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AMENDED AND REINSTATED BY-LAWS

OF

TARTAN RIDGE HOMEOWNERS ASSOCIATION, INC.

ARTICLE I

Name and Location

The name of the corporation is Tartan Ridge Homeowners Association, Inc., hereinafter referred to as the "Association." The principal office of the corporation shall be located at 6935 Wisconsin Avenue, Suite 400, Chevy Chase, Maryland 20815, but meetings of members and directors may be held at such places within the state of Maryland as may be designated by the Board of Directors.

ARTICLE II

Definitions

Section 1. "Association" shall mean and refer to Tartan Ridge Homeowners Association, Inc., a non-stock, non-profit corporation, its successors and assigns.

Section 2. "Property" shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions and Restrictions, and such additions thereto as may hereafter" be brought within the jurisdiction of the Association.

Section 3. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the Owners.

Section 4. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Property (with the exception of the Common Area), and to any unit located within the Property.

Section 5. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Property, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 6. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the Property recorded among the Land Records for Montgomery County, Maryland, including amendments and supplements thereto.

Section 7. "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration.

Section 8. "Mortgagee" shall mean the holder of any recorded deed of trust, encumbering one or more of the Lots. "Mortgage," as used herein, shall include deed of trust. "First Mortgage," as used herein, shall mean a mortgage with priority over other mortgages. As used in this Declaration, the term "mortgagee" shall mean any mortgagee and shall not be limited to institutional mortgagees. As used in this

Declaration, the term "institutional mortgagee" or "institutional holder" shall include banks, trust companies, insurance companies, mortgage insurance companies, savings and loan associations, trusts, mutual savings banks, credit unions, pension funds, mortgage companies, Federal National Mortgage Association ("FHLM"), all corporations and any agency or department of the United States Government or of any state or municipal government. As used in this Declaration, the term "holder" or "mortgagee" shall include the parties secured by and deed or trust to any beneficiary thereof.

ARTICLE III
Meeting of Association Members

Section 1. Annual Meetings. The annual meeting of the association members shall be held in the month of October. The specific date, time and place shall be designated by the Board of Directors. Notice of such meeting shall be in accordance with Section 3 of this article.

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 all meetings shall be given by, or at the direction of, the Secretary or person authorized to call the meeting at least ten (10) days, (but not more than sixty (60) days), before such meeting. Notice shall be mailed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purposes 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. All meetings of the members shall be held at places and times convenient to the greatest number of members.

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 the 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 be represented.

Section 5. Voting. At every meeting, a member shall have the right to cast one (1) vote on each question. A majority vote of the members, at a membership meeting, in person or by proxy, shall be necessary to decide any question brought before such meeting, unless the question is one upon which, by the express provision of law or of the Articles of Incorporation, or of the Declaration or of these By-Laws, a different vote is required, in which case such express provision shall govern and control. The vote for any membership which is owned by more than one person may be exercised by any of the co-owners present at any meeting unless any objection or protest by any other owner of such membership is noted at such meeting. In the event all of the co-owners of any membership who are present at any meeting of the members are unable to

agree on the manner in which the votes for such membership shall be cast on any particular question, then such vote shall not be counted for purposes of deciding that question. In the event any membership is owned by a corporation, then the vote for any such membership shall be cast by a person designated in a certificate signed by the President or any Vice-President of such corporation and attested by the Secretary or an Assistant Secretary of the Association, prior to or during the meeting. The vote for any membership which is owned by a trust or partnership may be exercised by any trustee or partner thereof, as the case may be, unless any objection or protest by any other such trustee or partner is noted at such meeting, the Chairman of such meeting shall have no duty to inquire as to the authority of the person casting such vote or votes. No member shall be eligible to vote, either in person or by proxy, or to be elected to the Board of Directors, who is shown on the books or management accounts of the Association to be more than sixty (60) days delinquent in any payment due the Association. All election materials prepared with Association funds shall list candidates in alphabetical order and shall not suggest a preference among candidates.

