

BYLAWS

of

OWINGS MILLS NEW TOWN COMMUNITY ASSOCIATION, INC.

ARTICLE I

NAME AND LOCATION

The name of the association is OWINGS MILLS NEW TOWN COMMUNITY ASSOCIATION, INC. (hereinafter referred to as the "Association"). The Association is organized under the Maryland Corporation Article of the Maryland Annotated Code as a nonprofit membership corporation.

ARTICLE II

DEFINITIONS

2.1. Declaration. The "Declaration" shall mean, collectively, the Declaration of Covenants, Conditions and Restrictions of Owings Mills New Town Community Association, Inc. recorded or intended to be recorded in the Land Records of Baltimore County, Maryland and any amendments or supplements recorded or to be recorded pursuant thereto.

2.2. Other Definitions. Each and every definition set forth in Article II of the Declaration shall have the same meaning herein as therein, and each and every such definition is incorporated by reference and made a part of these Community Bylaws as if once again fully written and set forth at length herein.

ARTICLE III

PRINCIPAL OFFICE

Principal Office. The principal office for the transaction of the business of the Community Association is c/o New Town Development Corporation, 11421 Cronhill Drive, Suite E, Owings Mills, Maryland 21117. The Community Board is hereby granted full power and authority to change said principal office from one location to another within Baltimore County.

## ARTICLE IV

### MEMBERS

4.1. Membership. The qualifications for membership, the classes of membership and the voting rights of Members through Delegates shall be as set forth in Article III of the Declaration, all of which provisions are hereby incorporated by reference as if set forth in full herein. The provisions of these Community Bylaws, which are binding upon all Members, are not exclusive, as Members shall also be subject to the terms and provisions of the Community Articles, the Declaration and the Association Rules.

## ARTICLE V

### MEETINGS OF DELEGATES

5.1. Appointment of Delegates. Delegates shall execute all of the authority of Members in the Association and shall be appointed as set forth in the Declaration.

5.2. Place of Meetings. All meetings of Delegates shall be held at the principal office of the Association, or at such other place in Baltimore County, in reasonable proximity to the Property, as may be fixed from time to time by resolution of the Community Board.

5.3. Annual Meetings. The first annual meeting shall be held as described in the Declaration and each subsequent regular annual meeting of the Delegates shall be held in the same month of each year thereafter on a day and at an hour to be established by the Community Board.

5.4. Special Meetings. It shall be the duty of the President to call a special meeting of the Delegates, either in his or her discretion or as directed by resolution of a majority of a quorum of the Community Board, or upon a petition being presented to the Secretary signed by Delegates representing at least five percent (5%) of the voting power of the Association. The notice of any special meeting shall be given within twenty (20) days after adoption of such resolution or receipt of such petition and shall state the time and place of such meeting and the purpose thereof. The special meeting shall be held not less than thirty-five (35) days nor more than ninety (90) days after adoption or receipt of such petition. No business shall be transacted at a special meeting except as stated in the notice. Each First Mortgagee may designate a representative to attend all special meetings of the Delegates. The special meetings of the

Delegates shall be open to attendance by all Members and by Mortgagee representatives to the extent of the permissible capacity of the meeting room.

5.5. Notice of Meetings. It shall be the duty of the Secretary to send a notice of each annual or special meeting by first-class mail, at least thirty (30) but not more than ninety (90) days prior to such meeting, stating the purpose thereof as well as the day, hour and place where it is to be held, to each Delegate and Declarant and to each Eligible Holder. The notice may set forth time limits for speakers and nominating procedures for the meeting. The notice of any meeting at which the Directors are to be elected shall include the names of all those who are nominees at the time the notice is given to the Delegates. The mailing of a notice, postage prepaid, in the manner provided in this Section, shall be considered notice served forty-eight (48) hours after such notice has been deposited in a regular depository of the United States mail. Such notice shall be posted in a conspicuous place within the Property, and such notice shall be deemed served upon any Delegate upon posting if no address has been furnished the Secretary.

