	1
213	D	2059	1.82592%	1
214	B1	1664	1.82592%	1
301	F	3073	1.82592%	1
302	B1	1663	1.82592%	1
303	D	2049	1.82592%	1
304	D	2052	1.82592%	1
305	C	1704	1.82592%	1
306	C1	1755	1.82592%	1
307	A1	1395	1.82592%	1
308	E	2689	1.82592%	1
309	A1	1400	1.82592%	1
310	C1	1752	1.82592%	1
311	C	1704	1.82592%	1
312	D	2049	1.82592%	1
313	D	2059	1.82592%	1
314	B1	1664	1.82592%	1
401	F	3073	1.82592%	1
402	B1	1663	1.82592%	1
403	D	2049	1.82592%	1
404	D	2052	1.82592%	1
405	C	1704	1.82592%	1
406	G	3107	1.82592%	1
407	E	2075	1.82592%	1
408	G	3119	1.82592%	1
409	C	1704	1.82592%	1

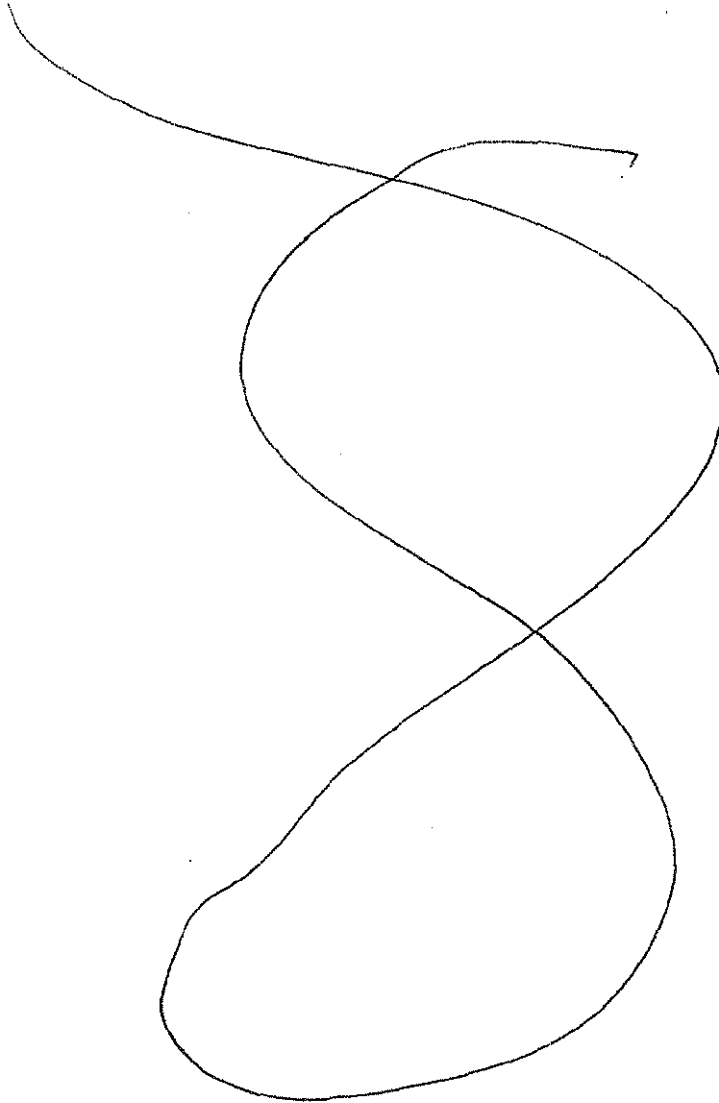
410	D	2049	1.82592%	1
411	D	2059	1.82592%	1
412	B1	1664	1.82592%	1
<u>Internal Garage Units - 30</u>				
G-1	-	641	0.30500%	0
G-2	-	641	0.30500%	0
G-3	-	223	0.30500%	0
G-4	-	247	0.30500%	0
G-5	-	247	0.30500%	0
G-6	-	247	0.30500%	0
G-7	-	251	0.30500%	0
G-8	-	247	0.30500%	0
G-9	-	288	0.30500%	0
G-10	-	265	0.30500%	0
G-11	-	270	0.30500%	0
G-12	-	270	0.30500%	0
G-13	-	270	0.30500%	0
G-14	-	264	0.30500%	0
G-15	-	289	0.30500%	0
G-16	-	290	0.30500%	0
G-17	-	265	0.30500%	0
G-18	-	270	0.30500%	0
G-19	-	270	0.30500%	0
G-20	-	270	0.30500%	0
G-21	-	266	0.30500%	0
G-22	-	290	0.30500%	0
G-23	-	249	0.30500%	0
G-24	-	250	0.30500%	0
G-25	-	246	0.30500%	0
G-26	-	246	0.30500%	0
G-27	-	246	0.30500%	0
G-28	-	232	0.30500%	0
G-29	-	635	0.30500%	0
G-30	-	645	0.30500%	0
<u>External Garages - 4</u>				
A-1	-	260	0.25000%	0
A-2	-	250	0.25000%	0
A-3	-	250	0.25000%	0
A-4	-	260	0.25000%	0
<u>Storage Units - 8</u>				
S-1	-	35	0.30000%	0
S-2	-	34	0.30000%	0
S-3	-	34	0.30000%	0
S-4	-	32	0.30000%	0
S-5	-	30	0.30000%	0
S-6	-	30	0.30000%	0
S-7	-	30	0.30000%	0

S-8

30

0.30000%

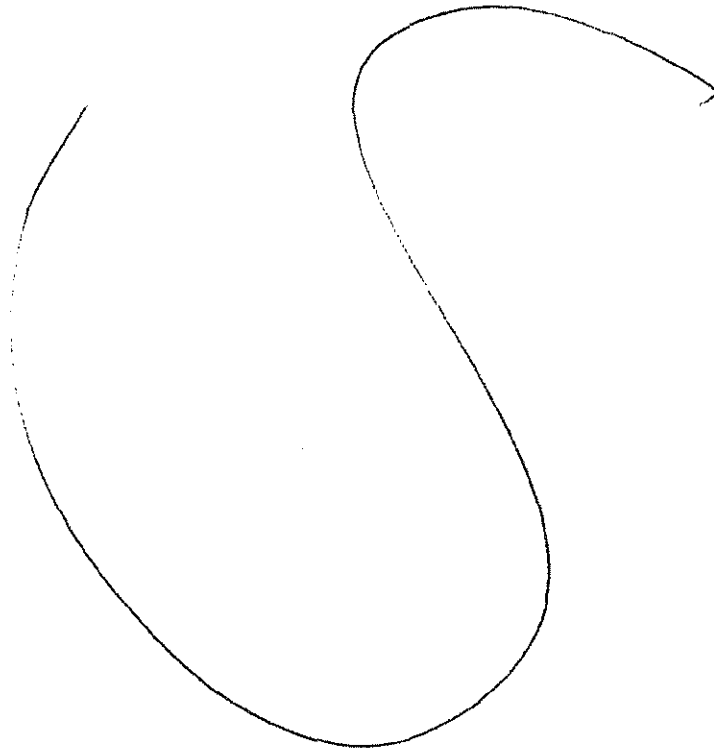
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EXHIBIT C

BYLAWS



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**CONDOMINIUM RESIDENCES I OF FALLSGROVE
BYLAWS**

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CONDOMINIUM RESIDENCES I OF FALLSGROVE
BYLAWS

ARTICLE I. GENERAL PROVISIONS.

Section 1.1 Definitions

1.1.1. Specifically Defined Terms.

- (a) As used in these Bylaws, any term which is defined in Section 1.1 of the Declaration shall be deemed to have the meaning ascribed to it therein.
- (b) As used in these Bylaws, the following terms have the meanings ascribed to them below:
- (1) "Annual Assessment" has the meaning ascribed to it in Section 3.1.1.
- (2) "Annual Membership Meeting" means an annual meeting of the Membership held pursuant to Section 2.3.2.
- (3) "Articles" means those Articles of Incorporation under which the Council is incorporated, as amended from time to time.
- (4) "Board Meeting" means a meeting of the Board of Directors held pursuant to Section 2.4.7.
- (5) "Condemnation" means either a taking in condemnation or by the exercise of a power of eminent domain or a conveyance made to a governmental or quasi-governmental authority which possesses such power, in settlement of any pending or threatened exercise thereof.
- (6) "Council" shall mean The Council of Unit Owners of Condominium Residences I of Falls Grove, Inc., a nonstock Maryland corporation.
- (7) "Council Property" means any and all real or personal property or other assets owned by the Council at any time.
- (8) "Declaration" means the instrument entitled "Declaration" which is recorded among the Land Records of Montgomery County, Maryland immediately prior to the recordation thereamong of the initial form of these Bylaws, and by which the property constituting the Condominium was subjected to the Condominium, as amended from time to time.

- (9) "Director" means a member of the Board of Directors.
- (10) "Emergency Special Assessment" has the meaning ascribed to it in Section 3.2(c).
- (11) "Emergency Special Expenditure" has the meaning ascribed to it in Section 3.2(b).
- (12) "Manager" means a person with whom the Council contracts to manage the Condominium and the Council's affairs pursuant to Section 2.4.10(b)(v).
- (13) "Membership Meeting" means an Annual Membership Meeting or a Special Membership Meeting.
- (14) "Notice Address" has the meaning ascribed to it in Section 9.2.
- (15) "Officers" means collectively, the President, the Vice-President, the Secretary, the Treasurer, each Assistant Secretary, each Assistant Treasurer, and the holder of each other office which the Board of Directors creates pursuant to Section 2.4.10(b)(xx).
- (16) "Proxy" means the right given, pursuant to the provisions of Section 2.3.7, by a Unit Owner to vote on questions voted upon at Membership Meetings.
- (17) "Proxy Holder" means a person who holds a Proxy.
- (18) "Special Assessment" has the meaning ascribed to it in Section 3.1.1.
- (19) "Special Membership Meeting" means a special meeting of the Membership held pursuant to Section 2.3.4.

(c) Any other term to which meaning is specifically ascribed by any provision of these Bylaws shall for purposes of these Bylaws be deemed to have such meaning.

1.1.2. Construction of Terms. Any term to which meaning is specifically ascribed by any provision of the Declaration or the Bylaws, and which is used in the Act, shall, wherever possible, be construed in a manner which is consistent with any construction of such term as so used in the Act. Where such consistency of construction is not possible, the meaning so ascribed shall govern to the extent allowed by law.

Section 1.2. Applicability of Bylaws.

1.2.1. Scope of Coverage. These Bylaws shall be applicable to and shall govern:

(a) the Council's administration of the Condominium's affairs, acting through its Officers, the Board of Directors or the Unit Owners;

(b) the ownership, sale, lease, pledge, assignment or other transfer, by the Declarant or any Unit Owner, Contract Purchaser, Mortgagee, lessee or other person, or any legal or equitable freehold, leasehold, security or other interest in:

(i) any Unit,

(ii) any undivided percentage interest in the Common Elements,

(iii) any percentage interest in the Common Expenses and Common Profits, or

(iv) any right to vote or other right of participation in the administration of the affairs of the Condominium or the Council; and

(c) the occupancy or other use of any Unit or the Common Elements by the Declarant, any Unit Owner, Contract Purchaser, Mortgagee, lessee or other person, or any agent, employee, invitee, visitor or guest thereof.

1.2.2. Persons Bound. Any Unit Owner, Contract Purchaser, Mortgagee, lessee or other person who (a) enters into or accepts the delivery of any instrument effecting the sale, conveyance, pledge, lease, assignment or other transfer of any interest referred to in the provisions of Section 1.2.1(b), or (b) occupies or otherwise uses any Unit or the Common Elements, or allows any of his agents, employees, invitees, visitors or guests or any other person to do so, shall conclusively be deemed thereby to have accepted and ratified the provisions of the Declaration, these Bylaws and the Rules and Regulations, as amended from time to time, and to have agreed to comply with and be bound by the same.

ARTICLE II. THE COUNCIL OF UNIT OWNERS.

Section 2.1. Function. In accordance with the provisions of Section 11-109 of the Act and Title 5, Subtitle 2 of the Corporations and Associations Article of the Code, the affairs of the Condominium shall be governed and administered by the Council. The Council shall be incorporated as a nonstock corporation. Unless and until changed by the Board of Directors, the mailing address of the Council shall be 6401 Golden Triangle Drive, Suite 200, Greenbelt, Maryland 20770.

Section 2.2. Powers and Duties.

2.2.1. General Powers. The Council shall have all of the rights and powers which are vested:

(a) in a council of unit owners by the provisions of the Act (to and only to the extent that the vesting of such powers is consistent with the provisions of the Declaration and these Bylaws); or

(b) in the Council by the provisions of the Declaration or these Bylaws.

2.2.2. Specific Powers. Without limiting the generality of the foregoing provisions of this Section 2.2, the Council shall have all of the following powers:

(a) to have perpetual existence, subject to the right to terminate the Condominium held by the Unit Owners pursuant to the provisions of the Declaration;

(b) to adopt and amend budgets for revenues, expenditures and reserves and collect Assessments for common expenses from Unit Owners;

(c) to sue, be sued, complain and defend in any court of law or equity of Maryland or any other jurisdiction;

(d) to transact its business, carry on its operations and exercise the rights and powers vested in it, as aforesaid, in any state, territory, district or possession of the United States, foreign country or other place;

(e) to make contracts and guarantees, incur liabilities and borrow money;

(f) to sell, mortgage, lease, pledge, exchange, convey, transfer or otherwise dispose of any or all of its property and assets;

(g) to issue bonds, notes and other obligations, and secure the same by mortgage, deed of trust or other security conveyance of any or all of its property and income;

(h) to acquire by purchase or lease or in any other manner, and to take, receive, own, hold, use, employ, improve and otherwise deal in and with, any real or personal property, including any Unit, or any interest therein, wherever located;

(i) to hire and terminate a Manager and other employees, agents and independent contractors;

(j) to invest its funds and lend money in any manner which is appropriate to enable it to carry on the operations or to fulfill the purposes which are set forth in the provisions of the Declaration or these Bylaws, and to take and hold real and personal property as security for the payment of funds so invested or loaned;

(k) to regulate the use, maintenance, repair, replacement and modification of Common Elements;

(l) subject to the provision of the Community Declaration and the Declaration, to cause additional improvements to be made as a part of the General Common Elements;

(m) to grant easements, rights-of-ways, licenses, leases in excess of one (1) year and similar interests in the General Common Elements in accordance with Section 11-125(f) of the Act and the Declaration;

(n) to impose charges for late payments of Assessments and, to the extent and in the manner permitted by the Act, to levy fines and/or penalties for violation of the Declaration, these Bylaws and the Rules and Regulations;

(o) to impose reasonable charges for the preparation and recordation of amendments to the Declaration, Bylaws, Rules and Regulations, resale certificates or statements of unpaid assessments;

(p) to provide for the indemnification of and maintain liability and errors and omissions insurance for Officers, Directors and any Manager or other employee charged with the operation or maintenance of the Condominium;

(q) to enforce the implied warranties made to the Council by the Declarant under Section 11-131 of the Act;

(r) to enforce the provisions of the Act, the Declaration, these Bylaws and the Rules and Regulations against any Unit Owner or any lessee or guest of a Unit Owner;

(s) to cancel contracts entered into during the developer control period as described in §11-133 of the Act; and

(t) generally, to exercise any and all rights which are vested in it, and to do every other act not inconsistent with law which is appropriate to promote and attain the purposes set forth in the Act, the Declaration or these Bylaws.

2.2.3. General Duties. The Council shall be charged with all of the duties which are imposed:

(a) upon a council of unit owners by the provisions of the Act;

(b) upon a nonstock corporation by the provisions of the Corporations and Associations Article of the Code; and

(c) upon the Council by the provisions of the Declaration or these Bylaws.

