Lakeside/ Dockside Association, Inc.

By- Laws

GLR/9-11-78

THE LAKESIDE ASSOCIATION, INCORPORATED

BY-LAWS

ARTICLE I. GENERAL PROVISIONS.

Section 1.1. Definitions.

(a) As used in the provisions of these By-Laws, each of the following terms shall be deemed to have the meaning which is hereinafter in this Section ascribed to it:

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

(2) "Annual Membership Meeting" shall mean an annual meeting of the Membership, held pursuant to the provisions of Section 2.1 hereof.

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

(4) "Assessment" shall mean an Annual Assessment or a Special Assessment.

(5) "Assessment Lien" shall mean a lien created and existing pursuant to the provisions of Section 6 of the Declaration.

(6) "Assessment Year" shall have the meaning ascribed to it by the provisions of the Declaration.

(7) "the Association" shall mean The Lakeside Association, Incorporated, a corporation organized and existing under the law of Maryland.

(8) "Association Property" shall mean any and all real property, personal property or other assets which are beneficially owned by the Association, including, by way of example rather than of limitation, the Commons.

(9) "the Board of Directors" shall mean the board of directors of the Association.

(10) "Board Meeting" shall mean a meeting of the Board of Directors, held pursuant to the provisions of Section 3.7 hereof.

(11) "the Class A Membership" shall have the meaning ascribed to it by the provisions of the Declaration.

(12) "the Class B Membership" shall have the meaning ascribed to it by the provisions of the Declaration.

(13) "the Commons" shall have the meaning ascribed to it by the provisions of the Declaration.

(14) "the Community" shall mean all of that real property, situate and lying in Howard County, Maryland, which consists of the aggregate of (A) Parcel I and (B) each Future Parcel which, at the time with respect to which reference is made, has been included within the Community through an expansion thereof pursuant to the provisions of the Declaration.

(15) "this Declaration" shall mean the instrument entitled "Declaration of Covenants, Easements, Charges and Liens", dated September 11, 1978, and recorded among the Land Records of the said County in Liber _____ at folios ___, et seq., made by Troutman Communities, as from time to time amended.

(16) "the Developer" shall have the meaning ascribed to it by the provisions of the Declaration.

(17) "Director" shall mean a member of the Board of Directors, in his capacity as such.

(18) "Future Parcel" shall have the meaning ascribed to it by the provisions of the Declaration.

(19) "Lot" shall have the meaning ascribed to it by the provisions of the Declaration.

(20) "Majority" shall mean more than fifty percent (50%).

(21) "Member" shall mean each person who constitutes a member of the Association under the provisions of the Declaration.

(22) "the Membership" shall mean all of the Members.

(23) "Membership Meeting" shall mean an Annual Membership Meeting or a Special Membership Meeting.

(24) "Mortgage" shall have the meaning ascribed to it by the provisions of the Declaration.

(25) "Nominating Committee" shall mean the committee referred to in the provisions of Section 3.6 hereof.

(26) "Notice Address" shall have the meaning ascribed to it by the provisions of the Declaration.

(27) "Officers" shall mean, 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 may create pursuant to the provisions of Sections 4.1 and 4.4 hereof.

(28) "Owner" shall have the meaning ascribed to it by the provisions of the Declaration.

(29) "Parcel I" shall have the meaning ascribed to it by the provisions of the Declaration.

(30) "person" shall mean any natural person, trustee, corporation, partnership or other legal entity.

(31) "the President" shall mean the president of the Association.

(32) "Rules and Regulations" shall mean the rules and regulations adopted by the Association pursuant to the provisions of Section 5(c) of the Declaration.

(33) "the Secretary" shall mean the secretary of the Association.

(34) "Special Assessment" shall have the meaning ascribed to it by the provisions of the Declaration.

(35) "Special Membership Meeting" shall mean a special meeting of the Membership, held pursuant to the provisions of Section 2.2 hereof.

(36) "the Treasurer" shall mean the treasurer of the Association.

(37) "the Vice-President" shall mean the vice-president of the Association.

(b) Any other term to which meaning is specifically ascribed by any provision of the Declaration shall for purposes of these By-Laws be deemed to have such meaning.

