

8. **"Owner"** shall mean and refer to the record owner, whether one or more persons or entities, of a single title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.
9. **"Property" or "Properties"** shall mean and refer to that certain real property described in the aforementioned Declaration, which sets forth the properties initially subject to these Bylaws and any such additions thereto as may have been or may hereafter be brought within the jurisdiction of the Association.
10. **"Rules and Regulations"** shall mean such rules and regulations as may be adopted by the Board or the Architectural Control Committee appointed by the Board governing (i) use and operation of the Common Areas, including any improvements and amenities located thereon, and the conduct and enjoyment of the Lot Owners while on the Common Areas; (ii) additions, alterations, and improvements on or to the Lots; (iii) reasonable interpretation and construction of the provisions of the Declaration, the Articles of Incorporation, and the Bylaws; and (iv) such other matters as are specified as the subjects for such Rules and Regulation in the Declaration, the Articles of Incorporation or these Bylaws.

ARTICLE III

MEETING OF MEMBERS

SECTION 1. ANNUAL MEETINGS. The Association shall hold an annual meeting of the members for the transaction of any business within the powers of the Association. The annual meeting shall be held in the month of October, which is not a Sunday, or legal holiday. Failure to hold an annual meeting at the designated time and place shall not, however, invalidate the corporate existence, terminate the tenure of any director before his successor is elected and qualified, or otherwise affect valid corporate acts. Any business of the Association may be transacted at an annual meeting without being specially designated in the notice of such meeting, except business, which is specifically required by statute, the Declaration, the Articles of Incorporation, Maryland law, or these Bylaws.

SECTION 2. VOTING MEMBERS. Only Members in good standing with the Association can cast a vote. Good standing is considered to be the following: (1) any Member who is current with the payment of their dues; (2) Members who were in arrears but have been current for the last three (3) consecutive payments; and (3) Members whose property does not have any outstanding discrepancies pending with the Architectural Control Committee, with the exception of those Members who have been granted an extension by the Board of Directors for any corrective action against such property. Each Member shall be entitled to one (1) vote per Lot owned. The vote for any membership which is owned by more than one person may be exercised by any of them present at any meeting unless any objection or protest by any other Owner of such membership is noted at such meeting. In the event all of the co-owners of any membership who are present at any meeting of the Members are unable to agree on the manner in which the votes for such membership shall be cast on any particular question, then such vote shall be counted for purposes of deciding that question in accordance with the provisions and requirements of Md. Code Ann., Corporations and Associations Article § 2-508, as from time to time amended or superseded. In the event any

membership is owned by a corporation, then the vote for any such membership shall be cast by a person designated in a certificate signed by the President or any Vice President of such corporation and filed with the Secretary of the Association, prior to or during the meeting. Any such certificate shall remain valid until revoked or superseded in writing. The vote for any membership which is owned by a trust or partnership may be exercised by any trustee or partner thereof, as the case may be, and, unless any objection or protest by any other such trustee or partner is noted at such meeting, the presiding officer of such meeting shall have no duty to inquire as to the authority of the person casting such vote or votes.

SECTION 3. SPECIAL MEETINGS. Special meetings of the Members may be called at any time by the president or by the Board of Directors, or upon written request of at least twenty-five percent (25%) of all the Members who are entitled to vote. However, a special meeting shall not be called to consider any matter substantially the same as a matter voted on at any special meeting of the Members held during the preceding 12 months, unless requested by Members entitled to cast a majority of all votes entitled to be cast at the meeting. The secretary shall inform the Members who petition for a special meeting of the reasonably estimated cost of preparing and mailing a notice of the meeting and, upon payment of the estimated costs to the Association, shall notify each Member entitled to notice of the meeting. A request for a special meeting shall state the purpose of the meeting and the matters proposed to be acted on at the meeting. The Board of Directors has the sole power to fix: (1) the record date for determining Members entitled to request a special meeting of the Members and the record date for determining Members entitled to notice of and to vote at the special meeting; and (2) the date, time, and place, if any, and the means of remote communication, if any, by which Members and proxy holders may be considered present in person and may vote at the special meeting.

SECTION 4. NOTICE OF MEETINGS. Written notice stating the place, day and hour of the annual meeting of the Members and, in the case of a special meeting, the purpose for which the meeting is called, and the means of remote communication, if any, by which Members and proxy holders may be deemed to be present in person and may vote at the meeting, shall be delivered to each Member, personally or by mail, not less than ten (10) days nor more than thirty (30) days before the date of the meeting.

- A. **Notice by Mail:** If notice is provided by mail, it shall be sent postage prepaid, within the aforesaid timeframe, to each Member, addressed to the Member's address last appearing on the membership books of the Association, or supplied by such Member to the Association for the purpose of notice. Notice is deemed to be given to a Member when it is mailed to the Member, at the Member's address as it appears on the membership books of the Association.
- B. **Notice by Electronic Transmission:** The Association may provide notice of a meeting or deliver information to a Member by electronic transmission if: (1) the Member gives the Association prior written authorization to provide notice of a meeting or deliver information by electronic transmission; and (2) an officer or agent of the Association certifies in writing that the Association has provided notice of a meeting or delivered material or information as authorized by the Member. Notice is deemed to be given to a Member when it is transmitted to the Member by an electronic transmission to any address or number of the Member at

which the Member receives electronic transmission. Notice or delivery by electronic transmission shall be considered ineffective if: (1) the Association is unable to deliver two consecutive notices; and (2) the inability to deliver the electronic transmission becomes known to the person responsible for sending the electronic transmission. The inadvertent failure to deliver notice by electronic transmission does not invalidate any meeting or other action.

- C. **Waiver of Notice:** Attendance by a Member at any meeting of the Members, either in person or by proxy, shall be a waiver of notice by the Member of the time, place and purpose of that meeting. Notice of any annual or special meeting of the Members of the Association may also be waived by any Member either prior to or after any such meeting by delivering a written waiver or a waiver by electronic transmission, which is filed with the records of the Member's meetings.

SECTION 5. QUORUM. The presence at the beginning of the meeting of Members entitled to cast, or of proxies entitled to cast, ten percent (10%) of all votes entitled to be cast at the meeting shall constitute a quorum for any action, except as otherwise provided by statute, in the Articles of Incorporation, the Declaration or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, a majority of the Members present, in person or by proxy, and entitled to vote thereat, shall be entitled to exercise the procedure set forth in Md. Code Ann., Corporations and Associations Article § 5-206, as from time to time amended or superseded.

SECTION 6. PROXIES. At all meetings of Members, each Member may vote in person or by proxy. All proxies must be in writing, in the form approved by the Board of Directors, and filed with the Secretary before the appointed time of the meeting for which the proxy will be used. All proxies shall continue until a written revocation is filed with the Secretary, but shall automatically cease upon conveyance of a Member's lot, and no proxy shall be valid after 180 days following the date it is signed, unless otherwise provided in the proxy.

SECTION 7. VOTES REQUIRED. On each matter submitted to the Members for a vote, a majority of the votes cast by all Members at a meeting at which a quorum is present shall be sufficient for passage or approval, unless otherwise provided in the Declaration, the Articles of Incorporation, Maryland law, or these Bylaws.

SECTION 8. MANNER OF CASTING VOTES. On any matter submitted to the Members for a vote, a Member may cast its vote by any of the following means:

- (a) By personally attending the meeting and casting its vote (in the case of a Member who is an individual).
- (b) By General or Directed Proxy, on the form provided by the Board of Directors. No one may vote unless he/she is (a) a Member in good standing as defined by Article III, Section 2, herein; or (b) casting a vote on behalf of a Member in good standing, pursuant to a proxy that conforms to Article III, Section 6 of these Bylaws.

- (c) By mail, if the Board of Directors has prescribed a method and procedures under which those votes may be taken of Members by mail. Pursuant to Md. Code Ann., Corporations and Associations Article § 5-202, as from time to time amended or superseded, the Members shall have the right to vote by mail on a stated proposal or for the election of directors. In such event, Members who vote by mail shall be deemed to be in attendance at a meeting of the Members, for the purpose of determining whether a quorum exists. The method and procedures for voting by mail may be adopted by resolution of the Board of Directors, as the Board of Directors deems necessary.
- (d) Property management companies, tenants, or other non-members may only vote on behalf of a Member pursuant to a proxy that conforms to Article III, Section 6 of these Bylaws.

SECTION 9. NUMBER OF VOTES. The number of votes to which each Member is entitled shall be computed as provided in the Articles of Incorporation. The Board of Directors may, in its sole and absolute discretion, by resolution adopt regulations for any or all meetings of the Members, consistent with the Declaration, the Articles of Incorporation, and these Bylaws, in regard to proof of membership in the Association, evidence of right to vote, determination of the number of votes to which each Member is entitled, appointment and duties of inspectors of votes, registration of members for voting purposes, and other matters concerning the conduct of meetings and voting. Such regulations and any amendments of them shall:

- (a) be distributed to Members with the notice of the first meeting of Members following their adoption; and
- (b) Be available for inspection by any Member:
 - By written request made by mail sent to the mailing address of the Association at CCAI, P.O. Box 365, Lexington Park, Maryland 20653. In the event a written request is made by mail, the Board shall mail a copy of the requested documents to the Member, at the cost and expense of the Member (to the extent permitted by Article IX, Section 4 herein); and
 - At each meeting of Members.