2.2.4. Specific Duties; Limitations.

(a) Without limiting the generality of the provisions of Section 2.2.3, the Council, through the Board of Directors, shall (i) govern and administer the affairs of the Condominium; (ii) establish the methods of and the procedures for collecting from the Unit Owners their respective Assessments and for paying to the Unit Owners their respective shares of the Common Profits; (iii) manage or arrange for the management of the Condominium and of all Council Property; and (iv) have such other duties as are specifically imposed upon the Board of Directors or any Officer by these Bylaws.

(b) Notwithstanding any other provision of the Declaration or these Bylaws, the Council may not file any claim on behalf of the Condominium or the Council without first, unless expiration of any applicable statute of limitations is imminent, (i) obtaining approval to file and bring such claim of a majority of Unit Owners present at a regularly scheduled or Special Membership Meeting at which a quorum pursuant to Section 2.3.5 exists, (ii) attempting to meet with a potential defendant in order to investigate the possibility of an early settlement of the lawsuit or claim, and (iii) giving the potential defendant notice of the claim or the potential litigation and a reasonable opportunity to cure the problem before the claim is filed. The Board of Directors shall be the sole judge of whether a cure plan and cure action have been reasonable.

Section 2.3. The Membership.

2.3.1. Composition. The membership of the Council shall consist of and be limited to all of the Unit Owners.

2.3.2. Annual Membership Meetings.

(a) First Annual Membership Meeting. The first Annual Membership Meeting shall be held on a date (but not on a Sunday or legal holiday) within sixty (60) days next after the date on which Units representing fifty percent (50%) of the Votes in the Condominium have been conveyed, and at a place in Montgomery County, Maryland, all as chosen by the Board of Directors.

(b) Except with respect to rights that Declarant determines it should reasonably continue to have in connection with the development, construction and operation of the Condominium (e.g., easement rights under Article VI of the Declaration), the Declarant shall relinquish all special rights, expressed or implied, through which the Declarant may directly or indirectly control, direct, modify or veto any action of the Council, any executive board thereof, or a majority of Unit Owners, and control shall pass to the Unit Owners, not later than the earlier of the following:

(i) one hundred twenty (120) days after the date by which seventy-five percent (75%) of the total number of Units have been conveyed to Unit purchasers; or

(ii) five (5) years from the date of recordation of this Declaration; provided, however, that if the Declarant is delayed in the improvement and

development of the Condominium property on account of a building permit moratorium or any other cause or event beyond the Declarant's control, then the aforesaid five (5) year period shall be extended by a period of time equal to the length of the delays or three (3) years, whichever is less.

2.3.3. Subsequent Annual Membership Meetings. Subsequent Annual Membership Meetings shall be held each year at a time between 7:00 p.m. and 8:30 p.m., on the first Tuesday of the month during which the first Annual Membership Meeting was held or at such other time and date as may be determined by the Board of Directors, and at a place in Montgomery County, Maryland. At each such subsequent Annual Membership Meeting, the Council shall elect the successors to each person whose term as a Director expires as of such Annual Membership Meeting and may transact any other business which properly comes before it.

(a) Notice of Annual Membership Meetings. By not later than ten (10), but not earlier than ninety (90), days before the date on which any Annual Membership Meeting is to be held, the Secretary shall give to each Unit Owner and each Proxy Holder a written notice to that effect, setting forth the purpose, date, time and place thereof.

2.3.4. Special Membership Meetings.

(a) Circumstances. A Special Membership Meeting may be held at any time for any purpose consistent with applicable law, the Declaration and these Bylaws, upon a call by the President or the Board of Directors. Each Special Membership Meeting shall be held on a date which is not a Sunday or a legal holiday, and at a place in Montgomery County, Maryland; provided, however, that a Special Membership Meeting may be had at any other date, time or place chosen by the President or the Board of Directors in any emergency situation, if a failure to do so could unreasonably jeopardize any of the Condominium or any Council Property, or the health, safety, comfort or welfare of the occupants of any Unit, or could impose an unreasonable burden upon the Council.

(b) When a Special Membership Meeting Shall be Called.

(i) The President or the Board of Directors may at any time call a Special Membership Meeting upon his or its own initiative, and shall in such event determine the date, time and place thereof. Without limitation upon the foregoing, the President may call a Special Membership Meeting in order to cause the Condominium to comply with Section 2.2.4 hereof.

(ii) The President shall call a Special Membership Meeting upon the Council's receipt, at any time after the first Annual Membership Meeting, of a petition requesting that such Special Membership Meeting be called, stating each intended purpose thereof, and signed by Unit Owners or Proxy Holders having at least twenty-five percent (25%) of the total number of Votes then outstanding. Whenever any such Special Membership Meeting is requested by any such petition, the President shall set a date therefor which is not later than ninety (90) days after the Council's receipt of such petition.

(c) Notice of Special Membership Meetings. By not later than ten (10), but not more than ninety (90), days before the date on which a Special Membership Meeting is to be held, the Secretary shall give to each Unit Owner and each Proxy Holder a written notice to that effect, setting forth the intended purpose, the date, the time and the place thereof; provided, however, that where a Special Membership Meeting is to be held in any emergency situation pursuant to the provisions of Section 2.3.4(b), and compliance with the foregoing provisions of this paragraph is not for that reason reasonably possible, the Secretary shall give to each Unit Owner and each Proxy Holder such notice thereof as is reasonably possible under the circumstances.

2.3.5. Quorum.

(a) The presence, on the date and at the time and place for which a Membership Meeting, including a Special Membership Meeting, is called of Unit Owners and Proxy Holders whose respective Votes constitute, in the aggregate, twenty-five percent (25%) of the total number of Votes which are then outstanding, shall be required for and shall constitute a quorum for such Membership Meeting, except with respect to Section 2.2.4(b) hereof, in which case the required percentage shall be fifty percent (50%) of the total number of Votes which are then outstanding.

(b) Once the Secretary of a Membership Meeting determines that a quorum exists therefor, the existence of such quorum shall not be affected by the subsequent withdrawal from the Membership Meeting of any Unit Owner or Proxy Holder.

2.3.6. Conduct of Membership Meetings.

(a) The President, if present, shall act as the chairman of and shall preside over each Membership Meeting. In the absence of the President at a Membership Meeting, it shall be chaired by the Vice-President, if present, or if not, by any other person who is present and elected chairman thereof by a plurality of the Votes. The chairman of each Membership Meeting shall preside over its conduct.

(b) The Secretary, if present, shall act as the secretary of each Membership Meeting. In the absence of the Secretary at a Membership Meeting, any Assistant Secretary shall, if present, act as the secretary thereof, and in the absence of any Assistant Secretary, any other person who is present and appointed secretary thereof by the chairman shall act as such. The secretary of each Membership Meeting shall (i) take the minutes thereof (and, if such person is not the Secretary, promptly after such Membership Meeting shall deliver the minutes to the Secretary); (ii) record the questions voted upon at such Membership Meeting and the results of such voting; (iii) shall be the judge of the eligibility under the provisions of Section 2.3.7 of any person to cast any Votes thereat; (iv) shall make the official count of the Votes cast on each such question; and (v) shall perform any other duty which under these Bylaws are to be performed by the secretary of such Membership Meeting as part of its order of business.

2.3.7. Voting at Membership Meetings.

(a) At any Membership Meeting, the persons entitled to vote shall consist of and only of the following persons:

(i) as to each Unit Owner for whom no Proxy is then in effect, such Unit Owner shall be entitled to cast the Votes appurtenant to his Unit; provided, however, that if such Unit Owner consists of more than one person, any such person who is present shall be entitled to cast such Votes, but if more than one such person is present, and such persons are not able to agree upon how to cast such Votes, then the secretary of the Membership Meeting shall allocate such Votes evenly among them; and

(ii) as to each Unit Owner for whom a Proxy is then in effect, the Proxy Holder shall be entitled to cast such Votes.

(b) The Secretary need not recognize any person as a Unit Owner or Proxy Holder at a Membership Meeting unless prior thereto the Unit Owner or Proxy Holder has furnished to the Secretary the information which is referred to in the provisions of Section 9.1.

(c) Except as may otherwise be set forth in any provision of the Declaration, these Bylaws or applicable law, each question voted upon at any Membership Meeting shall be decided by a majority of the Votes cast thereon, and whenever these Bylaws condition the effectiveness of any action upon the approval or authorization thereof by the Council or the Unit Owners, such condition shall be satisfied by the affirmative vote of a majority of the Votes cast thereon.

(d) A Unit Owner may give to any person a Proxy entitling such person to cast such Unit Owner's Votes on questions voted upon at any one or more Membership Meetings, but such Proxy shall only be effective until revoked, and unless such person is a lessee or Mortgagee of the Unit to which such Votes are attendant, such Proxy shall not be effective for more than one hundred eighty (180) days after its having been given. Any such Proxy shall only entitle the Proxy Holder to cast the Unit Owner's Votes at an election of Directors if such Proxy specifies the candidates for whom such Votes are to be cast. No person, other than the Declarant, may hold more than one Proxy at any time.

(e) Any Unit Owner, against whose Unit the Council has recorded an Assessment Lien, may not vote at any meeting of the Council or be elected to an office or to the Board of Directors unless the amount necessary to release the lien has been paid at or prior to the time of such meeting.

Section 2.4. The Board of Directors.

2.4.1. Composition; Qualifications of Directors.

(a) The Board of Directors shall consist of five (5) Directors.

(b) Each Director shall be (i) a natural person, and (ii) at least twenty-one (21) years old. A Director need not be a Unit Owner.

2.4.2. Terms of Directorships.

(a) The initial members of the Board of Directors shall be those persons named in the Articles and shall serve as Directors until the first Annual Membership Meeting, at which time their terms as Directors shall expire.

(b) (i) At the first Annual Membership Meeting, a successor shall be elected to each Director. The successor with the most votes shall be elected to serve for a term of three (3) years, the successor with the second most votes shall be elected to serve for two (2) years, and the successor with the third, fourth and fifth most votes shall be elected to serve for one (1) year.

(ii) At each subsequent Annual Membership Meeting, a successor shall be elected to the Director or Directors whose terms then expire, to serve for a term of three (3) years.

(c) Anything contained in the provisions of this subsection to the contrary notwithstanding, each Director shall serve as such until his successor has been elected and qualified.

2.4.3. Nomination of Directors.

(a) At least sixty (60) days before each Annual Membership Meeting, the President shall appoint a nominating committee of three (3) Unit Owners, at least one of whom shall be a Director. Such nominating committee, after considering the qualifications of prospective nominees, shall select one or more nominees for each directorship to be filled at such Annual Membership Meeting, and shall present its nominations to the Secretary by not later than thirty (30) days before such Annual Membership Meeting.

(b) Any Unit Owner may nominate a candidate for each directorship to be filled at any Annual Membership Meeting by presenting such nomination to the Secretary in a writing signed by such Unit Owner by not later than fifteen (15) days before the written list of such nominees is furnished to the Unit Owners pursuant to Section 2.4.3(c).

(c) By not later than ten (10) days before the date of such Annual Membership Meeting, each Unit Owner shall be furnished a written list of all nominees for directorships submitted pursuant to subparagraphs (a) or (b) above and shall be furnished with a ballot for the directorial election, on which the names of each candidate shall be either typed or printed and on which no preference shall be indicated for any candidate. Where there is more than one (1) candidate, their names shall be arranged in alphabetical order. Nominations may be made from the floor at the meeting at which the election to the Board of Directors is held.

2.4.4. Election of Directors.

(a) At each Annual Membership Meeting, there shall be held a separate election to fill the directorship of each Director whose term of office expires as of such Annual Membership Meeting, and any other directorship which is then vacant.

(b) The person who receives the greatest number of Votes cast in such election, shall be declared elected. Where more than one (1) directorship is being filled, a separate election shall be held for each directorship.

(c) Subject to the limitations of Section 2.3.7(a)(ii), each Unit Owner may cast his Votes in such election either while in attendance at such Membership Meeting or prior thereto by depositing his completed ballot with the Secretary, who shall open it at such Membership Meeting.

2.4.5. Filling Vacancies in Directorships. If any directorship becomes vacant by reason of a Director's death, resignation, retirement, disqualification, removal from office or otherwise, the remaining Directors, at a Board Meeting duly called for such purpose, shall elect his successor, who shall serve for the remainder of his term; provided, however, that if such position remains unfilled at the next Annual Membership Meeting, such successor shall be elected thereat by the Council, for the remainder of such term.

2.4.6. Removal of Directors. Any Director may be removed from his position as such, with or without cause, by the affirmative vote of Unit Owners having a majority of the outstanding Votes, at any Annual Membership Meeting, or at any Special Membership Meeting duly called for such purpose. Any Director who misses three (3) consecutive meetings of the Board of Directors shall be automatically removed from his position as a Director.

2.4.7. Board Meetings.

(a) A Board Meeting shall be held immediately upon adjournment of each Annual Membership Meeting and at the same place where such Annual Membership Meeting was held; provided, however, that a quorum of Directors must be present. If such quorum is not present, a Board Meeting shall be held as soon thereafter as is practicable; provided, however, that notice thereof is given to each Director and Unit Owner by not later than five (5) days prior thereto.

(b) Thereafter, a Board Meeting shall be held at such time and place as may be fixed from time to time by resolution of the Board of Directors.

(c) Once the date, time and place of the regular Board Meetings are selected, such regular Board Meetings may thereafter be held without notice to the Director of such date, time and place (which may not be changed unless notice of such change is given to the Directors and Unit Owners in the same manner as for a special Board Meeting).

(d) A special Board Meeting may be called by the President on not less than two (2) days' notice given in writing, in person or by telephone or wire to each Director and to each Unit Owner, and must be called on the demand of two or more Directors.

(e) Notice of a regular or special Board Meeting need not be given to any Director who submits a waiver of such notice either before or after such Board Meeting. A Director's attendance at a Board Meeting shall be deemed to be a waiver by him of his right to be given notice thereof.

2.4.8. Quorum. At each Board Meeting, the presence in person of a majority of the Directors shall constitute a quorum for the transaction of business, except as is otherwise expressly provided in these Bylaws or by applicable law. Each Director shall be entitled to cast one (1) vote upon each question which comes before the Board of Directors, and the decision of a majority of the Directors present at a Board Meeting at which a quorum is present shall be the decision of the Board of Directors. If at any Board Meeting a quorum is not present, a majority of the Directors who are present may adjourn the Board Meeting from time to time and, at any such adjourned Board Meeting at which a quorum is present, any business that might have been transacted at the Board Meeting as originally called may be transacted without further notice to any Director.

2.4.9. Unit Owners' Attendance at Board Meetings.

(a) Unless, pursuant to the provisions of Section 11-109.1 of the Act the Board of Directors is entitled to close a Board Meeting and affirmatively votes to do so in the manner required under Section 11-109.1, each Unit Owner shall be entitled to attend any Board Meeting, but no Unit Owner, other than a Unit Owner who is a Director, shall have any right to vote upon or (except with respect to that Board Meeting at which the Council's budget is to be approved and adopted pursuant to Section 3.1.4) any question coming before such Board Meeting. Each Unit Owner shall be given notice of all Board Meetings, which notice may be given in a single annual notice setting forth the date, time and location of all Board Meetings for such year.

(b) Each Unit Owner and Proxy Holder shall have the right to be heard on the question of the approval and adoption of the Council's budget at the Board Meeting at which such actions are to be taken. By not later than thirty (30) days before the date on which such Board Meeting is to be held, the Secretary shall give to each Unit Owner and each Proxy Holder a written notice to such effect, setting forth the intended purposes thereof, the date, time and place thereof, and a copy of the budget proposed to be adopted by the Board of Directors at such Board Meeting.

