

BY-LAWS
ILCHESTER LANDING HOMEOWNER'S ASSOCIATION, INC. RECD FEE 70.50

GENERAL PROVISIONS

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04/24/90

ARTICLE I

Section 1.1. Definitions.

1.1.1. As used in the provisions of these By-Laws, each of the following terms shall have the meaning hereinafter in this Section ascribed to it:

(1) "Annual Assessment" has the meaning ascribed to it by the provisions of the Declaration.

(2) "Annual Membership Meeting" means an annual meeting of the Membership held pursuant to the provisions of Section 2.1.

(3) "the Architectural Committee" means the entity referred to as such in the provisions of the Declaration.

(4) "the Articles of Incorporation" means the Association's articles of incorporation, as filed with the State Department of Assessments and Taxation of Maryland, as from time to time amended.

(5) "Assessment" means an Annual Assessment or a Special Assessment.

(6) "Assessment Lien" means a lien created and existing pursuant to the provisions of Article VII of the Declaration.

(7) "Assessment Year" shall be the calendar year, except as otherwise provided in Article VII, Section 7.7 of the Declaration.

(8) "the Association" means the Ilchester Landing Homeowner's Association, Inc., a corporation organized and existing under the law of Maryland.

(9) "Association Property" means any and all real property, personal property or other assets beneficially owned by the Association, including, by way of example rather than of limitation, the Common Areas, if any.

(10) "the Board of Directors" means the board of directors of the Association.

(11) "Board Meeting" means a meeting of the Board of Directors, held pursuant to the provisions of Section 3.7.

(12) "the Class A Membership" has the meaning ascribed to it in Fifth Article, Section (a) of the Articles of Incorporation.

(13) "the Class B Membership" has the meaning ascribed to it in Fifth Article, Section (b) of the Articles of Incorporation.

(14) "the Common Area" has the meaning ascribed to it by the provisions of the Declaration.

(15) "the Community" means all of that real property, situate and lying in Howard County, Maryland, all as described in the Declaration, and each Future Parcel or portion thereof which, at the time in question, has been added to the Community through an expansion thereof pursuant to the provisions of the Declaration.

(16) "the Declaration" means the instrument entitled Declaration of Covenants, Conditions and Restrictions-Ilchester Landing and Beechwood Heights made by Ilchester Road Property Partnership dated April 18, 1990, and recorded among the Land Records of Howard County, Maryland in Liber 2156 at folio 609, et seq., as from time to time amended.

(17) "the Declarant" has the meaning ascribed to it by the provisions of the Declaration.

(18) "Director" means a member of the Board of Directors, in his capacity as such.

(19) "Future Parcel" means additional residential property and common area which may be annexed to the Property pursuant to the provisions of the Declaration.

(20) "Lot" has the meaning ascribed to it by the provisions of the Declaration.

(21) "Majority" means more than fifty percent (50%).

(22) "Member" means each person who is a member of the Association as defined in Article Fifth of the Articles of Incorporation.

(23) "the Membership" means all of the Members.

(24) "Membership Meeting" means an Annual Membership Meeting or a Special Membership Meeting.

(25) "Mortgage" means any mortgage or deed of trust encumbering any Lot, and any other security interest therein existing by virtue of any form of security instrument or arrangement used from time to time in the locality of the Community, (including, by way of example rather than of limitation, any such other form of security arrangement arising under any deed of trust, sale and lease back documents, lease and lease back documents, security deed or conditional deed, or any financing statement, security agreement or other documentation used pursuant to the provisions of the Uniform Commercial Code or any successor or similar statute), provided that such mortgage, deed of trust or other form of security instrument, and any instrument evidencing any such other form of security arrangement, has been recorded among the Land Records.

(26) "Officers" means, collectively, the President, the Vice-President, the Secretary, the Treasurer, each Assistant Secretary, each Assistant Treasurer and the holder of each other office which the Board of Directors creates pursuant to the provisions of Article V.

(27) "Owner" has the meaning ascribed to it by the provisions of the Declaration.

(28) "Person" means any natural person, trustee, corporation, partnership or other legal entity.

(29) "the President" means the president of the Association.