SECTION 10. ACTION WITHOUT MEETING. Any action required or permitted to be taken at any annual or special meeting of the Members may be taken without a meeting if the unanimous consent which sets forth the action is given in writing or by electronic transmission by each Member entitled to vote on the matter; and filed in paper or electronic form with the records of the Members meetings. Any consent authorized by this Section shall be delivered to the Association by delivery to its principal office in the State of Maryland, its resident agent, or the officer or agent of the Association that has custody of the book in which proceedings of minutes of Members meetings are recorded. A Member may deliver the consent authorized by this Section in paper form, by hand, by certified or registered mail, return receipt requested, or by electronic transmission. The Board of Directors may adopt reasonable procedures for delivering consents instead of holding a meeting under this Section.

SECTION 11. ORDER OF BUSINESS. The order of business at all regularly scheduled meetings of the Members shall be as follows:

- (a) Call to order.
- (b) Roll call (usually obviated by check-in process) and certification of proxies.
- (c) Verification of quorum.
- (d) Proof of notice of meeting or waiver of notice.
- (e) Reading and approval of minutes of preceding meeting.
- (f) Reports of the President.
- (g) Report of the Treasurer.
- (h) Report of Other Officers.
- (i) Reports of committees, if any.
- (j) Old Business.
- (k) New Business.
- (l) Appointment of inspectors of election, if required.
- (m) Candidate Forum.
- (n) Election.
- (o) Adjournment.

In the case of special meetings, the order of business shall be as follows:

- (a) Call to order.
- (b) Roll call (usually obviated by check-in process) and certification of proxies.
- (c) Verification of quorum.
- (d) Proof of notice of meeting or waiver of notice.
- (e) Business called for in the notice of meeting.
- (f) Adjournment.

The Board of Directors or governing body shall provide a designated period of time during a meeting to allow members an opportunity to comment on any matter relating to the Association. Furthermore, the Board of Directors shall convene at least one meeting each year at which the agenda is open to any matter relating to the Association.

ARTICLE IV

BOARD OF DIRECTORS

SECTION 1. NUMBER OF BOARD MEMBERS. The Members shall, at each annual meeting, elect a minimum of three (3) board directors, or such additional uneven number of directors as determined from time to time by majority vote of the current Board of Directors. A director **MUST** be a member of the Association in good standing, as defined in Article III, Section 2 herein.

SECTION 2. NOMINATIONS AND ELECTIONS. Nomination for members of the Board of Directors shall be made from the floor at each annual meeting. The President of the current Board of Directors will open the floor for nominations of new Directors. A nomination must receive a second from a Member of the Association in good standing present at the meeting. Following nominations, the Members of the association shall vote for the candidates by secret written ballot. The Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Articles of Incorporation. The three candidates, or such additional number as determined from time to time by majority vote of the current Board of Directors, who receive the most votes shall be elected to the Board of Directors. Cumulative voting is prohibited. Following the adjournment of the annual meeting, the Board of Directors shall vote amongst themselves to elect officers. The names of the Board members and Officers shall be posted at the next meeting of the Board of Directors.

SECTION 3. TERM. Each Director shall serve for a term of one year and until his or her successor is elected and qualified. The term of office of a Director may not be longer than five years, or except in the case of an initial or substitute director, shorter than the period between annual meetings.

SECTION 4. REMOVAL. Any Director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association. In the event of death, resignation or removal of a Director, the Director's successor shall be selected by the remaining members of the Board and shall serve for the remaining term of the Director's predecessor.

SECTION 5. COMPENSATION. Each Director shall receive Twenty Five Dollars (\$25.00) per month for expenses incurred for services rendered in the performance of their duties to the Association. Directors may also be reimbursed by the Association for additional expenses incurred in the performance of their duties. All requests for additional reimbursement must be provided to the Board of Directors and accompanied by proper receipt. The Board of Directors shall review the request for additional reimbursement, and it shall be granted if approved by a majority of the Board of Directors present at a duly held meeting at which a quorum is present, or if approved unanimously pursuant to Article V, Section 8, herein.

SECTION 6. RESIGNATION AND VACANCIES. Any Director may resign at any time by giving written notice to the President or Secretary. Such resignation shall take effect on the date of receipt of such notice. The acceptance of such resignation shall not be necessary to make it effective. In the event of the death, resignation or removal of a Director, the Director's successor shall be selected by the remaining members of the Board of Directors and shall serve for the unexpired term of the Directors' predecessor, subject to removal, however, by vote of the members of the Association outlined in Section 4 of this Article IV.

ARTICLE V

BOARD OF DIRECTORS MEETINGS

SECTION 1. QUORUM. A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board of Directors.

SECTION 2. NOTICE OF TIME AND PLACE OF MEETINGS TO DIRECTORS. Each meeting of the Board of Directors shall be held at such time and at such place within the State of Maryland agreed upon by all the Directors. Notice to the members of the Board of Directors may be provided by e-mail, facsimile, telephone or as announced before the adjournment of the prior regular or special Board of Directors meeting.

SECTION 3. REGULAR MEETINGS. Regular meetings of the Board of Directors shall be held monthly with notice to each Member of the Association, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

SECTION 4. SPECIAL MEETINGS. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two Directors, after not less than three (3) days notice to each Director. However, attendance by a Director at any such special meeting shall constitute a waiver of notice.

SECTION 5. WAIVER BY ATTENDANCE OR WRITTEN WAIVER. Attendance of a Director at any meeting shall constitute waiver of notice of the meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. No notice of any meeting of the Board of Directors need be given to any Director who, either before, during or after the holding of the meeting, waives such notice in writing.

SECTION 6. OPEN MEETINGS.—Except as permitted by Maryland law, all meetings of the Association, including meetings of the Board of Directors or other governing body of the Association or a committee of the Association, shall be open to all Members of the Association or their agents. All Members of the Association shall be given reasonable notice of all regularly scheduled open meetings of the Board of Directors.

SECTION 7. CLOSED SESSION. Unless otherwise permitted by Maryland law, a meeting of the Board of Directors or other governing body of the Association may be held in closed session only for the following purposes: (i) discussion of matters pertaining to employees and personnel; (ii) protection of the privacy or reputation of individuals in matters not related to the Association's business; (iii) consultation with legal counsel on legal matters; (iv) consultation with staff personnel, consultants, attorneys, Directors, or other persons in connection with pending or potential litigation or other legal matters; (v) investigative proceedings concerning possible or actual criminal misconduct; (vi) consideration of the terms or conditions of a business transaction in the negotiation stage if the disclosure could adversely affect the economic

interests of the Association; (vii) compliance with a specific constitutional, statutory, or judicially imposed requirement protecting particular proceedings or matters from public disclosure; or (viii) discussion of individual Owner assessment accounts. If a meeting is held in closed session, then the following applies: (a) an action may not be taken and a matter may not be discussed if it is not permitted by the aforementioned (i) through (viii); and (b) a statement of the time, place, and purpose of a closed meeting, the record of the vote of each Board of Directors or committee member by which the meeting was closed, and the authority under this section for closing a meeting shall be included in the minutes of the next meeting of the Board of Directors.

SECTION 8. WRITTEN ACTION WITHOUT A MEETING. Any action required or permitted to be taken at a meeting of the Board of Directors or of one of its committees may be taken without a meeting, if a unanimous written consent which sets forth the action is given in writing or by electronic transmission by each member of the Board of Directors, or, in the case of committee action, by each member of the committee, and is filed in paper or electronic form with the minutes of proceedings of the Board of Directors or the committee. Any action so approved shall have the same effect as though taken at a meeting of the Directors or the committee, whichever is applicable.

SECTION 9. ADJOURNMENT. Any meeting of the Board of Directors, regular or special, may be adjourned from time to time and reconvened at the same or some other place, and no notice need be given of any such adjourned meeting other than by announcement.