5.6. Quorum. The presence at the meeting of Delegates or proxies or any combination thereof entitled to cast at least twenty-five percent (25%) of the voting power shall constitute a quorum for any action except as otherwise provided in the Community Articles, the Declaration, or these Community Bylaws. If any meeting cannot be held because a quorum is not present, the Delegates representing a majority of the votes present, either in person or by proxy, may adjourn the meeting to a time not less than five (5) days, nor more than thirty (30) days from the time the original meeting was called. If the time and place of the adjourned meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for the adjourned meeting after adjournment, notice of the time and place of the adjourned meeting shall be given to Delegates in the manner prescribed for regular meetings. At the subsequent meeting, the presence of Delegates, either in person or by proxy or any combination thereof, entitled to cast twenty-five percent (25%) of the voting power shall constitute a quorum.

5.7. Approval of the Delegates. Except where a greater portion of the voting power is required by the Community Articles, the Declaration, these Community Bylaws, or the Corporations and Associations Article of the Maryland Annotated Code, a majority of the votes represented by a Delegate and voting at a duly held meeting at which a quorum is present (which affirmative votes also constitute a majority of the required quorum) shall constitute approval of the Delegates present at a duly called or held meeting at which a quorum is present may

continue to transact business until adjournment, notwithstanding the withdrawal of enough Delegates to leave less than a quorum, if any action taken (other than adjournment) is approved by at least a majority of the total voting power required to constitute a quorum.

5.8. Action by Written Ballot. Any action which may be taken by the vote of the Delegates at a regular or special meeting, except the election of Community Delegates, may be taken without a meeting, except the election of Community Directors, may be taken without a meeting by written consent of all of the Delegates. Voting for Community Directors shall be by secret written ballot.

5.9. Action by Written Ballot. Any action which may be taken by the vote of the Delegates at a regular or special meeting, except the election of Community Directors, may be taken without a meeting by written ballot. Approval of an action by written ballot shall be valid only when the number of votes cast by ballot within the time period specified equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes required to approve the action at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot. Solicitations for action by ballot shall: (i) Be sent to each Delegate entitled to vote on the action at the address contained in the records of the Association for notice to the Delegates; (ii) Set forth the proposed action; (iii) Indicate the number of responses needed to meet the quorum requirements; (iv) State the percentage of approvals necessary to pass the measure submitted; (v) Specify a reasonable time by which the ballot must be returned to the Association in order to be counted, and; (vi) Afford an opportunity to specify a choice between approval and disapproval of each matter or group of related matters to be acted upon by ballot.

5.10. Parliamentary Procedure. The President of the Association, or another person elected at a meeting, shall preside over meetings of Delegates. All questions of parliamentary procedure shall be decided by the presiding officer.

5.11. Consent of Absentees. The transactions of any meeting of the Delegates, either annual or special, however called or noticed, shall be as valid as though had a meeting duly held after regular call and notice, if a quorum be present, and if, either before or after the meeting, each of the Delegates not present signs a written waiver of notice, or a consent to the holding of such meeting, or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

5.12. Minutes, Presumption of Notice. Minutes or a similar record of the proceedings of meeting of Delegates, when signed by the President or Secretary, shall be presumed truthfully to evidence the matters set forth therein. A recitation in the minutes of any such meeting that notice of the meeting was properly given shall be prima facie evidence that such notice was given.

## ARTICLE VI

### DIRECTORS

6.1. Number. The Community Board shall consist of between 5 and 7, as determined by the Board of Directors in accordance with the provisions of the Community Articles. As set forth in the Declaration, a person may serve as a director without being a Member.

6.2. Nomination of Directors. Nomination for election to the Community Board shall be made by a Nominating Committee. Nominations may also be made by written nomination signed by a Class A Member, by a Class B Member or by a Class C Member in accordance with the provisions of these Bylaws, and presented to the Secretary of the Association at least thirty (30) days before the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a director, and two or more Members of the Association. The Nominating Committee shall be appointed by the Community Board 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 Members.