(30) "Rules and Regulations" means the rules and regulations adopted by the Association pursuant to the provisions of these By-Laws.

(31) "the Secretary" means the secretary of the Association.

(32) "Special Assessment" has the meaning ascribed to it by the provisions of the Declaration.

(33) "Special Membership Meeting" means a special meeting of the Membership, held pursuant to the provisions of Section 2.2.

(34) "the Treasurer" means the treasurer of the Association.

(35) "the Vice-President" means the vice-president of the Association.

1.1.2. Any other term to which a meaning is specifically ascribed by any provision of the Articles of Incorporation or the Declaration shall, for purposes of these By-Laws have the meaning so ascribed, unless the meaning ascribed in the Declaration conflicts with the meaning ascribed in the Articles of Incorporation, in which event the latter meaning shall control.

Section 1.2. Principal Office. The Association's principal office shall be located at 10805 Hickory Ridge Road, Columbia, Howard County, Maryland 21044, but meetings of Members and Directors may be held at such other places within the same County, as are from time to time designated by the Board of Directors.

Section 1.3. Status and Applicability of By-Laws. These By-Laws shall be applicable to, and shall govern, the administration of the Association's affairs by or through its officers, the Board of Directors or the Membership.

ARTICLE II

MEMBERSHIP MEETINGS

Section 2.1. Annual Meetings. The annual meeting of the members of the Association shall be held on such date during the month of October as may be fixed by the Board of Directors. Any business of the Association may be transacted at an annual meeting without being specifically designated in the notice, except such business as is specifically required by statutes or by the Articles of Incorporation to be stated in the notice. Failure to hold an annual meeting at the designated time shall not, however, invalidate the corporate existence or otherwise affect valid corporate acts.

Section 2.2. Special Meetings. At any time in the interval between annual meetings, special meetings of the Members may be called by the President or by a Majority of the Board of Directors.

Section 2.3. Place of Meetings. All meetings of the Members may be held at any place in the United States at the principal office of the Association, or at such other place as may be designated by a majority of the Board of Directors.

Section 2.4. Notice of Meetings. Except as may be otherwise provided in the Declaration, not less than fifteen (15) nor more than thirty (30) days before the date of every Membership meeting, the Secretary shall give to each Member entitled to vote at such meeting, or entitled to notice thereof, written or printed notice either by mail, by presenting it to him personally, or by leaving it at his residence or usual place of business. Each such notice shall state the time and place of the meeting and, in the case of a Special Meeting, the purpose or

purposes for which the meeting is called. If mailed, such notice shall be deemed to be given when deposited in the United States mail addressed to the Member at his post office address as it appears on the records of the Association, with postage thereon prepaid. Notwithstanding the foregoing provision, a waiver of notice in writing, signed by the person or persons entitled to such notice and filed with the records of the meeting, whether before or after the holding thereof, or actual attendance at the meeting in person or by proxy, shall be deemed equivalent to the giving of such notice to such persons. Any meeting of Members, annual or special, may adjourn from time to time to reconvene at the same or some other place, and no notice need be given of any such adjourned meeting other than by announcement.

Section 2.5. Quorum. Unless otherwise provided in the Articles of Incorporation, the Declaration, or by statute, at any meeting of Members, the presence in person or by proxy of Members entitled to cast a Majority of the votes thereat shall constitute a quorum. In the absence of a quorum, the Members present in person or by proxy, by Majority vote and without notice other than by announcement, may adjourn the meeting from time to time until a quorum shall attend. At any such adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the meeting as originally notified.

Section 2.6. Votes Required. A Majority of the votes cast at a meeting of Members, duly called and at which a quorum is present shall be sufficient to take or authorize action upon any matter which may properly come before the meeting, unless more than a Majority of votes cast is required by statute, the Articles of Incorporation, or the Declaration. Unless the Articles of Incorporation or the Declaration provide for a greater or lesser number of votes per Member or limits or denies voting rights, each Member, regardless of class, shall be entitled to one vote on each matter submitted to a vote at a meeting of the Membership.