ARTICLE VI

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

SECTION 1. POWERS. In addition to those powers granted to the Board of Directors under Maryland law, the Articles of Incorporation, the Declaration or these Bylaws, the Board of Directors shall have the power to:

- (a) Adopt and publish rules and regulations relating to the governing of the Association; the use of the Common Area and facilities, and the personal conduct of the Members and their guests thereon, to establish penalties and infractions thereof, and to pursue legal action against Members and their tenants/guests that are an infraction of these Bylaws;
- (b) Exercise for the Association all powers, duties and authority vesting in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration;
- (c) Suspend the voting rights of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the Association, and for a term of three consecutive months after the commencement of the default. Such voting rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) calendar days for infraction of the Declaration, these Bylaws or the published rules and regulations;

- (d) Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive meetings of the Board of Directors without legitimate cause;
- (e) Employ a manager, an independent contractor, association committees or such other employees as they deem necessary, and to prescribe their duties;
- (f) Impose a reasonable fine upon Properties and Owners, who are in violation of the Declaration, Bylaws, and Rules and Regulations;
- (g) Suspend the right to use of the recreational facilities of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) calendar days for infraction of published Rules and Regulations;
- (h) Call a special meeting of the Members whenever it deems the same to be necessary and whenever requested in writing so to do by at least twenty-five percent (25%) of the Members;
- (i) Receive Twenty-Five Dollars (\$25.00) per month, per Director, for expenses incurred for services rendered in the performance of their duties to the Association and be reimbursed for additional expenses incurred in the performance of their duties, so long as the reimbursement request for additional expenses is accompanied by a proper receipt and approved by a majority of the Directors present at a duly held meeting at which a quorum is present, or if approved unanimously pursuant to Article V, Section 8, herein;
- (j) Elect and remove at pleasure all officers of the Association, reimburse them for expenses incurred in the performance of their duties; pay the Treasurer One Hundred Dollars (\$100.00) per month for expenses associated with services rendered to the Association (or such other amount deemed advisable by the Board of Directors pursuant to a resolution of the Board of Directors), and require of the officers such security or fidelity bond as it may deem necessary or expedient;
- (k) Engage and remove at pleasure all agents and employees of the Association upon such terms as the Board of Directors may determine;
- (l) Borrow money as necessary, and with the assent of two-thirds (2/3) of the Members, mortgage, pledge, deed in trust, hypothecate any or all of its real or personal property as security for money borrowed or debts incurred. However, the total indebtedness outstanding for such purposes, from time to time, shall not exceed thirty thousand dollars (\$30,000) without the approval of a majority of votes received from the Members; and
- (m) Dedicate, sell or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Members. No such dedication or transfer shall be effective unless an instrument has been signed by two-thirds (2/3) of the Members, agreeing to such dedication, sale or transfer. The Board is prohibited from acquiring, leasing or disposing of Common Area for other purposes, unless a majority of the Members in good standing approve such action.

SECTION 2. DUTIES. It shall be the duty of the Board of Directors to:

- (a) Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of Members who are entitled to vote;
- (b) Supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;
- (c) As more fully provided in the Declaration, to:
 - (1) Fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;
 - (2) Send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and
 - (3) Foreclose the lien, in accordance with the Maryland Contract Lien Act, against any property for which assessments are not paid within a reasonable amount of time prescribed by the Board of Directors, or to bring an action at law against the Owner personally obligated to pay the same.
- (d) Issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board of Directors for the issuance of these certificates. If a certificate is issued setting forth whether or not any assessment has been paid, such certificate shall be conclusive evidence of such payment;
- (e) Procure and maintain adequate liability and hazard insurance on property owned by the Association, procure and maintain fidelity insurance as required herein, and such other insurance as deemed advisable by the Board of Directors;
- (f) Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;
- (g) Establish banking and investment accounts on behalf of the Association, which are federally insured or are for U.S. Governmental Securities;
- (h) Conduct periodic reviews of these Bylaws and to recommend and adopt changes when necessary;
- (i) Enforce by legal means, if necessary, the provisions of these Bylaws, the Declaration, Rules and Regulations and to institute, maintain and defend proceedings and actions brought on behalf of or against the Association;
- (j) Establish and publish required fees, new construction fee, penalty fees and bond requirements;

- (k) To pursue or cause to be pursued the collection of all accounts receivable, including late charges, and reasonable attorney fees by whatever means are set forth in these Bylaws, the laws of the State of Maryland, and the United States of America;
- (l) Provide for and enter into contracts relating to the operation, maintenance and security of the Common Areas;
- (m) Cause the members to maintain the exterior of the dwellings in accordance with the Declaration, the provisions contained herein and the Rules and Regulations, and to enforce the provisions contained therein; and
- (n) Otherwise perform or cause to be performed the functions and obligations of the Board of Directors and the Association as provided in the Declaration, Articles of Incorporation and these Bylaws.

ARTICLE VII

OFFICERS AND THEIR DUTIES

SECTION 1. ENUMERATION OF OFFICERS. The Officers of the Association shall, at a minimum, be a President, a Vice President, Secretary, and a Treasurer, and such other officers as the Board of Directors may from time to time by resolution create, all of whom shall be elected by the Board of Directors. The officers of the Association shall be Members of the Association.

SECTION 2. ELECTION AND TERM OF OFFICERS. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members, and the officers shall hold office for one (1) year or until their successors are appointed, unless said officers shall sooner resign, or shall be removed, or otherwise disqualified to serve.

SECTION 3. SPECIAL APPOINTMENTS. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

SECTION 4. RESIGNATION AND REMOVAL. The Board may remove any officer from office with or without cause. Any officer may resign at any time giving written notice to the Board, the President or the Secretary. Such resignations shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

SECTION 5. VACANCIES. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he or she replaces.

SECTION 6. MULTIPLE OFFICES. With the exception of the offices of Secretary and Treasurer, and except in the case of special offices created pursuant to Section 3 of this Article, no person shall simultaneously hold more than one of any of the offices. A person who holds more than one office, in accordance with the terms contained herein, may not act in more than one capacity to execute, acknowledge, or verify an instrument required by law to be executed, acknowledged, or verified by more than one officer.

SECTION 7. SIGNATURES. All appointees shall sign a signature card and all forms required by the banking institution. Each officer, in their individual capacity, shall have the authority to sign checks on behalf of the Association. With regards to Association documents other than checks, it is preferable that the signatures of the President and one additional officer be affixed to all Association business. Notwithstanding the aforesaid, unless otherwise determined by the Board, only the President's signature, or such other signature authorized by the President, shall be required to carry out the official business of the Association.

SECTION 8. DUTIES. Except as otherwise determined by the Board of Directors, the duties of the officers are as follows:

PRESIDENT

The President, being the chief operating officer of the Association, shall preside at all meetings of the Members and of the Board of Directors, shall have general and active operating management of the business of the Association and shall see that all orders are resolved and are carried into effect. The President shall execute all Association correspondence, bonds, leases, mortgages, deeds, promissory notes, any contracts and other written instruments requiring a seal, under the seal of the Association, except where required or permitted by law to be otherwise signed and executed and except where the signing and execution is expressly delegated by the Board of Directors to some other officer or agent. The President shall have all the general powers and duties which are usually vested in the office of President of a corporation, including, but not limited to, the power to appoint committees from among the membership, from time to time, as the President may, in the President's discretion, decide is appropriate to assist in the conduct of the affairs of the Association.

VICE PRESIDENT

The Vice President shall act in the place and stead of the President in the event of the President's absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of the Vice President by the Board of Directors. If neither the President nor the Vice-President is able to act, the Board of Directors shall appoint some other member of the Board of Directors to do so on an interim basis.

SECRETARY

The Secretary shall attend all meetings of the Board of Directors and all meetings of the Members and record all the proceedings of the meetings of the Association and of the Board of Directors in a book to be kept for that purpose. The Secretary shall give, or cause to be given, notice of all meetings of the Members and general and special meetings of the Board of Directors, and shall

perform such duties as the Board of Directors or President may assign. The Secretary shall have custody of the corporate seal of the Association and he/she shall have authority to affix the seal to any instrument requiring it. Although having authority to affix such seal, authorization from the President prior to affixation is still required. When so affixed, the seal may be attested by the Secretary's signature. The Board of Directors may give general authority to any other officer to affix the seal of the Association and to attest the affixation by their signature. The Secretary shall also keep appropriate current records showing the Members of the Association together with their addresses, and shall perform such other duties as required by the Board of Directors.

TREASURER

The Treasurer shall have the custody of the Association's funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Association. Funds must only be deposited in a federally insured financial institution. The Treasurer shall deposit all monies and other valuable effects in the name and to the credit of the Association in such depositories as may be designated by the Board of Directors. The Treasurer shall disburse the funds of the Association as ordered by the Board of Directors or by officers authorized by the Board of Directors to execute such checks and direct such disbursements, taking proper vouchers for the disbursements, provided, however, that a resolution of the Board of Directors shall not be necessary for disbursements made in the ordinary course of business. The Treasurer shall render to the President and the Board of Directors, at its regular meetings, or when the Board of Directors, so requires, an account of all transactions as Treasurer and of the financial conditions of the Association. The Treasurer shall cause an annual audit of the Association's books to be made by an independent certified public accountant at the completion of each fiscal year, shall prepare an annual budget and a statement of income and disbursements to be prescribed to the membership at its regular annual meeting, and shall file a copy of each in the records of the Association and provide a copy of each to the Members. The Treasurer must also have ready at each annual meeting, or anytime he/she vacates his/her position, the most current status of the Association accounts for turnover to the incoming Treasurer. The Treasurer shall receive One Hundred Dollars (\$100.00) per month from the Association for expenses incurred for services rendered to the Association (or such other amount deemed advisable by the Board of Directors, pursuant to a resolution of the Board of Directors). All requests for additional reimbursement must be provided to the Board of Directors accompanied by proper receipt.

