BRIDGEPOINT II

CONDOMINIUM BYLAWS

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ARTICLE I - PLAN OF OWNERSHIP

Section 1: Unit Ownership

The condominium located in the Town of Ocean City in the Tenth Election District of Worcester County, Maryland, known as "Bridge Point Condominium No. Two" is owned by the owners of the units. The affairs of the condominium shall be governed by a Council of Unit Owners in accordance with the provisions of the Maryland Condominium Act (October 2018), which is found within the Real Property Article of the Annotated Code of Maryland, Sections 11-101, et seq. The Council of Unit Owners shall be comprised of all unit owners. The administration of the affairs of the condominium shall be by the Board of Directors as described in these Bylaws, elected by and subject to the powers of the Council of Unit Owners.

Section 2: Bylaws Applicability

These condominium Bylaws govern the general operation, maintenance, administration, use, and occupancy of the Bridge Point Condominium No. Two (hereafter known as Bridgepoint II), and all such activities shall be performed in accordance with the provisions described within. The provisions of these Bylaws are applicable to the condominium, owners, Board of Directors and all tenants and other occupants of the units. The term "condominium" includes the land, as well as the improvements thereon. These Bylaws shall be considered as governing to the extent not inconsistent with the Maryland Condominium Act and the Master Deed.

Section 3: Personal Application

(a) All present and future owners, co-owners, mortgagees, tenants and future tenants, and any other person that may at any time use the facilities of the condominium in any manner are subject to the regulations set forth in the Maryland Condominium Act, these Bylaws and to the declarations set forth in the Master Deed to which these Bylaws are attached.

(b) The acquisition or rental of any of the condominium units or the mere act of occupancy of any units will signify acceptance and compliance with these Bylaws, as they may be amended or revised.

ARTICLE II - THE OWNERS

Section 1: Voting

In all elections for directors and other matters, every owner in good standing shall have the right to vote, in person or by proxy. An owner is considered in good standing if they are not more than 90 days in arrears in the payment of any assessment or charge due. Units with multiple ownership may cast only one (l) vote for each candidate or issue. At all meetings of owners, the proxy and ballots shall be received and all questions relating to the qualification of the voters, the validity of proxies, and the acceptance or rejection of votes shall be decided by the chairman of the meeting. Unless demanded or ordered by a majority of owners present, no vote need be by ballot and voting need not be conducted by inspectors. The total number of votes that can be cast

by the unit owners is forty (40).

Section 2: Annual Meeting

The condominium shall hold each year an annual meeting of the Council of Unit Owners for the election of the Board of Directors and the transaction of any business within the powers of the Council of Unit Owners, including review and approval of a proposed budget for the next fiscal year. The meeting shall take place on or about the third Saturday in September in each year, if not a legal holiday, or on a date selected by the Board of Directors within the current calendar year that is not a legal holiday. Any business of the Council of Unit Owners may be transacted at an annual meeting without being specially designated in the notice, except such business as is specifically required by statute, by the Master Deed, or these Bylaws to be stated in the notice. Failure to hold an annual meeting at the designated time shall not invalidate the condominium's existence or affect its otherwise valid acts.

The annual meeting may be recorded for the purpose of preparing meeting minutes. The recording will be erased after the meeting minutes have been reviewed and approved by the Board.

Section 3: Special Meeting

At any time in the interval between annual meetings, special meetings of the Council of Unit Owners may be called by the President or by a majority of the Board of Directors by vote at a meeting or in writing with or without a meeting. The meeting may be recorded for the purpose of preparing meeting minutes. The recording will be erased after the meeting minutes have been reviewed and approved by the Board.

Section 4: Place of Meetings

All meetings shall be held at a place designated by the President or majority of the Board. All such meetings shall be held within the State of Maryland.

Section 5: Notice of Meetings

(a) No less than thirty (30) days nor more than ninety (90) days before the date of every Council of Unit Owners meeting, the Secretary shall provide each owner entitled to vote at such meeting, written notice stating the time and place of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called. Such notice shall be transmitted electronically. It is the responsibility of the owners to provide the Secretary valid email address(es), including prompt notification of any changes, for the transmission of such notices.

(b) Any meeting of the Council of Unit Owners, annual or special, may adjourn from time to time to reconvene at the same or some other place, and no notice need be given of any such adjourned meeting other than by announcement.

Section 6: Quorum

At any meeting of the Council of Unit Owners, the presence, in person or by proxy, of

owners entitled to cast a majority of the votes shall constitute a quorum; but this section shall not affect any requirement under statute or under the Master Deed of the condominium for the vote necessary for the adoption of any measure. In the absence of a quorum the owners present in person or by proxy, by majority vote and without notice other than by announcement, may adjourn the meeting from time to time until a quorum shall attend. At any such adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the meeting as originally notified.