Section 2.7. Proxies. A Member may vote either in person or by proxy executed in writing by the Member or by his duly authorized attorney in fact. No proxy shall be valid after eleven months from its date, unless otherwise provided in the proxy. Every proxy shall be in writing, subscribed by the Member or his duly authorized attorney, and dated, but need not be sealed, witnessed or acknowledged.

Section 2.8. List of Members. At each meeting of Members a complete list in alphabetical order, or in alphabetical order by classes of Membership, of all Members entitled to vote at such meeting, shall be furnished by the Secretary.

Section 2.9. Voting. In all elections for Directors, every Member shall have the right to vote, in person or by proxy, for as many persons as there are Directors to be elected and for whose election he has a right to vote. At all Membership Meetings, the proxies and ballots shall be received, and all questions involving the qualification of voters and the validity of proxies and the acceptance or rejection of votes shall be decided by the chairman of the meeting. The vote upon any election or question shall be taken by ballot if demanded by Members, present in person or by proxy, entitled to cast ten percent in number of votes, or if ordered by the chairman.

Section 2.10. Informal Action by Members. Any action required or permitted to be taken at any Membership Meeting may be taken without a meeting, if a consent in writing, setting forth such action, is signed by all the Members entitled to vote on the subject matter thereof and any other Members entitled to notice of a Membership Meeting (but not to vote thereat) have waived in writing any rights which they may have to dissent from such action, and such consent and waiver are filed with the records of the Association.

ARTICLE III

BOARD OF DIRECTORS

Section 3.1. Powers and Duties. The business and affairs of the Association shall be managed under the direction of its Board of Directors. The Board of Directors may exercise all the powers of the Association, except such as are by statute or the Articles of Incorporation or the By-Laws conferred upon or reserved to the Members. The Board of Directors shall keep full and fair accounts of its transactions.

3.1.1. Powers. Except as may be otherwise provided in the Declaration, the Articles of Incorporation, these By-Laws, or applicable law, the Board of Directors shall have the power:

(a) to adopt and publish Rules and Regulations governing the use of the Common Area and the personal conduct of the Members and their family members and guests thereon, and to establish penalties for infractions thereof;

(b) to suspend the voting rights, and the right to use the recreational facilities included within the Common Area, of any Member;

(i) during any period in which such Member is in default in the payment of any Assessment levied by the Association; and

(ii) after notice and hearing, for a period of not longer than sixty (60) days, for such Member's infraction of the published Rules and Regulations;

(c) to exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the Membership by other provisions of these By-Laws, the Articles of Incorporation, the Declaration or applicable law;

(d) to declare any directorship to be vacant if the Director who holds it is absent from three (3) consecutive regular Board Meetings called in accordance with these By-Laws; and

(e) subject to the provisions of the Declaration, to employ a manager, an independent contractor and such other employees as the Board of Directors deems necessary, and to prescribe their duties.

3.1.2. Duties. Except as may be otherwise provided in the Declaration, the Articles of Incorporation, these By-Laws, or applicable law, it shall be the duty of the Board of Directors:

(a) to cause to be kept a complete record of all of its acts and corporate affairs and to present a statement thereof to the Members at each Annual Membership Meeting, or at any Special Membership Meeting when such statement is requested in writing by Members holding at least twenty-five percent (25%) of the total number of votes held by the Class A Membership;

(b) to supervise all Officers, agents and employees of the Association, and to see that their duties are properly performed;

(c) as is more fully provided in the Declaration,

(i) to fix the amount of the Annual Assessment levied against each Lot;

(ii) to send written notice of each Assessment to every Owner subject thereto; and

(iii) to file and foreclose the Assessment Lien against any Lot for which any such Assessment is not paid within thirty (30) days after the date upon which it is due, and/or to bring an action at law against the Owner of such Lot, if such Owner is personally obligated to pay the same;

(d) to 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 such

certificates. If a certificate states that an Assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) to procure and maintain adequate liability and hazard insurance covering all Association Property;

(f) to cause all Officers, agents or employees of the Association having fiscal responsibilities to be bonded, as the Board of Directors may deem appropriate; and

(g) to cause any Common Areas to be maintained.