ARTICLE VIII

COMMITTEES

The Association shall appoint an Architectural Control Committee to carry out the purposes set forth in the Declaration, and as provided herein. In addition, the Board of Directors shall appoint such other committees as deemed appropriate in carrying out its purpose and to report to the Board of Directors.

The Architectural Control Committee shall consist of a Chairperson, who shall be a member of the Board of Directors, and two or more Members of the Association. The Architectural Control Committee shall be appointed by the Board of Directors prior to each annual meeting of the Members to serve from

appointment until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Chairperson, as the head of the Architectural Control Committee, has the responsibility to record the approvals and disapprovals of alterations, additions or change requests reviewed by the Architectural Control Committee. The Architectural Control Committee shall provide the original records to the Secretary of the Association, who shall maintain the original records. Additional Architectural Control Committee duties are as outlined in the Declaration.

No committee member shall receive compensation for any service rendered to the Association. However, any committee member may be reimbursed for their actual expenses incurred in the performance of their duties upon the provision of a proper receipt to the Board of Directors and approval by the Board of Directors. A non-Board committee member may resign at any time by giving written notice to the President, Secretary, or committee Chairperson. Such resignation shall take effect on the date of receipt of such notice, and the acceptance of such resignation shall not be necessary to make it effective. A non-Board committee member may be removed from the committee, with or without cause, by a majority vote of the Board of Directors.

ARTICLE IX

CALENDAR MANAGEMENT; BOOKS AND RECORDS

SECTION 1. CALENDAR YEAR. The annual year of the Association shall be the tenth month of each year. The fiscal year of the Association shall be the twelve-month period ending December 31 of each year.

SECTION 2. BOOKS AND ACCOUNTS. Books and accounts of the Association shall be kept under the direction of the Treasurer in accordance with good accounting practice. The same shall include books with detailed accounts, in chronological order, or receipts of the expenditures affecting the townhouse project and its administration and shall specify the maintenance and repair expenses of the general and limited common areas and services and any other expenses incurred. The amount of any assessment required for payment on any capital expenditure of the Association shall be credited upon the books of the Association to the "Paid-in-Surplus" account as a capital contribution.

SECTION 3. AUDITING. At the end of each fiscal year, an independent auditor whose report shall be prepared and certified in accordance with generally accepted auditing standards, shall audit the books and records of the Association. Based upon such report, the Association shall furnish its Members with an annual financial statement including the income and disbursements of the Association. All annual financial audits must be maintained in the Association files indefinitely. A financial status report done by the Treasurer is due at each annual meeting in October, which shall include a year-to-date balance of all Association accounts and may be in the form of bank statements.

SECTION 4. INSPECTION OF BOOKS. Subject to the provisions of the Maryland Homeowners Association Act, as amended from time to time, all books and records kept by or on behalf of the Association shall be made available for examination or copying, or both, by an Owner, an Owner's mortgagee, or their respective duly authorized agents or attorneys, during normal business hours, and after

reasonable notice. The Treasurer and an additional member of the Board, if possible, shall be present during this review process. The Treasurer must maintain accurate records of all reviews by the Members and/or their duly authorized agents or attorneys.

If an Owner requests in writing a copy of financial statements of the Association or the minutes of a meeting of the Board of Directors of the Association to be delivered, the Board of Directors of the Association shall compile and send the requested information by mail, electronic transmission, or personal delivery: (1) within 21 days after receipt of the written request, if the financial statements or minutes were prepared within the 3 years immediately preceding receipt of the request; or (2) within 45 days after receipt of the written request, if the financial statements or minutes were prepared more than 3 years before receipt of the request. All written requests shall be sent to CCAI, P.O. Box 365, Lexington Park, Maryland 20653 or hand delivered to the Treasurer at any Association meetings.

Books and records kept by or on behalf of the Association may be withheld from public inspection, except for inspection by the person who is the subject of the record or the person's designee or guardian, to the extent that they concern: (i) personnel records, not including information on individual salaries, wages, bonuses, and other compensation paid to employees; (ii) an individual's medical records; (iii) an individual's personal financial records, including assets, income, liabilities, net worth, bank balances, financial history or activities, and creditworthiness; (iv) records relating to business transactions that are currently in negotiation; (v) the written advice of legal counsel; or (vi) minutes of a closed meeting of the Board of Directors of the Association, unless a majority of a quorum of the Board of Directors of the Association that held the meeting approves unsealing the minutes or a recording of the minutes for public inspection.

Except for a reasonable charge imposed on a person desiring to review or copy the books and records or who requests delivery of information, the Association may not impose any charges under this Section. A charge imposed under this Section for copying books and records may not exceed the limits authorized under Title 7, Subtitle 2 of the Courts Article.

SECTION 5. MANAGER. The Association may, but shall not be required to, employ a management agency or manager at a rate of compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall from time to time determine. Any management agreements entered into by the Association shall not exceed one year and must be only for the duration necessary to accomplish such service, after which must be immediately terminated by either party.

ARTICLE X

ASSESSMENTS

As more fully provided in the Declaration, each member is obligated to pay to the Association an annual assessment (and, when required, a special assessment,) which is secured by a continuing lien upon the property against which the assessment is made upon compliance by the Association with the applicable law related to the establishment and enforcement of such liens. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate determined by the Board of Directors, but not less than ten percent (10%) per annum, and the Association may bring an action at law

against the owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of the Owner's Lot.

ARTICLE XI

LIABILITY AND INDEMNIFICATION OF OFFICERS AND DIRECTORS AND INTERESTED DIRECTORS

SECTION 1. APPLICATION. The provisions of this Article are intended to provide every person who is or was an officer or Director of the Association and who was, is or is threatened to be made a named defendant or respondent in any threatened, pending or completed action, suit or proceeding by reason of service in that capacity, with indemnification from the Association to the extent permitted in Md. Code Ann., Corporations and Associations Article § 2-418, as from time to time amended or superseded. Determination and authorization of payments under this section shall be in the manner specified in Md. Code Ann., Corporations and Associations Article § 2-418, as from time to time amended or superseded.

The Association shall indemnify every person who is or was an officer or director of the Association and who was, is or is threatened to be made a named defendant or respondent in any threatened, pending or completed action, suit or proceeding by reason of service in that capacity, whether civil, criminal, administrative or investigative, unless it is established that: (i) The act or omission of the Director or officer was material to the matter giving rise to the proceeding; and (1) was committed in bad faith; or (2) was the result of active and deliberate honesty; or (ii) the Director or officer actually received an improper personal benefit in money, property, or services; or (iii) in the case of any criminal proceeding, the Director or officer had reasonable cause to believe that the act or omission was unlawful.

The indemnification provided for in this section is against judgments, penalties, fines, settlements and reasonable expenses, including court costs and attorney's fees, actually incurred by the Director or officer in connection with any such threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative; provided, however, that if any such action, suit or proceeding was one by or in the right of the Association, indemnification shall be made only against reasonable expenses incurred by the Director or officer in connection with the proceeding, claim, issue or matter in which the Director or officer has been successful on the merits, or in the defense of any claim, issue or matter in the proceeding, and shall not be made in respect of any proceeding in which the person otherwise entitled to indemnification pursuant to the provisions of this Article shall have been adjudged to be liable to the Association.

The termination of any such action, suit or proceeding by judgment, order or settlement, does not create a presumption that the Director or officer otherwise entitled to indemnification did not meet the requisite standard of conduct set forth in this Article. The termination of any such action, suit or proceeding by conviction or upon a plea of nolo contendere or its equivalent, or an entry of an order of probation prior to judgment, creates a rebuttable presumption that the Director or officer otherwise entitled to indemnification did not meet the requisite standard of conduct set forth in this Article.

Indemnification under this section may not be made by the Association unless authorized in the specific case after a determination has been made that indemnification is permissible because the person

who is or was an officer or Director of the Association has met the standard of conduct set forth hereinabove. Such determination shall be made in the manner provided in Md. Code Ann., Corporations and Associations Article § 2-418(e)(2), as from time to time amended or superseded.

In accordance with Md. Code Ann., Corporations and Associations Article § 2-418(f)(1), as from time to time amended or superseded, reasonable expenses incurred by any person who is or was an officer or Director of the Association and who is a party to any threatened, pending or completed action, suit or proceeding by reason of service in that capacity, may be paid or reimbursed by the Association in advance of the final disposition of that proceeding, upon receipt by the Association of documentation required therein.

The provisions of this Article do not limit the power of the Association to pay or reimburse expenses incurred by any person who is an officer or Director of the Association in connection with an appearance as a witness in any proceeding by reason of service in that capacity, or otherwise involving the Association, when that person has not been made a named defendant or respondent in the proceeding.

Any right to indemnification provided for in this Article shall be in addition to, and not exclusive of, any other rights to which any person who is or was an officer or director of the Association may be entitled by law, or otherwise.