Section 7: Votes Required

A majority of the unit votes cast at a meeting of the Council of Unit Owners, duly called and at which a quorum is present, shall be sufficient to take or authorize action upon any matter which may properly come before the meeting, unless more than a majority of votes cast is required by statute, by the Master Deed, or these Bylaws. The Board of Directors may authorize unit owners to submit a vote or proxy by electronic transmission if the Board is able to verify that the electronic transmission originated from the unit owner(s) or the unit owners' proxy.

Section 8: Proxies

An owner may vote either in person or by proxy executed in writing by the owner or by his/her duly authorized attorney-in-fact. No proxy shall be valid after 180 days from its date, unless otherwise provided in the proxy. Every proxy shall be in writing, subscribed by the owner or his/her duly authorized attorney, and dated, but need not be sealed, witnessed or acknowledged. Said proxy to be used only if assigned to another individual owner present at the annual meeting.

Section 9: List of Owners

At each annual meeting of the Council of Unit Owners, a full, true and complete list of all owners entitled to vote at such meeting shall be furnished by the Secretary.

Section 10: Informal Action by Owners

Any action required or permitted to be taken at any meeting of the Council of Unit Owners may be taken without a meeting. In order to take an action a majority of owners entitled to vote on the subject matter must provide their consent to take the action by electronic transmission. The records of such consent shall be maintained by the Secretary and filed with the records of the condominium.

ARTICLE III - BOARD OF DIRECTORS

Section 1: Powers

The business and affairs of the condominium shall be managed by its Board of Directors. The Board may exercise all the powers of the condominium except such as are by statute or the Master Deed or by these Bylaws conferred upon or reserved to the Council of Unit Owners. In particular, but not by way of limitation, the Board shall be responsible for, and name all

necessary powers in connection with the care, upkeep and surveillance of the buildings and other facilities of the condominium, including its general and limited common elements and services; designation, hiring and dismissal of the personnel necessary for the good working order of the buildings and for the proper care of the general and limited common elements and to provide services for the buildings. The Board may delegate any of such responsibilities and powers to a member of the Board. The Board may contract with a professional management company only after approval by a majority of owners at an annual meeting or special meeting called for such purpose. The Board, any member of the Board, or authorized management organization to whom such power may be delegated, shall have power to take any action necessary or appropriate to enforce payment of all sums, including assessments against owners, due the condominium, including the power to enforce any lien for the same, as provided in Article V, Section 1. The Board shall not undertake to provide luxury services, such as maid service, common telephone switchboard service, and the like, to the condominium units without the unanimous vote of all owners. The Board shall be responsible to see that owners, guests or renters abide by all Bylaws, rules, and regulations with regard to these common areas.

Section 2: Number of Directors

(a) The Board of Directors shall consist of a President, Vice President, Secretary, Treasurer, and one Property Director (total of five), with the President acting as the Chairman of the Board. All Board members must be an owner in good standing. A Board member may serve consecutive terms without limits.

(b) Beginning in 2023 each Board member will serve 2-year alternating terms. The initial election will elect the President, Secretary and Property Director for a 2-year term year with the Vice-President and Treasurer being elected for a 1-year term. Thereafter, each elected Board member shall be elected for a 2-year term.

Section 3: Election of Directors

Candidates for the Board of Directors shall be duly nominated by any owner or co-owner in good standing prior to or during the annual meeting. The Board will be elected by a simple majority vote of members present at the annual meeting and properly designated proxies, provided a quorum is present. Voting will be in accordance with Article II, Section 10 of these Bylaws. The term of office will be one (1) calendar year commencing January 1 of the year immediately following the election.

Section 4: Vacancies

Any vacancy occurring in the Board for any cause other than by reason of an increase in the number of directors may be filled through election by a majority of the remaining members of the Board, although such majority may be less than a quorum. A member elected by the Board ~~t~~o fill a vacancy in the Board shall hold office until the end of the current term of office.

Section 5: Regular Meetings

The Board of Directors shall meet at least four (4) times a year prior to the annual meeting for the purpose of conducting and transacting condominium business. The meetings will be held at such time and place as may be designated by the President or a majority of the Board. No notice of such meetings shall be necessary if held as specified above. If unable to attend in person, Board members may participate by teleconference. The meeting may be recorded for the purpose of preparing meeting minutes. The recording will be erased after the meeting minutes have been reviewed and approved by the Board.

Section 6: Special Meetings

Special meetings of the Board may be called at any time by the President or by the Board by vote at a meeting, or by a majority of the directors with or without a meeting. Such special meetings shall be held at such place as designated by the Board. If unable to attend in person, Board members may participate by teleconference. The meeting may be recorded for the purpose of preparing meeting minutes. The recording will be erased after the meeting minutes have been reviewed and approved by the Board.