Section 3.2. Number of Directors. The number of directors of the Association shall be as provided in the Articles of Incorporation until such number be changed as herein provided. By vote of a Majority of the entire Board of Directors, the number of directors may be increased or decreased, from time to time; provided, however, that the number of Directors may not be less than the lesser of (a) three (3) or (b) the number of members. Further provided that the tenure of office of a director shall not be affected by any decrease in the number of directors so made by the Board.

Section 3.3. Election and Removal of Directors. Until the first Annual Membership Meeting or until successors are duly elected and qualify, the Board shall consist of the persons named as such in the Articles of Incorporation. At the first Annual Membership Meeting and at each Annual Membership Meeting thereafter, the Members shall elect Directors to hold office for the term provided for in the Articles of Incorporation, or until their successors are elected and qualify. Unless the Articles of Incorporation or statute provides otherwise, at any Membership Meeting, duly called and at which a quorum is present, the Members may by the affirmative vote of the holders of a Majority of the votes entitled to be cast thereon, remove any Director or Directors from office and may elect a successor or successors to fill any resulting vacancies for the unexpired terms of removed Directors.

Section 3.4. Vacancies. Any vacancy occurring in the Board of Directors for any cause other than by reason of an increase in the number of Directors may be filled by a Majority of the remaining members of the Board of Directors, even if such remaining members do not constitute a quorum. Any vacancy occurring by reason of an increase in the number of Directors may be filled by action of a Majority of the entire Board of Directors. A Director elected by the Board of Directors to fill a vacancy shall be elected to hold office until the expiration of the remaining term of the Director whose absence created the vacancy.

Section 3.5. Regular Meetings. After each Membership Meeting at which a Board of Directors shall have been elected, the Board of Directors so elected shall meet as soon as practicable for the purpose of organization and the transaction of other business at such time as may be designated by the Members at such meeting; and in the event that no other time is designated by the Members, the Board of Directors shall meet immediately following such meeting. Such first meeting shall be held at such place within or without the State of Maryland as may be designated by the Members, or in default of such designation at the place designated by the Board of Directors for such first regular meeting or in default of such designation at the principal office of the Association. No notice of such first meeting shall be necessary if held as hereinabove provided. Other regular meetings of the Board of Directors shall be held on such dates and at such places within or without the State of Maryland as may be designated from time to time by the Board of Directors, and may take place by actual attendance in person and/or by telephone conference communication, subject to and in accordance with applicable law.

Section 3.6. Special Meetings. Special meetings of the Board of Directors may be called at any time by the President or by a majority of the Board of Directors by vote at a meeting, or in writing without a meeting. Such special meetings shall be held at such place or places within or without the State of Maryland as may be designated by the President, or the Board of Directors, and may take place by actual attendance in person and/or by telephone conference communication, subject to and in accordance with applicable law.

Section 3.7. Notice of Meetings. Except as provided in Section 3.5, notice of the place, day and hour of every regular and special meeting shall be given to each Director (i) by depositing written notice in the U.S. mail, postage prepaid, addressed to him at his residence or usual place of business at least five (5) days before the meeting, or (ii) by sending the same to him by telegraph at his residence or usual place of business at least three (3) days before the meeting, or (iii) by personally delivering written notice to him at his residence or usual place of business at least two (2) days before the meeting. Notice deposited in the U. S. mail shall be deemed delivered when so deposited. Notice given by telegram shall be deemed delivered when the telegram is delivered or orally communicated to the telegraph company. Unless required by these By-Laws or by resolution of the Board of Directors, no notice of any meeting of the Board of Directors need state the business to be transacted thereat. No notice of any meeting of the Board of Directors need be given to any Director who attends, or to any Director who, in writing executed and filed with the records of the meeting either before or after the holding thereof, waives such notice. Any meeting of the Board of Directors, regular or special, may ad-

journal from time to time to reconvene at the same or some other place, and no notice need be given of any such adjourned meeting other than by announcement.