Any indemnification of, or advance of expenses to, any person in accordance with the provisions of this section, if arising out of a proceeding by or in the right of the Association, shall be reported in writing to the members of the Association with notice of the next annual meeting of members of the Association or prior thereto.

With respect to an employee or agent, other than a Director or officer of the Association, the Association may, as determined by the Board of Directors of the Association, indemnify and advance expenses to such employee or agent in connection with a proceeding to the extent permitted by, and, in accordance with this section.

SECTION 2. INTERESTED DIRECTORS. The Directors shall exercise their powers and duties in good faith and with a view to the interests of the Association. A contract or other transaction between the Association and any of its Directors, or between the Association and any other corporation, firm or other entity in which any of its Directors is a Director or has a material financial interest is not void or voidable solely because of the common directorship or interest, or because the Director is present at the meeting of the Board of Directors or a committee of the Board of Directors which authorizes, approves or ratifies the contract or transaction, or because the vote of the director was counted for the authorization, approval or ratification of the contract or transaction, if any of the following conditions exist:

(a) the fact of the common directorship or interest is disclosed or known to the Board of Directors or the committee of the Board of Directors, and the Board of Directors or the committee of the Board of Directors authorizes, approves or ratifies the contract or transaction by the affirmative vote of a majority of disinterested directors, even if the disinterested directors constitute less than a quorum; or

(b) the fact of the common directorship or interest is disclosed or known to the Members of the Association entitled to vote, and the contract or transaction is authorized, approved or ratified by a majority

of the votes cast by the Members entitled to vote other than the votes appurtenant to memberships owned by the interested director or corporation, firm or other entity; or

(c) the contract or transaction is fair and reasonable to the Association at the time it was authorized, approved or ratified.

Common or interested Directors or the votes which they are entitled to cast or which are entitled to be cast by an interested corporation, firm or other entity, may be counted in determining the presence of a quorum at a meeting of the Board of Directors or a committee of the Board of Directors or at a meeting of the members, as the circumstances may require, at which the contract or transaction is authorized, approved or ratified. If a contract or transaction is not authorized, approved or ratified in the manner provided for in subparagraphs (a) or (b) above, the person asserting the validity of the contract or transaction bears the burden of proving that the contract or transaction was fair and reasonable to the Association at the time it was authorized, approved or ratified.

SECTION 3. FIDELITY INSURANCE. The Board of Directors shall purchase and maintain fidelity insurance, which shall provide for the indemnification of the Association against loss resulting from acts or omissions arising from fraud, dishonesty, or criminal acts by: (i) any officer, Director, managing agent, or other agent or employee charged with the operation or maintenance of the Association who controls or disburses funds; and (ii) any management company employing a management agent or other employee charged with the operation or maintenance of the Association who controls or disburses funds. A copy of the fidelity insurance policy shall be included in the books and records kept and made available by or on behalf of the Association pursuant to the terms contained in these Bylaws. The amount of the fidelity insurance required shall equal at least the lesser of the following: (i) 3 months' worth of gross annual homeowners association fees and the total amount held in all investment accounts at the time the fidelity insurance is issued; or (ii) \$3,000,000. The total liability of the insurance to all insured persons under the fidelity insurance may not exceed the sum of the fidelity insurance. If an Owner believes that the Board has failed to comply with the requirements of this section, the aggrieved Owner may submit the dispute to the Division of Consumer Protection of the Office of the Attorney General.

ARTICLE XII

COMPLIANCE AND DEFAULT

Each Owner and/or occupant or user of the Property (or any part thereof) shall be governed by, and shall comply with all of the terms of the Declaration, Bylaws, and the Rules and Regulations herein provided for, and any amendments of the same. A default by an Owner or such occupant or user shall entitle the Board, acting by itself, for the Association, or through the Management Agent, to the following relief:

SECTION 1. LEGAL PROCEEDINGS. Failure to comply with any of the terms of these Bylaws, the Declaration, or the Rules and Regulations shall be grounds for relief which may include, without limiting the same, an action to recover any sums due for money damages, injunctive relief, foreclosure of the lien for payment of any and all assessments, any other relief provided for in these Bylaws and any other relief afforded by a court of competent jurisdiction, all of which relief may be sought by the Board, the

Management Agent, or, if appropriate, by any aggrieved Owner. There shall be and there is hereby created and declared to be a conclusive presumption that any violation or breach or attempted violation or breach of any of the within covenants and restrictions cannot be adequately remedied by action at law or exclusively by recovery of damages.

SECTION 2. ABATEMENT AND ENJOINMENT OF VIOLATIONS BY OWNERS. The violation of any provision of the Declaration, these Bylaws, or of any of the Rules and Regulations adopted by the Board of Directors shall give the Board of Directors (or the Management Agent or its agents and employees at the direction of the Board of Directors) the right, in addition to any other rights set forth in these Bylaws, to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach. The costs, expenses and reasonable attorneys' fees of such action shall be borne by the breaching party, and said costs and expenses shall be deemed a lien upon the Lot and improvements of the defaulting Owner in the same manner as the annual assessments shall be deemed a lien upon the Lot and improvements of said Member. Prior to altering or demolishing items of construction on any Lot pursuant to this section, the Board of Directors (or the Managing Agent or its agents and employees at the direction of the Board of Directors) shall first attempt to obtain redress by judicial proceedings.

SECTION 3. FINES. In addition to the means for enforcement provided elsewhere herein, the Association shall have the right to levy fines against an Owner or the Owner's guests, relatives, lessees or invitees, in the manner set forth herein, and such fines shall be collectible as any other assessment such that the Association shall have a lien against the Lot of such Owner as provided in the Declaration, these Bylaws and the Articles of Incorporation and such fine(s) shall also become the binding personal obligation of such Owner.

A. The Board of Directors shall be charged with determining whether there is probable cause that any of the provisions of the Declaration, these Bylaws, Articles or the Rules and Regulations of the Association, regarding the use of the dwelling units, Lots, Common Area or other Association property, are being or have been violated. In the event that the Board of Directors determines an instance of such probable cause it shall cause the Board to provide written notice to the person alleged to be in violation, and the Owner of the Lot which that person occupies or is visiting if such person is not the Owner, of the specific nature of the alleged violation and of the opportunity for a hearing before the Board upon a request made within five (5) days of the sending of the notice. The notice shall also specify, and it is hereby provided, that each recurrence of the alleged violation or each day during which it continues shall be deemed a separate offense, subject to a separate fine not to exceed Fifty Dollars (\$50.00) for each offense. The notice shall also specify, and it is hereby provided, that in lieu of requesting a hearing, the alleged violator or Owner may respond to the notice within five (5) days of its sending, acknowledging in writing that the violation occurred as alleged and promising that it will henceforth cease and will not recur, and that such acknowledgment and promise, and performance in accordance therewith, shall terminate the enforcement activity of the Association with regard to such violation.

B. If a hearing is timely requested, the Board of Directors shall hold the same, and shall hear any and all defenses to the charges, including any witnesses that the alleged violator, Owner or the Board of Directors may produce. Any party at the hearing may be represented by counsel.

C. Subsequent to any hearing, or if no hearing is timely requested and if no acknowledgment and promise is timely made, the Board of Directors shall determine whether there is sufficient evidence of a violation or violations as provided herein. If the Board of Directors determines that there is sufficient evidence, it may levy a fine for each violation in the amount provided herein.

D. A fine pursuant to this Section 3 shall be assessed against the Lot which the violator occupied or was visiting at the time of the violation, whether or not the violator is an owner of that Lot, and shall be collectible in the same manner as any other assessment, including by the Association's lien rights as provided in the Declaration and these Bylaws. Nothing herein shall be construed to interfere with any right that an Owner may have to obtain from a violator occupying or visiting the Owner's Lot payment of the amount of any fine(s) assessed against that Lot.

E. Nothing herein shall be construed as a prohibition of or limitation on the right of the Association to pursue any other means of enforcement of the provisions of the Declaration, these Bylaws, Articles or Rules and Regulations, including, but not limited to, legal action for damages or injunctive relief.

SECTION 4. ADDITIONAL LIABILITY. Each Owner shall be liable for the expense of all maintenance, repair or replacement rendered necessary by the Owner's tortious acts, neglect or carelessness or the tortious acts, neglect, or carelessness of any member of the Owner's family, the Owner's employees, tenants, agents, guests, invitees, or licensees. Such liability shall include any increase in fire insurance rates occasioned by use, misuse, occupancy or abandonment of any Lot or its appurtenances. Nothing contained herein, however, shall be construed as modifying any waiver by any insurance company or its rights of subrogation.

SECTION 5. COST AND ATTORNEYS' FEES. In any proceeding arises out of any alleged default by an Owner, occupant or user of the Property (as specified in Section 1 above), the Board, the Management Agent, and/or any aggrieved Owner, shall be entitled to recover the costs and expenses of the proceedings, including, but not limited to filing fees, court costs, costs of collection and Management Agent Fees incurred as a result thereof, and such reasonable attorneys' fees, which will be presumed to be not less than \$250.00, all of which shall constitute a lien upon the Lot of the defaulting Owner, enforceable in accordance with the Maryland Contract Lien Act.