Section 6. Absentee Ballots. Any unsigned absentee ballot, to be valid, shall be received in a signed, sealed envelope bearing the identification of the dwelling unit and proportional voting percent, if any, on the outside, and shall be opened only at a meeting at which all candidates or their delegates have a reasonable opportunity to be present.

Section 7. 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. No proxy shall be valid after eleven (11) months from its date, unless otherwise provided in the proxy. Any proxy must be in writing and must be filed with the Secretary in form approved by the Board of Directors, which approval may not be unreasonably withheld, before the appointed time of each meeting. Any written proxy which conforms to the applicable laws of Maryland shall be satisfactory and approved as to form by the Board of Directors.

Section 8. Rights of Mortgagees. Any institutional mortgagee of any Lot who desires notice of the annual and special meetings of the members shall notify the Secretary to that effect by Registered Mail - Return Receipt Requested. Any such notice shall contain the name and post office address of such institutional mortgagee and the name of the person to whom notice of the annual and special meetings of the members should be addressed. The Secretary of the Association shall maintain a roster of all institutional mortgagees from whom such notices are received and it shall be the duty of the Secretary to mail or otherwise cause the delivery of a notice of each annual or special meeting of the members to each institutional mortgagee in the same manner, and subject to the same requirements and limitations as are otherwise provided in this Article for notice to the members. Any such institutional mortgagee shall be entitled to designate a representative to attend any annual or special meeting of the members and such representative may participate in the discussion at any such meeting and may, upon his request made to the Chairman in advance of the meeting, address the members present at any such meeting. Such representative shall have no voting rights at any such meeting. Such representative shall be entitled to copies of the minutes of all meetings of the members upon request made in writing to the Secretary.

Section 9. Open Association Meetings.

(a) All meetings of the Association shall be open to all owners or occupants of units of the Association, their guests and any representative of the news media, except that such meetings may be held in closed session (limited to association members and their agents only) for the following purposes:

(i) Discussion of the employment, assignment, appointment, promotion, demotion, compensation, discipline, removal or resignation of employees over whom it has jurisdiction, or any other personnel matter affecting one or more particular individual(s);

(ii) Protection of the privacy or reputation of individuals in matters not related to Association business;

(iii) Consultation with legal counsel;

(iv) Consultation with staff personnel, consultants, attorneys or other persons in connection with pending or potential litigation;

(v) Investigative proceedings concerning possible or actual criminal misconduct;

(vi) Complying with a specific constitutional, statutory or judicially imposed requirement protecting particular proceedings or matters from public disclosure;

(vii) On an individual recorded affirmative vote of two-thirds (2/3) of members present, for some other exceptional reason so compelling as to override the general public policy in favor of open meetings;

(viii) Acquisition of capital items previously specifically approved as part of a published budget adopted in an open meeting;

(ix) Short-term investments of funds of the Association in liquid assets if authorized by an investment policy previously adopted in an open meeting;

(x) Conducting collective bargaining negotiations or considering matters and issues in conjunction therewith; or

(xi) Discussion concerning public security, including the deployment of personnel in connection therewith and the development and implementation of emergency plans.

(b) If a meeting is held in closed session pursuant to the procedures established above:

(i) No action may be taken and no matter may be discussed other than those permitted above; and

(ii) A statement of the time, place and purpose of any closed meeting, the record of the vote of each member by which any meeting was closed, and the authority under this Section for closing any meeting shall be made available so as to reasonably notify members of the Association within fourteen (14) days after the meeting.

ARTICLE IV

Board of Directors: Selection & Term of Office

Section 1. Number. The affairs of the Association shall be managed by a Board of Directors consisting of five (5) natural persons who are members of the Association.

Section 2. Terms of Office. At the first annual meeting of the members, the members shall elect the Board of Directors and the term of office of the director receiving the greatest number of votes shall be fixed for three (3) years. The term of office of the director receiving the second greatest number of votes shall be fixed for two (2) years and the term of office of the other director or directors shall be fixed for one (1) year. At the expiration of the initial term of office of each respective director, his successor shall be elected to serve a term of three (3) years. Directors shall hold office until their successors have been elected and hold their first regular meeting.