2.4.10. Powers and Duties of the Board of Directors.

(a) All of the Council's business and affairs shall be managed, and all of its rights, powers and duties shall be exercised and performed on its behalf, by the Board of Directors and the Officers in accordance with the provisions of Section 2.4; provided, however, that nothing in the foregoing provisions of this paragraph shall be deemed in any way to alter or impair the operation and effect of any provision of the Act, the Corporations and Associations Article of the Code, other applicable law, the Declaration or these Bylaws pursuant to which the Council's

right to take any action is conditioned upon such action's having been authorized or approved by the Unit Owners. Any provisions of the Declaration or these Bylaws notwithstanding, the Board of Directors shall not be authorized to take any "Extraordinary Actions" (as defined below) without the affirmative vote of Unit Owners representing two-thirds (2/3) of the Votes present and voting. As used herein, the term "Extraordinary Actions" shall mean any and all actions taken by or on behalf of the Council of Unit Owners which would reasonably require the expenditure of funds in excess of Fifteen Thousand Dollars (\$15,000). However, Extraordinary Actions shall not be deemed to include actions relating solely to "Emergency Special Expenditures" (as hereinafter defined).

(b) Without limiting the generality of the foregoing provisions of this subsection, but subject to the last sentence of Section 2.4.10(a), the Board of Directors shall have the right and power to cause the Council to take each of the following actions:

(i) Management of the Common Elements. to operate, manage, maintain, renew, replace, repair and protect the Common Elements and all Council Property;

(ii) Preparation of Budget. to prepare and adopt a budget of the estimated Common Expenses, Common Profits and Assessments for the Council's next succeeding fiscal year, in accordance with the provisions of Article III;

(iii) Assessments. to levy Assessments in accordance with the provisions of Article III hereof;

(iv) Expenditures. to authorize the use and expenditure of any or all funds of the Council for the operation, management, maintenance, renewal, replacement, repair and protection of the Common Elements and Council Property; provided, however, that the Council may make no expenditure which would result in an increase of more than fifteen percent (15%) in the Assessments for the current fiscal year unless (a) such expenditure is made to correct conditions which, if not corrected, could reasonably result in a threat to the health or safety of the Unit Owners or a significant risk of damage to the Condominium, or (b) such increase shall have been adopted at a Special Membership Meeting convened in accordance with the provisions of Section 2.3.4 and Section 2.4.9(b) as an amendment to the previously adopted budget;

(v) Selection of the Manager. Subject to Section 6.7 of the Declaration, to employ or contract with a Manager to manage the Condominium and/or the affairs of the Council; to fix the Manager's compensation (which shall be paid by the Council as part of the Common Expenses); and to determine the nature and extent of the Manager's powers and duties, subject to any limitation thereon which is set forth in the provisions of the Act, the Declaration or these Bylaws;

(vi) Fidelity bonds. to require the Manager and all Officers and employees of the Council who handle, or are responsible for, funds of the Council or funds in its possession or under its control to furnish to the Council fidelity bonds, in form and amount, and with a corporate surety, which are satisfactory to the Board of Directors (the premiums on which shall be paid by the Council as part of the Common Expenses);

(vii) Taxes; Liens; Water and Sewer Rents. to pay all taxes and assessments levied or liens imposed against any of the Condominium or any Council Property; provided, however, that:

(A) any such tax or assessment which is levied separately against a particular Unit or is otherwise chargeable under applicable law directly and separately to a particular Unit Owner shall be paid by such Unit Owner;

(B) any tax or assessment which is levied against the Condominium as a whole before a separate tax or assessment is levied against each Unit in accordance with the provisions of Section 11-110 of the Act may be paid by the Council as part of the Common Expenses;

(C) any charge for water, gas, sewer service, electricity or any other utility service which is provided to the Common Elements shall be paid by the Council as part of the Common Expenses;

(D) any charge for gas, electricity, cable television or other utility service (other than water and sewer service) provided to a Unit shall be paid by the Unit Owner of such Unit; and

(E) any charges for water and sewer service provided to the Units shall be paid by the Council as part of the Common Expenses;

(viii) Employees, Services and Materials. to employ and dismiss such workmen, janitors, watchmen and other personnel, and to purchase or arrange for such services, machinery, equipment, tools, materials and supplies, as in the opinion of the Board of Directors are from time to time necessary for the proper operation and maintenance of the Common Elements and any Council Property;

(ix) Collection of Delinquent Assessments. to collect any unpaid and delinquent Assessment or fine, any interest accrued thereon and any costs and expenses which the Council incurs in connection therewith (including, by way of example rather than of limitation, any filing fees, court costs or attorneys' fees), whether by suit or otherwise;

(x) Professional Assistance. to employ or retain legal counsel, engineers and accountants and to determine the amount and terms of their compensation, whenever the professional assistance of such persons is deemed necessary by the Board of Directors for any purposes related to the Council's exercise of its rights and powers, or performance of its duties;

(xi) Operating Accounts. to cause such operating, escrow and other accounts to be established and maintained as the Board of Directors deems appropriate from time to time and as are consistent with good accounting practices;

(xii) Audits and Books of Account.

to (A) cause to be prepared by an independent certified public accountant at the end of each fiscal year of the Council, and furnish to each Unit Owner, an annual audited financial statement for the Council; and

(B) keep detailed books of account, in chronological order, of the receipts of the Council and the Common Expenses, specifying therein the amount of the Common Expenses and the Common Profits and the portions thereof which are attributable to each Unit;

(xiii) Rules and Regulations.

to (A) make, promulgate and amend from time to time reasonable Rules and Regulations, all as the Board of Directors deems appropriate, in accordance with the provisions of Section 11-111 of the Act and as more particularly described in Article VIII hereof; and

(B) enforce compliance by each Unit Owner and his family members, guests, invitees, contractors and tenants with the Rules and Regulations by injunction or such other legal action or means, including the levying of fines against a Unit Owner for any violation of the Rules and Regulations by the Unit Owner or his family members, guests, invitees, contractors and tenants, all as the Board of Directors deems appropriate and in accordance with the provisions of Section 11-113 of the Act;

(xiv) Insurance.

to (A) procure and maintain insurance in accordance with the provisions of Section 4.3; and

(B) collect the proceeds of all such insurance, and apply them towards the cost of repair, restoration or replacement of any or all of the Condominium in accordance with the provisions of the Act, the Declaration and these Bylaws;

(xv) Condemnation Proceedings. to exercise and perform, on behalf of the Council, its rights and duties as to the prosecution and defense of Condemnation proceedings pursuant to the provisions of Article V;

(xvi) Lease or License of Common Elements. to lease or license the use of any of the Common Elements in a manner which is consistent with the rights of the Unit Owners under the Act, the Declaration or these Bylaws;

(xvii) Designation of Title Holder.

to (A) designate a nominee for the purpose of acquiring title to any Unit purchased by the Council;

(B) designate, and enter into a trust agreement with, two or more Directors to act as trustees for the Council in holding title to such Unit; and/or

(C) authorize the President or any other person to execute, attest, enseat and acknowledge, on behalf of the Council, any and all mortgages, leases or other instruments, where necessary to accomplish any such purpose;

(xviii) Personal Property. to cause the Council to acquire by purchase or otherwise, and to own, use, improve, mortgage, sell, dispose of and otherwise deal with, any Council Property, wherever located;

(xix) Additions and Improvements. Subject to the operation and effect of the provisions of the Declaration, to make such alterations, additions and improvements to the Common Elements and any Council Property as it deems appropriate; provided, however, that the Board of Directors shall obtain the approval by the Council of any alteration, addition or improvement which the Board of Directors estimates would cost more than \$10,000.00; and further, provided, that when, in the opinion of the Board of Directors, any such alteration, addition or improvement is being made exclusively or substantially for the benefit of one or more, but less than all, Unit Owners, the cost thereof shall be charged to such Unit Owner or Unit Owners in such proportion as the Board of Directors determines to be fair and equitable; provided, however, that such Unit Owners have requested in writing that the same be made, and that prior to taking such action each such Unit Owner has consented expressly and in writing to be so assessed; and further, provided, that in every other case the cost of any such alteration, addition or improvement shall be paid by the Council as part of the Common Expenses; and

(xx) Offices. to create one or more offices of Assistant Secretary, Assistant Treasurer or otherwise, in addition to the offices of the President, the Vice-President, the Secretary and the Treasurer.

(c) For purposes of the provisions of Section 11-107(d) and Section 11-115 of the Act, the Board of Directors (i) shall constitute, and is hereby designated to be, "the person or entity designated in the Bylaws to be in charge of the administration" of the Condominium, and (ii) shall be empowered to execute any amendment of the Declaration, to authorize any Unit Owner to remove all or part of any walls separating the Units or portions of them, and to grant any other consent or take any other action of a type referred to in the provisions of Section 11-107 or Section 11-115 of the Act, upon the terms and subject to the conditions set forth herein, and without the necessity of obtaining any consent thereto or joinder therein by the Unit Owners.

2.4.11. Compensation of Directors. Each Director shall serve as such without compensation, except to the extent that such compensation is expressly authorized by the Unit Owners.

2.4.12. Right of Inspection of Directors.

(a) Every Director of the Council will have the absolute right at any reasonable time to inspect all books, records and documents of the Council and the physical properties owned or controlled by the Council. The foregoing right of inspection includes a right to make extracts and copies of documents, and, when such right is exercised by a Director, all extracts and copies of documents requested by such Director shall be at his or her expense.

(b) Anything contained in these Bylaws to the contrary notwithstanding, the rights of each Director set forth in Section 2.4.12(a) above of these Bylaws may not be amended, modified nor rescinded at any time without the prior written consent of the Board of Directors.

Section 2.5. Officers.

2.5.1. Designation; Qualifications of Officers.

(a) The Officers shall consist of the President, the Vice-President, the Secretary, the Treasurer and (if the Board of Directors creates any office of Assistant Secretary or Assistant Treasurer, or any other office), each such Assistant Secretary, Assistant Treasurer or other Officer.

(b) Each Officer shall be (i) a natural person, (ii) at least twenty-one (21) years old, and (iii) either (A) alone or in combination with one or more other persons a Unit Owner, or (B) an officer, director, partner, employee or agent of a corporation, partnership, trust or other legal entity which, either alone or in combination with or as a partner of one or more other persons, is a Unit Owner.

(c) The President and the Secretary shall be selected from among the Directors. Any other Officer may, but need not, be a Director.

(d) One person may simultaneously be both the Secretary and the Treasurer, but no person may simultaneously hold any other two or more offices.

2.5.2. Election of Officers. The Officer shall be elected annually by the Board of Directors, and shall hold office until their successors are elected and qualify.

2.5.3. Powers and Duties of the President. The President shall (a) be the chief executive officer of the Council and the chairman of the Board of Directors, (b) have the general powers and duties which are usually vested in the office of president of a corporation organized and existing under the law of Maryland (including, by way of example rather than of limitation, the power to appoint such committees from among the Unit Owners as he from time to time deems appropriate, to assist in the conduct of the affairs of the Council), and (c) have charge of the administration of the Condominium.

2.5.4. Powers and Duties of the Vice-President. The Vice-President shall take the place of the President and perform his duties whenever the President is absent or unable to act.

2.5.5. Powers and Duties of the Secretary. The Secretary shall (a) act as secretary of each Board Meeting and each Membership Meeting at which he is present; (b) record all Votes cast on questions coming before each such meeting and the minutes thereof, setting forth each resolution adopted thereat in a minute book to be kept for that purpose; (c) have charge of such minute book and of such records and papers of the Council as the Board of Directors directs; (d) have the general powers and duties which are usually vested in the office of secretary of a corporation organized and existing under the law of Maryland (including, by way of example rather than of limitation, the duty to send notices of Membership Meetings and Board Meetings in accordance with these Bylaws), as well as such other duties as are prescribed by these Bylaws or by the Board of Directors or the President; and (e) keep at the office of the Council the roster referred to in the provisions of Section 9.1, as well as copies of the Declaration, the Condominium Plat, these Bylaws and the Rules and Regulations, all as amended from time to time, and all drawings and specifications for the Condominium received by the Council and all insurance policies maintained by the Council pursuant to Article IV hereof (all of which shall be available at such office for inspection by the Unit Owners and each Mortgagee during the Council's regular business hours)

2.5.6. Powers and Duties of the Treasurer. The Treasurer shall (a) have charge and custody of, and be responsible for, the Council's funds and securities; (b) deposit all of its monies, checks and other valuable effects in the name and to the credit of the Council in such depositories as are from time to time designated for such purpose by the Board of Directors; (c) disburse the Council's funds as from time to time ordered by the Board of Directors or the President, making proper vouchers for such disbursements; (d) keep full, complete and accurate accounts and records of the Council's financial transactions; (e) submit to the Board of Directors and the Membership such reports thereof as the Declaration, these Bylaws, applicable law or the Board of Directors from time to time require; and (f) have the general powers and duties which are usually vested in the office of treasurer of a corporation organized and existing under the law of Maryland. The accounts and records to be maintained by the Treasurer shall (i) include, by way of example rather than of limitation, chronological listings of all Council receipts, all Common Expenses, the amount of each Assessment levied against each Unit, and the amounts thereof paid and unpaid, the Declaration, these Bylaws, the Rules and Regulations and the Condominium Plats; (ii) specify and itemize the Common Expenses relating to the Common Elements and any other Common Expenses; (iii) be kept at the office of the Council; and (iv) be available there for inspection by the Unit Owners, prospective Unit Owners and each Mortgagee during the Council's regular business hours. The Treasurer shall present at each Annual Membership Meeting an annual audited financial statement prepared by an independent certified public accountant of the Common Expenses and the Common Profits, the allocation thereof to each Unit Owner, and any changes expected therein for the Council's next succeeding fiscal year.

2.5.7. Compensation of Officers. The Officers shall serve as such without compensation therefor unless such compensation is expressly authorized by the Unit Owners. Any such compensation shall be paid by the Council as part of the Common Expenses. Each Officer

shall be reimbursed by the Council for all expenses which are reasonably incurred by him in the discharge of his duties.

2.5.8. Resignation and Removal of Officers. Any Officer may resign his office at any time by giving written notice thereof to the Board of Directors. Unless such resignation indicates an earlier date therefor, it shall become effective at the next succeeding Board Meeting. Any Officer may be removed from office at any time by resolution of the Board of Directors. Any Director who is removed from his position as such and is then an Officer shall also be deemed thereby to have been removed from such office.

2.5.9. Filling Vacancies in Offices. If any office becomes vacant by reason of an Officer's death, resignation, retirement, disqualification, removal from office or otherwise, the Directors shall, at a Board Meeting duly called for such purpose, elect his successor.

2.5.10. Execution of Instruments. No agreement, contract, check, deed, lease, mortgage or other instrument shall be binding upon the Council unless signed by two Officers, except to the extent that the power to bind the Council is otherwise delegated to the Manager or any other person by the Board of Directors.

Section 2.6. Limitation of Council's, Directors' and Officers' Liability.

(a) Neither the Council nor any Director or Officer, in its or his capacity as such, except in the event of his own individual willful misconduct or gross negligence in the performance of its or his duties, shall be personally liable (i) for any failure by the Council to obtain or pay for any service which is to be obtained hereunder, or for any injury or damage to persons or property caused by the elements or any Unit Owner or other person, or resulting from the leakage or flow of electricity, gas, water, rain or dust from the outside of any structure which is situate with the Condominium, from any Unit, from any pipe, drain, conduit, appliance, equipment or other place; (ii) to any Unit Owner or other person under any agreement, deed, lease, mortgage, other instrument or transaction entered into by him on behalf of the Council or the Unit Owners in the performance of his duties; (iii) in tort or otherwise, directly or indirectly, to any Unit Owner or any person by virtue of his good faith act or failure to act; (iv) arising out of the use, misuse or condition of the Common Elements, or in any other way as a result or by virtue of his performance of his duties; or (v) for loss or damage, by theft or otherwise, of articles which may be stored within any Unit or upon any of the General or Limited Common Elements. No diminution or abatement of Assessments as herein elsewhere provided shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the General or Limited Common Elements, separately contracted maintenance to a Unit, or from any action taken by the Council to comply with any law, ordinance, or with the order or directive of any municipal or other governmental authority. THE COUNCIL IS NOT A PROVIDER OF SECURITY SERVICES FOR THE UNITS AND PROPERTY, AND UNIT OWNERS SHOULD IMPLEMENT SECURITY MEASURES, IF DESIRED, TO PROTECT THEIR PERSONS, UNITS AND PERSONALTY.