Section 7: Notice of Meetings

Except as provided in Section 5 of this Article, notice of the place, day and hour of every regular and special meeting shall be provided to each member of the Board at least two (2) days before the meeting. Such notice shall be provided by electronic transmission or telephone. Unless required by these Bylaws or by resolution of the Board, no notice of any meeting of the Board need state the business to be transacted. Any meeting of the Board, regular or special, may adjourn from time to time to recommend further discussion of the issues, and no notice need be given of any such adjourned meeting other than by announcement.

Section 8: Quorum

At all meetings of the Board, three (3) members of the entire Board shall constitute a quorum necessary for the transaction of business. Except in cases in which it is by statute, by the Master Deed or these Bylaws otherwise provided, the vote of a majority of such duly constituted meeting shall be sufficient to pass any measure . In the absence of a quorum, the directors present, by majority vote and without notice other than by announcement, may adjourn the meeting until a quorum shall attend.

Section 9: Compensation

Directors shall not receive any compensation for their services except such as may be authorized or permitted by vote of the Council of Unit Owners. However, a director who serves the condominium in any other capacity may receive compensation without such vote of the Council of Unit Owners.

Section 10: Informal Action

Any action required or permitted to be taken at any meeting of the Board or of any

committee authorized by the Board may be taken without a meeting, if a written consent to such action is signed by all members of the board or of such committee, as the case may be, and such written consent is filed with the minutes of proceedings of the Board or committee. Such written consent may be provided by electronic transmission.

Section 11: Committees

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

ARTICLE IV - DUTIES OF BOARD OF DIRECTORS

Section 1: President

The President shall: 1) preside at all meetings of the owners and of the Board of Directors at which he/she is present, 2) have general charge and supervision of the business of the condominium, 3) sign and execute, in the name of the condominium, all authorized deeds, mortgages, bonds, contracts or other instruments, except in cases in which the signing and execution thereof shall have been expressly delegated to some other director or agent of the condominium, and 4) perform all duties relevant to the office of President, and such other duties, as, from time to time, may be assigned to by the Board. If the Treasurer is unavailable, the President is authorized to write checks and issue disbursements in the name of the condominium. The President shall be bonded.

Section 2: Vice-President

The Vice-President, at the request of the President or in his/her absence or inability to act, shall perform the duties and exercise the functions of the President, and when so acting shall have the powers of the President. The Vice-President shall have such other powers and perform such other duties as may be assigned by the Board or the President. The Vice-President, in the absence or inability to act of the Secretary, shall perform the duties and exercise the functions of that position and when so acting shall have the powers of the positions until such time as the Secretary resumes performance of the duties or is replaced.

Section 3: Secretary

The Secretary shall be responsible for preparing and maintaining correspondence and documents to ensure the association meets all legal requirements. Specific duties include but are not limited to: 1) keep the minutes of the meetings of the Council of Unit Owners and of the Board of Directors in books or electronic files, 2) see that all notices and agendas are duly given in accordance with the provisions of these Bylaws or as required by law, 3) be the custodian of the records of the Council of Unit Owners, 4) draft and distribute official and unofficial correspondence to the Board, owners, and others, as necessary, 5) accept, record and file proxies

for annual and special meetings of the Council of Unit Owners and Board of Directors, 6) ensure a quorum is present in person or by proxy for all Board meetings and annual meetings of the Council of Unit Owners, 7) record votes at such meetings to assure measures passed meet the necessary majorities specified in the Bylaws, 8) record, maintain and register changes to the Bylaws approved by the Council of Unit Owners, 9) oversee the preparation and maintenance of the membership directory and dock waiting list, 10) collect and maintain records required by the State of Maryland and other jurisdictions, 11) file appropriate legal documents with necessary parties as required, 12) coordinate and respond to requests for information relating to re-sale packages, 13) perform all the duties relevant to the office of Secretary and such other duties that may be assigned by the Board or the President.

Section 4: Treasurer

The Treasurer shall be responsible for the condominium's funds, securities and financial records and keeping full and accurate accounts of receipts, disbursements and deposits made into or from association accounts. The Treasurer shall also be responsible for contacting owners regarding late payments and penalties and keeping the Board aware of such actions. Specific duties include but are not limited to: 1) collect, manage, deposit, and invest all funds of the condominium as directed by the Board of Directors, 2) disburse money for all financial obligations, 3) keep regular books or accounts of all financial transactions, 4) coordinate the development of the proposed annual operating budget and reserve funds allocations, 5) monitor and report on the condominium's financial status, 6) oversee year-end reporting and any required audits, 7) ensure tax returns are prepared and filed on time, 8) provide necessary financial information relating to resale packages, 9) report to the Board on delinquent payments of dues and assessments, 10) ensure commercial crime insurance is adequate to cover finances as required by law, and 11) perform all the duties relevant to the office of Treasurer and such other duties that may be assigned by the Board or the President. The Treasurer shall be bonded.