Section 3. Fidelity Bonds. The Board of Directors shall require that all officers, directors and employees of the Association regularly handling or otherwise responsible for the funds of the Association shall furnish adequate fidelity bonds or equivalent insurance against acts of dishonesty. The premiums on such bonds or insurance shall be paid by the Association.

Section 4. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 5. 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.

ARTICLE V

Nomination and Election of Directors

Section 1. Nomination. Nomination for election to the Board of Directors, commencing with the first annual meeting of members, shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members 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 or non-members.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. Any proxy valid under Maryland law shall be valid for the purpose of such casting of votes. All election materials prepared with funds of the Association shall list candidates in alphabetical order and shall not suggest a preference among candidates. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VI
Meetings of the Board of Directors

Section 1. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time, by a majority of the Directors, but at least three (3) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given in accordance with Section 3 below.

Section 2. Special Meetings. Special meetings of the Board of Directors may be called by the President as needed. Special meetings of the Board of Directors shall be called by the President or Secretary upon the written request of any three (3) Board members. The purpose and results of a special call meeting will be included in the minutes of the next Board of Directors meeting.

Section 3. Notice of Meetings. Written notice of all meetings planned for the year shall be given by, or at the direction of, the Secretary or person authorized to call the meeting. Notice shall be mailed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purposes of notice. A one time notice of planned meetings for the year can be included in a letter to all members or it can be included in a newsletter that is mailed to all members. Such notice shall specify the place, day and hour of the meeting. Additional notices of Board meeting or revision in planned meetings will be included in the quarterly statement to members. If time will permit, a notice of a special meeting will be provided to association members prior to the meeting, to include the purpose and place of the meeting. All Board of Directors will receive at least three (3) days notice of a proposed special meeting.

Section 4. Rights of Mortgages. Any institutional mortgage of any Lot who desires notice of the regular and special meetings of the Board of Directors shall notify the Secretary to that effect by Registered Mail - Return Receipt Requested. Any such notice shall contain the name and post office address of such institutional mortgagee and the name of the person to the notice of the regular and special meetings of the Board of Directors should be addressed. The Secretary of the Association shall maintain a roster of all institutional mortgagees from such notices are received and it shall be the duty of the Secretary to mail or otherwise cause the delivery of a notice of each regular or special meeting of the Board of Directors to each such institutional mortgagee, in the same manner, and subject to the same requirements and limitations, as are otherwise provided in this Article for notice to the members of the Board of Directors. Any such institutional mortgagee shall be entitled to designate a representative to attend any regular or special meeting of the Board of Directors and

such representatives may participate in the discussion at any such meeting and may upon his request made to the Chairman in advance of the meeting, address the members, of the Board of Directors present at any such meeting. Such representative shall be entitled to copies of the minutes of all meetings of the Board of Directors upon request made in writing to the Secretary.

Section 5. 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 the 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 6. Open Board Meetings. (a) All meetings of the board shall be open to all owners or occupants of units of the Association, their guests and any representative of the news media, except that such meetings may be held in closed session (limited to board members only) for the following purposes:

(i) Discussion of the employment, assignment, appointment, promotion, demotion, compensation, discipline, removal or resignation of employees over whom it has jurisdiction, or any other personnel matter affecting one or more particular individual(s);

(ii) Protection of the privacy or reputation of individuals in matters not related to Association business;

(iii) Consultation with legal counsel;

(iv) Consultation with staff personnel, consultants, attorneys or other persons in connection with pending or potential litigation;

(v) Investigative proceedings concerning possible or actual criminal misconduct;

(vi) Complying with a specific constitutional, statutory or judicially imposed requirement protecting particular proceedings or matters from public disclosure;

(vii) On an individual recorded affirmative vote of two-thirds (2/3) of members present, for some other exceptional reason so compelling as to override the general public policy in favor of open meetings;

(b) If a meeting is held in closed session pursuant to the procedures established above:

(i) No action may be taken and no matter may be discussed other than those permitted above; and

(ii) A statement of the time, place and purpose of any closed meeting, the record of the vote of each member by which any meeting was closed, and the authority under this Section for closing any meeting shall be included in the minutes of the next meeting of the Board of Directors.