(b) Each Director and Officer, in his capacity as such, and his heirs and personal representatives, shall be indemnified by the Council against all liability and expense (including, by

way of example rather than of limitation, that of reasonable attorneys' fees), which are imposed upon or incurred by him in connection with any proceeding in which he is involved by reason of his being or having been a Director or Officer, or in connection with any settlement thereof, and (with respect to such expense whether or not he is a Director or Officer at the time such expense is incurred), except for any such liability imposed or expense incurred in connection with any such proceeding in which the Director or Officer is adjudged guilty of gross negligence or willful misconduct in the performance of his duties; provided, that the foregoing provisions of this paragraph shall not be applicable to any such liability or expense assumed or incurred as the result of a settlement of such proceeding unless the Board of Directors (with such Director abstaining) acting upon the advice of its legal counsel, approves such settlement and reimbursement as being in the Council's best interests. Any amount paid by the Council pursuant to the foregoing provisions of this paragraph shall be part of the Common Expenses. Nothing in the foregoing provisions of this paragraph shall be deemed to alter or impair any right to indemnification to which such Director and/or Officer is entitled under applicable law, by authorization of the Unit Owners or the Board of Directors, or otherwise.

Section 2.7. Resident Agent. The name and post office address of the resident agent of the Council in Maryland shall be Richard L. Mostyn, whose address is 6401 Golden Triangle Drive, Suite 200, Greenbelt, Maryland 20770. Such resident agent (a) is authorized to accept on behalf of the Council service of process in any action relating to the Common Elements, or the Council, and (b) shall serve until his successor is designated.

Section 2.8. Fiscal Year. The Council's first fiscal year shall begin on the date of the recordation of the Declaration among the Land Records of Montgomery County, Maryland and shall end on the thirtieth (30th) day of June next succeeding such date. Each of the Council's subsequent fiscal years shall begin on the first (1st) day of July of each succeeding calendar year and shall end on the thirtieth (30th) day of June of such succeeding calendar year.

ARTICLE III. ASSESSMENTS; WORKING CAPITAL FUND.

Section 3.1. Procedure for Levying Assessments. Any determination by the Board of Directors on behalf of the Council to levy Assessments pursuant to the provisions of the Act and the Declaration, and/or of the respective amounts thereof, shall (subject to the operation and effect of such provisions) be made in the following manner:

3.1.1. Classes of Assessments. The Assessments shall consist of annual Assessments (each, an "Annual Assessment"), special Assessments (each, a "Special Assessment") and Emergency Special Assessments (defined in Section 3.2(c)). The proceeds of the Annual Assessments may be used by the Council to defray any Common Expenses. The proceeds of any Special Assessments shall be used to defray any Common Expenses incurred by the Council either in the construction, reconstruction, repair or replacement of any of the Common Elements, or any Council Property or for unreported Common Expenses, all as more particularly described in Section 3.1.4(d) below. The proceeds of any Emergency Special Assessment shall be used to defray the costs of Emergency Special Expenditures as described in Section 3.2(b).

3.1.2. Period of Assessments. Each Assessment shall be levied with respect to one of those periods (each, an "Assessment Year") which are co-extensive with the Council's fiscal years. Not more than one Annual Assessment shall be levied against a Unit for any Assessment Year. The omission of the Board, before the expiration of any budget period, to adopt a budget hereunder for that or the next period, shall not be deemed a waiver or modification in any respect of the provisions of this Article or the Act, or a release of assessment installment thereof, for that or any subsequent budget period, but the budget fixed for the preceding period shall continue until a new budget is fixed. No Unit Owner may exempt himself from liability for assessments by a waiver of the use or enjoyment of any of the Common Elements, or by abandonment of any Unit belonging to him.

3.1.3. Allocation of Assessments Among Units. Except as is otherwise provided in Sections 3.1 and 3.2, (a) the respective amounts of any Annual Assessments, Special Assessments or Emergency Special Assessments levied for an Assessment Year shall be computed in accordance with the respective percentage interests in the Common Expenses and Common Profits of the Units, and (b) no Assessment of one class may be levied for an Assessment Year against one Unit unless an Assessment of such class is at the same time levied for such Assessment Year against each Unit.

3.1.4. Adoption by Board of Directors; Notice of Assessment; When Assessments Become Due and Payable.

(a) By not later than the thirtieth (30th) day prior to the commencement of an Assessment Year, the Council shall cause the Board of Directors, as provided in Section 11-109.2 of the Act, to adopt an annual budget for the Council for such Assessment Year, which shall set forth for such Assessment Year (i) the aggregate amount of the Annual Assessments to be levied to meet the annual budget, (ii) the respective amount of the Annual Assessment to be levied against each Unit, and (iii) on a line-item basis the amounts allocated to each of the items set forth in Section 3.1.4(a) and such other items as the Board of Directors deems appropriate. By not later than thirty (30) days prior to the adoption of such budget, the Council shall provide a copy of the proposed budget to each Unit Owner at its Notice Address. Within fifteen (15) days after the adoption of such budget, the Council shall provide a copy of the budget, as adopted, to each Unit Owner at its Notice Address. The formal adoption of any budget must take place at a Board meeting. The annual budget shall include, but in no way shall be limited to, the following:

(1) the cost of all operating expenses of the Condominium as the same may be constituted from time to time, and services furnished, including charges by the Council for facilities and services furnished by it;

(2) the cost of necessary management and administration, including fees paid to any Management Agent;

(3) the amount of all taxes and assessments levied against the Council or upon any property which it is otherwise required to pay, if any;

(4) the cost of public liability, fire and extended coverage insurance on the Condominium and the cost of such other insurance as the Council or the Board may effect;

(5) the cost of furnishing water, electricity, heat, gas, garbage and trash collection and/or utilities, to the extent furnished by the Council;

(6) the cost of funding all reserves established by the Council, including, when appropriate, a general operating reserve and/or reserve for replacements; and

(7) the estimated cost of repairs, maintenance and replacements of the Condominium including General and Limited Common Elements, to be made by the Council.

(b) For each fiscal year of the Council, an adequate amount of the annual budget, which shall not be less than five percent (5%) of the aggregate amount of such annual budget, shall be reserved for periodic maintenance, repair and replacement of Council Property and portions of the Common Elements. Such funds shall be deposited in a special interest-bearing account with a lending institution the accounts of which are insured by an agency of the United States of America, or may, in the discretion of the Board, be invested in the obligations of, or fully guaranteed as to principal, by, the United States of America, states, municipalities, or counties thereof. Such funds may be expended only for the replacement of the Common Elements and Council Property of the Condominium and for operating contingencies of a non-recurring nature. Under no circumstances may reserve fund be used to pay consultants, including, without limitation, accountants and attorneys, in connection with the Condominium.

(c) Each Annual Assessment shall be paid to the Board of Directors, on behalf of the Council, in equal monthly installments in advance on the first day of each month, without notice. In the event that a Unit Owner shall fail to pay any such installment when and as the same shall be due and payable, then the Board of Directors, on behalf of the Council, shall have the right to declare the entire Assessment for such Assessment Year, less any amounts theretofore paid toward such Assessment, to be immediately due and payable; provided, however, that the Board of Directors, on behalf of the Council, must comply with all of the requirements of the Act applicable to such action.

(d) The Board of Directors, on behalf of the Council, may levy in any Assessment Year a Special Assessment or Assessments, applicable to that Assessment 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 Condominium, as then constituted, including the necessary fixtures and personal property related thereto, or for such other purpose as the Board may consider appropriate; provided, however, that any such Special Assessment must be approved either (i) at a Special Membership Meeting or (ii) by the written consent of the Unit Owners representing fifty-one percent (51%) of the total Votes of the Condominium.

(e) Anything contained in the foregoing provisions of this Section 3.1.4 to the contrary notwithstanding, if a Unit is added to the Condominium during an Assessment Year, the Annual Assessment and any Special Assessment thus levied against it shall be due on the later of (i) the date on which such Assessment would have been due were such Unit within the Condominium when such Assessment Year began, or (ii) the date on which such Unit is added to the Condominium.

Section 3.2 Limitations Upon Assessments.

(a) Without Approval by the Unit Owners. Without either (i) the approval of the Unit Owners at a Special Membership Meeting, or (ii) the written consent of the Unit Owners representing fifty-one percent (51%) of the total Votes of the Condominium, and other than pursuant to the provisions of Section 3.2(b) hereof, the Council may not levy against any Unit an Annual Assessment in an amount which:

(i) for the first Assessment Year, exceeds the amount of monthly assessment during the first Assessment Year as designated on Schedule I attached hereto multiplied by the number of months remaining in the first Assessment Year; and

(ii) for any Assessment Year thereafter, exceeds one hundred twenty percent (120%) of the maximum amount permitted to be levied against such Unit as an Annual Assessment for the immediately preceding Assessment Year, which preceding Assessment Year shall be adjusted, if necessary, to a twelve (12) month period.

(b) Without Approval by the Unit Owners. Any expenditure other than an expenditure made because of conditions which, if not corrected, could reasonably result in a threat to the health or safety of the Unit Owners or a significant risk of damage to the Condominium (an "Emergency Special Expenditure"), that would result in an increase in the amount of Annual Assessment 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 Membership Meeting (as described in Section 2.3.4).

(c) Emergency Special Expenditure. Notwithstanding anything to the contrary contained herein, the Board of Directors may incur an Emergency Special Expenditure that results in any increase in the amount of Annual Assessments and may levy an Assessment in an amount equal to such increase ("Emergency Special Assessment").

Section 3.3. Assessment Lien; Priority Thereof.

3.3.1. Statement of Condominium Lien.

(a) At any time after an Assessment is due against a Unit and before it is paid in full to the Council, the Board of Directors, on behalf of the Council, may establish and enforce a lien on the Unit. Upon default in the payment of any one or more monthly installments of any annual Assessment levied pursuant to these Bylaws, the entire balance of said Assessment may be accelerated at the option of the Board and shall become immediately due and payable. The

Board of Directors, on behalf of the Council, may execute and record among the Land Records of Montgomery County, Maryland, after complying with the provisions of Section 11-110 of the Act and Section 14-201 of the Maryland Contract Lien Act, a statement of lien with respect to such Assessment (or any installment thereof, if payable in installments and if the Council elects to make such statement of lien applicable to such installment rather than to such Assessment in full).

(b) The form of any such statement of condominium lien shall be determined by the Board of Directors, on behalf of the Council, in the exercise of its sole discretion; provided, however, that, upon its having been executed and recorded among said Land Records, it constitutes a "statement of lien" for purposes of the provisions of Section 14-201 of the Maryland Contract Lien Act.

3.3.2. Effectiveness of Assessment Lien. Each Assessment (or each installment thereof, if payable in installments) levied against a Unit shall constitute a lien (each, an "Assessment Lien") upon the title to such Unit, from the time when a statement of lien with respect to such Assessment or installment is recorded among the Land Records of Montgomery County, Maryland pursuant to the provisions of Section 11-110 of the Act and Section 14-201 of the Maryland Contract Lien Act, and the provisions of Section 3.3.1, until such Assessment or installment is paid, provided that notice is given to the Unit Owner within two (2) years of the Unit Owner's nonpayment.

3.3.3. Priority of Assessment Lien. An Assessment Lien shall be subordinate to the lien of any Mortgage covering the Unit against which such Assessment is levied, if and only if such Mortgage is recorded among said Land Records prior to the recordation thereamong of a statement of lien creating such Assessment Lien.

3.3.4. Enforcement of Assessment Lien.

(a) An Assessment Lien may be enforced and foreclosed by the Board of Directors, on behalf of the Council, in the same manner and subject to the same requirements as are specified by the law of Maryland for the foreclosure of mortgages or deeds of trust containing a power of sale or an assent to a decree, and covering real property situate and lying in Maryland. An Assessment Lien will not be affected by the sale or transfer of the encumbered Unit, unless a foreclosure of a prior mortgage is involved, in which case the foreclosure will extinguish the Assessment Lien for any assessments that were payable before the foreclosure sale, but will not relieve any subsequent Unit Owner from paying further Assessments.

(b) The Board of Directors, on behalf of the Council, shall be entitled (i) to protect the Council's right to collect any unpaid Assessment by purchasing the Unit against which it is levied, at any judicial or other sale involving the enforcement of any Assessment Lien or other lien against the Unit, (ii) to hold, lease, sublet, sell, convey and mortgage any such Unit so purchased, and (iii) to borrow any or all of the purchase money therefor. The payment of the purchase price for such Unit and of any interest charged for any such purchase money so borrowed shall be a Common Expense, and any income from any resale, mortgage or lease of such Unit shall be part of the Council receipts.

(c) Each Unit Owner shall pay to the Board of Directors, on behalf of the Council, monthly, the amount of any fine levied against him pursuant to any Rules and Regulations. Such fines shall constitute a lien in the same manner as if it were an Assessment.

(d) Any Unit Owner, against whose Unit the Board of Directors, on behalf of the Council, has recorded an Assessment Lien, may not vote at any meeting of the Council unless the amount necessary to release the lien has been paid at or prior to the time of such meeting.

Section 3.4. Interest on Unpaid Assessment. Each Assessment (or each installment thereof, if payable in installments) shall bear interest on the unpaid balance thereof from the thirtieth (30th) day after the date upon which it first becomes due, until paid, at the highest rate of interest which from time to time is permitted by the Act to be charged with respect to the same. In addition, the Council may impose a late charge for each such Assessment or monthly installment thereof not paid within fifteen (15) days after the date upon which it becomes due in accordance with the provisions of the Act.

Section 3.5. Personal Liability of Unit Owners

3.5.1. When Liable.

(a) Each Unit Owner shall be personally liable for the payment of each Assessment (or each installment thereof, if payable in installments) which becomes due with respect to a Unit either (i) while he is the Unit Owner thereof, or (ii) prior to his having become the Unit Owner thereof if a statement of lien with respect to such Assessment is recorded prior to his having become the Unit Owner thereof, pursuant to the provisions of Section 11-110 of the Act and the Maryland Contract Lien Act.

(b) A Unit Owner may not avoid such liability by (i) waiving any right to the use of the Common Elements or otherwise which he holds under the provisions of the Act, the Declaration, these Bylaws or otherwise, (ii) abandoning or otherwise terminating his use of such Unit, or (iii) conveying the title to such Unit after the same becomes due.

(c) Nothing in the foregoing provisions of this Section 3.5 shall be deemed in any way to alter or impair any right which any Unit Owner may have against any prior Unit Owner of his Unit for the recovery of any amount which such Unit Owner may pay on account of such liability.

3.5.2. When Not liable. A Unit Owner shall not be personally liable for the payment of any Assessment or installment thereof which becomes due with respect to a Unit, other than as set forth in the foregoing provisions of this Section 3.5.

Section 3.6. Council's Recovery of Unpaid Assessment.

3.6.1. Right of Action. The Board of Directors, on behalf of the Council, shall be entitled to recover in an action at law or in equity, from any person who is liable for the payment of

any or all of an Assessment, a money judgment for such Assessment (including, by way of example rather than of limitation, the amount of any deficiency which results from any foreclosure of the Assessment Lien therefor), without having such Assessment Lien, and any and all interest accrued thereon through the date of such recovery, and costs incurred by the Council in obtaining such recovery (including by way of example rather than of limitation, reasonable attorneys' fees).

3.6.2. Limitation on Action. Anything contained in the foregoing provisions of this Section 3.6 to the contrary notwithstanding, no such action or proceeding may be brought to foreclose upon such Assessment Lien or otherwise to recover any of such Assessment, unless:

(a) it is brought by the third (3rd) anniversary of the date on which such Assessment (or the initial installment thereof, if payable in installments) first became due; and

(b) a written notice of the Council's intention to initiate the same is given to both the then-Unit Owner of the Unit against which such Assessment has been levied, and any person against whom such action or proceeding is to be brought, by not later than ten (10) days prior to such initiation.

