

AMENDED BY-LAWS OF
KENDALL'S CHOICE TOWNHOUSE ASSOCIATION, INC.

ARTICLE I

NAME AND LOCATION

The name of the corporation is Kendall's Choice Townhouse Association, Inc., hereinafter referred to as the "Association". The principal office of the Corporation shall be Suite 200, Three Lakefront North, Columbia, Maryland 21044, but meetings of members and directors may be held at such other places within the State of Maryland, County of Howard, as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 1. "Association" shall mean the Kendall's Choice Townhouse Association, Inc., a Maryland non—stock Corporation, its successors and assigns.

Section 2. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the members of the Association.

Section 3. "Declarant" shall mean Columbia Builders, Inc., its successors and assigns.

Section 4. "Declaration" shall mean the Declaration of Covenants, Conditions, and Restrictions applicable to the property and recorded in the office of the Clerk of the Circuit Court for Howard County, Maryland.

Section 5. "Lot" shall mean (a) any residential plot of land and (b) any Community Open Space lot or parcel of land, as shall be shown upon any recorded subdivision map of the property.

Section 6. "Member" shall mean those persons entitled to membership in the Association as provided in the Declaration.

Section 7. "Owner" shall mean the record owner, whether one or more persons or entities, of the fee simple title to any Lot that is a part of the property, but excluding those entities having such interest merely as security for the performance of an obligation.

Section 8. "Property" shall mean real property described in the Declaration of Covenants, Conditions, and Restrictions, and such additions as may hereinafter be dedicated to the use of the Association and annexed to the Property pursuant to the terms and provisions of the Declaration.

ARTICLE III

MEETING OF MEMBERS

Section 1. Annual Meeting. The first annual meeting of the members shall be held within one year from the date of incorporation of the Association. Subsequent regular annual meetings of the members shall be held on or before November 15th of each year thereafter.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the President, by the Board of Directors, or upon written request of the members who are entitled to vote at least one—fourth (1/4) of all of the vote of the Class A membership.

Section 3. Notice of Meetings. Written notice of each regular and special meeting shall be given by, or at the direction of the Secretary

of the Association by mailing a copy of such notice, postage prepaid, at least 15 days before such meeting to each member entitled to vote, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting and in the case of a special meeting, the purpose Quorum. The presence at the meeting, in person or roxy, of members entitled to cast twenty percent (20%) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration or these By—Laws.

If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote there shall have the power to adjourn the meeting in accordance with Section 5—206(b) and (c) of the Corporations and Associations Article of the Annotated Code of Maryland, 1985 Replacement Volume, as amended from time to time.

Section 5. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary of the Association, prior to the start of any meeting. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his lot, and in no event shall be valid for a period of more than 12 months from its date of execution.

ARTICLE IV

BOARD OF DIRECTORS SELECTION TEPN OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of Directors, consisting of not less than three nor more than five members. Members of the Board need not be members of the Association.

Section 2. Term of Office. At the first annual meeting, the members shall elect (a) one Director for a term of three years, (b) one Director for a term of two years, and (c) one Director for a term of one year; and at each annual meeting thereafter the members shall elect one Director for a term of three years to replace the Director whose term shall expire during the year. At such time as the Board of Directors shall be expanded beyond three members, such additional members shall serve for a term of one year and at each annual meeting thereafter the members shall elect a Director to replace such additional members.

Section 3. Removal. Any Director may be removed from the Board, with or without cause, by majority vote of the members of the Association.

In the event of death, resignation or removal of a Director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. Any person serving a three year term on the Board of Directors will have their association dues waived each of those three years. Any person serving on the Board of Directors for a one year term will have 50% of their association dues waived for that year.

If for any reason a Board member resigns, including the sale of their home in Kendall's Choice, the full amount of that year's dues will become due

immediately. The waiver of dues to the Board of Directors will not reflect in an increase of dues to the community members of the Association.

Any Director may be reimbursed for his actual expenses incurred in the performance of his duties.

(This revised Section 4 shall be effective October 11, 1997.)

Section 5. Action Taken Without a Meeting. The Directors shall have the right to take any action in the absence of a meeting, which they could take at a meeting by obtaining the written approval of all the Directors. Any action so approved shall have the same affect as

though taken at a meeting of the Directors.