ARTICLE VII
Powers and Duties of the Board of Directors

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

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

(b) suspend the voting rights to use of the common Areas and recreational 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 sixty (60) days for infraction of published rules and regulations;

(c) 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, 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;

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

(f) appoint needed committees.

Section 2. Duties. It shall be the duty of the Board of Directors to

(a) cause to be kept a complete record of all its 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 members who are entitled to vote;

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

(c) as more fully provided in the Declaration,

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

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

(iii) 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 and to cause notices to be sent to first mortgagees as provided in Section 4 of Article VII hereof.

(d) issue, or cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid, and releases of liens when the assessment, interest and reasonable attorney's fees relating thereto have been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) procure and maintain adequate liability and hazard insurance on property owned by the Association;

(f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(g) cause the Common Area to be maintained;

(h) otherwise perform or cause to be performed the functions and obligations of the Board and the Association as provided for in the Declaration and Articles of Incorporation and by these By-Laws, including collection of assessments payable pursuant to any cross easement or other similar agreement and periodically employing an insurance consultant if the Board of Directors deem it necessary to do so in order to analyze the insurance requirements of the Association.

Section 3. Management Agent. The Board of Directors may employ for the Association a management agent or manager (the "Management Agent") at a rate of compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall from time to time authorize in writing. Any management agreement entered into by the Association shall provide, inter alia, that such agreement may be terminated for cause by either party upon thirty (30) days written notice thereof to the other party. The term of any such management agreement shall not exceed one year; provided, however, that the term of any such management agreement may be renewable by mutual agreement of the parties for successive one-year periods. If the standards and regulations of FNMA and/or FHLMC prohibit self-management by the Association, and FNMA and/or FHLMC holds an interest in a first mortgage or deed of trust against any Lots, then no such self-management shall be undertaken by the Association, without the prior written consent and approval of all of the holders of the first mortgages of record on the Lots.

Provided that any Lot subject to these By-Laws is then encumbered by a deed of trust or mortgage which is insured by the Federal Housing Administration or guaranteed by the Department of Veterans Affairs, and, provided, further, that FHA and/or VA standards and regulations prohibit self-management of the Association, then no such self-management shall be undertaken by the Association without the prior written consent and approval of FHA and VA (as applicable).

ARTICLE VIII Officers and Their Duties

Section 1. Enumeration of Officers. 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, and such other officers as the Board may from

time to time by resolution create, all of which officers are to be elected by the Board of Directors.

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 each shall hold office for one (1) year or until his successor is duly elected and qualified, unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such 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 Assistant Secretary, Treasurer and Vice President may be held by the same person, but in no event shall be the same officer, execute, acknowledge or verify any instrument in more than one capacity, if such instrument is required by law, the Declaration, the Articles of Incorporation or these By-Laws to be executed, acknowledged or verified by two (2) or more officers. No person shall simultaneously hold more than one (1) of any of the other offices except in the case of special offices created pursuant to section 4 of this Article and except as otherwise provided in this section 7.

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 by him of 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 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 IX

Liability and Indemnification of Officers and Directors

The Association shall indemnify every officer and director of the Association against any and all expenses, including counsel fees, reasonably incurred by or imposed upon an officer or director in connection with any action, suit or other proceeding (including the settlement of any such suit or proceeding if approved by the Board of Directors of the Association) to which he may be made a party by reason of being or having been an officer or director of the Association, whether or not such person is an officer or director at the time such expenses are incurred. The officers and directors of the Association shall not be liable to the members of the Association for any mistakes of judgment, negligence or otherwise except for their own individual malice or gross negligence, and then only to the extent the damages exceed the insurance limits of the Association as set forth in Article XI, Section 1 of these By-laws. The officers and directors of the Association shall have no personal liability with respect to any contract or commitment made by them, in good faith, on behalf of the Association and the Association shall indemnify and forever hold each such officer and director free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer or director of the Association or former officer or director of the Association may be entitled.

