

Exhibit 2

SUNDOWNER PARK, INC.

BY-LAWS

ARTICLE I

OFFICES

Section 1. PRINCIPAL OFFICE. The principal office of the corporation in the State of Maryland shall be located in Ocean City.

Section 2. ADDITIONAL OFFICES. The corporation may have additional offices at such places as the Board of Directors may from time to time determine or the business of the corporation may require.

ARTICLE II

DEFINITIONS

Section 1. PROPRIETARY LEASE. The Lease agreement which governs the relationship between the corporation, as lessor, and the stockholders of the corporation, as lessees.

Section 2. OWNERS. Sundowner Park, Inc. is the owner of the capital stock of the Cooperative Corporation.

Section 3. OWNERS' SHARES. All of the shares of the corporation which have been issued to the Owners.

Section 4. UNSOLD SHARES. Any of the shares of the corporation owned by the owners which have not been resold to a purchaser for the bona fide occupancy of the lot to which the said Unsold Shares relate. All Unsold Shares shall retain their character as such until purchased by a purchaser for bona fide occupancy.

Section 5. OFFERING STATEMENT. The offering statement and plan dated June, 1982 and submitted by the Owner-Sponsors in contemplation of the formation of the corporation as a cooperative organization as provided herein.

Section 6. PURCHASE AGREEMENT. The agreement which governs the relationship between a prospective purchaser of a lot and the Owners.

## ARTICLE III

### MEETINGS OF STOCKHOLDERS

Section 1. PLACE. All meetings of stockholders shall be held at the principal office of the corporation or at such other place within the United States as shall be stated in the notice of the meeting.

Section 2. ANNUAL MEETING. An annual meeting of the stockholders for the election of directors and the transaction of any business within the powers of the corporation shall be held during the month of July in each year, beginning with the year 1983.

Section 3. SPECIAL MEETINGS. The President or Board of Directors may call special meetings of the stockholders. Special meetings of stockholders shall also be called by the secretary upon the written request of the holders of shares entitled to cast not less than 25% of all the votes entitled to be cast at such meeting. Such request shall state the purpose of such meeting and the matters proposed to be acted on at such meeting. The secretary shall inform such stockholders of the reasonably estimated cost of preparing and mailing notice of the meeting and, upon payment to the corporation of such costs, the secretary shall give notice to each stockholder entitled to notice of the meeting. Unless requested by stockholders entitled to cast a majority of all the votes entitled to be cast at such meeting, a special meeting need not be called to consider any matter which is substantially the same as a matter voted on at any special meeting of the stockholders held during the preceding twelve months.

Section 4. NOTICE. Not less than ten nor more than ninety days before each meeting of stockholders, the secretary shall give to each stockholder entitled to vote at such meeting and to each stockholder not entitled to vote who is entitled to notice of the meeting, written or printed notice stating the time and place of the meeting and, in the case of a special meeting or as otherwise may be required by statute, the purpose for which the meeting is called, either by mail or by presenting it to such stockholder personally or by leaving it at his residence or usual place of business. If mailed, such notice shall be deemed to be given when deposited in the United States mail addressed to the stockholder at his post office address as it appears on the records of the corporation, with postage thereon prepaid.

Section 5. SCOPE OF NOTICE. No business shall be transacted at a special meeting of stockholders except that specifically designated in the notice. Any business of the corporation may be transacted at the annual meeting without being specifically designated in the notice, except such business as is required by statute or these By-Laws to be stated in such notice.

Section 6. QUORUM. At any meeting of stockholders, the presence in person or by proxy of stockholders entitled to cast a majority of all the votes entitled to be cast at such meeting shall constitute a quorum; but this section shall not affect any requirement under any statute or the charter for the vote necessary for the adoption of any measure. If, however, such quorum shall not be present at any meeting of the stockholders, the stockholders entitled to vote at such meeting, present in person or by proxy, shall have power to adjourn the meeting from time to time without notice other than announcement at the meeting until such quorum shall be present. At 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. The stockholders present at a meeting which has been duly called and convened and at which a quorum is present at the time counted may continue to transact business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum.

Section 7. VOTING. A majority of the votes cast at the meeting of stockholders duly called and at which a quorum is present shall be sufficient to approve any matter which may properly come before the meeting, unless more than a majority of the votes cast is required by statute or by the charter. Unless otherwise provided in the charter each shareholder shall be entitled to one (1) non-cumulative vote for his block of shares representing the lot or parcel of land leased to the shareholder (i.e., one vote for each lot leased to a shareholder). Joint Owners of Stock shall not be allowed to split votes.

Section 8. PROXIES. A stockholder may vote the shares of stock owned of record by him, either in person or by proxy executed in writing by the stockholder or by his duly authorized attorney in fact. Such proxy shall be filed with the secretary of the corporation before or at the time of the meeting. No proxy shall be valid of ter eleven months from the date of its execution, unless otherwise provided in the proxy.