Section 3.7. Certificate as to Payment or Nonpayment. The Board of Directors, on behalf of the Council, upon written request at any time by any person who is liable for the payment of any Assessment or installment thereof, or who holds any interest in a Unit against which an Assessment has been levied, shall deliver to such person a certificate signed by an Officer, setting forth whether such Assessment or installment has been paid. Any such certificate so delivered shall be conclusive evidence of the payment of each Assessment or installment thereof which is therein stated to have been paid.

Section 3.8. Working Capital Fund. At the time of the initial sale of each Unit, each Unit Owner shall be required to pay into a Working Capital Fund (the "Fund") an amount equal to at least two (2) months of the estimated Annual Assessment. Such amounts paid into the Fund shall not be considered as advance payments of regular Annual Assessments. The Fund shall be transferred to the Council when control of the Council is transferred to the Unit Owners. The Declarant is prohibited from using the Fund to defray any of its expenses, reserve contributions, or construction costs or to make up any budget deficits while the Declarant is in control of Council. Notwithstanding the foregoing, however, to the extent that the Declarant contributes funds to the Fund on behalf of an unsold Unit, the Declarant may reimburse itself for such contributions when such Unit is sold.

ARTICLE IV. INSURANCE; DAMAGE TO AND DESTRUCTION OF THE CONDOMINIUM

Section 4.1. Insurance to be Maintained by Council.

4.1.1. Duty to Procure and Maintain. The Council shall procure and maintain, to the extent available, insurance coverage of the types which are enumerated in the provisions of Section 4.3 (and any and all insurance coverage required by HUD, VA, FHA, FNMA, FHLMC and/or GNMA in the event that any such agencies insure or purchase Mortgages) upon the Condominium (including all of the Units and the Common Elements), all personal property located

within the Common Elements, and all Council Property, and, in any event, not less than that insurance coverage required by the Act. The Council shall give written notice to each Unit Owner and each Mortgagee of the termination of any such insurance coverage within ten (10) days of such termination.

4.1.2. Insureds. The policies of such insurance shall name as insureds thereunder the Council (both for itself and as trustee for the Unit Owners), each Unit Owner and each Mortgagee, as their interests may appear. Each Unit Owner and each Mortgagee must be beneficiaries of the policy in the percentage interest appurtenant to each Unit as set forth herein. The policies may also be issued in the name of an authorized representative of the Council, including any insurance trustee with whom the Council has entered into an Insurance Trust Agreement, or any successor trustee, as insured, for the use and benefit of the individual unit owners. Loss payee is required to be in favor of the Council (or Insurance Trustee), as a trustee, for each Unit Owner and each such Unit Owner's Mortgagee. The Council of Unit Owners or insurance trustee, if any, is required to hold any proceeds of insurance in trust for Unit Owners and their first mortgage holder, as their interests may appear.

4.1.3. Insurers. Such insurance shall be purchased from one or more recognized insurance companies duly licensed to operate and do business in Maryland. Such insurance must be consistent with state and local insurance laws and at least equal to such coverage as is commonly required by prudent institutional mortgage investors in the Washington metropolitan area.

4.1.4. Exclusions from Coverage. Nothing in the foregoing provisions of this Section 4.1 shall be deemed in any way to impose upon the Council any obligation to procure or maintain any insurance upon the person or personal property of any Unit Owner, any family member, invitee, visitor or guest of any Unit Owner, or any tenant or other occupant of any Unit. Any Unit Owner who desires to obtain any such insurance shall be responsible for doing so at his initiative and expense, and in accordance with the provisions of Section 4.4.

4.1.5. Review. The Board of Directors shall review the Council's insurance requirements and limits thereof once during each of its fiscal years.

4.1.6. Payment of Premiums. The Council shall pay the premiums for such insurance as part of the Common Expenses.

4.1.7. Inspection. The Council shall make available for inspection to any Unit Owner or Mortgagee copies of all insurance policies maintained by the Council upon the request of any such Unit Owner or Mortgagee. The Council or Manager may charge a reasonable fee for photocopies and postage.

4.1.8. Other Requirements.

(a) Such insurance policies are required to contain the standard mortgage clause, or equivalent endorsement (without contribution), which is commonly accepted by private institutional mortgage investors in the Washington metropolitan area and which approximately names FNMA and FHLMC if such corporations are holders of first mortgages on

Units within the Condominium. Such policies are also required to provide that they may not be canceled or substantially modified, without at least thirty (30) days' prior written notice to the Council and to each Mortgagee listed as a scheduled holder of a first mortgage in the policies.

(b) No insurance policies are to be obtained if (i) under the terms of the insurance carrier's charter, by-laws, or policy, contributions or assessments may be made against borrowers, FNMA, FHLMC, or the designee of FNMA or FHLMC, or (ii) by the terms of the carrier's charter, by-laws or policy, loss payments are contingent upon action by the carrier's board of directors, policyholders, or members, or (iii) the policy includes any limited clauses (other than insurance conditions) which could prevent FNMA, FHLMC, or the borrowers from collecting insurance proceeds.

(c) All insurance policies are required to provide for the following: (i) recognition of any Insurance Trust Agreement, (ii) a waiver of the right of subrogation against Unit Owners individually, (iii) that the insurance is not prejudiced by any act or neglect of individual Unit Owners which is not in the control of such Unit Owners collectively, and (iv) that the policy is primary in the event that Unit Owner has other insurance covering the same loss.

Section 4.2. Master Policies of Insurance. The Council shall obtain master policies of insurance which shall provide for the proceeds thereunder to be paid to the Council and to be held by the Council for disposition in accordance with the provisions of these Bylaws. Under such master policies, certificates of insurance shall be issued which indicate on their face that they are a part of such master policies, and that such master policies cover each Unit and the Common Elements. A certificate of insurance with proper mortgagee endorsements to such policy shall be issued to the Council, each Unit Owner, and each Mortgagee from time to time after reasonable prior request. Such certificate shall show the relative amount of insurance covering each Unit and the undivided percentage interest in the Common Elements held by such Unit Owner, and shall provide that any improvements made to a Unit by any Unit Owner shall not affect the valuation of other improvements forming part of the Condominium for purposes of such insurance. Such master policies and certificates shall, to the extent obtainable by the Council using its best efforts, contain those provisions required by the Act, including without limitation, (a) that the insurer waives its rights to subrogation as to any claim against the Manager, the Council, any Officer, Director, agent or employee of the Council, each Unit Owner, their respective servants, agents and guests, and to any defense based on invalidity arising from the acts of the insured, and (b) that the insurer shall not be entitled to contribution from the issuer of any insurance which may be purchased by any Unit Owner in accordance with the provisions of Section 4.4. The originals of such master policies shall be deposited with the Council and a memorandum thereof shall be deposited with each first Mortgagee who requests it. The Council shall pay the premiums for such insurance by not later than thirty (30) days prior to the expiration of the term of each such policy, and shall notify each Mortgagee who requests such notification of such payment within ten (10) days after having made the same. Any fixtures, equipment or other property within the Units which are to be financed by a mortgage to be purchased by FNMA or FHLMC (regardless of whether or not such property is a part of the Common Elements) must, by the terms of this Declaration (or equivalent covenant) be required to be covered in the master policy.

Section 4.3. Types of Insurance. The types of insurance coverage which the Council shall procure and maintain pursuant to the provisions of Section 4.1 are as follows:

4.3.1. Physical Damage Insurance. Physical damage insurance in an amount equal to not less than 100% of the full replacement value of all insurable improvements which form part of the Condominium, exclusive of land, foundation and excavation wall coverings, carpeting and any other improvements or betterments installed in any Unit by or on behalf of the Unit Owner thereof, and all Council property, as such value is determined annually by the Board of Directors with the assistance of the issuer of such insurance; provided, however, that at the option of the Board of Directors such policy or policies may contain a "deductible" provision in an amount which is determined by the Board of Directors, but shall not exceed \$10,000.00.

(a) Such coverage shall be all risk insurance and shall contain an extended coverage endorsement.

(b) The policies affording such coverage shall provide, to the extent obtainable by the Council, using its best efforts, that, notwithstanding any provisions thereof which give the carrier the right to elect to restore damage in lieu of making a cash settlement, such right shall not be exercisable without the approval of the Board of Directors, or, where such restoration would not be permitted under the provisions of the Declaration or of the Act, without the approval of those Unit Owners whose approval thereof is required by such provisions.

(c) The policies affording such coverage shall provide (i) that such policies may not be canceled or substantially modified without at least thirty (30) days prior written notice thereof having been given to each insured (including by way of example rather than of limitation, each insured Mortgagee), and (ii) that certificates of such insurance and all renewals thereof, together with acknowledgment of payment of premiums, shall be delivered to each Unit Owner and insured Mortgagee upon request.

(d) Except as may be otherwise provided by the Act, the Declaration or these Bylaws, if any of the improvements of Section 4.3.1 are damaged or destroyed, they shall be fully and promptly repaired and restored by the Council using any proceeds of insurance which are payable on account of the same and are held by the Council or any insurance trustee.

4.3.2. Public Liability Insurance. Public liability insurance (including medical payments insurance) insuring the Council, and, as employees, each Officer, Director, employee or agent (exclusive of independent contractors) thereof, each Unit Owner and the Manager against liability for bodily injury, death or property damage arising out of the use, ownership or maintenance of the Common Elements by any person or out of any of their activities on behalf of the Council. Such insurance shall have at least a One Million Dollars (\$1,000,000), for bodily injury, including deaths of persons and property damage arising out of a single occurrence (or such greater amounts generally required by private institutional mortgage investors for projects similar in construction, location and use in the Washington metropolitan area). Such policies are required to provide that they may not be canceled or substantially modified, by any party, without at least thirty (30) days' prior written notice to the Council of Unit Owners and to each Mortgagee which is listed as a scheduled holder of a first mortgage in the insurance policy.

4.3.3. Workman's Compensation Insurance. Workman's compensation insurance affording at least such coverage of the Council and its Directors, Officers, employees and agents (exclusive of independent contractors) as is required by applicable law.

4.3.4. Fidelity Insurance. (a) Fidelity insurance covering, as employees, the Manager and those Officers, Directors, employees and agents (exclusive of independent contractors) of the Council who handle Council receipts or Council Property. The Manager is required to maintain fidelity bond coverage for its officers, employees and agents handling or responsible for funds of, or administered on behalf of, the Council of Unit Owners. Such fidelity bonds are required to name the Council of Unit Owners as an obligee and are required to be in an amount not less than the estimated maximum of funds, including reserve funds, in the custody of the Council of Unit Owners or the management agent, as the case may be, at any given time during the term of each bond. However, pursuant to the By-laws, in no event may the aggregate amount of such bonds be less than a sum equal to three (3) months' aggregate assessments on all units plus reserve funds. The bonds are required to contain waivers by the issuers of the bonds of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees", or similar terms or expressions. The premiums on all bonds required pursuant to the By-laws, except those maintained by the management agent, are required to be paid by the Council of Unit Owners as a common expense. The bonds are required to provide that they may not be canceled or substantially modified (including cancellation for non-payment of premium without at least ten (10) days' prior written notice to the Council of Unit Owners or Insurance Trustee, if any. So long as FNMA shall hold a first mortgage on any unit, such bonds shall also provide that the FNMA Servicer, on behalf of FNMA, must receive such notice of cancellation or modification.

4.3.5. Insurance Trustees/Power of Attorney. Notwithstanding any of the foregoing provisions and requirements relating to property or liability insurance, there may be named as an insured, on behalf of the Council, the Council's authorized representative, including any trustee with whom the Council may enter into any Insurance Trust Agreement or any successor to such trustee (each of whom shall be referred to herein as the "Insurance Trustee"), who shall have exclusive authority to negotiate losses under any policy providing such property or liability insurance and to perform such other functions as are necessary to accomplish this purpose.

Each Unit Owner hereby appoints the Council, or any Insurance Trustee or substitute Insurance Trustee designated by the Council, as attorney-in-fact for the purpose of purchasing and maintaining such insurance, including the collection and appropriate disposition of the proceeds thereof; the negotiation of losses and execution of releases of liability; the execution of all documents; and the performance of all other acts necessary to accomplish such purpose.

4.3.6. Other Insurance. Such other coverage as the Board of Directors may deem advisable.

Section 4.4. Insurance to be Maintained by Unit Owner.

4.4.1. Coverage. Each Unit Owner may obtain, and the Declarant and the Board of Directors recommend that each Unit Owner obtain, insurance at his own expense affording coverage against (a) damage to or destruction of improvements or betterments installed in his Unit, or any of his personal property which is located anywhere upon the land or with the improvements which constitute the Condominium, and (b) personal liability incurred by such Unit Owner and arising out of the use of such Unit Owner's Unit by any person, but each policy which affords such coverage shall contain the same waiver of subrogation by the insurer as that referred to in the provisions of Section 4.2, and either shall provide that the insurer shall have no right of contribution against any casualty insurance affording coverage against such risk held pursuant to the provisions of this Article IV (notwithstanding that such Unit Owner may be an insured thereunder) or shall be written by the same carrier as that of such insurance held by the Council. NOTICE IS HEREBY GIVEN BY THE DECLARANT AND THE BOARD OF DIRECTORS THAT THE INSURANCE TO BE MAINTAINED BY THE COUNCIL UNDER THIS ARTICLE IV DOES NOT INSURE ANY ADDITIONS, ALTERATIONS, IMPROVEMENTS, BETTERMENTS OR MODIFICATIONS TO ANY UNIT AS SOLD BY THE DECLARANT NOR DOES IT INSURE ANY PERSONAL PROPERTY OF A UNIT OWNER.

4.4.2. Relationship to Insurance Held by Council. If a loss is sustained and the amount of the proceeds which would otherwise be payable under any policy of insurance then held by the Council pursuant to the provisions of Section 4.3 is reduced because of proration of, or right of contribution from, any insurance against the same risk which is held by any Unit Owner under the provisions of this Section 4.4, such Unit Owner shall assign to the Council any proceeds of his insurance which are payable on account of such loss, to the extent of the amount of such reduction, and the amount so assigned shall be distributed by the Council in the same manner as that prescribed by these Bylaws for the distribution of the proceeds which are payable under the said policy held by the Council, as aforesaid.

ARTICLE V. CONDEMNATION.

Section 5.1. Condemnation Proceedings.

5.1.1. Council's Right to Prosecute and Defend. The Council shall prosecute and defend all proceedings with respect to the Condemnation of any or all of the Common Elements or any Council Property; provided, however, that the Council shall not settle or compromise any claim made in any such proceeding without the approval of Unit Owners having a majority of the outstanding Votes.

5.1.2. Notice to Unit Owners. The Council shall notify each Unit Owner of any such proceeding, and each Unit Owner shall be entitled to participate therein on his behalf.

Section 5.2. Repair and Reconstruction. Subject to the operation and effect of the provisions of Section 5.3, in the event of a Condemnation of part of the Condominium, the Council shall arrange for and supervise the prompt repair and restoration of the remainder of the Condominium in the same manner as that which is set forth in the provisions of Section 6.8 and Section 6.9 of the Declaration in the case of damage by fire or other casualty, and the provisions of Section 6.8 and Section 6.9 of the Declaration shall apply to the repair and restoration of the

Condominium in the same manner as if the Condominium had been so damaged. The award made for the Condemnation shall be payable to the Council and shall be held and disbursed in the same manner as the proceeds of insurance received by the Council are required by the provisions of Section 6.8 and Section 6.9 of the Declaration to be held and disbursed by the Council upon the occurrence of any such casualty.

Section 5.3. Substantial or Total Condemnation.

5.3.1. Right of Partition. If (a) more than two-thirds (2/3) in number of the Units are rendered untenable by a Condemnation, and (b) more than two-thirds (2/3) of the Unit Owners fail to vote in favor of the alteration and reconstruction thereof at a Membership Meeting called for such purpose on a date within sixty (60) days after the date of such Condemnation, then, with the written approval of one or more Mortgagees having first Mortgages on at least two-thirds (2/3) of all of those Units which are then encumbered by a Mortgage, the Condominium shall be subject to an action for partition at the suit of any Unit Owner or Mortgagee, as if the Condominium were owned by the Unit Owners as tenants in common.