Section 5: Property Director

The Property Director shall be responsible for oversight of the common areas of the condominium and present any questions or requests from any owner regarding these items to the Board. These areas include the buildings, pool, pier, lawns, gardens, parking lot and other amenities. The Director shall also have such duties as may from time to time be assigned by the President or the Board of Directors.

Section 6: Compensation

The Council of Unit Owners shall have the power to fix the compensation of all directors of the condominium.

Section 7: Removal

Board members are expected to attend and participate in 75% of Board and annual meetings, either in person or by teleconference, and show active involvement in the affairs

of the condominium. If these requirements are not met, the member may be removed by vote of a majority of the remaining members of the Board when, in their judgement, the best interests of the condominium will be served. Such removal will be without prejudice to the contractual rights, if any, of the person removed. In addition, the Board may require the removed individual to reimburse the condominium for any compensation that was paid them during their current term of office.

Section 8: Powers

The Board shall have the power to write the local rules and regulations and change same, as needed, with the approval of a simple majority of the Council of Unit Owners. New rules and regulations, or changes made during the operating year shall remain in effect until the annual owners meeting at which time they shall be made permanent or rescinded.

Section 9: Expenditures

The Board shall be limited to spend up to 15% of the total condominium annual dues without the consent of the Council of Unit Owners for each occurrence. Expenditures over this amount shall be approved by an amendment to the budget adopted at a special meeting, upon not less than 10 days written notice to the council of unit owners and will require a simple majority approval of the Council of Unit Owners. In the event of an emergency which could reasonably result in a threat to the health or safety of the unit owners or a significant risk of damage to the condominium, the Board may act as needed. However, the Board must notify the unit owners as soon as possible about any emergency expenditure, including the amount and reason for the expenditure.

ARTICLE V - OBLIGATIONS OF THE OWNERS

Section 1: Contact Information

In order to assure that unit owners are kept informed of their roles and responsibilities, and the actions and activities of the Board of Directors, the owner(s) of each unit shall provide all necessary contact information to the Secretary of the Board. That information shall include the unit number, all owners' names, home addresses, email and preferred contact phone numbers. Unit owners should also designate a primary and secondary point of contact for notification in the event of an emergency. Owners are responsible for notifying the Secretary of changes to any of the above information within 15 days of the change. New owners must provide the information within 30 days of taking ownership of any unit.

Section 2: Assessments/Fees

(a) Each owner(s) is obligated to pay the assessments and fees imposed by the condominium to meet general common elements, limited common elements, and miscellaneous expenses. The expenses shall include funds for maintenance, repair, and replacement of the common elements; property insurance on the common elements, including flood, fire and other

hazard insurance; comprehensive general liability insurance; and fidelity insurance. Annual dues assessments shall be paid quarterly. Such assessments shall include payments to a general operating reserve. Special assessments levied in the event of emergency to repair or prevent damage shall be paid on a schedule determined by the Board of Directors and approved by the Council of Unit Owners. Dock fees are to be paid as specified in Article XII. Any such assessments levied upon the owner(s) of a unit shall become a lien on said unit at the time assessed and until paid in full and may be enforced as set forth in Section 3 of this Article.

(b) Assessments and fees can only be paid by check or automatically through the Automated Clearing House (ACH) network; credit cards are not accepted. Checks must be made out to Bridgepoint II Condo Association. Checks made out improperly will be returned and a late fee may be assessed as specified in Section 3 below. Owners wishing to enroll in the ACH system must submit an enrollment form to the Treasurer at least 15 days prior to the initial withdrawal date. Owners wishing to withdraw from the ACH system must inform the Treasurer in writing at least 15 days prior to the next withdrawal date.

Section 3: Non-payment of Assessment

(a) Any assessment, fee or installment levied pursuant to the Declaration or the Bylaws not paid within fifteen (15) days after it is due, including checks returned for insufficient funds or made out improperly, will be considered delinquent and offenders will be provided a notice of late payment and charged a penalty of 10% of the amount due. The overdue assessment may bear interest at a rate not to exceed eighteen percent (18%) per annum from the due date, at the option of the Board of Directors. The delinquent owner(s) will be provided an opportunity to be heard on the matter before the Board. If no such hearing is requested within 15 days of the notice, or after such a hearing is held and the penalty affirmed, the delinquent owner(s) are responsible for paying the entire amount. Payment of assessments, together with interest, late charges, costs of collection, if any, and reasonable attorney's fees may be enforced by the imposition of a lien on a unit in accordance with the Maryland Contract Lien Act (2017), Title 14 of the Real Property Article of the Annotated Code of Maryland.

(b) Nothing herein contained shall prevent the owner(s) of a unit against whom a lien is recorded from petitioning the Circuit Court for Worcester County to reform the recorded statement of condominium lien or any error therein.