6.3. Election and Term of Office. Until the holding of the first organizational meeting as provided in the Declaration, the Community Board shall consist of the following directors: James Rubenstein, Terry M. Rubenstein, Don Richards, George Coburn and Neil J. Schechter. The Community Directors shall be elected at each annual meeting of Delegates. The term of office of the Community Directors shall be two (2) years and elections shall be held on a staggered basis as provided for below. At the first annual meeting the Delegates shall elect each of the five (5) Community Directors. The three (3) Community Directors who receive the highest number of votes shall serve for a term of two (2) years and the remaining two (2) Community Directors shall

initially serve for a term of one year and thereafter shall serve for a term of two (2) years. Successor Community Directors shall be elected at the next annual meeting corresponding with the expiration of the terms and if any such annual meeting is not held, or if Community Directors are not elected thereat, the Community Directors may be elected at any special meeting of Delegates held for that purpose.

Notwithstanding the foregoing, if the number of Directors of the Community Board is increased to seven (7) then, commencing with the first election after the number of Community Directors is increased from five (5) to seven (7) Community Directors, the term of office for the four (4) Community Directors who receive the highest number of votes shall be two (2) years and the term of the remaining three (3) Community Directors shall initially be one (1) and thereafter shall be two (2) years. Successor Community Directors shall be elected at the next annual meeting corresponding with the expiration of their terms. All Community Directors shall hold office until their respective successors are elected.

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 Articles of Incorporation. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

Notwithstanding anything set forth in these Community Bylaws to the contrary, so long as the majority of the voting power resides in Declarant, at least one (1) Community Director shall be elected solely by the votes of the Class A members other than Declarant, Builders, Apartment Owners, Commercial Property Owners, and Residential Care Property Owners. A Community Director elected pursuant to this provision may be removed prior to the expiration of his or her term of office only by a vote of at least the simple majority of the Members excluding Declarant, Builders, Apartment Owners, Commercial Property Owners and Residential Care Property Owners. Furthermore, in election of Community Directors after the Class C membership has been terminated, so long as Declarant owns or has other interest in any of the Annexable Property, one (1) Community Director shall be elected directly by Declarant, which Community Director may be removed prior to the expiration of his or her term of office only with the consent of Declarant.

6.4. Removal of Directors. Subject to the provisions of Section 6.2 hereof, at any special meeting of the Delegates of which notice has been properly given as provided in these Community Bylaws, the entire Community Board or any individual

director may be removed from office as hereinafter set forth, provided that the same notice of said special meeting has also been given to said entire Community Board or any individual Community Director whose removal is to be considered at said special meeting. The entire Community Board or any individual Community Director may be removed from office by a majority of the affirmative votes cast in the voting on any motion or resolution for removal. However, unless the entire Community Board is removed subject to the provisions of Section 6.2 hereof, an individual Community Director shall be removed prior to the expiration of his term of office if the number of votes cast against the motion or resolution for his removal would be sufficient to elect the Community Directors if voted cumulatively at an election at which the same total number of votes were cast and the entire number of Community Directors authorized at the time of the most recent election of the Community Directors were then being elected. Upon any such motion or resolution for removal, every Delegate may cumulate his vote or votes, as the case may be, in the same manner as provided for the election of the Community Directors may be elected at the same meeting.

6.5. Vacancies. Vacancies on the Community Board may be filled by a vote of a majority of the Community Directors, though less than a quorum, and each Community Director so elected shall hold office until his successor is elected at an annual meeting of Delegates, or at a special meeting called for that purpose. A vacancy or vacancies shall be deemed to exist in case of the death, resignation or removal of any Community Director. If the Delegates, shall increase the authorized number of Community Directors but shall fail to elect the additional Community Directors as provided for at the meeting at which such increase is authorized, or at an adjournment thereof, or in case the Delegates, fail to at any time elect the full number of the authorized Community Directors, a vacancy or vacancies shall be deemed to exist. The Delegates may at any time elect Community Directors and may elect the additional Community Directors at the meeting at which an amendment of the Community Bylaws is voted authorizing an increase in the number of Community Directors.