5.3.2. Distribution of Proceeds. Upon the completion of any such partition and of any sale of the Condominium made pursuant thereto, the net proceeds of such sale, together with the total award for such Condemnation, shall be held by the Council in one fund, which shall be distributed by the Council among all of the Unit Owners in proportion to their respective undivided percentage interests in the Common Elements, after first applying the share of each Unit Owner to the payment of any unpaid amount for which a lien then exists upon his Unit, in the order of priority of such liens.

Section 5.4. Effect of Condemnation on Percentage Interests

5.4.1. Adjustment of Percentage Interests. If there is a Condemnation of any or all of the Condominium and if, as a result of such Condemnation, any or all of any Unit so taken is no longer subject to the operation and effect of the Declaration, the Condominium Plat and these Bylaws, and if the Condominium is not partitioned pursuant to the provisions of Section 5.3.1, then the respective undivided percentage interests in the Common Elements and percentage interests in the Common Expenses and Common Profits of all Units or portions thereof which were not so taken shall be adjusted as of the date of such Condemnation in the following manner:

(a) If such Condemnation is of all of one or more Units, the respective undivided percentage interests in the Common Elements and percentage interests in the Common Expenses and Common Profits of such Units shall be reallocated among all of the other Units, in that proportion which, immediately prior to such Condemnation, the respective such percentage interests of each of the other Units bears to the aggregate of the respective percentage interests of all of the other Units.

(b) If such Condemnation is of part, but not all, of one or more Units, (i) the percentage interests of each such Unit shall be reduced to a percentage which bears the same ratio to the percentage interest of such Unit immediately prior to such Condemnation as the ratio which the floor area of the Unit immediately after such Condemnation bears to the floor area of the

Unit immediately prior to such Condemnation, and (ii) the aggregate of such reduction in the percentage interests of all such Units shall be reallocated among all of the Units remaining after such Condemnation (including each Unit with respect to which such reduction is made) in proportion to the respective percentage interests of such Units immediately prior to such Condemnation, except that in the case of each Unit with respect to which such reduction is made, the percentage interests used in such computation shall be the percentage interests of such Unit as so reduced.

5.4.2. Amendment of the Declaration. Promptly after any Condemnation as a result of which any adjustment of the respective undivided percentage interests in the Common Elements or percentage interests in the Common Expenses and Common Profits is made pursuant to the foregoing provisions of this Section, an amendment of the Declaration setting forth such adjustment shall be executed and acknowledged by each Unit Owner and Mortgagee, and recorded among the Land Records of Montgomery County by the Council. The Council shall hold a power of attorney from each Unit Owner and Mortgagee for such purpose.

ARTICLE VI. USE OF UNITS

Section 6.1. Use Generally. All Units shall be used for residential purposes exclusively, except for such temporary non-residential uses as may be permitted from time to time by the Board of Directors and by the laws of the State and except as provided in this Article VI.

Section 6.2. Sale or Lease of Units.

6.2.1. No Right of First Refusal. The right of any Unit Owner, including the Declarant, to sell, transfer, convey, mortgage, encumber or pledge the Unit owned by such Unit Owner shall not be subject to any right of first refusal or any similar restriction in favor of the Council or any other Unit Owner.

6.2.2. Form of Lease. No Unit Owner may lease his Unit for transient or hotel purposes. All leases shall be in writing, on a form approved by the Council, with a minimum term of at least six (6) months. A copy of any lease executed by a Unit Owner shall be delivered to the Council promptly after the execution thereof. Any lease shall be subject in all respects to the provisions of the Declaration, the Bylaws and the Rules and Regulations and any failure by the tenant to comply with the terms of such instruments shall be a default under his lease, and any lease shall so provide. In the event of the non-compliance by any tenant of a Unit with the terms of this Declaration, the Bylaws or the Rules and Regulations, the Council shall have the right, in addition to any other rights available to it, to require the Unit Owner of such Unit to terminate such lease because of such default and otherwise to treat such noncompliance as noncompliance by the Unit Owner.

6.2.3. Lease by Declarant. Anything to the contrary contained in this subsection notwithstanding, the lease by the Declarant of any Unit owned by the Declarant or the lease by a Mortgagee in possession of a Unit shall not be subject to the provisions of Section 6.2.2, except that the occupancy of any Unit by any tenant of such person shall be subject to the other provisions of this Declaration, the Bylaws and the Rules and Regulations.

Section 6.3. Declarant Rights. Nothing in the provisions of these Bylaws shall be deemed in any way to prohibit any of the following:

(a) the use by the Declarant, and its agents, employees, officers, contractors and invitees, of each Unit of which the Declarant, or an affiliate of the Declarant is then the Unit Owner (i) as offices, sales centers, or model dwellings in connection with its development construction, replacement, repair, maintenance, marketing or leasing of any Unit or any dwelling in any other apartment or condominium project in the vicinity of the Condominium, or (ii) in any other manner, unless any other person would, were he the Unit Owner thereof, be prohibited or restricted in the same manner; or

(b) the maintenance by or on behalf of the Declarant of any affiliate of the Declarant within the Common Elements or any Unit of which it is then the Unit Owner of one or more signs advertising the Condominium or the sale or rental of Units in the Condominium.

Section 6.4 Structural Changes. No Unit Owner shall (a) make any structural modification or alteration within his Unit or the Limited Common Elements appurtenant to his Unit, if any, or contract for or perform any maintenance, repair, replacement, removal, alteration or modification of the Common Elements (including, by way of example rather than of limitation, any of the Common Elements which lie within the space included within any Unit), or repair, alter, replace, paint, decorate or change any portion of the exterior of his Unit, without obtaining the Council's prior written consent thereto, and submitting plans and specifications describing such modification or alteration in form and substance satisfactory to the Council; or (b) take any action which (i) tends to impair the structural integrity, soundness or safety of any part of the Condominium, (ii) impairs the existence of, or the ability to enjoy, any easement, right or hereditament appurtenant to any Unit or the Common Elements, or (iii) adversely affects the Common Elements or the ability to use and enjoy the same, without first obtaining the written consent thereto of the Council and of each Unit Owner whose Unit or enjoyment thereof may be affected thereby.

Section 6.5 Prohibited Uses and Nuisances.

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

(b) There shall be no obstruction of any General Common Elements, except as herein provided. Nothing shall be stored upon any General Common Elements, except as herein provided, without the approval of the Board. Vehicular parking upon General Common Elements shall be regulated by the Board.

(c) Nothing shall be done or maintained in any Unit, or upon any General or Limited Common Elements, which will increase the rate of insurance on any Unit or General or Limited Common Elements, or result in the cancellation thereof, without the prior written approval of the Board. Nothing shall be done or maintained in any Unit or upon General or Limited

Common Elements which would be in violation of any law. No waste shall be committed upon any General or Limited Common Elements.

(d) No structural alteration, construction, addition or removal of any Unit of General or Limited Common Elements shall be commenced or conducted except in strict accordance with the provisions of these Bylaws, the laws of the State of Maryland and any local laws.

(e) The maintenance, keeping, boarding and/or raising of animals, livestock, or poultry of any kind, regardless of number, shall be and is hereby prohibited within any Unit, and upon any Common Element; except that this shall not prohibit the keeping of one (1) dog or two (2) cats (or one (1) dog and one (1) cat or two (2) dogs weighing not more than 60 pounds collectively) and up to three (3) caged birds (which number or numbers may be increased if approved by the Board) as domestic pets; provided, however, that they shall not be kept, bred or maintained for commercial purposes, and provided, further, that the keeping of such a dog, cats and/or caged birds will not constitute such type of noxious or offensive activity as covered in this Section 6.5. All dogs and cats must be kept inside their respective Owner's Unit or upon the Unit's Limited Common Elements and may be carried or walked on the General Common Elements only on a leash. Owners must clean up their respective Units, Limited Common Elements and General Common Elements after any such pets

(f) Except for such signs as allowed by law or as may be posted by the Declarant for promotional purposes and signs of a directional nature, no signs of any character shall be erected, posted or displayed upon, in or from or about any Unit or the General or Limited Common Elements.

(g) Except as herein elsewhere provided and except as otherwise approved by the Board of Directors, no junk vehicle or other vehicle, on which current registration plates are not displayed, trailer (boat or otherwise), camper, camp truck, house trailer, commercial vehicle, recreational vehicle, any vehicle displaying commercial advertisement, or the like shall be kept upon any Common Elements, nor upon any parking lots or roadways located in the Condominium, nor shall the repair or maintenance of automobiles or other vehicles be carried out thereon. The foregoing sentence shall not be interpreted as prohibiting a Unit Owner from keeping a passenger car sized taxi-cab used by such Unit Owner in connection with his or her occupation in a parking Unit owned by such Unit Owner.

(h) Except as otherwise provided in these Bylaws, no part of the General or Limited Common Elements shall be used for commercial activities of any character. This subsection shall not apply to the use of Units or Common Elements by the Declarant for its sole display, promotional or sales purposes.

(i) No burning of any trash, and no unreasonable or unsightly accumulation or storage of litter, new or used building materials, or trash of any other kind shall be permitted within any Unit or upon any General or Limited Common Elements. Trash and garbage containers shall not be permitted to remain in public view, except within locations designated by the Board. This subsection shall not apply to the Declarant during the period of construction of the Condominium.

(j) No structure of a temporary character, trailer, tent, shack, barn or other out-building shall be maintained upon any of the General or Limited Common Elements at any time except as permitted by written permission of the Board. The foregoing sentence shall not apply to the Declarant during the period of construction of the Condominium. Outdoor clothes dryers or clothes lines shall not be maintained upon the Common Elements at any time.

(k) Except as otherwise provided by law and/or approved by the Board in writing, no outside television or radio aerial or antenna or satellite dish, or other aerial or antenna or satellite dish, for reception or transmission, shall be maintained upon any Unit or upon any General or Limited Common Elements after such time as a central cable television system or the like has been made available to the Condominium at rates which are commensurate with other similar developments in the area.

(l) No items or material shall be hung on the exterior of the building or draped from windows over the exterior of the building except sales materials which may be utilized by the Declarant, nor shall any screen doors or storm doors be utilized in connection with any Unit or building except for sliding screen doors installed with sliding glass doors.

(m) No window treatments which are visible from the outside shall be installed in any Unit unless they have a white backing.

(n) Between 11:00 p.m. and 9:00 a.m., there shall be no loud or unusual noises; musical instruments, radios, televisions, record players, phonographs, Hi-Fi sets, and amplifiers shall be used in such manner as not to disturb other Unit Owners.

(o) Outdoor cooking is strictly prohibited on any of the General Common Elements except as to such areas as shall be designated by the Board.

(p) The Board shall have the power to levy fines against Unit Owners for violation of these Bylaws or the Rules and Regulations promulgated by the Board hereunder. Said power to levy fines is specifically subject to Article III hereof. The Board shall also have the right to enforce compliance by injunction or other legal means as the Board deems appropriate.

(q) Except as otherwise allowable in accordance with applicable law (including, without limitation, any applicable zoning ordinances), no industry, business, trade or profession of any kind, whether or not for profit, shall be conducted, maintained or permitted in any Unit.

(r) No Unit Owner shall make any changes in, nor perform any work with respect to, the electrical wiring and systems servicing his Unit, unless such changes or work are performed by a licensed electrician;

(s) No Unit Owner shall make any changes in, nor perform any work with respect to, the sprinkler heads and sprinkler pipes serving his Unit, unless such changes or work are performed by a contractor designated by the Council.

(t) No machinery shall be placed or operated within any Unit or the Limited Common Elements appurtenant to such Unit, except for that customarily utilized in occupying a private residence.

(u) No noxious or offensive activity shall be carried on or within any Unit or the Limited Common Elements appurtenant to such Unit, no odor shall be permitted to emanate therefrom, and nothing shall be done thereon in any other manner, so as to render any Unit or portion thereof unsanitary, unsightly, unreasonably offensive or detrimental, or a nuisance, to the Condominium or any occupant thereof.

(v) There shall be no violation of any Rules, whether for the use of the General or Limited Common Elements or for the governance of the Condominium, which may from time to time be adopted by the Board and promulgated among the Unit Owners by said Board in writing; and the Board is hereby, and elsewhere in these Bylaws, authorized to adopt such Rules and Regulations.

Section 6.6. Required Floor Coverings. All Unit Owners owning Units located above other Units are required to maintain floor coverings, i.e. padding and carpet or padding and rugs, over all floor surfaces, except foyers, kitchens, closets, bathrooms, and laundry room areas, in such Unit Owner's Unit; provided, however, that Unit Owners may leave a twelve inch (12") uncovered border around each floor surface otherwise requiring a floor covering.

ARTICLE VII. [INTENTIONALLY DELETED]

ARTICLE VIII. HEARING PROCEDURES

Section 8.1. Statement of Purpose. It is the declared intention of the Council that Rules and Regulations shall be adopted freely by the Board, and without the requirement of a vote of the Council as a requisite to their adoption. Each Rule and/or Regulation must state that it was adopted in accordance with Section 11-111 of the Act. All Rules and Regulations are intended to be adopted as supplements to, and not in lieu of, legally required provisions of these Bylaws. Should any adopted rules contradict any provisions of these Bylaws, as amended, said provisions of these Bylaws shall take precedence.

Section 8.2. Rules and Regulations. All Rules and Regulations proposed by the Board or by any committee appointed by the Board to act on its behalf shall be dated as of the date of the meeting at which they were considered, and shall be communicated to the Council in writing within seven (7) days after said meeting date, and shall be put forward before the Council for consideration and review by the process of hearing and comment described herein.

Section 8.3. Rule Adoption - Hearing and Comment

8.3.1. Notice of Hearing. Any notice of hearing required by these Bylaws and the Act shall include a copy of the proposed Rule, its proposed effective date, the date, time, location

and agenda of the hearing, and shall be communicated by the Board to the Council in writing. The notice must be given to the Council at least fifteen (15) days prior to the meeting date.

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

8.3.3. Comment. A member of the Board shall preside over any hearings so convened and shall limit discussions within parameters of the published agenda. Any Unit Owner may appear and speak at any hearing, and any Unit Owner may submit written comments at any hearing.

8.3.4. Vote by the Board. After comment is held on the proposed Rule at the hearing, the Board may approve the Rule by a positive vote of a majority of those members of the Board present and voting.

8.3.5. Appeal of New Rule. The Rule will be considered enacted unless, within fifteen (15) days after the Board vote, a petition signed by at least fifteen percent (15%) of the members of the Council calling for a Special Membership Meeting is filed with the Board. Following the filing of a petition, the Board shall schedule a Special Membership Meeting of the Council, to be held within thirty (30) days after the Board's receipt of the petition. Written notice of the meeting must be given to each Unit Owner at least fifteen (15) days prior to the Special Membership Meeting date.

8.3.6. Quorum. A quorum of the Council must be in attendance at the Special Membership Meeting called for the purposes stated in this Article. If a quorum is not present, the Rule will be considered final. If a quorum is present, and fifty percent (50%) of the Unit Owners present and voting disapprove the Rule, the Rule will be considered void; provided those Unit Owners voting to disapprove the Rule number at least thirty-three percent (33%) of the total votes of the Council. If those Unit Owners voting to disapprove the Rule number less than thirty-three percent (33%) of the total Votes of the Council, then the Rule will be considered final.

Section 8.4. Appeals.

8.4.1. Right of Appeal. Each Unit Owner shall have a right to appeal to the Board for an individual exception to any Rules adopted by the Board.

8.4.2. Appeal Period. The appeal period shall begin on the effective date of the Rule in question, and shall run for a period of thirty (30) days.

8.4.3. Appeals After Appeal Period. No appeals shall be considered, except by permission of the Board if filed after the expiration of the appeal period.

8.4.4. Form of Appeal, Approval and Disapproval. All appeals shall be in writing, shall be signed and dated by the Unit Owner or Owners making such appeal, and shall be delivered to a member of the Board. The Board shall consider all appeals and shall render a decision at its next regularly scheduled meeting. Said decision shall be in writing, and shall be addressed to the

Unit Owner or Owners making the appeal. If the Board shall deny an appeal, there shall be no requirement of publication as to the denial.