SECTION 6. NO WAIVER OF RIGHTS. The failure of the Association, the Board, or any Owner to enforce any right, provision, covenant or condition which may be granted by the Declaration, these Bylaws or the Rules and Regulations shall not constitute a waiver of the right of the Association, the Board of Directors, or the Owner to enforce such right, provision, covenant, or condition in the future. All rights, remedies and privileges granted to the Association, the Board of Directors or an Owner pursuant to any term or provision of the Declaration, these Bylaws, or the Rules and Regulations shall be deemed to be cumulative, and the exercise of any one or more thereof shall not be deemed to constitute an election of

remedies, nor shall it preclude the party exercising the same from exercising such privileges as may be granted to such party by any other term or provision of the Declaration, these Bylaws, or the Rules and Regulations, at law or in equity.

SECTION 7. RULES ADOPTION. The Board of Directors may, from time to time, in its sole and absolute discretion, enact uniform Rules and Regulations which govern the use and operation of the Common Area, as well as the conduct and the enjoyment of the Lot Owners, provided that such Rules and Regulations are not in conflict with the Declaration or these Bylaws.

ARTICLE XIII

AMENDMENTS/CONFLICTS

These Bylaws may be amended by: (1) the unanimous written consent of the Board of Directors; or (2) by majority vote of the Members of the Association at a duly called special or regular meeting at which a quorum is present. In the case of any conflict between the Article of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

ARTICLE XIV

RULES, RESTRICTIONS AND REGULATIONS

The Association has adopted the following Rules and Regulations to help maximize enjoyment, maintain values, and assure the continued aesthetic beauty of our community. The Rules and Regulations apply to all Owners and their families, tenants, and guests.

COMMUNICATIONS: Please direct any requests, complaints, or rule violations to the following address: CCAI, P.O. Box 365, Lexington Park, Maryland 20653, or email columbiacommons20653@hotmail.com. You are encouraged to submit your suggestions or complaints to the Board of Directors.

ENFORCEMENT: The Rules and Regulations will be strictly enforced. If the Rules and Regulations are violated by any occupant or guest of the Owner, the Owner will be responsible for corrective action, damages, and fines, as provided in these Bylaws.

DUE PROCESS: Prior to the imposition of a fine, the Board of Directors shall issue a written notice to the Lot Owner for an infraction of the Declaration, Articles of Incorporation, Bylaws, or Rules and Regulations. The procedure for notification to the Owner, the opportunity for the Owner to be heard and fining shall be as described in Article XII, Section 3 of these Bylaws.

FINES FOR VIOLATION:

THE ISSUANCE OF A VIOLATION NOTICE MAY RESULT IN A FINE.

FINE SCHEDULE:

The Declaration, in addition to Articles X and XII herein, establish the enforcement provisions for nonpayment of the Association's assessments. The following is a non-exhaustive list of the fines associated with noncompliance with the terms contained in the Declaration, the Articles of Incorporation, these Bylaws, the Rules and Regulations, or nonpayment of the Association's assessments.

1. Grass cutting: Cost incurred by the Association to cut grass.
2. Returned check(s): Twenty-five dollars.
3. Maintenance of Property:
 - a. Painting: Cost, including but not limited to the cost of supplies, labor and repair.
 - b. Fence repair/replacement: Cost to repair or replace, including but not limited to the cost of supplies and labor.
 - c. Exterior obstruction: Cost of removal. (This includes vehicles, toys, portable basketball hoop, construction materials, furniture, appliance, trash receptacle, decorations, etc).
4. Destruction of property: Cost, including but not limited to the cost of supplies, labor, repair and replacement.
5. Nonpayment of Association assessments: will include all interest, late charges, court costs, reasonable attorney fees and court fees, plus any additional fees outlined in these Bylaws, within the Declaration and as allowable pursuant to the Maryland law.

The job of your Board is not only to ensure all Members of the Association comply with the Bylaws, but also that all Members are equal partners in the Association's maintainability. To this end, we are appointed by the Members as their representative. These positions are voluntary and can be rewarding if we all work together to insure the best community possible.

Upon the Board's compliance with the fining provisions contained in Article XII herein, a reasonable dollar amount, if not otherwise provided herein, as determined in the sole and absolute discretion of the Board of Directors, will be assessed against each Property in violation of the Declaration, the Articles of Incorporation, these Bylaws, and the Rules and Regulations. The fine assessed will be based on the cost to repair, replace, remove, and correct discrepancies. Violations corrected within the prescribed time given in the notice will not be fined.

LEGAL ACTION:

In the event that an Owner fails to come into compliance with the Declaration, Articles of Incorporation, Bylaws, and Rules and Regulations, the Board of Directors may turn the matter over to the Association's Attorney to take any and all legal actions necessary, including but not limited to those outlined in Article XII of these Bylaws. In the event the Board of Directors is required to undertake legal action against the Owner, the Owner shall also be liable for all court costs, costs of collection, and reasonable attorney's fees incurred by the Association. The Board of Directors shall have the right to seek a monetary judgment from the Court for the same.

RESIDENCY:

The Common Area and each Lot located on the Property shall be used, occupied and maintained for residential purposes; and the ancillary accessory common purposes to residential housing for which the development was designed; provided, however that "no impact home-based businesses" and "family day care homes" shall be permitted as allowed under the Maryland Code Annotated, Real Property Article (the "Real

Property Article"). As defined in the Real Property Article, Section 11B-111.1(a)(4), as from time to time amended or superseded, a "no-impact home-based business" means a business that "(i) is consistent with the residential character of the dwelling unit; (ii) is subordinate to the use of the dwelling unit for residential purposes and requires no external modifications that detract from the residential appearance of the dwelling unit; (iii) uses no equipment or process that creates noise, vibration, glare, fumes, odors, or electrical or electronic interference detectable by neighbors or that causes an increase of common expenses that can be solely and directly attributable to a no-impact home-based business; and (iv) does not involve use, storage, or disposal of any grouping or classification of materials that the United States Secretary of Transportation or the State or any local governing body designates as hazardous material." A "family day care home" means a unit registered under Title 5, Subtitle 5 of the Family Law Article. Before opening a no-impact home-based business, the Owner is required to notify the Association in writing.

RENTAL UNITS:

No Owner shall lease their Lot except by a written lease which expressly provides that the tenancy thereby created is subject to the provisions of the Declaration, the Articles of Incorporation, the Bylaws and the Rules and Regulations and that the violation of any such provisions shall be deemed to be a substantial breach of the lease warranting proceedings for eviction. Should any lease of a Lot by an Owner fail to expressly provide such provisions, the applicability of the Declaration, the Articles of Incorporation, the Bylaws and the Rules and Regulations and the effect of violations thereof shall nonetheless be necessarily implied to be an integral part thereof. Each Owner who leases their Lot shall notify the Board of the name and address of their lessees and shall file with the Board a conformed copy of the lease. If it so elects, the Board of Directors is hereby irrevocably appointed to be the agent and attorney-in-fact for each Owner leasing their Lot for the purpose of enforcing, on behalf of the Association, all express and implied provisions of the Owner's lease relating to the Declaration, the Articles of Incorporation, the Bylaws and the Rules and Regulations, or any violations thereof, at the cost and expense of such Owner. Each Owner is also responsible for making sure their lessee(s) have a copy of the Declaration, the Bylaws, and the Rules and Regulations, and that they are followed. Lot Owners are responsible for all infractions that occur upon the Lot they own.

CLEANLINESS:

No vermin, insects or other pests shall be allowed to remain in any dwelling, and no dwelling or Lot shall be permitted to remain in an unclean or unsanitary condition. If the Board of Directors has probable cause to believe that a Lot Owner has failed to comply with the aforesaid, the Board of Directors may order any Lot Owner to submit to the Board, within 30 calendar days of the request, a written statement of treatment, the proper performance of control measures and/or extermination, as applicable, from a licensed and bonded exterminator to verify compliance. If the Board of Directors has probable cause to believe that the presence of any vermin, insects or other pests continues to exist after documentation of treatment, control measures and/or extermination has occurred, the Owner must provide additional proof and documentation from a licensed and bonded exterminator that they are taking the additional necessary measures to control or exterminate any such vermin, insects or other pests. If any vermin, insects or other pests are found by the

Owner without the Owner obtaining a notice from the Board of Directors the Lot Owner must notify the Board of Directors within 30 days of obtaining knowledge that such pests exist in the dwelling with a written statement so the Board can inform and make appropriate actions with the surrounding Lots and dwellings.

PROPER USE OF WALKWAYS, WINDOWS, DOORS, PATIOS AND BALCONIES:

Clothing, curtains, rugs, towels or other articles shall not be shaken or thrown from or on the walkways, windows, doors, patios, or balconies, nor shall anything be placed on or hung from the windows, balconies or the front façade. The walkways shall be used for ingress and egress only, nothing must be stored permanent or temporary in these areas, which are to remain clear of all objects.