(c) The Board shall notify the holder of the first mortgage of any condominium unit for which any assessment levied pursuant to these Bylaws becomes delinquent for a period in excess of sixty (60) days and in any other case where the owner of such condominium unit is in default with respect to the performance of any other obligation hereunder for a period in excess of sixty (60) days.

Section 4: Liability Insurance

Public liability insurance is to be carried on the common elements in accordance with the

Maryland Condominium Act. Changes to the amount of such liability insurance will be recommended by the Board of Directors and approved by the Council of Unit Owners. Owners who are not present at said annual meeting shall be notified of the decision of the Council of Unit Owners by the Secretary with the annual meeting minutes. No existing public liability insurance policy shall be canceled or terminated until all owners are notified of the same. However, the Board may change insurance providers without the approval of the Council of Unit Owners provided the amount of insurance is not changed. The Board shall inform unit owners annually in writing regarding the unit owners' responsibility for the Council of Unit Owner's property insurance deductible and the amount of the deductible.

Section 5: Maintenance and Repair

(a) Owner(s) must perform all maintenance and repair work within their own unit, such owner(s) being expressly responsible for the damages and liabilities failure to do so may cause to another unit(s) or the common elements. Including by way of illustration and not limitation, the owner of the unit where the cause of damage or destruction originated is responsible for the Council of Unit Owner's property insurance deductible not to exceed $10000.

(b) All repairs or internal installations of the unit such as water (from the unit internal cut-off valve in), light, power (from the meter to individual breaker boxes and to include outside breaker switches), telephone, doors, windows, lamps and all other accessories belonging to the unit area shall be at the owners expense except when said repairs are a result of failure of a common property element. A unit is defined as each individual living area of approximately 900 square feet with a number designation and including, but not limited to, any materials inside said unit attached to any common property. Common property is defined as plumbing lines behind walls that supply more than one unit, outer wall studs, sub-flooring, outside walls, building roofs, porches, stairwell, docks, parking lots, grounds, and swimming pool.

(c) Owners are required to carry a homeowners policy for the protection of their and other owners' units. Owners are required to provide proof of such insurance to the Secretary annually. Acceptable proof may include: 1) a letter from the insurer or agent certifying coverage, 2) a copy of the full insurance policy, or 3) a declaration page listing critical information about the policy. The information must include: 1) the property address, 2) the policy number and insuring entity.

Section 6: Destruction of Building

(a) In the event of the destruction of any part or all of the condominium, such destroyed part or parts shall be rebuilt unless such destruction amounts to more than two thirds (2/3) in value of the total value. In such rebuilding the proceeds of any casualty insurance shall be used to the extent available, being allocated to the units, general common elements and limited common elements, damaged or destroyed, in proportion to the cost of restoring each such improvement or facility. Costs in excess of such proceeds shall be paid by the owner(s) of the individual units and by assessment for repairs and replacements to the general and common elements.

(b) In the event of the destruction of any part or all of the condominium amounting to more than two-thirds (2/3) in value of the total value, the damage and destruction shall not be restored if any owner does not agree to the restoration at any Council of Unit Owners meetings called to consider the question of such restoration. Upon such restoration, the costs shall be paid as provided above. If any building is not restored following such destruction, the proceeds of any insurance payable as a result of such destruction shall be allocated among the units destroyed or damaged and the general and limited common elements damaged or destroyed in proportion to the cost of restoring each, based upon appraisals approved by the Board of Directors, and such proceeds allocated to each unit paid over to the owners (or lien holders, if any). Accounts allocated to general and limited common elements shall be paid over to the Council of Unit Owners to be allocated for replacement or repairs of such elements; provided, however that if the building contains units that are still habitable after such destruction, any proceeds allocable to the limited common elements of that building shall be used, to the extent available, to repair any damage to such limited common elements in that building associated with the habitable units. Any excess cost of repairing such limited common elements shall be assessed to the Council of Unit Owners as costs of repairs thereof.

Section 7: Use of Condominium Units - Internal Changes

(a) All units shall be utilized for residential purposes only. A Maximum of 8 persons are permitted living in any one unit as mandated by the Town of Ocean City Fire Department and Building Codes. Unit owners in violation are subject to Town of Ocean City fines as well as fines issued by the Board of Directors.

(b) Owner(s) shall not make structural modifications or alterations in a unit or installations located therein without previously notifying the Board of Directors in writing through the President of the Board. The Board shall have the obligation to answer within thirty (30) days, and failure to do so within that time shall mean that there is no objection to the proposed modification or alteration. All exterior doors must be sliding glass and uniform in color to all other units. Exterior windows must be white in color and of horizontally sliding style.