ARTICLE X
Committees

The Board of Directors shall appoint an Architectural Control Committee, a Nominating Committee, and a Landscaping and Grounds Committee. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose. The committees shall consist of not less than three (3) or more than seven (7) members. Members of the Committee shall serve at the pleasure of and may be removed, without cause, by the Board of Directors. The number, qualifications, tenure and manner by which members of the Committee are to be chosen may be as determined from time to time by the Board of Directors, in the Board's sole discretion. In the event the Board fails to appoint a Committee (Architectural, Covenant, Landscape or any other committee), and/or the appointed Committee fails or refuses to act, the Board of Directors shall have the power and authority of the Committee and shall otherwise exercise and discharge the duties of the Committee under Maryland law and the governing documents.

Section 1. Regular Meetings. Regular meetings of the committees may be held at such time and place as shall be determined from time to time, by a majority of the committee.

Section 2. Special Meetings. Special meetings of the committees may be called by the Chair person as needed.

Section 3. Quorum. A majority of the number of committees shall constitute a quorum for the transaction of business.

Section 4. Notice of Meetings. Written notice of all committee meetings planned for the year shall be mailed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purposes of notice. A one time notice of planned committee meetings for the year can be included in a letter to all members or it can be included in a newsletter that is mailed to all members. Such notice shall specify the place, day and hour of the meeting. Additional notices of Committee meetings and revisions in planned meetings will be included in the quarterly statement to members. If changes are made to meeting place or time or special meetings are called, after the notice has been provided to members, the board will be informed of the new meeting plans.

Section 5. Open Committee Meetings. All meetings of the committee shall be open to all owners or occupants of units of the Association, and any representative except that such meetings may be held in closed session (limited to committee and board members only if the Board is informed of the closed meeting prior to the meeting and provided with the reason for the closed meeting).

ARTICLE XI
Dualities and Conflicts of Interest

Section 1. Inform Board of Potential Conflicts. If a Board of Directors or Committee member has any interest or concerns which compete with their fiduciary duty, or any conflict of any sort, then they must disclose such interest, concern, or conflict on the record.

Section 2. Vote on Matter of Conflict. Board of Directors and Committee members shall not participate in the discussion or vote on any matter in which the member has a conflict of interest, to include review of a case involving the compliance of a member with legal requirements, review of a contract or expenditure of funds involving the direct pecuniary interest of a member, or the consideration of a request by the member.

Section 3. Vote on Matter Involving a Relative. Board of Directors and Committee members shall not participate in the discussion or vote to approve the expenditure of funds for the acquisition of services or goods from any member, relative of a member, or entity which is affiliated with any member or their relatives.

Section 4. Solicit a Gift or Gratuity. Board of Directors and Committee members shall not solicit a gift or gratuity of any sum from any vendor or professional serving the Association. If a member receives an unsolicited gift or gratuity must promptly disclose the receipt of the gift or gratuity.

ARTICLE XII
Insurance and Limitations

Section 1. Mandatory Insurance. In addition to the insurance coverage required to be maintained by the Declaration, the Board of Directors of the Association shall obtain and maintain director and officer liability insurance with limits of not less than Two Hundred Thousand Dollars (\$200,000) per individual claim and Five Hundred Thousand Dollars (\$500,000) per total claims from the same occurrence, with deductibles not to exceed Ten Thousand Dollars (\$10,000) and coinsurance provisions not exceeding twenty percent (20%) of the total amount of coverage.

Section 2. Insurance. In addition to the insurance coverage required to be maintained by the Declaration and the provision of section 1 herein, the Board of Directors of the Association may obtain and maintain, to the extent reasonably available, the following:

(a) Workmen's compensation insurance for employees of the Association to the extent necessary to comply with applicable law; and

(b) A "Legal Expense Indemnity Endorsement," or its equivalent, affording protection for the officers and directors of the Association for expenses and fees incurred by any of them in defending any suit or settling any claim, judgment or cause of action to which any such officer or director shall have been made a party by reason of his or her services as such; and

(c) Such other policies of insurance including fidelity coverage as required by these By-Laws, and insurance for other risks of a similar or dissimilar nature as are or shall hereafter be considered appropriate by the Board of Directors.