ARTICLE V

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among the members or non-members.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election the members or their proxies may use, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VI

MEETING OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held quarterly without notice, 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 2. 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.

Section 3. Quorum. A majority of the number of Directors shall constitute a quorum for the transactions 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 an act of the Board.

ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have the power to:

- (a) adopt and publish rules and regulations governing the use of the Common Area, the personal conduct of the members and their guests thereon, and to establish appropriate penalties for any infractions;
- (b) suspend the voting rights and right to use any 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;

- (c) exercise for the Association all powers, duties, and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By—Laws, the Articles of Incorporation or the Declaration;
- (d) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent without good cause from three (3) consecutive regular meetings of the Board of Directors;
- (e) employ a manager, an independent contractor, or such other employees as they may deem necessary, and to prescribe their duties;
- (f) exercise any other powers granted or delegated to the Directors by the Charter of the Association and by the Declaration of Covenants, Conditions, and Restrictions.

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 the 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 the Class A 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 annual assessment against each lot at least thirty (30) days in advance of each annual assessment period; and
 - (2) send written notice of each assessment to every Owner at least fifteen (15) days in advance of each annual assessment period; and
 - (3) foreclosure the lien against any property for which assessments are not paid thirty (30) days after the due date 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 interested person, a certificate setting forth the status of assessments on a specified lot. A reasonable charge may be by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;
- (e) procure and obtain adequate liability and hazard insurance on property owned by the Association;
- (f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;
- (g) cause the Common Area to be maintained;
- (h) to provide for the maintenance of any parking lots or any portion of the road system not dedicated for public use or the dedication of which for public use has not been accepted by an appropriate public body; and
- (i) perform any other duties required by the Articles of Incorporation of the Association and by the Declaration.

ARTICLE VIII

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of this Association shall be a President and Vice—President, who shall at all times be members of the Board of Directors, a Secretary, and a Treasurer, and such other officers as the Board may, from time to time by resolution create.

Section 2. Election 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.

Section 3. Term. The officers of this Association be elected annually by the Board and each shall hold office for one (1) year unless such officer shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. 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 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the president or the Secretary. Such resignation 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 6. 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 replaces.

Section 7. Multiple offices. The offices of the Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

PRESIDENT

(a) The President shall preside at all meetings of the Board of Directors; shall see that orders and regulations of the Board are carried out; and shall sign all leases, mortgages, deeds and other written instruments.

VICE PRESIDENT

(b) The Vice President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

SECRETARY

(c) The Secretary shall keep the records of the Association and shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the members; 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.

TREASURER

(d) The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members.

ARTICLE IX

COMMITTEES

The Board of Directors shall appoint a Nominating Committee, as provided in these By—Laws. In addition, the Board of Directors shall appoint such other committees as they deem appropriate in carrying out its purpose.

ARTICLE X

BOOKS AND RECORDS

The books, records, and papers of the Association shall at all times during reasonable business hours, be subject to inspection by any member.

The Declaration, the Articles of Incorporation and the By—Laws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XI

ASSESSMENTS

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments, which are secured by a continuing lien upon the property against which the assessment is made. 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 of twelve percent (12%) 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 his lot.

ARTICLE XII

CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words "Kendall's Choice Townhouse Association, Inc., — 1989", but the use of said seal shall not be necessary for the validity of execution of any instrument.

ARTICLE XIII

AMENDMENTS

Section 1. These By—Laws may be amended, at a regular or special meeting of the members, by a vote of a majority of a quorum of members in person or by proxy.

Section 2. In the case of any conflicts between the Articles of Incorporation and these By—Laws, the Articles shall control, and in the event of any conflict between the Declaration and these By—Laws, the Declaration shall control.

Section 3. As long as there are Class B Members of the Association, amendments of these By—Laws shall require the prior approval of the Veterans Administration or the Federal Housing Administration.

ARTICLE XIV

MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation and end on the ensuing 31st day of December.

IN WITNESS WHEREOF, we, being all of the Directors of Kendall's Choice Townhouse Association, Inc., have hereunto set our hands this 14th day of September, 2000.

WITNESS:

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