Section 8: Use of General and Limited Common Elements

Owner(s) shall not place or cause to be placed in the general common elements any furniture, packages or objects of any kind, except that the owner may temporarily place chairs, umbrellas or other beach paraphernalia in areas designated by the Board. The remaining general common elements shall be used for no other purpose than for normal transit, or for such other restricted uses as may be designated by the Board.

Section 9: Right of Entry

Owner(s) shall grant right of entry to any other unit owner in case of any emergency originating in or threatening the other owner's unit, whether the owner is present at the time or not. Owner(s) shall post an emergency telephone number on the front door of their unit to be to be used in such cases.

Section 10: Rules and Regulations

(a) The Council of Unit Owners shall adopt Rules and Regulations for the mutual benefit, comfort, and safety of the owners and occupants of the condominium units. All owners, tenants and guests are required to abide by these Rules and Regulations. Failure to comply with these Bylaws or any Rule and Regulation may result in fines to the owner as specified in Section 11 of this Article. These Rules and Regulations may be modified from time to time by the Board of Directors, with approval of the Council of Unit Owners, to promote the safety and welfare of the owners and occupants of the units. Modifications to the Rules and Regulations shall be approved at the annual meeting of the Council of Unit Owners, at a special meeting of the owners, or by electronic transmission and vote. In the event of an emergency, the Board of Directors may adopt a rule, provided the Council of Unit Owners is notified within 15 calendar days of the rule and the reason for its adoption. If, within 15 days of the notice, a majority of unit owners disapprove the rule, the rule will be rescinded and the owners so informed. Any owner is entitled to propose a new rule or propose to modify or eliminate an existing rule. Such proposals shall be made at the annual Council of Unit Owners meeting. A copy of the current Rules and Regulations shall be provided to each owner at the annual meeting. Changes made as a result of the annual meeting will be incorporated and the revised rules will be provided to owners with the annual meeting minutes.

(b) Any owner who identifies a violation of the Bylaws or Rules and Regulations should inform the offending owner so that the violation can be promptly corrected. If the offending owner does not correct the violation, the identifying owner should inform a member of the Board of the violation, including the time and place of the violation and any other pertinent information. The Board will take action as specified in Section 11 of this Article.

(c) Specific rules and regulations include, but are not limited to:

(i) No resident of the condominium shall post any advertisements or posters of any kind on the condominium except as authorized by the Board.

(ii) No noise, disturbing to the unit owners or their tenants, shall be made upon the common elements or in any condominium unit. Residents shall exercise care about use of musical instruments, radios, televisions and amplifiers that may disturb other residents. Quiet time shall be observed from 10 PM to 8 AM.

(iii) No apparel or laundry shall be hung on any exterior railings.

(iv) Owners are allowed up to two pets per unit. Renters are not allowed any pets. Pets must be restrained whenever outside the owner's unit. Pets are not allowed within the pool area. Ocean City law requires any handler or owner of a dog to remove any waste deposited on public or private property. Additional rules regarding pets are specified in the Bridgepoint II Rules and Regulations. Violators of the rules are subject to Bridgepoint II fines, OCMD fines and are responsible for the costs of any maintenance or repair to Bridgepoint II property.

(v) Each unit must have an electric, hardwired, smoke alarm with an additional battery operated backup alarm. In accordance with Maryland law, all smoke detectors must be less than

10 years old. Battery operated smoke alarms must be sealed with a minimum 10-year battery life.

(vi) Satellite dishes must be installed in the flower beds. A dish may not be higher than the bottom of the porch stringers with a diameter of no more than 24 inches. No wires may be installed through exterior walls. An installation plan must be submitted to and approved by the Board of Directors prior to any installation.

Section 11: Violations

The Board may levy a fine against a unit owner or owners for any violation of the Bylaws or Rules and Regulations by the owner or any guest, renter or tenant. The monetary amount of fines and the process for levying fines is specified in Article XI of these Bylaws. Prior to issuance of any fine, the Board will contact the offending owner or tenant to provide the details of the violation and an opportunity to correct the violation.

ARTICLE VI - FINANCE

Section 1: Checks, Drafts, Etc.

All checks, drafts and orders for the payment of money, notes and other evidences of indebtedness, issued in the name of the condominium, shall be signed by a director or other authorized agent of the Council of Unit Owners, as specified in Article IV of these Bylaws.

Section 2: Annual Reports

There shall be prepared annually a full and correct statement of the affairs of the condominium, including a balance sheet and a financial statement of operations for the preceding fiscal year, which shall be audited by an individual or committee appointed by the Board of Directors. The statement shall be submitted to the Council of Unit Owners within 45 days of the end of the fiscal year..

Section 3: Fiscal Year

The fiscal year of the condominium shall be the calendar year, unless otherwise recommended by the Board of Directors and approved by the Council of Unit Owners.