Section 3. Limitations. Any insurance obtained pursuant to the requirements of this Article shall be subject to the following provisions:

(a) All policies shall be written or reinsured with a company or companies licensed to do business in the State of Maryland and holding a rating of "A+AA" or better in the current edition of Best's Insurance Guide.

(b) Exclusive authority to negotiate losses under said policies shall be vested in the Board of Directors of the Association, or its authorized representative.

(c) In no event shall the insurance coverage obtained and maintained pursuant to the requirements of this Article be brought into contribution with insurance purchased by the Owners of the Lots of their mortgages, as herein permitted, and any "no other insurance" or similar clause in any policy obtained by the Association pursuant to the requirements of this Article shall exclude such policies from consideration.

(d) All policies shall provide that such policies may not be cancelled or substantially modified (including cancellation for non-payment of premium) without at least thirty (30) days prior written notice to any and all insured's named thereon, including any mortgagee of any Lot who requests such notice in writing.

(e) All policies shall contain a waiver of subrogation by the insurers as to any and all claims against the Association, the Board of Directors, the members of the Association and their respective agents, employees or tenants, and of any defenses based upon co-insurance or invalidity arising from the acts of the insured.

ARTICLE XIII

Books and Records Fiscal Management

Section 1. Fiscal Year. The fiscal year of the Association shall begin on the first day of January every year, except the first fiscal year of the Association shall begin at the date of recordation of the Declaration among the Land Records for Montgomery County, Maryland. The commencement date of the fiscal year herein established shall be subject to change by the Board of Directors should the practice of the Association subsequently dictate.

Section 2. Principal Office - Change of Same. The principal office of the Association shall be as set forth in Article II of the Articles of Incorporation of the Association. The Board of Directors, by appropriate resolution, shall have the authority to change the location of the principal office of the Association from time to time.

Section 3. Books and Accounts. Books and accounts of the Association shall be kept under the direction of the Treasurer in accordance with generally accepted accounting practices, consistently applied. The same shall include books with detailed accounts, in chronological order, of receipts and of the expenditures and other

transactions of the Association and its administration and shall specify the maintenance and repair expenses of the Common Areas and community facilities, services required or provided with respect to the same and any other expenses incurred by the Association. The amount of any assessment, required for payment of any capital expenditure or reserves of the Association to the "Paid-in-Surplus" account as a capital contribution by the members.

Section 4. Auditing. At the close of each fiscal year, the books and records of the Association shall be audited by an independent Public Accountant whose report shall be prepared in accordance with generally accepted accounting standards, consistently applied. Based upon such report, the Association shall furnish the members and any mortgagees requesting the same with an annual financial statement, including the income and disbursements of the Association, within ninety (90) days following the end of each fiscal year.

Section 5. Inspection of Books. The books and accounts of the Association, vouchers accrediting the entries made thereupon and all other records maintained by the Association shall be available for examination and copying by the members and their duly authorized agents or attorneys, and to the institutional holder of any first mortgage on any Lot and its duly authorized agents or attorneys, during normal business hours and for purposes reasonably related to their respective interests and after reasonable notice. The Association may charge a reasonable fee for such examination and copying. The books and records of the Association may be withheld from public inspection to the extent that they concern

- (a) personnel records;
- (b) an individual's medical records;
- (c) records relating to business transactions that are currently in negotiation; or
- (d) the written advice of legal counsel.

The Declaration, the Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XIV Assessments and Fees

Section 1. Assessments. As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the maximum rate permitted by law (or such lesser sum as VA or FHA shall specify if any Lot is insured by FHA or guaranteed by VA). In addition to the foregoing, in the event the assessment is not paid within thirty (30) days after the due date, the entire balance of the assessment year may be accelerated at the option of the Board of Directors and may be declared due and payable in full. The Association may bring an action of law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs, and reasonable attorneys' fees of any such action shall be added to the amount of the assessment. No Owner may waive or otherwise

escape liability for the assessment provided for herein by non-use of the Common Area or abandonment of his Lot.

Section 2. Fees. Any homeowner in violation of the Declaration of Covenants, Conditions and Restrictions shall be liable for all costs and attorney fees incurred by the Association in the event enforcement of the Declaration is necessary.