8.4.5. Publication of Upheld Appeal. If the Board shall uphold an appeal, thus granting an individual exception to an adopted Rule, the Board shall publish, or communicate in a reasonable manner, to the Council an explanation of the reasons for granting the exception.

Section 8.5. Effect of Rules. All Rules, upon proper adoption under the above procedures, shall be enforced in the same manner as all other provisions of the Bylaws.

ARTICLE IX. MISCELLANEOUS PROVISIONS

Section 9.1. Roster of Unit Owners, Mortgagees and Proxy Holders.

9.1.1. Duty to Furnish Information. Immediately upon a person's having become the Unit Owner or a Mortgagee of a Unit, or the Proxy Holder of a Unit Owner's Votes, such Unit Owner, Mortgagee or Proxy Holder shall in writing both notify the Council of its status as such and supply the following information to the Secretary and/or Manager:

(a) the full and correct name of such Unit Owner, Mortgagee or Proxy Holder (and if a Proxy Holder, a statement as to whether the Proxy Holder is also a Mortgagee with respect to such Unit);

(b) the number of the Unit of which such person is a Unit Owner or Mortgagee, or for the Unit Owner of which such person is a Proxy Holder;

(c) if such Unit Owner, Mortgagee or Proxy Holder consists of more than one person, the full and correct name of each such person;

(d) a single address for such Unit Owner, Mortgagee or Proxy Holder in the United States of America, which shall constitute its Notice Address for purposes of the provisions of Section 9.2; and

(e) upon request by the Secretary, such evidence of such Unit Owner's, Mortgagee's or Proxy Holder's status as such as the Secretary and/or Manager may reasonably demand.

9.1.2. Failure to Furnish Information. Unless the Council has been notified of the existence of a Unit Owner, Mortgagee or Proxy Holder and the Secretary has been supplied with the information which is required to be supplied by the foregoing provisions of this Section 9.1, such person shall have no right under the provisions of the Act, the Declaration or these Bylaws (a) to be given any notice, demand, consent, approval, request or other communications or document by the Council or any Director or Officer, (b) unless permitted by the President, to participate in the consideration of or cast any vote upon any question voted upon by the Council, or (c) otherwise to be recognized as such by the Council, any Director or Officer, employee or agent thereof, or any Unit Owner.

9.1.3. Maintenance of and Reliance on Roster. The Secretary shall maintain on a current basis a roster showing, with respect to each Unit, information pertaining to the Unit Owner thereof, any Mortgagee thereof, and any Proxy Holder with respect thereto. Unless the Council has received express, written notice to the contrary, the Council, its Directors, Officers, employees and agents, and each Unit Owner shall be entitled to rely upon the accuracy of such roster as reflecting the existence, current identity, composition, legal standing, and Notice Address of the Unit Owner and any Mortgagee or Proxy Holder of a Unit, shall in making any determination for purposes of the provisions of the Act, the Declaration or these Bylaws as to whom any notice, demand, consent, approval, request or other communication or document is to be given or delivered by the Council or any Director or Officer thereof, or by whom or on whose behalf any Vote may be cast at any Meeting, or in connection with any other actions to be taken by the Council or any of its Directors or Officers.

Section 9.2. Notices. Any notice, demand, consent, approval, request or other communication or document which is to be provided hereunder by the Council or any Director, Officer or other person, to any person shall be in writing, and (a) shall be deemed to have been provided forty-eight (48) hours after having been deposited in the United States mails, postage prepaid, and addressed (i) if the addressee is a Unit Owner, Proxy Holder, or Mortgagee who (in accordance with the provisions of Section 9.1 hereof) has notified the Council of its status as such and furnished the Secretary and/or Manager with the information referred to therein, to such person's address (herein referred to as such person's "Notice Address") as set forth in the roster which is referred to herein, and (ii) if the addressee is the Council, to the address of the Council's resident agent, or to such other address in the United States of America as the Council may designate from time to time by notice to the Unit Owners, and (iii) if the addressee either (A) has not so notified the Council and furnished the Secretary with such information, or (B) is any other person, to such address in the United States of America as is used by the United States Postal Service for the delivery of mail to such person or his Unit; or (b) shall be deemed to have been provided upon actual hand or other delivery to such person.

Section 9.3. Information to be Furnished in the Event of Resale by a Unit Owner.

9.3.1. Documentation to be Furnished to Purchaser. In the event of a resale of a Unit by a Unit Owner (other than the Declarant), such Unit Owner is required by the provisions of Section 11-135 of the Act (and other provisions thereof) to furnish, and shall furnish, to the prospective purchaser thereof not later than fifteen (15) days prior to the conveyance of such Unit (a) a copy of the Declaration (other than the Condominium Plat), the Bylaws, the Rules and Regulations, (b) a certificate containing the statements and other information enumerated in such provisions of the Act (as such provisions may from time to time hereafter be amended), and (c) a statement by the Unit Owner as to whether the Unit Owner has knowledge (i) that any alteration to the Unit being sold or to the Limited Common Elements appurtenant thereto violates any provision of the Declaration, Bylaws or Rules and Regulations, and (ii) that the Unit or the Limited Common Elements appurtenant thereto are in violation of any applicable health or building code.

9.3.2. Certificate Provided by Council. The Council shall, within twenty (20) days after its receipt of a written request therefor by a Unit Owner and payment of any fee therefor

established by the Board of Directors, furnish to such Unit Owner a certificate setting forth the information required to be contained in the statement referred to in the provisions of Section 9.3.1. Any Unit Owner who provides any such certificate to any such prospective purchaser pursuant to the provisions of Section 9.3.1 shall not be liable to such purchaser for any error in or omission from such information provided by the Council and included in such certificate, and the Council shall defend, indemnify and hold harmless such Unit Owner against and from any liability or claim thereof to any person, or any expense, arising out of any such error or omission. Without altering or impairing the Council's obligation under the provisions of the immediately preceding sentence to defend, indemnify and hold harmless such Unit Owner, and subject to the operation and effect of such provisions, the Council shall not be liable to any Unit Owner or directly to any such purchaser for any misleading or erroneous information contained in any such certificate, provided it has acted reasonably and has exercised good faith in supplying such information.

9.3.3. Information to be Provided by Purchaser. Immediately after the sale of a Unit, the purchaser or his agent shall provide to the Council through the Manager, to the extent available, the name and forwarding address of the prior Unit Owner, the name and address of the purchaser, the name and address of any Mortgagee, the date of settlement, and the proportionate amounts of any outstanding Assessments assumed by each of the parties to the transaction.

Section 9.4. Severability. No determination by any court, governmental or administrative body or agency or otherwise that any provision of these Bylaws or any amendment hereto is invalid or unenforceable in any instance shall affect the validity or enforceability of (a) any other provision of these Bylaws or of such amendment, or (b) such provision in any instance not controlled by such determination. Each such provision shall be valid and enforceable to the fullest extent allowed by law, and shall be construed wherever possible as being consistent with applicable law.

Section 9.5. Amendments. These Bylaws may be amended by the affirmative vote of Unit Owners representing sixty-six and two-thirds percent (66-2/3%) of the total votes of the Condominium at any meeting of the Council duly called for such purposes in accordance with the provisions of the Act. Amendments may be proposed by the Board or by a petition signed by Unit Owners representing at least twenty percent (20%) of the total votes of the Condominium. A description of the proposed amendment shall accompany the notice of the Annual Membership Meeting or Special Membership Meeting at which such proposed amendment is to be voted upon. Any amendment adopted by the Council shall be effective only upon recordation among the Land Records of Montgomery County, Maryland. The recorded amendment shall set out the Sections of these Bylaws being amended and the applicable provisions of the Act.

Section 9.6. Applicable Law. These Bylaws shall be given effect and construed by application of the law of Maryland.

Section 9.7. Headings. The headings of the Articles, Sections and subsections hereof are provided herein for and only for convenience of reference, and shall not be considered in construing the contents thereof.

Section 9.8. Construction. All references made herein (a) in the neuter, masculine or feminine gender shall be deemed to have been made in all such genders; and (b) in the singular or plural number shall be deemed to have been made, respectively, in the plural or singular number as well.

CONDOMINIUM RESIDENCES I OF FALLSGROVE**RULES AND REGULATIONS**

1. No common sidewalks, entrances, passages, courts, halls, vestibules, corridors or stairways of the Condominium shall be obstructed or used for any purpose other than ingress to and egress from Units. Notwithstanding the foregoing, exterior flower pots shall be permitted in locations approved by the Board.

2. No article shall be placed in any of the halls (except a doormat placed directly in front of a Unit's doorway which does not obstruct passage through the hall) or on any of the staircases and/or landings, nor shall any fire exit be obstructed in any manner.

3. Children of a Unit Owner or other occupant shall not play in the halls, vestibules, lobbies, stairways, or any of the exterior landscaped areas except as such areas shall be designated by the Board.

4. No hall or vestibule shall be decorated or furnished by any Unit Owner or other occupant in any manner without the written consent of the Board.

5. Each Unit Owner shall keep his Unit and any other space to which he has sole access in a good state of preservation and cleanliness, and shall not sweep or throw or permit to be swept or thrown therefrom or from the doors or windows thereof, any dirt or other substance.

6. No awnings or other projections (other than those installed by the original developer) shall be attached to the Common Elements or Units on the exterior of any building in the Condominium and no Owner shall erect a fence or gate of any kind.

7. All radio, television or other electrical equipment of any kind or nature installed or used in each Unit shall fully comply with all rules, regulations, requirements or recommendations of the local Board of Fire Underwriters and the public authorities having jurisdiction, and each Unit Owner shall be liable for any damage or injury caused by any radio, television or other electrical equipment in such Unit Owner's Unit. All utility services furnished to or used in the Unit shall be for residential purposes only.

8. No Unit Owner or other occupant shall make or permit any disturbing noises in any part of the Condominium, or do or permit to be done therein anything which will interfere with the rights, comforts or conveniences of others. No owner or other occupant shall play or cause to be played any musical instrument, or operate or permit to be operated a phonograph, stereo, radio, television, VCR or any loud speaker in his Unit between the hours of 11:00 p.m. and 9:00 a.m., if the same shall disturb or annoy other Unit Owners or occupants of the Condominium, and the same shall apply to the practice of either vocal or instrumental music in the Unit.

9. Toilets and other water apparatus in any Unit shall not be used for any purposes other than those for which they were designed, nor shall any sweepings, rubbish, rags or any other articles be thrown into same.

10. The agents of the Condominium, and any contractor or workman authorized by the Condominium, may enter any room or Unit after reasonable notice to the Unit Owner thereof at any reasonable hour of the day for the purpose of inspecting such Unit for the presence of any vermin, insects or other pests and for the purpose of taking such measures as the Owner shall not have taken as may be necessary to control or exterminate any such vermin, insects or other pests.

11. Clothes or other articles shall not be dried or aired on or from any terrace or other portion of the exterior Common Elements.

12. Except for screened in porches that may be originally installed by the Declarant, no balcony or patio shall be enclosed, decorated, landscaped, or covered by any awning or otherwise without the prior written consent of the Board, and no balcony or patio floor shall be covered with any material not approved by the Board.

13. No Unit Owner or other occupant shall at any time bring into or keep in his Unit any inflammable, combustible or explosive fluid, material, chemical or substance, except for normal household use. Charcoal grills or other fuel burning apparatus are not to be used on any part of the Condominium.

14. Automobiles shall not be washed except in areas designated by the Board.

15. No window treatments shall be installed in any Unit which do not have a white backing visible from the outside.

16. Unit Owners and other occupants shall be subject to all Rules and Regulations adopted by the Board as well as all other Rules and Regulations set forth in the Declaration and Bylaws, including, without limitation, Section 6.5 of the Bylaws.

SCHEDULE I

ESTIMATED OPERATING BUDGET FOR
CONDOMINIUM RESIDENCES I OF FALLSGROVE

185363 BJH
006100-0128

Fallsgrove Condominium - Phase I - Proposed Operating Budget

INCOME	
Condominium Assessment	168,080
Interior Garage Assessment	4,320
Detached Garage Assessment	578
Storage Unit Assessment	480
Interest Income	0
Miscellaneous Income	0
TOTAL INCOME	173,438
EXPENSES	
Administrative	
Audit	
Legal	1,500
Miscellaneous	2,500
Postage	2,000
Printing	500
Total Administrative	7,500
Utilities	
Electricity	
Gas	8,000
Telephone	1,500
Water and Sewer	2,800
Total Utilities	13,500
Contracted Services	
Cleaning	
Elevator	10,000
Exterminating	6,000
Furniture	300
Landscaping	1,800
Management	10,000
Master Association	13,000
Monitoring	25,000
Snow Removal	1,700
Trash Removal	5,000
Total Contracted Services	81,300
Maintenance	
Building	
Elevator	3,000
Landscapes	600
Miscellaneous	2,500
Total Maintenance	2,000
Insurance & Taxes	
Insurance	
Taxes	9,500
Total Insurance & Taxes	250
Contingency	
	336
Reserve Contribution	40,500
TOTAL EXPENSES	173,438
Excess/Deficit	0
General Monthly Assessment for 48 Condominium Units	Percentage Based
General Monthly Assessment for 4 Detached Garages	\$12.00
General Monthly Assessment for 30 Interior Garages	\$12.00
General Monthly Assessment for 8 Storage Units	\$8.00

EXHIBIT D

LAND TO BE DEVELOPED BY DECLARANT

185357v3 BJH
006100-0126

**DESCRIPTION OF
OWNERSHIP PARCEL BI-1**

Being a strip or parcel of land lying in the Rockville (4th) Election District, Montgomery County, Maryland, and being a part of the property acquired by JPI Rockville, L.L.C. from Riggs Bank N.A. (formerly known as Riggs National Bank of Washington, D.C.), a national banking association, personal representative under the estate of Katherine G. Thomas, deceased, probated in the Orphan's Court for Montgomery County, Maryland, by deed dated February 28, 2000 and recorded among the Land Records of Montgomery County, Maryland in Liber 17906 at Folio 246, said JPI Rockville, L.L.C. now being known as BP Falls Grove, L.L.C., and also being a part of Parcel BI, Block EE, as shown on a subdivision record plat entitled "Subdivision Record Plat, Parcel BI, Block EE, Plat 57, Falls Grove" and recorded among said Land Records as Plat Number 22024; and being more particularly described as follows

Beginning at point at the southwesterly end of the North $16^{\circ}38'24''$ East, 41.38' line of Parcel BI as shown on said Plat No. 22024; thence with the outline of said Parcel BI

1. North $16^{\circ}38'24''$ East, 41.38 feet to a point; thence
2. North $60^{\circ}20'00''$ East, 46.41 feet to a point of curvature; thence
3. 34.36 feet along the arc of a curve deflecting to the left, having a radius of 314.50 feet and a chord bearing North $57^{\circ}12'14''$ East, 34.34 feet to a point; thence leaving the outline of Parcel BI with a non-radial line, to cross and include a part thereof
4. South $27^{\circ}10'00''$ East, 206.47 feet to a point; thence
5. South $62^{\circ}50'00''$ West, 116.70 feet to a point of curvature; thence
6. 22.94 feet along the arc of a curve deflecting to the right, having a radius of 59.67 feet and a chord bearing South $73^{\circ}50'54''$ West, 22.80 feet to a point of tangency; thence
7. South $84^{\circ}51'47''$ West, 8.08 feet to a point on curve no. 2 as shown on said Plat 57, said point lying 1.06 feet along the arc of said curve from the southerly end thereof; thence with the outline of Parcel BI

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8. 169.42 feet along the arc of said curve, deflecting to the left, having a radius of 381.00 feet and a chord bearing North 14°18'52"West, 168.03 feet to the point of beginning, containing 23,899 square feet or 0.5486 acres of land more or less.

Subject to any and all easements, rights of way, and covenants of record.