ARTICLE VII - AMENDMENTS AND REVISIONS

These Bylaws may be amended or revised at any duly constituted meeting of the Council of Unit Owners, provided the notice of amendment or revision shall specify the amendment or revision to be voted on, and provided the same is approved by at least sixty percent (60%) of the owners in good standing; subject, however, to the restrictions set forth in Article II, Section 1 of these Bylaws. An owner is considered in good standing if their assessment payments are not in arrears by more than 90 days.

ARTICLE VIII - MORTGAGES

An owner who mortgages his unit shall notify the Secretary of the Board of Directors of the name and address of the mortgagee. The Secretary shall maintain the information in the records of the Condominium.

ARTICLE IX - RESIDENT AGENT

The Board of Directors will appoint an owner in good standing or an attorney to act as Resident Agent who shall be authorized to accept service of process in any action relating to two (2) or more units or to the common elements as authorized by Section 11-119 of the Maryland Condominium Act. The Resident Agent must be a citizen of, and reside in, the State of Maryland. The name and address of the Resident Agent must be promptly filed with the Maryland Department of Assessments and Taxation.

ARTICLE X - DIRECTOR LIABILITY AND INDEMNIFICATION

The Council of Unit Owners do excuse, hold harmless and waive any rights, claims or demands against the members of the Board of Directors, individually or collectively, in the exercising of their normal and usual functions as members of the Board for any ordinary errors or negligence in the performance of their duties. However, such exception shall not be applicable to deliberate, gross, wanton or willful negligence in exercising the duties of the members, individually or collectively. Further, every director of the association shall be indemnified by the Council of Unit Owners against all expenses and liabilities at the suit of any third party, including counsel fees reasonably incurred by or imposed in connection with any proceeding to which the director may be a party, or in which the director may become involved, by reason of their being or having been a member of the Board of Directors, or any settlement thereof, whether or not they were a director at the time such expenses are incurred, except in such cases where the director is adjudged guilty of willful misfeasance or malfeasance in the performance of their duties. In the event of a settlement the indemnification shall apply only when the Board approves such settlement and reimbursement as being in the best interests of the Council of Unit Owners. The rights of indemnification shall be in addition to and not exclusive of all other rights to which such director may be entitled.

ARTICLE XI - COMPLIANCE

Section 1: Governing Documents

These Bylaws are set forth to comply with the provisions of the Maryland Condominium Act (Act) which is found within the Real Property Article of the Amended Code of Maryland. In the event any of these Bylaws conflict with the provisions of the Act or other laws of the State of Maryland, the provisions of the Act or other laws will govern.

Section 2: Violations

A violation or failure to comply with any of the provisions of the Act, Bylaws and Rules and Regulations by any unit owner(s)**,** guests, renters or other occupants may be grounds for an assessment to the owner by the Board of monetary fines for such violations. The Board will determine the appropriate amount of a fine, from $100 up to $250 per day or occurrence. Fines may be assessed only upon a finding by the Board that the violation has occurred and after providing notice to the offending unit owner(s) as prescribed in Section 3 of this Article.

Section 3: Notice of Violation

When a violation is identified, a member of the Board will attempt to contact an owner by telephone and/or email to provide the owner(s) the details of the violation and an opportunity to correct the violation. An owner is considered to be notified if a voice message or email notice is left with a phone number and/or email address provided by the owner(s). It is the owner(s) responsibility to assure that correct contact information is provided and up-to-date. If the owner does not correct the violation or respond within ten (10) days with a plan and schedule to correct the violation, a formal notice will be sent by registered mail informing the owner of the Board's intent to levy a fine, the reason for the fine, and the proposed amount of the fine. The owner will also be informed of their right to request a hearing. If a request is not received from the owner within 15 days of the formal notice, the fine will be assessed. If an owner responds with an acceptable remediation plan, the Board may reduce or rescind the proposed fine.

Section 4: Hearing

Prior to the imposition of any fine, the unit owner(s) shall be given an opportunity to appear before the Board, in person or by teleconference, to appeal the proposed fine or provide a schedule for correcting the violation. If the owner chooses to dispute the fine, resolution will be in accordance with Section 11-113 of the Maryland Condominium Act. If a hearing is requested, the President of the Board will appoint a committee consisting of at least three (3) members of the Board to hear the appeal. The hearing should be held within thirty (30) days of issuance of the notice. The owner will be allowed to fully participate in the hearing and provide a representative. Following the hearing, the committee will make a decision and inform the full Board of the decision and recommendation. The Board will determine the final action and

prepare a written decision and place it in the permanent records of the condominium. The owner will be informed of the decision, the amount of the fine (if any), and a schedule for payment. The fine, if imposed, becomes part of the unit owner's financial obligation to the association. If the owner does not pay the fine, the association may seek a monetary judgment against that owner, including the associated legal and attorney's fees.