6.6. Resignation. If any Community Director tenders his resignation to the Community Board, the Community Board shall have the power to elect a successor to take office at such time as the resignation shall become effective. No reduction of the number of Community Directors shall have the effect of removing any Community Director, from office prior to the expiration of his term of office.

6.7. Organizational Meeting of the Community Directors. Immediately following each annual meeting of the Delegates, the Community Board shall hold a regular meeting for the

purpose of organization, election of officers and the transaction of other business. Notice of such meeting is hereby dispensed with.

6.8. Other Regular Meetings. Other regular meetings of the Community Board may be held without notice at such place and day and hour as may be fixed from time to time by resolution of the Community Board; provided, however, should said day fall upon a legal holiday, then the meeting which otherwise would be held on said day shall be held at the same time on the next day hereafter ensuing which is not a legal holiday. Notice of all such regular meeting shall be posted at a prominent place or places within the Community Common Area. Notice of the time and place of any such meeting shall be communicated to the Community Board not less than four (4) days prior to the meeting; provided, however, that notice of a meeting need not be given to any member of the Community Board who has signed a waiver of notice or a written consent to a holding of the meeting.

6.9. Special Meetings Notice. Special meetings of the Community Board may be called at any time by the President or if he is unable or refuses to act, by any Vice President, or by any two (2) Community Directors, after not less than ten (10) days prior notice to each Community Director which notice shall specify the time and place of the meeting and the nature of all special business to be considered. The notice shall be posted in the manner prescribed for notice of regular meetings not less than seventy-two (72) hours prior to the scheduled time of the meeting; provided, however, that notice of a meeting need not be given to any member of the Community Board who has signed a waiver of notice or a written consent to a holding of the meeting.

6.10. Waiver of Notice. The transaction of any business at any meeting of the Community Board, however, called and noticed, or wherever held, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum be present and if, either before or after the meeting, each of the Community Directors not present signs a written waiver of notice or a consent to holding such meeting or an approval of the minutes thereof. All such waiver, consents or approvals shall be filed in with the records of the Association or made a part of the minutes of the meeting.

6.11. Quorum of Community Directors. A majority of the number of Community Directors as fixed by the Community Board shall be necessary to constitute a quorum for the transaction of business, except to adjourn as hereinafter provided. Every act or decision made or done by a majority of the directors present



at a meeting duly held at which a quorum is present shall be regarded as the act of the Community Board.

6.12. Adjournment. A quorum of the Community Directors may adjourn any Community Board meeting to adjourn at a stated day and hour; provided, however, that in the absence of a quorum, a majority of the Community Directors present at any Community Board meeting, either regular or special, may adjourn from time to time until the time fixed for the next regular meeting of the Community Board.

6.13. Conduct of Meetings. Except as otherwise set forth herein, regular and special meetings of the Community Board shall be open to all Members of the Association. Regular and special meetings shall not be opened to Owners unless the Community Board elects to have such open meetings. If the Community Board elects to have open meetings then Owners and Members who are not on the Community Board may not participate in any deliberation or discussion unless expressly so authorized by the vote of a majority of a quorum of the Community Board and the Community Board may, with the approval of a majority of a quorum of the members of the Community Board, adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation and orders of business of a similar or otherwise sensitive nature for which the Maryland Homeowners Association Act may permit closed meetings to be held.

6.14. Consent of Board Obviating Necessity of Meeting. Notwithstanding anything to the contrary contained in these Community Bylaws, any action required or permitted to be taken by the Community Board may be taken without a meeting if all members of the Community Board shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Community Board. Such action by written consent shall have the same force and effect as a unanimous vote of such directors.