WINDOW COVERINGS:

All Lots occupied for living must display proper blinds, curtain, or drapes at each window or door. No towel, blanket, sheet, or other similar articles should be hung from these areas.

BEHAVIOR:

Anyone on the Property who uses foul language, displays rowdy behavior, violates posted rules, or in any other way does not conduct his/herself in a proper manner will be reported by the Association to law enforcement officials and the Lot Owner and/or manager. Guests who violate any rule and regulation may be issued a "No Trespassing Notice" from the Association for the community. Nothing shall be done or permitted to be done on the Property, including the Owner's Lot that will conflict with any state or federal law, rule or regulation.

VANDALISM:

Vandalism and/or destructive behavior by anyone using the Common Area or on the Property will not be tolerated. Persons found vandalizing any Property within the Association will be held responsible for any costs incurred to repair the damage to the Association's standards. Owners are responsible for the actions of their guests and minor children. In the event that the vandal is a guest of an Owner or a minor child of an Owner, the Owner will be responsible for all costs incurred as well as all fines assessed. Vandals and/or the Owner responsible for said action may lose their Association privileges and are subject to prosecution to the fullest extent of the law.

LITTERING:

Littering or dumping within the Property shall not be tolerated. Persons found littering on any part of the Property, including roads, Lots and Common Area, will be held responsible for any costs incurred as a result of clean up. In the event that the individual littering is a guest of an Owner or a minor child of an Owner, the Owner will be responsible for all clean up costs incurred. Violators are subject to prosecution to the fullest extent of the law.

NUISANCES:

No unsafe, noxious, offensive, or illegal activity or odor is permitted in the Property. No activity shall be conducted on the Property which in the judgment of the Board of Directors might reasonably be considered as annoying to neighbors of ordinary sensibilities, or might be reasonably calculated to reduce the desirability of the property for quality of living. No exterior loudspeakers or flashing lights (with the exception of holiday exterior lights in compliance with the Rules and Regulations of the Board) are allowed. No person may do anything that will increase insurance rates for Common Area without the prior written consent of the Board or which may cause Common Area to be uninsurable or which may cause any Common Area policy to be canceled, or suspended or materially modified by the issuing company. All valid laws, zoning ordinances and regulations of all governmental agencies having jurisdiction thereof shall be observed.

CHILDREN:

Each Owner is responsible for the conduct of children who are tenants or guests in the Owner's dwelling or on the Owner's Lot. No children's toys may be left outside in streets or yards (except fenced back yards). Children's recreational equipment shall be restricted to fenced back yards. Swing and outdoor gym sets may be installed in back yards without approval from the Architectural Control Committee. Non-standard items (e.g. skateboard ramps, tractor tires utilized as sandboxes, etc..) are not permitted. Basketball goals may not be mounted on the garage of the dwelling. Freestanding basketball goals may not be used at the street edge so that the street becomes the playing surface. Freestanding basketball goals must be stored out of public view when not in use.

LANDSCAPING/YARD MAINTENANCE:

Owners shall keep their lawns and landscaping in good condition, including regular watering, pruning, and other reasonably necessary maintenance. The degree of landscaping and maintenance shall be sufficient to maintain a high level of aesthetic harmony within the Association. Dead trees, shrubbery, or other such landscaping must be removed promptly by the Owners. If Owner should fail to maintain landscaping in accordance with these Rules and Regulations or other governing document provisions, the Association may, upon reasonable notice to the Owner, enter onto Owner's property and mow, water, or otherwise perform any work needed in order to bring the Owner into compliance. The Association will charge the Owner's account for the cost of such work, plus a 10% charge for overhead. A statement for the amount thereof shall be rendered to the Owner of said Lot at which time the assessment shall become due and payable and a continuing lien upon such Lot, and a binding personal obligation of the Owner of such Lot, in all respects (and subject to the same limitations) as an assessment provided for in the Declaration.

PARKING:

Parking of vehicles, motorcycles and bicycles in grass areas, dirt areas, flower beds, or sidewalks is prohibited. Owners and occupants must park vehicles in their respective garages/driveways whenever possible. Owner's guests shall park in the aforesaid areas or in other designated areas.

No Owner or occupant shall park, store, operate or keep within the Property any type of vehicle, larger than one (1) ton or over 20 feet long, motor scooter, recreational vehicle (e.g. camper unit, motor

home, trailer, boat, mobile home, golf cart), or other similar vehicle unless same is kept solely within the garage of such Owner's home and such vehicle physically will be fully enclosed in the garage so that the garage door can close. No Owner or occupant shall park, store, operate or keep any vehicle over 20 feet long or those that extends into community roadways when parked in the Owner's driveway or in any assigned parking areas within the Property.

Heavy Vehicles (including but not limited to large trucks, tractor-trailer cabs, tractors, buses, construction equipment, etc.) shall not be parked or stored within the Property.

Bicycles and similar items may not be stored outside a dwelling so that they are visible from the street.

No vehicles may be parked or unattended in such a manner as to block the passage of other vehicles on the private roadway for the Property or in driveways to dwellings. No vehicle shall be left parked and unattended in such a manner as to prevent the ingress and/or egress of emergency vehicles (e.g., fire, EMS) or service vehicles (e.g., refuse trucks). No inoperable, and/or untagged/unregistered vehicle may be stored on the Common Area or on the Owner's Lot.

Handicap parking signs must be honored. Violators are subject to prosecution to the fullest extent of the law.

Unlicensed or inoperable vehicles must be parked in the Owner's driveway only, and when possible should be parked in the garage. Boats, campers, and trailers are not permitted to be parked on the Property. A car cover must cover vehicles missing exterior parts.

All allowable vehicles must be parked in the Owner's driveway, garage, or marked spaces within the Common Areas. Vehicles illegally parked will be removed and stored without permission of the vehicle's owner or operator. Notice and removal shall be in accordance with Maryland state and/or St. Mary's County statutes. The Vehicle's owner and/ or operator is liable for all costs associated with towing illegally parked vehicles. "Illegally parked vehicles" shall include, but are not limited to, those parked in front of Lots (except for active loading and unloading), on community roads, on Common Area, on the grass, on an area not designated for parking, those having expired/no tags and not located in the Owner's driveway or garage, abandoned vehicles located in the Common Area or such other area not designated for parking, those that have fluids leaking onto the Common Area, vehicles occupying more than one parking space, and those parked in driveways but extending onto community roadways.

The Board may adopt parking regulations and restrictions to resolve unanticipated parking problems, provided they are not in conflict with the Declaration or these Bylaws. The Board shall also have the right to fine violators.

VEHICLES:

All vehicles operated within the community must have valid registration, and be operated by a licensed driver who is insured.

No dirt bikes, ATV's, go-carts, motor scooters, or similar motorized vehicles may be operated within the Property. The aforesaid vehicles may be placed on a trailer, but shall not be operated under their own power.

The speed limit in the community is 15 mph.

Vehicles being repaired in driveways must be covered when not being worked on for extended period of times. No fluids of any kind, except water and cleaning agents, are permitted to drain into the storm drain system.

RULES FOR MOTORCYCLE USE IN THE COMMUNITY:

All motorcycles operated on the Property must be fully licensed, insured and properly inspected. All motorcycle operators must have a current valid permit or license. Individuals holding a learner's permit may not operate a motorcycle on the Property. Off-road usage of any type of motorcycles, motorbikes, or scooters are prohibited. Noise abatement requirements of the State of Maryland and St. Mary's County shall be applicable to all motorcycles operated on the Property.

RESTRICTIONS ON FURTHER SUBDIVISIONS:

No Lot upon which a dwelling has been constructed shall be further subdivided or separated into smaller Lots by any Owner, and no portions less than all of any such Lot, nor any easement or other interest herein, shall be conveyed or transferred by an Owner, provided that this shall not prohibit disputes, and similar corrective instruments.

FIRES:

Open fires and fireworks of any kind are prohibited on the Property. Outdoor burning of trash, leaves, tree limbs, etc... is also prohibited on the Property. Outdoor grills and fireplaces must have fire screens of sufficient design to prevent the scattering of burning embers, and must be attended. The Owner will be liable for any damages caused by fire. Grills being used must be at least 10 (ten) feet away from the dwelling and must be in compliance such other distance allowable by the applicable laws, Rules and Regulations or requirements of any governmental agency having jurisdiction thereof.

SIGNS:

The following signs are permitted on the Property: (1) roadside signs for the purpose of providing directions to a private home or yard sale. These are personal signs, and should be only large enough to impart the desired message. Each sign must be on its own post and must be dated, containing the sponsors address, and date of the event. Signs without this information and/or not on its own post will be removed. Signs must be removed within twenty-four (24) hours after the event.; (2) security deterrent signs; (3) professional quality real estate signs no larger than 2' x 3', if located in the yard of a property that is for sale or rent. Real Estate signs are also permitted if they are attached to the side of a building or in a window of a building that is for sale or rent; and (4) "candidate sign" or a sign that advertises the support or defeat of any question submitted to voters in accordance with the Election Law Article, both as defined and permitted in the Real Property Article, Section 11B-111.2, as from time to time amended or superseded. However, "candidate signs" and signs that advertise the support or defeat of any proposition are prohibited from being displayed in the Common Area, and are restricted as otherwise prohibited in accordance with the provisions of federal, State, and local law.