Section 3.8. Quorum. At all meetings of the Board of Directors, a Majority of the entire Board of Directors shall constitute a quorum for the transaction of business. At any meeting where a quorum is present, except in cases in which it is by statute, by the Articles of Incorporation, by the Declaration or by the By-Laws otherwise provided, the vote of a Majority of the Directors present shall be sufficient to elect and pass any measure. In the absence of a quorum, the Directors present by Majority vote and without notice other than by announcement may adjourn the meeting from time to time until a quorum shall attend. At any such adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the meeting as originally notified. For purposes hereof, any Director participating in a meeting by telephone conference communication shall be deemed present in all respects to the same extent as if he shall have been present in person.

Section 3.9. Compensation. No director shall receive any compensation for any service he may render the Association. However, directors may be paid their expenses of attendance at each meeting of the Board of Directors.

Section 3.10. Presumption of Assent. A Director of the Association who is present at a meeting of the Board of Directors at which action on any Association matter is taken shall be presumed to have assented to the action taken unless he shall have dissented and (i) his dissent shall be entered in the minutes of the meeting or (ii) he shall file his written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof or (iii) he shall forward such dissent by registered mail to the secretary of the Association within twenty-four (24) hours after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action or failed to make his dissent known at the meeting.

Section 3.11. Informal Action by Directors. Any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting, if a written consent to such action is signed by all members of the Board or of such committee, as the case may be, and such written consent is filed with the minutes of proceedings of the Board or committee.

Section 3.12. Open Meetings. Meetings of the Board of Directors shall be open to all members of the Association, to the extent provided in Section 11B-111 of the Real Property Article of the Annotated Code of Maryland (1988 edition, as amended from time to time).

ARTICLE IV

COMMITTEES

Section 4.1. Executive Committee. The Board of Directors is authorized to appoint from its members an Executive Committee consisting of not less than three Directors and in its discretion one or more alternates. The Executive Committee so designated shall possess and exercise in the intervals between meetings of the Board of Directors, any or all of the powers of the Board of Directors in the management of the business and affairs of the Association, except the power to recommend to members any action requiring members' approval or to amend the By-Laws. The Board of Directors may from time to time remove members and elect from among its members additional members of this Committee to serve for such periods of time as it shall designate. A Majority of the Committee as it may from time to time be constituted, shall constitute a quorum. It shall fix its own rules and shall meet at the call of the President or any two members of the Committee.

Section 4.2. Architectural Committee. The Board of Directors shall appoint members of the Architectural Committee as provided in the Declaration.

Section 4.3. Other Committees. The Board of Directors may by resolution provide for such other standing or special committees as it deems desirable, and discontinue the same at pleasure. Each such committee shall have such powers and perform such duties, not inconsistent with law, as may be assigned to it by the Board of Directors.

ARTICLE V

OFFICERS

Section 5.1. Executive Officers. The officers of the Association shall consist of a President, a Secretary, a Treasurer and, whenever deemed advisable by the Board, one or more Vice Presidents, Assistant Secretaries, Assistant Treasurers and such other officers as shall be elected from time to time by the Board of Directors. All of said officers shall be chosen by the Board of Directors, shall have such duties and responsibilities as the Board of Directors may direct and shall hold office only during the pleasure of the Board of Directors or until their successors

are chosen and qualify. Any two offices except those of President and Vice President may be held by the same person, but no officer shall execute, acknowledge or verify any instrument in more than one capacity when such instrument is required to be executed, acknowledged, or verified by any two or more officers. The Board of Directors may from time to time appoint such other agents and employees with such powers and duties as it deems proper.

Section 5.2. President. The President (unless otherwise provided by resolution of the Board of Directors) shall be the chief executive officer of the Association, shall preside at all meetings of the membership and directors, and shall have general responsibility for the management and direction of the business of the Association in all departments. The President shall perform such other duties as the Board of Directors may direct, from time to time.

Section 5.3. Vice Presidents. The Vice President or Vice Presidents, at the request of the President or in his absence or during his inability to act (unless otherwise provided by resolution of the Board of Directors), shall perform the duties and exercise the functions of the President, and when so acting shall have the powers of the President. If there be more than one Vice President, the Board of Directors may determine which one or more of the Vice Presidents shall perform any of such duties or exercise any of such functions, or if such determination is not made by the Board of Directors, the President may make such determination; otherwise any of the Vice Presidents may perform any of such duties or exercise any of such functions. The Vice President or Vice Presidents shall have such other powers and perform such other duties as may be assigned to him or them by the Board of Directors from time to time.