Section 1.2. Principal office. The Association's principal office shall be located at c/o Troutman Company, Suite 300, Wilde Lake Village Green, Columbia, Maryland 21044, but meetings of Members and Directors may be held at such other places within the said County, or in Baltimore, Maryland, as are from time to time designated by the Board of Directors.

Section 1.3. 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 shall begin on the date of its incorporation.

Section 1.4. Status and applicability of By-Laws.

(a) These By-Laws, as from time to time amended, are the by-laws which are referred to as "the By-Laws" in the provisions of the Declaration.

(b) The provisions of these By-Laws shall be applicable to, and shall govern, the administration of the affairs of the Association by or through its Officers, the Board of Directors or the Membership.

ARTICLE II. MEMBERSHIP MEETINGS.

Section 2.1. Annual Membership Meetings. The first Annual Membership Meeting shall be held on a day which falls within one year from the date of incorporation of the Association. Each subsequent Annual Membership Meeting shall be held on the same day of the same month of each year thereafter, at the hour of seven o'clock P.M.; provided, that if during any year such day is a Saturday, Sunday or legal holiday, the Annual Membership Meeting for such year shall be held at the same hour on the first day thereafter which is not a Saturday, Sunday or legal holiday.

Section 2.2. Special Membership Meetings. Special Membership Meetings may be called at any time by the President or the Board of Directors, or upon the receipt by the President or the Board of Directors of a written request for such Special Membership Meeting, by Members holding at least twenty-five percent (25%) of the total number of votes held by the Class A Membership.

Section 2.3. Notice of Meetings. Written notice of each Membership Meeting shall be given by, or at the direction of, the Secretary or the person authorized to call such Membership Meeting, by mailing a copy of such notice, postage prepaid, at least fifteen (15) days before such Membership Meeting, to each Member entitled to vote thereat, addressed to such Member's Notice Address. Such notice shall specify the date, time and place of such Membership Meeting and, in the case of a Special Membership Meeting, the purpose thereof.

Section 2.4. Quorum. The presence at the date, time and place of a Membership Meeting as set forth in such notice, in person or by proxy, of Members holding at least ten percent (10%) of the total number of votes held by, respectively, each class of the Membership shall be required to constitute a quorum for such Membership Meeting, except as is otherwise provided in the Articles of Incorporation, the Declaration or these By-Laws. If, however, a quorum does not exist at such date, time and place, a Majority of the Members who are present and entitled to vote thereat shall have the power to adjourn such Membership Meeting from time to time, without notice other than announcement at such Membership Meeting, until a quorum is present, in person or by proxy, as aforesaid.

Section 2.5. Proxies. At all Membership Meetings, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Each proxy shall be revocable by the Member who granted it (subject to the operation and effect of the provisions thereof) and shall automatically cease upon conveyance by such Member of the title to his Lot.

Section 2.6. Informal action.

Whenever the Membership is required or permitted by the provisions of the Declaration, the Articles of Incorporation or these By-Laws to give or withhold its approval or consent or to take any other action, or whenever the taking of any action by the Association, or the effectiveness thereof, is conditioned by any of such provisions upon the

Membership's having given its approval or consent thereto or upon its having taken any other action, such approval or consent may be given or withheld, and such action may be taken, by the Membership without a Membership Meeting having been held for such purpose, provided that that number of Members whose votes would have been sufficient to cause such approval or consent to be given or withheld or such action to be taken, at a Membership Meeting duly called for such purpose at which all Members were present and voting on such question, have consented thereto in writing.

ARTICLE III. THE BOARD OF DIRECTORS.

Section 3.1. Composition; qualifications of Directors.

(a) The Board of Directors shall consist of five (5) Directors.

(b) Each Director (i) shall be a natural person; (ii) shall be at least twenty-one (21) years old; and (iii) shall be either (1) alone or in combination with one or more other persons an Owner, or (2) an officer, director, employee or agent of a corporation, partnership, trust or other legal entity (other than a natural person) which, either alone or in combination with one or more other persons, is an Owner, provided that the Secretary is given such proof of such natural person's status as officer, director, employee or agent of such entity as the Secretary may reasonably require.

Section 3.2. Terms of directorships.

(a) The persons who are named as such in the provisions of the Articles of Incorporation shall serve as Directors until the first Annual Membership Meeting, at which time their terms as Directors shall expire.