Section 5: Failure to Enforce

Failure of the Board to enforce any right, provision, covenant or condition which may be granted by the Council of Unit Owners documents shall not constitute a waiver of the right of the Board to enforce such right, provisions, covenant or condition in the future.

ARTICLE XII - DOCKS

Section 1: Leases

(a) All dock space is part of the common property of the Council of Unit Owners and will be administered by the Board of Directors. Dock space will be leased only to unit owners on an annual basis at a fee determined by the Board and approved by the Council of Unit Owners. Leases will be granted on a first come, first served basis. Owners who wish to obtain a boat dock must send an application to the Board. The Secretary will maintain a chronological listing of the applications. Owners may not sublease a dock without prior written approval by the Board. However, dock space can be temporarily given as part of a rental package.

(b) Previous builders of docks will retain all rights to the docks currently used by them at no cost or fees until such time as they sell or transfer their units to another person, at which time that dock space will become the property of the Council of Unit Owners at no cost.

(c) In the event of a change in unit ownership, including by inheritance, dock space assigned to the unit will be transferred back to the Council of Unit Owners and made available to the next unit on the waiting list. A change in unit ownership shall not include: (i) a unit owner(s) conveying their unit to a trust where the unit owner(s) is identified as trustee(s) of the trust; and (ii) a unit owner(s) conveying their unit and reserving upon themselves a life estate with full power and authority unto the said unit owner(s) during the term of their natural life to convey, encumber, or otherwise dispose of the unit.

Section 2: Number of Docks

(a) Boat lifts are not allowed under any circumstances.

(b) Dock space is provided for twenty boats total. Twelve (12) spaces are 25 feet in length, with a maximum boat length of 21 feet. Eight (8) spaces are 30 feet in length with a maximum boat size of 26 feet.

Section 3: Safety

Gasoline for boats must be kept in approved portable containers no larger than 6 gallons

in capacity. Containers are not to be left unattended on the docks and must be stored within ventilated dock boxes. Storage of portable gasoline containers, even if empty, under the porches is prohibited. Compliance with fire regulations must be maintained at all times.

Section 4: Usage and Liability

Use of the dock for fishing, crabbing, sunbathing, etc. is permitted at the individual's risk. Anyone using the docks for these activities is personally responsible for damage caused to boats. Parents are responsible for damage caused by minor children. Boat owners have priority for usage of their assigned dock space and owners must allow owners free access to their boats.

Section 5: Dock Boxes

(a) All owners are entitled to have one dock box. Owners leasing dock space are permitted two dock boxes. Any exceptions must be approved by the Board of Directors. All dock boxes must be labeled with the owner's unit number.

(b) Dock boxes must white in color, no higher than the lawn side of the piling, no wider than 28 inches, no longer than the space between the pilings, and are to be bolted to the dock.

(c) Boxes must not be placed in spaces occupied by steps, in front of any grill stones, or in front of any electrical outlet.

ARTICLE XIII - RENTAL PROPERTIES

(a) All owner(s) renting their individual units either daily, weekly, monthly or longer are required to register with the Town of Ocean City, Maryland and rental stickers must be displayed as required by law.

(b) In January of each year, owners must provide the Board with the name and address of their rental agency.

(c) A copy of condominium Rules and Regulations must be posted in each rental unit.

ARTICLE XIV - WATER VALVE SHUT OFF

(a) The water supply valve for each unit shall be turned off whenever the unit is unoccupied overnight at anytime during the year. During the winter months, a temperature of at least 50 degrees must be maintained in each unit.

(b) Damage resulting from a violation of either or both of these rules shall obligate the violating owner to reimburse the condominium property insurance deductible not to exceed $5,000. Failure to reimburse the deductible shall obligate the violating owner to pay all collection costs, including attorney's fees. relating to same.

ARTICLE XV - ROOF ACCESS

(a) Access to the roof of any of the four buildings is limited to the Board of Directors and may be granted to certified, licensed, and insured HVAC personnel and roofing contractors. Owners are not permitted access to the roof unless specifically permitted by a member of the Board.

(b) If an owner needs to repair or replace an A/C unit, the owner must notify the Board and provide the name and contact information of the company contracted to perform the work.

(c) Owners are responsible for notifying the contractor company and technician of the following regulations: 1) access by ladder must be by one of the ladder braces provided on each building, 2) replacement units must use the same platform and the same space as the removed compressor, 3) the replacement unit must be securely fastened in accordance with all state and local construction codes to prevent movement or damage from high winds, 4) the roof work area must be thoroughly cleaned, with no material left behind, including nails, screws or other sharp objects, and 5) the old unit must be removed from the roof at the time of replacement.

(d) If the policy is not followed, the Board will investigate to determine the responsible party. If the violation causes damage to the roof common areas, the violating owner will be responsible to reimburse the condominium property insurance deductible not to exceed $5,000.