

BY-LAWS
OF
CROWNE MEADOWS HOMEOWNERS ASSOCIATION, INC.

ARTICLE I

NAME AND LOCATION: The name of the corporation is Crowne Meadows Homeowners Association, Inc., hereinafter referred to as the "Association". The principal office of the Association shall be at 1 Hillcrest Drive, Frederick, Maryland, but meetings of members and directors may be held at such places within the State of Maryland as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 1. Association. "Association" shall mean and refer to Crowne Meadows Homeowners Association, Inc., its successors and assigns.

Section 2. Common Area. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the members of the Association. The Common Area to be owned by the Association at the time of conveyance of the first Lot shall be the land, except the Lots, as depicted on the Plat of Crowne Meadows (hereinafter defined). The Common Area includes, but is not limited to, streets, parking lots, driveways, utilities and recreation areas.

Section 3. Declarant. "Declarant" shall mean and refer to Regency Towne Joint Venture, its successors and assigns, if such successors or assigns should acquire all of Declarant's interest in Crowne Meadows.

Section 4. Declaration. "Declaration" shall mean the Amended and Restated Declaration of Covenants, Conditions and Restrictions dated November 6, 1987, by the Declarant, recorded among the Land Records of Prince Georges County, Maryland, in Liber 6825, folio 234, and any Amendments and/or Supplements thereto.

Section 5. Lot. "Lot" shall mean and refer to all numbered subdivided parcels shown on the Plat as an area for a single family residential dwelling or similar building (whether attached or detached) and shall not include drainage and/or utility easements or public streets or Common Area.

Section 6. Plat of Crowne Meadows. "Plat of Crowne Meadows" shall mean and refer to and include the plats entitled, "Plat One-Section One, Regency Towns", "Plat Two-Section One, Regency Towns", "Plat Three-Section One, Regency Towns", and "Plat Four-Section One, Regency Towns", prepared by The

Interprofessional Planning and Design Studio, Ltd., and recorded on December 19, 1985, among the Land Records of Prince George's County, Maryland, in Plat Book N.L.P. 125, folios 34 through 37, respectively, and the plats entitled "Plat One-Section Two, Regency Towns", "Plat Two-Section Two, Regency Towns", "Plat Three-Section Two, Regency Towns", and "Plat Four-Section Two, Regency Towns", prepared by The Interprofessional Planning and Design Studio, Ltd., and recorded on November 14, 1986, among the Land Records of Prince George's County, Maryland, in Plat Book 130, folios 15 through 18, respectively, and the plat entitled "Plat Five-Section Two, Regency Towns", prepared by The Interprofessional Planning and Design Studio, Ltd., and recorded among the Land Records of Prince George's County, Maryland, in Plat Book _____, folio _____.

Section 7. Property "Property" shall mean and refer to the real property described in Exhibit A in the Declaration (hereinafter defined), and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

ARTICLE III

MEMBERSHIP

Section 1. Membership. Qualification for membership and the classes of membership shall be as defined in the Articles of Incorporation and the Declaration.

Section 2. Suspension of Membership. During and period in which a member shall be in default in the payment of any annual or special assessment levied by the Association, the voting rights and right to use the recreational facilities, if any, of such member may be suspended by the Board of Directors until such assessment has been paid. Such rights of a member may also be suspended, after notice and hearing, for a period not to exceed sixty (60) days, for violation of any rules and regulations established by the Board of Directors governing the use of the Common Area and facilities.

ARTICLE IV

BOARD OF DIRECTORS: SELECTION: TERM OFFICE:

Section 1. Number. As of and after the first annual meeting of members, the affairs of the Association shall be managed by a Board of five (5) directors, who need not be members of the Association; prior to said meeting, the affairs of the Association shall be managed by the Directors named in the Articles of Incorporation.

Section 2. Election. At the first annual meeting, the members shall elect two (2) directors for a term of one (1) year, two (2) directors for a term of two (2) years and one (1) director for a term of three (3) years; and at each annual meeting thereafter, the members shall elect one (1) director for a term of three (3) years and one (1) director for a term of two (2) years.

Section 3. 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, 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. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

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 consent or approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE V

MEETING OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a Sunday or a legal holiday, then that meeting shall be held at the same time on the next day which is not a Sunday or 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 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.

ARTICLE VI

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. 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 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 cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The votes of the Class A members and the Class B members shall be combined. The persons receiving the largest number of total votes cast shall be elected. Cumulative voting is not permitted.

ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

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

(a) adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;

(b) 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;

(c) 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 regular meetings of the Board of Directors; and

(d) employ a manager, an independent contractor and/or such other employees as they deem necessary, and to prescribe their duties.