With the exception of the aforesaid, no additional signs of any character shall be erected, posted or displayed upon, in, from or about any Lot or the Common Areas without the prior consent in writing of the Board and compliance with such conditions as it may establish. The Board shall have the right to adopt architectural regulations pertaining to signs.

DECORATION:

Holiday decoration can be displayed no more than thirty (30) calendar days prior to the holiday and must be removed 14 calendar days after the holiday. All decorations must be located within the Owner's property, and are not allowed on Common Areas.

WEAPONS:

Hunting of any nature, or the use of potentially dangerous weapons of any kind is prohibited everywhere in the community. CO2, paintball, pellet, and anything designed to shoot a projectile object is prohibited on the Property.

TREES:

Removal of trees located on the Owner's Lot that are more than six (6) feet in diameter, requires permission from the Architectural Control Committee. If a tree is removed without permission, a suitable replacement may be required. Owners are prohibited from removing trees located on the Common Area. Fines and/or legal action may also be pursued.

NOISE POLLUTION:

St. Mary's County Ordinances should be observed. Violations may be handled by appropriate law enforcement officials. Noisy activities such as construction, use of chain saws, lawn mowers, etc., are allowed only on weekdays from 7 am through 8 pm; Saturdays 9 am through 8 pm, and Sundays 10 am through 6 pm. The operation or moving of heavy equipment is restricted to Monday through Friday from 7 am through 8 pm, and Saturdays 10 am through 5 pm. The operation or moving of heavy equipment is prohibited on Sundays. Loud stereos, radios, TV's and other loud sound producing devices are allowed only at a level that does not annoy or cause a nuisance to others, or which shall in any way interfere with the quiet enjoyment of each of the Owners of their respective Lots. No noise disturbing to other Owners shall be made upon the Common Areas or in any dwelling that interferes with, obstructs, or violates the rights, reasonable comforts or convenience of the other Owners. Violators will be fined.

TRAILERS:

No temporary structure, tent, trailer, or similar service shall be used on any Lot as a dwelling. Occupied mobile dwellings, such as house-trailers, camping trailers, RVs, etc., are prohibited.

PETS:

The maintenance, keeping, breeding, boarding and /or raising of animals, livestock, reptiles or poultry of any kind, regardless of number, shall be and is hereby prohibited within any dwelling or upon the Common Areas. This does not include domestic pets such as dogs, cats, caged birds, and fish, provided such pet is not kept or maintained for commercial purposes or for breeding and provided further, that such domestic pets are not a source of annoyance or nuisance to the neighborhood or other residents of the Property. Noise complaints associated with pets shall be reported to Animal Control. All pets must be current on all shots as required by Maryland law. All Owners with domestic pets shall comply with all governmental and Association Rules and Regulations for keeping and controlling such pets. St. Mary's County Animal Control will be notified if the pet owner is not compliant with these Rules and Regulations.

The St. Mary's County leash law applies on this Property. All pets shall be on a leash at all times and under the supervision of a responsible adult when outdoors and such pets shall not stray from the Owner's control or Property. The County will impound any animal running-at-large. No pet is permitted to remain outdoors for extended periods of time. Owners and their occupants shall not erect any type of fence for pets. Owners are responsible for immediately removing any solid waste left by a pet on the Property, including the Owner's Lot, neighboring Lots and the Common Areas.

The Board of Directors shall have the right, after notice is provided to an Owner and opportunity to be heard, to require the removal of any pet in violation of these Bylaws, the applicable law or such additional Rules and Regulations adopted by the Board.

UPKEEP OF PROPERTIES:

Property Owners and tenants are required to maintain their dwellings in good repair and in a neat and sanitary condition. Garbage, trash and other refuse must be placed in animal proof, covered containers, which are placed at the side of, or behind the house, then disposed of properly. If a Unit Owner does not have sufficient space to store their trash container at the side of or behind their house, then they may store it in front of their house. If stored in front of the house, trash containers must be kept in a neat and orderly fashion (i.e. the lid should remain closed and trash should not be hanging out of the trash container.) Trash containers must be removed from the street at the end of the day or after trash collection is complete. Large items, i.e. furniture, washers, etc. must not be placed outside for more than one (1) day. Arrangement for special trash pickup is the responsibility of the Owner/tenant.

CONSTRUCTION:

As more specifically identified in Article V of the Declaration, all construction, regarding additions, exterior modifications and structures to be added to an Owner's Lot, including, but not limited to porches, decks, fences, sheds, pools, children's play and tree houses, must have the approval of the Architectural Control Committee before construction is started. In addition, nothing shall be done to change the style of, or the color of any portion of the exterior of a dwelling, including, but not limited to, patios, balconies, balcony railing, or exterior walls, without the approval of the Architectural Control Committee.

All construction and modifications must comply with the current architectural requirements, which are available from the Board of Directors. After the requisite approval has been obtained, construction equipment may be parked, stored or kept only on the Lot under construction and must be removed once construction is completed.

Many projects exterior to a dwelling require a review and permit from St. Mary's County in addition to Architectural Control Committee approval. The Owner is responsible for all such County approvals. Owners are required to contact St. Mary's County authorities before commencement of any alterations to ensure compliance with any and all required permits. County approval does not preclude the need for Committee approval, nor does Committee approval relieve the Owner of the responsibility to obtain and comply with County permits and ordinances.

SCREEN/STORM DOORS:

Screen/Storm doors at the front entrance of the dwelling are authorized to be installed without prior approval from the Architectural Control Committee as long as they are in compliance with the following:

- a. Are made of aluminum material or better;
- b. Must have features to ensure door does not twist, rattle, sag or warp;
- c. Exterior color must be white, off-white, almond or brown; and
- d. Door must be installed to fit the doorway area and cannot sag or have open areas between door frame and door when closed.

SOLICITING:

Soliciting is prohibited.

HOUSE LOCATION NUMBERS: Every Owner shall display unit number for their dwelling so that it is clearly visible from the road and shall maintain the unit number accordingly.

USE OF ELECTRICAL OUTLETS:

No portion of the Common Area or any dwelling shall be in any manner defaced, nor be utilized for the making or connection of any sort for radio, television, or other devices or equipment of any kind, all of which connections are specifically prohibitive except the ordinary outlets furnished within the dwelling or Common Area improvement and except additional electrical outlets which may be installed with the consent of the Board of Directors. Further, the electrical outlets located on the Common Areas and on or within any dwelling shall be used only for the purposes which the same were installed, and none of said Common Areas or any dwelling shall be loaded or taxed beyond the capacity for which it is designated.

SATELLITE DISHES AND ANTENNAES:

Satellite antennas are permitted to be installed/mounted on the dwelling at a location desired for optimum reception (with the exception of the front ground portion of the dwelling) as long as said installation, mounting and the size of said antennae is in compliance with the applicable state and federal laws and

regulations. Any and all installation to the front of the dwelling must be done on top of the dwelling's main frame. The installation and use of this device is for the sole purpose of obtaining television signal.

COMMON AREAS:

The Common Areas are for use by Owners, occupants and their guests. The Board must provide written approval for any community events to be held on Common Areas. A written request must be received by the Board no less than twenty one (21) days prior to such event. Any events held without Board approval may be terminated by security officers, and the Board shall have the right to impose such other penalties and seek such additional relief as permitted herein, including but not limited to the imposition of fines, and seeking reimbursement from the Owner for costs associated with clean up of the Common Area and repair of damages to the Common Area as a result of any violation. No noxious, offensive or illegal trade or activity shall be carried on upon the Common Area. Nothing shall be done or permitted to be done on the Common Area that will conflict with any state or federal law, rule or regulation. Nothing shall be kept on the Common Area that may in any way increase the rate of insurance on the Common Area beyond the rate established therefore when and as used for the purposes permitted under the Declaration and these Bylaws.

CERTIFICATION

I, THE UNDERSIGNED, do hereby certify:

That I am the duly elected Secretary of the Columbia Commons Association, Inc., a Maryland Corporation,
and

That the Second Amended and Restated By-Laws, attached hereto, hereby supersede in their entirety any prior By-laws adopted by the Columbia Commons Association, Inc. and the Second Amended and Restated By-Laws do constitute the By-Laws of Columbia Commons Association, Inc., as duly adopted by a vote of a majority of a quorum of members present in person or by proxy at a general or special meeting of the members held on the 26th day of October 2009.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this 6th day of November 2009.

COLUMBIA COMMONS ASSOCIATION, INC.

By Michelle R. Gomez
Name: Michelle R. Gomez
Title: Secretary