

BY-LAWS OF
PARADISE POINT ASSOCIATION, INC.

ARTICLE I
IDENTIFICATION

Section 1. The name of the Corporation is PARADISE POINT ASSOCIATION, INC.

Section 2. The principal office of the Corporation shall be located at 3907 Underwood Street, Chevy Chase, Maryland 20015.

ARTICLE II
DEFINITIONS

Section 1. The following words when used in these By-Laws shall have the following meanings, unless a contrary intention is evident from the context:

(a) "Association" shall mean and refer to Paradise Point Association, Inc.

(b) "Declaration" shall mean and refer to the Declaration of Covenants and Restrictions dated _____ and recorded among the land records of Garrett County, Maryland, at Liber _____, Page _____.

(c) "Subdivision" shall mean and refer to the property described in and subject to the Declaration, and any additions such as may be hereafter annexed and brought within the jurisdiction of the Association.

(d) "Lot" shall mean and refer to any plat of land shown as such on the recorded subdivision plats of the Subdivision and shall include as one Lot the consolidation of two or more adjacent platted lots under one ownership used for one residence.

(e) "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee title to any Lot, including contract sellers.

(f) "Common Area" shall mean and refer to the roads and other property within the Subdivision intended to be devoted to the common use and enjoyment of the owners.

(g) "Community Facilities" shall mean and refer to any property or interests therein outside the Subdivision held by the Association and devoted to the common use and enjoyment of the Owners.

(h) "Developer" shall mean and refer to Deep Creek Partners, its designated successors and assigns if such successors and assigns should acquire in bulk more than one Lot for the purpose of carrying on the business of subdividing and selling land, but shall not include purchasers of individual Lots.

ARTICLE III MEMBERSHIP

Section 1. Every Owner shall be a Member of the Association. When the Owner consists of more than one person, all such persons shall be Members.

Section 2. The rights of membership are subject to the payment of annual assessments levied by the Association, and the rights of any person may be suspended by action of the Directors during the period when the assessment remains unpaid. If the Directors have adopted published rules and regulations governing the use of the Common Area and Community Facilities and the personal conduct of any person thereon, they may suspend the rights of any such person for violation of such rules and regulations for a period not to exceed thirty days.

ARTICLE IV
RIGHTS IN COMMON AREA AND COMMUNITY FACILITIES

Section 1. Each Member shall be entitled to the use of the Common Area, as provided in the Declaration, and of the Community Facilities, both subject to any published rules and regulations.

Section 2. Any Member may delegate his rights in the Common Area and Community Facilities to the members of his family, his tenants, or contract purchasers residing on his lot, and subject to the published rules and regulations of the Association, may extend his rights to invitees, servants, agents, and employees.

ARTICLE V
VOTING RIGHTS

Section 1. The Association shall have two classes of voting membership:

Class A. Class A Members shall be all owners except the Developer and shall be entitled to one vote for each Lot owned. When the Owner consists of more than one person, the vote shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B Member shall be the Developer and shall be entitled to three votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership when the total votes outstanding in the Class A membership equals or exceeds the total votes outstanding in the Class B membership.

ARTICLE VI
MEETINGS OF MEMBERS

Section 1. Annual Meetings. The annual meeting shall be held within three months after the close of the fiscal year, at such time and on such day as may be fixed by the Board of Directors.

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 all of the votes of the Class A 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 15 days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting until a quorum as aforesaid shall be present or represented.

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.

ARTICLE VII
BOARD OF DIRECTORS

Section 1. Number and Term. The affairs of the Association shall be managed by a Board of three directors, who need not be members of the Association. The directors elected at an annual meeting shall serve until the next succeeding annual meeting, or until their successors are elected and qualify.

Section 2. Removal. Any director may be removed from the Board, with or without cause, by a majority vote 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 3. 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 4. 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 persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VIII
MEETING OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held monthly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the president of the Association, or by any two directors, after not less than three (3) days notice to each director.

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the 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.

Section 4. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE IX
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 Community Facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;

(b) Suspend the voting rights and right to use of the Common Area and Community Facilities of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed thirty days for infraction of published rules and regulations;

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

(d) Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and

(e) Employ a manager, an independent contractor, 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:

(a) Cause to be kept a complete record of all the acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Class A members who are entitled to vote.

(b) Supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

(c) As more fully provided in the Declaration, to:

(1) Fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;

(2) Send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and

(3) Foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the owner personally obligated to pay the same.

(d) Issue, or to cause an appropriate officer to issue, upon demand by any 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; and

(f) Cause the Common Area and Community Facilities to be maintained.

ARTICLE X OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Association shall be a president and vice-president, who shall at all times be members of the Board of Directors, a secretary, and a treasurer.

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 and 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 officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

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

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

PRESIDENT

(a) The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board 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 papers requiring said seal; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the Board.

TREASURER

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

ARTICLE XI
COMMITTEES

The Association shall appoint an Architectural Committee, as provided in the Declaration, and such other committees as deemed appropriate in carrying out its purpose.

ARTICLE XII
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 Article 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 XIII
ASSESSMENTS

As more fully provided in the Declaration, each member is obligated to pay to the Association annual assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of six (6) percent per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessment provided for herein by non use of the Common Area of Community Facilities or abandonment of his Lot.

ARTICLE XIV
FISCAL YEAR

The fiscal year of the Association shall begin on the first day of July in each year.

ARTICLE XV
AMENDMENTS

Section 1. The power to amend these By-Laws is vested in the Board of Directors, but the affirmative vote of two-thirds of the actual number of directors elected and qualified, from time to time, shall be necessary to effect any amendment of these By-Laws.

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.

CERTIFICATION

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting secretary of the Paradise Point Association, ^{Inc.} a Maryland corporation, and,

THAT the foregoing By-Laws constitute the original By-Laws of said Association, as duly adopted at a meeting of the Board of Directors thereof, held on the day of
19 .

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this day of
19 .

Secretary