Section 2. Duties. It shall be the duty of the Board of Directors to use its best efforts to:

(a) cause to be kept a complete record of all its acts and corporate affairs;

(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 monthly assessment against each Lot at least thirty (30) days in advance of each fiscal year, and (2) send written notice of assessment to every Owner subject thereto at least thirty (30) days in advance of the first day of each fiscal year during which monthly assessments shall be levied, and (3) to foreclose the lien against any property for which assessments are not paid within thirty (30) days after the due date and/or to bring an

action at law against the Owner personally obligated to pay the same. The unpaid assessment shall bear interest from the due date at the rate of twelve percent (12%); any judgment obtained for such delinquent assessment shall include such reasonable attorney's fee as may be fixed by the court together with the cost of the action.

(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 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 maintain 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 and all other property owned by the Association to be preserved, operated and maintained in good order and repair and to establish reserves for such purposes if they deem it appropriate to do so.

ARTICLE VIII

COMMITTEES

Section 1. Appointment. The Board of Directors shall appoint such committees as deemed appropriate in carrying out the purposes of the Association.

Section 2. Duties. It shall be the duty of each committee to receive complaints from members on any matter involving Association functions, duties, and activities within its field of responsibility. It shall dispose of such complaints as it deems appropriate or refer them to such other committee, director or officer of the Association as is further concerned with the matter presented.

ARTICLE IX

MEETINGS OF MEMBERS

Section 1. Annual Meetings. The annual meeting of the members shall be held on _____ at the hour of _____, or such other time as may be determined by the directors. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour of the first day following which is not a Sunday or a legal holiday. The first annual meeting shall take place no later than one year following the date of recording of the Declaration.

Section 2. 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 the members who are entitled to vote one-fourth (1/4) of the votes of the Class A or Class B membership.

Section 3. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen (15) days (or such different notice period as specified for certain actions in the Declaration and/or Articles of Incorporation) before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and the agenda for the business to be transacted at the meeting. Such notice shall state that if a sufficient number of members to constitute a quorum or to approve or authorize the actions set forth in the notice are not in attendance, the members present at such meeting, in person or by proxy, may by majority vote call a further meeting of the members for the same purpose. Said notice shall further state that fifteen (15) days' notice of the time, place and purpose of such further meeting shall be given by advertisement inserted in a newspaper published in the county in which is located the principal office of the Association. Said notice shall further state that at such further meeting the members present, in person or by proxy, shall constitute a quorum and by majority vote if those present, in person or by proxy, may approve or authorize the proposed action or take any other action which might have been taken at the original meeting if a sufficient number of members had been present; and the notice of such further meeting shall so state.

Section 4. Quorum. The presence at the meeting in person or by proxy of one-fourth (1/4) of the members entitled to vote shall constitute a quorum for any action except as otherwise provided in the Declaration, Articles of Incorporation or these By-Laws. If, however, such quorum shall not be present, in person or by proxy, or represented at any meeting, then, if the notice of such meeting stated that the procedure authorized by this Section 4 might be invoked, the members present at such meeting, in person or by proxy, may by majority vote call a further meeting of the members for the same purpose. Fifteen (15) days' notice of the time, place and purpose of such further meeting shall be given by advertisement inserted in a newspaper published in the county in which is located the principal office of the Association. At such further meeting, the members present, in person or by proxy, shall constitute a quorum and by majority vote of those present (unless a different percentage shall be required for any specific action in the Declaration, Articles of Incorporation or these By-Laws), in person or by proxy, may approve or authorize the proposed action and take any action which might have been taken at the original meeting if a sufficient number of members had been present; and the notice of such further meeting shall so state.

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. Every

proxy shall be revocable and shall automatically cease upon conveyance by the member of his Lot.

Section 6. Votes. Except as provided in the Declaration or the Articles of Incorporation, the votes of the Class A and Class B members shall be combined, and all decisions shall be made by majority of the total votes cast, whether in person or by proxy.

ARTICLE X

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Association shall be a president and a vice-president who shall at times be members of the Board of Directors, a secretary and 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 shall be elected annually by the Board of Directors and each shall hold office for one (1) year unless he 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 officers 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 in the manner prescribed for regular election. The officer elected to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The offices of 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 and at all meetings of the members; shall see that orders and resolutions of the Board and the membership are carried out; shall sign all leases, mortgages, deeds and other written instruments; and shall co-sign all checks and promissory notes.

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 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 paper 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 co-sign all checks and promissory notes of the Association; keep proper books of account; cause an annual budget audit of the Association's books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and 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 XI

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 XII

CORPORATE SEAL

The seal of the Association shall be circular in form with the name of the Association and "Maryland" inscribed around the outer edge, and in the center shall be inscribed "Incorporated 1987".

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 members present (in person or by proxy) and voting, except that while there is a Class B member and if any lot is security for a mortgage or deed of trust insured by the Federal Housing Administration (F.H.A) or the Veterans Administration (V.A.), the F.H.A. and/or the V.A., as the case may be, shall have the right to veto amendments.

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

ARTICLE XIV

MISCELLANEOUS

The fiscal year of the Association shall begin on the 1st 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.