(b) (i) At the first Annual Membership Meeting, a successor shall be elected to each such Director. Two such successors shall be elected to serve for a term of three (3) years, two such successors shall be elected to serve for a term of two (2) years, and one such successor shall be elected to serve for a term of one (1) year.

(ii) At each subsequent Annual Membership Meeting, a Director shall be elected to fill the position of that Director whose term expires as of such Membership Meeting, and to serve for a term of three (3) years.

Section 3.3. Removal. Any Director may be removed from the Board of Directors, with or without cause, by the vote of Members holding a Majority of the votes held by all of the Members. In the event of the death, resignation or removal from office of a Director, his successor shall be selected by the remaining Directors and shall serve for the unexpired term of his predecessor.

Section 3.4. Compensation. No Director shall receive compensation for any service which he may render to the Association. However, any Director may be reimbursed for his payment of actual expenses incurred in the performance of his duties.

Section 3.5. Action taken without a Board Meeting. The Directors shall have the right to take any action in the absence of a Board Meeting which they could take at a Board Meeting, by obtaining the written approval of all the Directors. Any action so taken and approved shall have the same effect as though taken at a Board Meeting.

Section 3.6. Nomination and election of Directors.

(a) Nomination. Nomination for election to the Board of Directors shall be made by a committee which shall be known as "the Nominating Committee". Nominations may also be made by Members from the floor at the Annual Membership Meeting at which the election is to be held for which such nominations are made. The Nominating Committee shall consist of a chairman, who shall be a Director, and two or more other persons who are Members. The Nominating Committee shall be appointed by the Board of Directors prior to each Annual Membership Meeting, to serve from the close of such Annual Membership Meeting until the close of the next Annual Membership Meeting, and such appointment shall be announced at each Annual Membership Meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but shall not make fewer nominations than the number of vacancies which are to be filled. Such nominations shall be made from among persons who are qualified to hold directorships under these By-Laws.

(b) 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 cast under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting shall not be permitted.

Section 3.7. Board Meetings.

(a) Regular Board Meetings. Regular Board Meetings shall be held monthly without notice, at such date, time and place as may be fixed from time to time by resolution of the Board of Directors. Should such date fall upon a legal holiday, then such meeting shall be held at the same time on the next day which is not a legal holiday.

(b) Special Board Meetings. Special Board Meetings shall be held when called by the President or any two Directors, after not less than three (3) days' notice to each Director.

(c) Quorum. The presence at such date, time and place of a Majority of the number of Directors shall constitute a quorum for the transaction of business at such Board Meeting. Every act or decision done or made by a Majority of the Directors present at a duly held Board Meeting at which a quorum is present shall be regarded as the act or decision of the Board of Directors.

Section 3.8. Powers and duties of the Board of Directors.

(a) Powers. Except as may be otherwise provided in the Declaration, the Board of Directors shall have the power

(i) to adopt and publish Rules and Regulations governing the use of the Commons and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;

(ii) to suspend the voting rights, and the right to use the recreational facilities included within the Commons, of any Member

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

(B) 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;

(iii) 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;

(iv) to declare any directorship to be vacant in the event that the Director who holds such directorship is absent from three (3) consecutive regular Board Meetings which have been called in accordance with these By-Laws; and

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

(b) Duties. Except as may be otherwise provided in the Declaration, it shall be the duty of the Board of Directors

(i) 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;

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

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

(A) to fix the amount of the Annual Assessment levied against each Lot at least thirty (30) days in advance of each Assessment Year;

(B) to send written notice of each Assessment to every Owner subject thereto at least thirty (30) days in advance of each Assessment Year; and

(C) to 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;

(iv) 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;

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

(vi) 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

(vii) to cause the Commons to be maintained.

ARTICLE IV. OFFICERS.

Section 4.1. Enumeration of offices. The Officers shall consist of the President, the Vice-President (who shall at all times be members of the Board of Directors), the Secretary, and the Treasurer, and such other Officers as the Board may from time to time by resolution designate and create.

Section 4.2. Election of Officers. The election of Officers shall take place at the first Board Meeting following each Annual Membership Meeting.

Section 4.3. Term. Each Officer shall hold office for a term of one (1) year unless he shall sooner resign, or be removed or otherwise become disqualified to serve.