6.15. Fees and Compensation. No Community Director or officer shall receive any salary for his services as such officer or Community Director; provided, however, any Community Director may be reimbursed for actual out-of-pocket expenses incurred by him in the performance of his duties. Nothing herein contained shall be construed to preclude any Community Director or officer from serving the Association as agent, counsel or in any capacity other than as such Community Director or officer, and receiving compensation therefor.

6.16. Presiding Officer. The members of the Community Board shall elect one of their number to act as Chairperson. The Chairperson shall preside at all meetings of the Community Board.

6.17. Records. The Community Board shall cause to be kept a complete record of all of its acts and corporate affairs and to present a statement thereof to the Delegates at annual meetings of Delegates or at any special meeting where such statement is requested in writing by one-fourth (1/4th) of the Delegates entitled to vote thereat.

## ARTICLE VII

### OFFICERS

7.1. Officers. The officers shall be a President, Vice President, a Secretary and a Treasurer, which officers shall be elected by and hold office at the pleasure of the Community Board. The President and the Vice-President shall be members of the Community Board. Any of the other officers may, but need not, be a member of the Community Board. Any two or more of such offices, except those of President and Secretary, may be held by the same person.

7.2. Election. The officers of the Association, except such officers as may be appointed in accordance with Section 7.3 or 7.5, shall be chosen annually by the Community Board, and each shall hold his office until he shall resign or shall be removed or otherwise be disqualified to serve or until his successor shall be elected and qualified.

7.3. Subordinate Officers. The Community Board may appoint such officers as the business of the Association may require, each of whom shall hold office for such period, have such authority and perform such duties as are provided in these Community Bylaws or as the Community Board may from time to time determine.

7.4. Removal and Resignation. Any officer may be removed, either with or without cause, by the vote of a majority of all the Community Directors then in office at any regular or special meeting of the Community Board at which a quorum is present. Any officer may resign at any time by giving written notice to the Community Board or to the President or to the Secretary of the Community Association. Subject to the provisions of this Section, any such resignations shall take effect as of the date of the 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.

7.5. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or any other cause may be filled by appointment of the Community Board.

7.6. President. The President shall be the chief executive of the Association and shall, subject to the control of the Community Board and the provisions of the Declaration have general supervision, direction and control of the business and officers of the Association. The President may, but need not, be the Chairperson of the Board. The President shall be an ex-officio member of all standing committees, if any, and shall have the general powers and duties of management usually vested in the office of the President of a corporation, and shall have such other powers and duties as may be prescribed by the Community Board or these Community Bylaws. Without limiting the generality of the foregoing, the President shall sign all leases, mortgages, deeds of trust and other written instruments and shall co-sign all checks and promissory notes of the Association.

7.7. Vice President. In the absence or disability of the President, the Vice President shall perform all the duties of the President, and when so acting, shall have all the powers of, and be subject to all the restrictions upon, the office of President. The Vice President shall have such other powers and perform such other duties as from time to time may be prescribed for such person by the Community Board of the Community Bylaws.

7.8. Secretary. The Secretary shall keep, or cause to be kept a book of minutes at the principal office or such other place as the Community Board may order, of all meetings of Community Directors and Delegates, with the time and place of the holding of same, whether regular or special, and if special, how authorized, the notice thereof given, the names of those present or represented at Delegates' meetings and the proceedings thereof. The Secretary shall keep, or cause to be kept, at the principal office, a register showing the information required by the Community Board. The Secretary shall give, or cause to be given, notice of all meetings of the Delegates and of the Community Board required by these Community Bylaws or by law to be given, and the Secretary shall keep the seal of the Association in safe custody, and shall have such other powers and perform such other duties as may be prescribed by the Community Board or by these Community Bylaws.