**DESCRIPTION OF
OWNERSHIP PARCEL BI-2**

Being a strip or parcel of land lying in the Rockville (4th) Election District, Montgomery County, Maryland, and being a part of the property acquired by JPI Rockville, L.L.C. from Riggs Bank N.A. (formerly known as Riggs National Bank of Washington, D.C.), a national banking association, personal representative under the estate of Katherine G. Thomas, deceased, probated in the Orphan's Court for Montgomery County, Maryland, by deed dated February 28, 2000 and recorded among the Land Records of Montgomery County, Maryland in Liber 17906 at Folio 246, said JPI Rockville, L.L.C. now being known as BP Falls Grove, L.L.C., and also being a part of Parcel BI, Block EE, as shown on a subdivision record plat entitled "Subdivision Record Plat, Parcel BI, Block EE, Plat 57, Falls Grove" and recorded among said Land Records as Plat Number 22024; and being more particularly described as follows

Beginning at point at the southeasterly end of the North $01^{\circ}24'58''$ West, 105.27' line of Parcel BI as shown on said Plat No. 22024; thence with said line and with the outline of Parcel BI

1. North $01^{\circ}24'58''$ West, 105.27 feet to a point of curvature; thence
2. 1.06 feet along the arc of a curve deflecting to the left, having a radius of 381.00 feet and a chord bearing North $01^{\circ}29'44''$ West, 1.06 feet to a point; thence leaving the outline of Parcel BI with a non-radial line, to cross and include a part thereof
3. North $84^{\circ}51'47''$ East, 8.08 feet to a point; thence
4. 22.94 feet along the arc of a curve deflecting to the left, having a radius of 59.67 feet and a chord bearing North $73^{\circ}50'54''$ East, 22.80 feet to a point of tangency; thence
5. North $62^{\circ}50'00''$ East, 116.70 feet to a point; thence
6. South $27^{\circ}10'00''$ East, 136.33 feet to a point; thence
7. South $62^{\circ}50'00''$ West, 212.12 feet to a point on curve no. 1 of Parcel BI; thence with a part of said curve and with the outline of Parcel BI
8. 51.75 feet along the arc of said curve, deflecting to the right, having a radius of 394.00 feet and a chord bearing North $05^{\circ}10'42''$ West, 51.71 feet

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to the point of beginning, containing 24,978 square feet or 0.5734 acres of
land more or less.

Subject to any and all easements, rights of way, and covenants of record.

After Recording Return To
The Fountainhead Title Group
10025 Governor Warfield Parkway
Suite 400
Columbia, Maryland 21044

**DESCRIPTION OF
OWNERSHIP PARCEL BI-3**

Being a strip or parcel of land lying in the Rockville (4th) Election District, Montgomery County, Maryland, and being a part of the property acquired by JPI Rockville, L.L.C. from Riggs Bank N.A. (formerly known as Riggs National Bank of Washington, D.C.), a national banking association, personal representative under the estate of Katherine G. Thomas, deceased, probated in the Orphan's Court for Montgomery County, Maryland, by deed dated February 28, 2000 and recorded among the Land Records of Montgomery County, Maryland in Liber 17906 at Folio 246, said JPI Rockville, L.L.C. now being known as BP Fallsgrove, L.L.C., and also being a part of Parcel BI, Block EE, as shown on a subdivision record plat entitled "Subdivision Record Plat, Parcel BI, Block EE, Plat 57, Fallsgrove" and recorded among said Land Records as Plat Number 22024; and being more particularly described as follows

Beginning at point at the southeasterly end of the North $72^{\circ}10'00''$ West, 35.36' line of Parcel BI as shown on said Plat No. 22024; thence with said line and with the outline of Parcel BI

1. North $72^{\circ}10'00''$ West, 35.36 feet to a point; thence
2. North $27^{\circ}10'00''$ West, 30.44 feet to a point of curvature; thence
3. 125.33 feet along the arc of a curve deflecting to the right, having a radius of 394.00 feet and a chord bearing North $18^{\circ}03'13''$ West, 124.81 feet to a point; thence leaving the outline of Parcel BI with a non-radial line, to cross and include a part thereof
4. North $62^{\circ}50'00''$ East, 402.22 feet to a point on the South $26^{\circ}48'32''$ East, 592.76' line of Parcel BI; thence with a part of said line and with the outline of Parcel BI
5. South $26^{\circ}48'32''$ East, 178.67 feet to a point; thence
6. South $62^{\circ}50'00''$ West, 395.87 feet to the point of beginning, containing 74,179 square feet or 1.7029 acres of land more or less.

Subject to any and all easements, rights of way, and covenants of record.

State of Maryland Land Instrument Intake Sheet
Baltimore City County: Montgomery

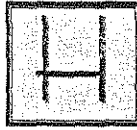
Information provided is for the use of the Clerk's Office, State Department of Assessments and Taxation, and County Finance Office Only.

(Type or Print in Black Ink Only—All Copies Must Be Legible)

Form with 11 numbered sections: 1. Type(s) of Instruments, 2. Conveyance Type, 3. Tax Exemptions, 4. Consideration and Tax Calculations, 5. Fees, 6. Description of Property, 7. Transferred From, 8. Transferred To, 9. Other Names to Be Indexed, 10. Contact/Mail Information, 11. Assessment Information.

Space Reserved for Circuit Court Clerk Recording Validation

Space Reserved for County Validation



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ehileman@hilemanlaw.com

Elizabeth L. Hileman (MD, DC, VA, NY)
Nicole A. Williams (MD)

November 14, 2005

Mr. Nolan Skulte, President
Condominium Residences I of Falls Grove, Inc.
9405 Blackwell Road, #213
Rockville, Maryland 20850

**Re: Condominium Residences I of Falls Grove, Inc.
Corrective Amendment to the Declaration**

Dear Mr. Skulte:

I have enclosed the corrective amendment to the declaration which reflects the corrections to the percentage interests in the units. Please forward a copy of the amendment by first class mail to each unit owner at the last known address on record with the Council of Unit Owners as required. After 30 days have elapsed since the mailing of the amendment to all of the unit owners, please sign where provided and have your signature notarized where appropriate. In addition, please forward the enclosed corrective amendment to the Association's Secretary, Lawrence Robinson, so that he may sign where appropriate as well.

If it is more convenient to have someone in our office act as notary public, please forward a photocopy of your driver's license to our office along with the signed corrective amendment. Once we have received the signed and notarized corrective amendment to the declaration, we will have it recorded among the Land Records of Montgomery County, Maryland. If you have any questions please let me know.

Sincerely,

Nicole A. Williams

Enclosure

cc: Elan Krueger ✓

**CORRECTIVE AMENDMENT
TO THE DECLARATION OF
CONDOMINIUM RESIDENCES I OF FALLSGROVE**

THIS CORRECTIVE AMENDMENT TO CONDOMINIUM RESIDENCES I OF FALLSGROVE DECLARATION (this "Amendment") is made this _____ day of _____, 2005, by the BOARD OF DIRECTORS OF THE COUNCIL OF UNIT OWNERS OF CONDOMINIUM RESIDENCES I OF FALLSGROVE, INC., a Maryland non-stock corporation (the "Council").

A. The Condominium Residences I of Falls Grove Declaration dated June 21, 2004 was recorded among the Land Records of Montgomery County, Maryland (the "Land Records") on June 22, 2004 in Liber 27680, folio 232 et seq. (the "Original Declaration"). The Declarant re-recorded the Condominium Residence I of Falls Grove Declaration dated June 21, 2004 among the Land Records on July 16, 2004 in Liber 27841, folio 381 et seq. to correct the address and corresponding unit numbers in Exhibit A to the Original Declaration (the "Corrected Declaration") (the Original Declaration and the Corrected Declaration are collectively referred to herein as the "Declaration").

B. Section 11-103.1 of the Maryland Condominium Act provides that a Corrective Amendment to the Declaration may be executed and recorded to correct a typographical error or other error in the percentage interests or number of votes appurtenant to any unit by the Board of Directors of the Council along with an affidavit by the Council or its Board of Directors confirming that at least 30 days before recordation of the amendment a copy of the amendment was sent by first class mail to each unit owner at the last address on record with the council of unit owners.

C. Article IX, Section 9.3.3 (c) of the Declaration of the Condominium Residences I of Falls Grove, provides that the Declaration may be amended without obtaining the consent thereto of any Unit Owner or Mortgagee if and only if such amendment is necessary to correct obvious typographical, mathematical or similar errors therein.

D. The Council of Unit Owners has identified certain errors in Exhibit B to the Declaration which sets forth the percentage interests in the units and this amendment is made to correct such errors. The Council or its Board of Directors forwarded a copy of the amendment by first class mail to each unit owner at the last known address on record with the Council of Unit Owners required by the provisions of the Declaration, the Bylaws (attached as Exhibit C to the Declaration), and the provisions of Sections 11-101 et seq. of the Real Property Article of the Annotated Code of Maryland.

E. The Council of Unit Owners desires to correct the errors in Exhibit B to the Original and Corrected Declaration as set forth herein.

NOW, THEREFORE, the Council of Unit Owners declare as follows:

1. Exhibit B to the Original Declaration, recorded at Liber 27680, folio 274-276, is hereby deleted in its entirety, and the attached Exhibit B, is hereby substituted in lieu thereof.

2. Exhibit B to the Corrected Declaration, recorded at Liber 27841, folio 426-428 is hereby deleted in its entirety, and the attached Exhibit B is hereby substituted in lieu thereof.

3. The Declaration, as amended by this Amendment, shall remain in full force and effect.

4. This Amendment may be executed in any number of counterparts, all of which shall constitute a single document.

IN WITNESS WHEREOF, the Council of Unit Owners has caused this Amendment to be executed and ensealed on its behalf by their duly authorized representatives, the day and year first above written.

WITNESS:

**COUNCIL OF UNIT OWNERS OF CONDOMINIUM
RESIDENCES I OF FALLSGROVE, INC.**

Lawrence Robinson, Secretary

By: _____
Name: Nolan Sklute
Title: President

ACKNOWLEDGEMENT

STATE OF MARYLAND:

To Wit:

COUNTY OF MONTGOMERY:

I HEREBY CERTIFY, that on this ____ day of _____, 2005, before me, the undersigned Notary Public of the jurisdiction aforesaid, personally appeared Nolan Sklute, who acknowledged himself to be the President of the BOARD OF DIRECTORS OF THE COUNCIL OF UNIT OWNERS OF CONDOMINIUM RESIDENCES I OF FALLSGROVE, INC., a Maryland non-stock corporation, known to me (or satisfactorily proven) to be the person who executed the foregoing instrument and acknowledged that he executed the same for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

NOTARY PUBLIC

My Commission Expires: _____

EXHIBIT "B"

PERCENTAGE INTERESTS AND VOTING

See Attached.

FALLSGROVE CONDOMINIUM I
PERCENT INTEREST & VOTING SCHEDULE

Residential Units - 49				
101	M3	1061	1.03571%	1
102	B2	1653	1.61360%	1
103	A1	1397	1.36370%	1
104	M1	910	0.88831%	1
105	M2	858	0.83755%	1
106	M1	910	0.88831%	1
107	A1	1396	1.36272%	1
108	B2	1642	1.60286%	1
109	M3	1053	1.02790%	1
201	F	3073	2.99975%	1
202	B1	1663	1.62336%	1
203	D	2049	2.00016%	1
204	D	2052	2.00308%	1
205	C	1704	1.66338%	1
206	C1	1755	1.71316%	1
207	A1	1395	1.36175%	1
208	E	2689	2.62490%	1
209	A1	1400	1.36663%	1
210	C1	1752	1.71024%	1
211	C	1704	1.66338%	1
212	D	2049	2.00016%	1
213	D	2059	2.00992%	1
214	B1	1664	1.62433%	1
301	F	3073	2.99975%	1
302	B1	1663	1.62336%	1
303	D	2049	2.00016%	1
304	D	2052	2.00308%	1
305	C	1704	1.66338%	1
306	C1	1755	1.71316%	1
307	A1	1395	1.36175%	1
308	E	2689	2.62490%	1
309	A1	1400	1.36663%	1
310	C1	1752	1.71024%	1
311	C	1704	1.66338%	1
312	D	2049	2.00016%	1
313	D	2059	2.00992%	1
314	B1	1664	1.62433%	1
401	F	3073	2.99975%	1
402	B1	1663	1.62336%	1
403	D	2049	2.00016%	1
404	D	2052	2.00308%	1
405	C	1704	1.66338%	1
406	G	3107	3.03294%	1
407	E	2705	2.64052%	1
408	G	3119	3.04465%	1
409	C	1704	1.66338%	1
410	D	2049	2.00016%	1
411	D	2059	2.00992%	1
412	B1	1664	1.62433%	1

Internal Garage Units - 30

91844

89.65463%

G-1	-	641	0.62572%	0
G-2	-	634	0.61889%	0
G-3	-	223	0.21768%	0
G-4	-	247	0.24111%	0
G-5	-	247	0.24111%	0
G-6	-	247	0.24111%	0
G-7		251	0.24502%	0
G-8		247	0.24111%	0
G-9		288	0.28113%	0
G-10		265	0.25868%	0
G-11		270	0.26356%	0
G-12		270	0.26356%	0
G-13		270	0.26356%	0
G-14		264	0.25771%	0
G-15		289	0.28211%	0
G-16		290	0.28309%	0
G-17		265	0.25868%	0
G-18		270	0.26356%	0
G-19		270	0.26356%	0
G-20		270	0.26356%	0
G-21		266	0.25966%	0
G-22		290	0.28309%	0
G-23		249	0.24306%	0
G-24		250	0.24404%	0
G-25		246	0.24014%	0
G-26		246	0.24014%	0
G-27		246	0.24014%	0
G-28		232	0.22647%	0
G-29		635	0.61986%	0
G-30		645	0.62962%	0
		9323	9.10076%	
External Garages - 4				
A-1		260	0.25380%	0
A-2		250	0.24404%	0
A-3		250	0.24404%	0
A-4		260	0.25380%	0
		1020	0.99569%	
Storage Units - 8				
S-1		35	0.03417%	0
S-2		34	0.03319%	0
S-3		34	0.03319%	0
S-4		32	0.03124%	0
S-5		30	0.02928%	0
S-6		30	0.02928%	0
S-7		30	0.02928%	0
S-8		30	0.02928%	0
		255	0.24892%	

CERTIFICATION

THE UNDERSIGNED hereby certifies that the above instrument was prepared by an attorney admitted to practice before the Court of Appeals of Maryland, or under the supervision of an attorney admitted to practice before the Court of Appeals of Maryland, or by one of the parties named in the instrument.

Elizabeth L. Hileman

**AFFIDAVIT OF THE COUNCIL OF UNIT OWNERS OF
CONDOMINIUM RESIDENCES I OF FALLSGROVE**

The President of the Board of Directors of the Council of Unit Owners of Condominium Residences I of Falls Grove makes this Affidavit of the matter stated herein.

Pursuant to Section 11-103.1 (b) (2) the President of the Board of Directors affirms that a copy of the above Amendment to the Declaration of Condominium Residences I of Falls Grove was sent by first class mail to each unit owner at the last address on record with the Council of Unit Owners. This corrective amendment to the Declaration of the Condominium Residences I of Falls Grove corrects a mathematical and other errors in the percentage interest or number of votes appurtenant to any unit.

ATTEST:

**CONDOMINIUM RESIDENCE I OF
FALLSGROVE**

Lawrence T. Robinson Secretary

By: _____
Nolan Skulte, President

STATE OF MARYLAND

MONTGOMERY COUNTY : ss

I hereby certify that on this _____ day of _____, 2005, before the subscriber, a Notary Public of Montgomery County, Maryland, personally appeared Nolan Skulte, President of the Board of Directors of Condominium Residence I of Fallsgrove, known to me (or satisfactorily proven) to be the person described in the foregoing instrument, who did acknowledge that he, having been properly authorized, executed the same in the capacity therein stated and for the purposes therein contained.

IN TESTIMONY WHEREOF, I have affixed my hand and official seal.

NOTARY PUBLIC

My Commission Expires: _____