Section 5.4. Secretary. The Secretary (unless otherwise provided by resolution of the Board of Directors) shall keep the minutes of the meetings of Membership, of the Board of Directors and of any committees in books provided for the purpose; shall see that all notices are duly given in accordance with the provisions of the By-Laws or as required by law; shall be custodian of the records of the Association; shall see that the corporate seal is affixed to all documents, the execution of which, on behalf of the Association, under its seal, is duly authorized, and when so affixed may attest the same; and in general, shall perform all duties incident to the office of a secretary of a corporation and such other duties as from time to time may be assigned to him by the Board of Directors.

Section 5.5. Treasurer. The Treasurer (unless otherwise provided by resolution of the Board of Directors) shall have charge of and be responsible for all funds, securities, receipts and disbursements of the Association, and shall deposit or cause

to be deposited, in the name of the Association, all monies or other valuable effects in such banks, trust companies or other depositories as shall, from time to time, be selected by the Board of Directors. The Treasurer shall render to the President and to the Board of Directors, whenever requested, an account of the financial condition of the Association, and, if required by the Board of Directors, give the Association a bond in a sum, and with one or more sureties, satisfactory to the Board of Directors, for the restoration to the Association in case of his death, resignation, retirement or removal from office of all books, papers, vouchers, monies and properties of whatever kind in his possession or under his control belonging to the Association. In general, the Treasurer shall perform all the duties incident to the office of a treasurer of a corporation and such other duties as may be assigned to him by the Board of Directors from time to time.

Section 5.6. Assistant Officers. The Assistant Secretaries, if any be appointed, shall have such duties as may from time to time be assigned to them by the Board of Directors. The Assistant Treasurers, if any be appointed, shall have such duties as may from time to time be assigned to them by the Board of Directors.

Section 5.7. Compensation. No officer shall receive compensation for any service he may render to the Association. However, any officer may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5.8. Removal. Any officer or agent of the Association may be removed by the Board of Directors whenever, in its judgment, the best interest of the Association will be served thereby, with or without cause, but such removal shall be without prejudice to the contractual rights, if any, of the person so removed.

ARTICLE VI

BOOKS AND RECORDS

The Association's books, records and papers, the Declaration, the Articles of Incorporation and these By-Laws shall at all times be available for inspection by any Member or duly authorized agent of any Member at the Association's principal office (where copies may be made at reasonable cost) during reasonable business hours, subject, however, to the provisions of Section 11B-112 of the Real Property Article of the Annotated Code of Maryland. (1988 edition, as amended).

ARTICLE VII

ASSESSMENTS

As is more fully provided in the Declaration, each Member is obligated to pay to the Association such Annual Assessments and Special Assessments detailed in Article VII of the Declaration which Assessments, if any, shall be secured by a continuing Assessment Lien upon his Lot. Any Assessment which is not paid when due shall be delinquent. If the Assessment is not paid within thirty (30) days after the date on which it becomes due, it shall bear interest from such date at the rate set forth in the provisions of the Declaration, and the Association may bring an action at law against the Owner personally obligated to pay the same and/or file and foreclose the Assessment Lien against his Lot, as provided in the Declaration, and all interest, late charges, costs, and reasonable attorney's fees incurred in any such action shall be added to the amount of such Assessment. No Owner may waive or otherwise escape liability for any Assessment by nonuse of the Common Area or abandonment of his Lot.

ARTICLE VIII

AMENDMENT AND CONSTRUCTION OF BY-LAWS

Section 8.1. Amendment. These By-Laws may be amended at an Annual Membership Meeting or a Special Membership Meeting by a vote of a Majority of those Members who are present in person or by proxy (provided that a quorum exists for such meeting).

Section 8.2. Construction. In the case of any conflict between any provision of the Articles of Incorporation and these By-Laws, those of the Articles of Incorporation shall control. In the case of any conflict between any provision of the Declaration and these By-laws, those of the Declaration shall control. All references made herein to any Section or subsection shall, unless therein expressly indicated to the contrary, be deemed to have been made to such Section or subsection of these By-Laws.