ARTICLE XV
Use Restrictions

Any owner of a house who shall lease such house shall, promptly following the execution of any lease, forward a copy thereof to the Board of Directors. Any such lease shall contain a provision to the effect that the rights of the tenant to use and occupy the house shall be subject and subordinate in all respects to the provisions of the Declaration and these By-Laws. The following statement will be included in all of their lease agreement: "Tenant, tenant's family, guests and employees shall abide by all covenants, rules and regulations and all notices governing the property now or hereafter in effect by the Tartan Ridge Homeowners Association. A copy of this Lease Agreement shall be submitted to the Association once executed by all parties. Tenant acknowledges receipt of a copy of the Association rules and regulations, and the Declaration of Covenants and Bylaws, said copies being attached hereto. The obligations imposed by Tartan Ridge Homeowners Association that limit or affect the use and occupancy of the property are enforceable against the Tenant. Tenant must immediately notify Landlord of any notices of violation delivered to the Tenant and/or property. Failure to cure any violations on the part of the Tenant shall be deemed a breach of this Lease and Tenant shall be responsible for the cost of any fines levied upon the landlord as a result thereof. Tenant shall return all documents to Landlord/Agent at the end of tenancy or shall be responsible for cost of replacement."

ARTICLE XVI
Corporate Seal

The Association shall have a seal in circular form having within its circumference the words: Tartan Ridge Homeowners Association, Inc., a Maryland Corporation.

ARTICLE XVII
Amendments

Section 1. Amendments. These By-Laws may be amended, at a regular or special meeting of the members, by a vote of a majority of a quorum of members present in person or by proxy.

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

ARTICLE XVIII
Interpretation Miscellaneous

Section 1. Conflict. The By-Laws are subordinate to all provisions of the Declaration and to the provisions of the Articles of Incorporation of the Association. All of the terms hereof, except where clearly repugnant to the context, shall have the same meaning as they are defined to have in the Declaration. In the event of any conflict between these By-Laws and the Declaration, the provisions of the Declaration shall control; and in the event any conflict between these By-Laws and the Articles of Incorporation of the Association, the provisions of Incorporation shall control.

Section 2. Notices. Unless another type of notice is herein elsewhere specifically provided for, any and all notices called for in these By-Laws shall be given in writing.

Section 3. Severability. In the event any provision or provisions of these By-Laws shall be determined to be invalid, void or unenforceable, such determination shall not render invalid, void or unenforceable any other provisions hereof which can be given effect.

Section 4. Waiver. No restriction, conditional obligation or provisions of these By-Laws shall be deemed to have abrogated or waived by reason of any failures to enforce the same.

Section 5. Captions. The captions contained in these By-Laws are for convenience only and are not a part of these By-Laws and are not intended in any way to limit or enlarge the terms and provisions of these By-Laws or to aid in the construction thereof.

Section 6. Gender, etc. Whenever in these By-Laws the context so requires, the singular number shall include the plural and the converse, and the use of any gender shall be deemed to include all genders.

IN WITNESS WHEREOF, we, being all of the Directors of Tartan Ridge Homeowners Association, Inc., have hereunto set our hands this 13th day of March **2006**.

WITNESS:

<u>Barry A. Van Meulen, Agent</u>	<u>[Signature]</u>	Director
<u>Barry A. Van Meulen, Agent</u>	<u>[Signature]</u>	Director
<u>Barry A. Van Meulen, Agent</u>	<u>[Signature]</u>	Director
<u>Barry A. Van Meulen, Agent</u>	<u>[Signature]</u>	Director
<u>Barry A. Van Meulen, Agent</u>	<u>[Signature]</u>	Director

CERTIFICATION

I, the undersigned, do hereby certify:

THAT I am the duly elected Secretary of Tartan Ridge Homeowners Association, Inc., a Maryland non-stock, non-profit corporation, and,

THAT the foregoing By-Laws were adopted as amended as provided herein by a majority vote of a quorum of members at a meeting held on the 24th day of October, **2005**.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this 13th day of March, **2006**.

[Signature]
Secretary