Section 4.4. Special appointments. The Board of Directors 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 of Directors may from time to time determine.

Section 4.5. Resignation and removal. Any Officer may be removed from office with or without cause by the Board of Directors. Any Officer may resign at any time by giving written notice to the Board of Directors, the President or the Secretary. Such resignation shall take effect upon 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 for it to be effective.

Section 4.6. Vacancies. A vacancy in any office may be filled by appointment by the Board of Directors. The Officer appointed to such vacancy shall serve for the remainder of the term of the Officer whom he replaced.

Section 4.7. Multiple offices. The offices of the Secretary and the Treasurer may be held simultaneously by the same person. Otherwise, no person shall hold simultaneously more than one office, except in the case of special offices created pursuant to the provisions of Section 4.4 hereof.

Section 4.8. Duties. The duties of the Officers shall be as follows:

(a) The President. The President shall preside at all Board Meetings; shall see that all orders and resolutions of the Board of Directors are carried out; shall sign on behalf of the Association all leases, mortgages, deeds and other written instruments to which it is a party, and shall co-sign on behalf of the Association all checks and promissory notes issued by the Association.

(b) The Vice-President. 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 of Directors.

(c) The Secretary. The Secretary shall record the votes and keep the minutes of all Board Meetings and proceedings and of all Membership Meetings; shall serve notice of all Board Meetings and of all Membership Meetings; shall keep appropriate, current records showing the names of the Members and their addresses; and shall perform such other duties as are required of him by the Board of Directors.

(d) The Treasurer. 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 on behalf of the Association all checks and promissory notes issued by the Association; shall keep proper books of account for the Association; shall cause an annual audit of the Association's books to be made by a public accountant at the completion of each of its fiscal years; shall prepare an annual budget and a statement of income and expenditures for the Association to be presented to the Membership at each Annual Membership Meeting; and shall deliver a copy of each of the same to each Member.

ARTICLE V. COMMITTEES.

The Board of Directors shall appoint the members of the Architectural Committee pursuant to the provisions of the Declaration, and of the Nominating Committee, as provided in these By-Laws. In addition, the Board of Directors shall appoint such other committees as it may deem appropriate in carrying out its purposes.

ARTICLE VI. BOOKS AND RECORDS.

The books, records and papers of the Association, the Declaration, the Articles of Incorporation and these By-Laws shall at all times be available for inspection by any Member at the principal office of the Association (where copies may be purchased at reasonable cost) during reasonable business hours.

ARTICLE VII. ASSESSMENTS.

As is more fully provided in the Declaration, each Member is obligated to pay to the Association Annual Assessments and Special Assessments (and, if applicable to such Member's Lot, Limited Assessments) which are secured by a continuing 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 due date, the Assessment shall bear interest from the date of delinquency at the rate of six percent (6%) per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same and/or foreclose the lien against his Lot, and all interest, 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 Commons or abandonment of his Lot.

ARTICLE VIII. AMENDMENT AND CONSTRUCTION OF THE 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), except that the Federal Housing Administration or the Veterans Administration shall have the right to veto amendments while there is a Class B Membership.

Section 8.2. Construction. In the case of any conflict between any provision of the Articles of Incorporation and these By-Laws, the provisions of the Articles of Incorporation shall control. In the case of any conflict between any provision of the Declaration and these By-Laws, the provisions of the Declaration shall control.

IN WITNESS WHEREOF, we, being all of the Directors of the Association, have hereunto set our hands, this 15th day of September, 1978.

WITNESS:

_____

John L. Troutman, Director

_____

Leonard Richards, Director

Roi I. Kasten, Director

Diane H. Kluckhuhn, Director

Dwight S. Platt, Director

CERTIFICATION

I, Diane H. Kluckhuhn, the undersigned, do hereby certify:

(1) that I am the duly elected and acting Secretary of THE LAKESIDE ASSOCIATION, INCORPORATED, a corporation organized and existing under the law of Maryland (hereinafter referred to as "the Association"); and

(2) that the foregoing By-Laws constitute the original By-Laws of the Association, as duly adopted at a meeting of the Board of Directors thereof held on September 15, 1978.

IN WITNESS WHEREOF, I have executed this Certification, this 15th day of SEPT., 1978.

, Secretary