ARTICLE IX

FINANCE

Section 9.1. Checks, Drafts, Etc. All checks, drafts, orders for the payment of money, notes and other evidence of indebtedness, issued in the name of the Association, shall be signed by those officers of the Association designated by the Board of Directors.

Section 9.2. Fiscal Year. The Association's fiscal year shall begin on the first day of January and end on the 31st day of December of every year, except that the Association's first fiscal year began on the date of its incorporation.

ARTICLE X

SUNDRY PROVISIONS

Section 10.1. Seal. The Board of Directors may provide a suitable seal, bearing the name of the Association, which shall be in the charge of the Secretary. The Board of Directors may authorize one or more duplicate seals and provide for the custody thereof.

Section 10.2. Bonds. The Board of Directors may require any officer, agent or employee of the Association to give a bond to the Association, conditioned upon the faithful discharge of his duties, with one or more sureties and in such amount as may be satisfactory to the Board of Directors.

ARTICLE XI

INDEMNIFICATION

Section 11.1. Indemnification to Extent Permitted By Law. The Association shall indemnify any person who was or is a party, or is threatened to be made a party, to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he is or was a Director, Officer, employee or agent of the Association, or is or was serving at the request of the Association as director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, or is or was serving at the request of the Association as a trustee or administrator or in any other fiduciary capacity under any pension, profit sharing or other deferred compensation plan, or any employee welfare benefit plan of the Association, to the full extent permitted by law.

Section 11.2. Payment of Expenses in Advance of Final Disposition of Action. Expenses (including attorney's fees) incurred in defending a civil or criminal action, suit or proceeding shall be paid by the Association in advance of the final disposition thereof on the conditions and to the extent permitted by law.

Section 11.3. Non-Exclusive Right to Indemnify; Inures to the Benefit of Heirs and Personal Representatives. The foregoing rights of indemnification shall be in addition to all rights to which any such Director, Officer, employee, agent, trustee, administrator or other fiduciary may be entitled as a matter of

law, and shall continue as to a person who has ceased to be such a Director, Officer, employee, agent, trustee, administrator or other fiduciary and shall inure to the benefit of the heirs and personal representatives of such person.

Section 11.4. Insurance. The Association may purchase and maintain insurance on behalf of any person who is or was a Director, Officer, employee or agent of the Association, or is or was serving at the request of the Association as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, or is or was serving at the request of the Association as a trustee or administrator or in any other fiduciary capacity under any pension, profit sharing or other deferred compensation plan, or any employee welfare benefit plan of the Association, against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Association would have the power or would be required to indemnify him against the liability under the provisions of this Article or the laws of this State. A corporation may provide similar protection, including a trust fund, letter of credit, or surety bond, not inconsistent with this Article XI. The insurance or similar protection may be provided by a subsidiary or an affiliate of the Association.

Section 11.5. Certain Persons Not to be Indemnified. Notwithstanding the foregoing provisions of this Article XI, the Association shall not indemnify any bank, trust company, investment adviser or any actuary against any liability which they may have by reason of their acting as a "fiduciary" of any employee benefit plan (as that term is defined in the Employee Retirement Income Security Act, as amended from time to time) established for the benefit of this Association's employees, provided any officers, directors or employees of the Association acting as fiduciary of any such employee benefit plan shall be indemnified as provided herein.

IN WITNESS WHEREOF, we, being all of the Association's Directors, have hereunto set our hands, this 19th day of April, 1990.

WITNESS:

Rebecca S. Carey

Rebecca S. Carey

Rebecca S. Carey

DIRECTORS:

Donald R. Reuwer, Jr

Duane E. Zettig

John C. Reuwer

CERTIFICATION

I, JOHN REUWER, the undersigned, hereby certify:

(1) that I am the duly elected and acting Secretary of the Ilchester Landing Homeowner's Association, Inc., a corporation organized and existing under the law of Maryland; and

(2) that the foregoing By-Laws are the original By-Laws of such corporation, as duly adopted at a meeting of its Board of Directors held on April 19, 1990.



JOHN REUWER

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