7.9. Treasurer. The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the Association. The books of account shall, at all reasonable times, be open to inspection by any Community Director or by any Delegate. The Treasurer shall deposit all monies and other

valuables in the name and to the credit of the Association with such depositories as may be designated by the Community Board. The Treasurer shall disburse the funds of the Association as may be ordered by the Community Board, shall render to the President and Community Directors, whenever they request it, an account of all his transactions as Treasurer and of the financial condition of the Association, shall co-sign all checks and promissory notes of the Association and shall have such other powers and perform such other duties as may be prescribed by the Community Board or these Community Bylaws. Withdrawal of funds from the Reserve Fund shall require the signatures of either (a) two members of the Community Board or one member of the Association who is not also a member of the Community Board.

## ARTICLE VIII

### AMENDMENTS

8.1. Prior to Termination of Class B Votes. Prior to termination of Class B Membership, if Declarant is still entitled to three (3) votes for each Lot owned by Declarant or Builders, these Community Bylaws may be amended only with the vote or written consent of Declarant and of Delegates entitled to cast at least fifty-one percent (51%) of the voting power residing in Members other than Declarant and Builders. In addition to the foregoing, so long as there is a Class B membership in the Association, any amendment to these Bylaws shall require the prior approval of the Veterans Administration. A draft of any amendment should be submitted to the Veterans Administration for its approval prior to its approval by the Members.

8.2. Subsequent to Termination of Class B Votes. Subsequent to termination of Class B Membership, if Declarant is no longer entitled to three (3) votes for each Lot owned by Declarant or Builders, as provided in the Declaration, these Community Bylaws may be amended only with the vote or written consent of Delegates entitled to cast at least fifty-one percent (51%) of the voting power and of Delegates other than the Declarant entitled to cast at least fifty-one percent (51%) of the voting power held by Members other than the Declarant and Builders. Notwithstanding anything to the contrary set forth in this Article VIII, the percentage of the Owings Mills New Town Community Voting Power or of members other than the Declarant and Builders necessary to amend a specific clause or provisions in these Community Bylaws shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause or provision.

ARTICLE IX

GENERAL PROVISIONS

9.1. Checks, Drafts, etc. All checks, drafts, or other order for payment of money, notes or other evidences of indebtedness, issued in the name of or payable to the Association, shall be signed or endorsed by the President and Treasurer and in such manner, as from time to time, shall be determined by resolution of the Community Board.

9.2. Community Contracts, etc.; How Executed. The Community Board, except as otherwise provided in these Community Bylaws, may authorize any officer or officers, agent or agents to enter into any contract or execute any instrument permitted under the Community Declaration or these Community Bylaws in the name and on behalf of the Community Association, and such authority may be general or confined to specific instances; and unless so authorized by the Community Board, no officer, agent, or employee shall have any power of authority to bind the Community Association by any contract or engagement or to pledge its credit or to render it liable for any purpose or for any amount.

9.3. Singular Includes Plural. Wherever the context of these Community Bylaws requires same, the singular shall include the plural and the masculine shall include the feminine.

9.4. Fiscal Year. Unless otherwise selected by the Community Board, the fiscal year of the Community Association shall begin on the first day of January and end on the 31st day of December of every year, except that the fiscal year shall begin on the date of incorporation.

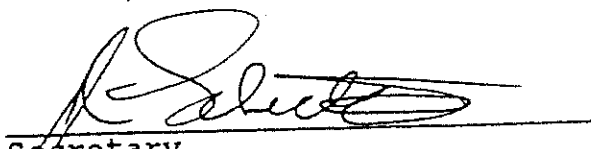
9.5. Conflicts. In the case of any conflict between the Community Articles and these Community Bylaws, the Community Articles shall control; and in the case of any conflict between the Declaration and these Community Bylaws, the Declaration shall control.

9.6. Absentee Ballots. The Community Board may make such provisions as it may consider necessary or desirable for absentee ballots.

END OF BYLAWS

CERTIFICATE OF SECRETARY

The undersigned, Secretary of Owings Mills New Town Community Association, Inc., a Maryland nonprofit corporation does hereby certify that the foregoing Community Bylaws were duly adopted by the Board of Directors of said association on May 23, 1990 and that they now constitute said Owings Mills New Town Community Association, Inc. Bylaws.

  
Secretary