Section 9. VOTING OF SHARES BY CERTAIN HOLDERS. Shares registered in the name of another corporation, if entitled to be voted, may be voted by the president, a vice president or a proxy appointed by the president or a vice president of such other corporation, unless some other person who has been appointed to vote such shares pursuant to a by-law or a resolution of the board of directors of such other corporation presents a certified copy of such by-law or resolution, in which case such person may vote such shares. Any fiduciary may vote shares registered in his name as such fiduciary, either in person or by proxy.

Shares of its own stock directly or indirectly owned by this corporation shall not be voted at any meeting and shall not be counted in determining the total number of outstanding shares entitled to be voted at any given time, unless they are held by it in a fiduciary capacity, in which case they may be voted and shall be counted in determining the total number of outstanding shares at any given time.

Section 10. INSPECTORS. At any meeting of stockholders, the chairman of the meeting may, or upon the request of any stockholder shall, appoint one or more persons as inspectors for such meeting; provided, however, that at any election of directors where more candidates are nominated than there are positions to be filled, the election shall be conducted by two (2) inspectors appointed by the chairman of the meeting, who are neither directors nor candidates for director. Such inspectors shall ascertain and report the number of shares represented at the meeting based upon their determination of the validity and effect of proxies, count all votes, report the results and perform such other acts as are proper to conduct the election and voting with impartiality and fairness to all the stockholders.

Each report of an inspector shall be in writing and signed by him or by a majority of them if there be more than one inspector acting at such meeting. If there is more than one inspector, the report of a majority shall be the report of the inspectors. The report of the inspector or inspectors on the number of shares represented at the meeting and the results of the voting shall be prima facie evidence thereof.

Section 11. INFORMAL ACTION BY STOCKHOLDERS. Any action required or permitted to be taken at a meeting of stockholders may be taken without a meeting if a consent in writing, setting forth such action, is signed by each stockholder entitled to vote on the matter and any other stockholder entitled to notice of a meeting of stockholders (but not to vote thereat) has waived in writing any right to dissent from such action, and such consent and waiver are filed with the minutes of proceedings of the stockholders.

Section 12. VOTING BY BALLOT. Voting on any question or in any election may be viva voce unless the presiding officer shall order or any stockholder shall demand that voting be by ballot.

## ARTICLE IV

### DIRECTORS

Section 1. GENERAL POWERS. The business and affairs of the corporation shall be managed under the direction of its Board of Directors.

Section 2. NUMBER, TENURE AND QUALIFICATIONS. Until June 30, 1983, the number of Directors of the corporation shall be three (3). On July 1, 1983, the number of directors of the Corporation shall be, nine (9) , with three (3) of the directors to be elected by the stockholders of each of the three (3) respective parcels of land of which the Complex is comprised (i.e., three (3) directors from each of the three (3) parcels of land). Each director shall hold office for a term of three (3) years and until his successor is elected and qualifies, except that at the election of the first Board of Directors one (1) director from each of the three (3) parcels shall be elected for a three (3) year term, one (1) director from each of the three (3) parcels shall be elected for a two (2) year term and one (1) director from each of the three (3) parcels shall be elected for a one (1) year term.

Section 3. ANNUAL AND REGULAR MEETINGS. An annual meeting of the Board of Directors shall be held immediately after and at the same place as the annual meeting of stockholders, no notice other than this by-law being necessary. The Board of Directors may provide, by resolution, the time and place, either within or without the State of Maryland, for the holding of regular meetings of the Board of Directors without other notice than such resolution.

Section 4. SPECIAL MEETINGS. Special meetings of the Board of Directors may be called by or at the request of the president or by a majority of the directors then in office. The person or persons authorized to call special meetings of the Board of Directors may fix any place, either within or without the State of Maryland, as the place for holding any special meeting of the Board of Directors called by them.

Section 5. NOTICE. Notice of any special meeting shall be given by written notice delivered personally, telegraphed or mailed to each director at his business or residence address. Personally delivered or telegram notices shall be

given at least two days prior to the meeting. Notice by mail shall be given at least five days prior to the meeting. If mailed, such notice shall be deemed to be given when deposited in the United States mail properly addressed, with postage thereon prepaid. If notice be given by telegram, such notice shall be deemed to be given when the telegram is delivered to the telegraph company. Neither the business to be transacted at, nor the purpose of, any annual, regular or special meeting of the Board of Directors need be stated in the notice, unless specifically required by statute or these by-laws.

Section 6. QUORUM. A majority of the entire Board of Directors shall constitute a quorum for transaction of business at any meeting of the Board of Directors, provided that, if less than a majority of such number of directors are present at said meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

The directors present at a meeting which has been duly called and convened may continue to transact business until adjournment, notwithstanding the withdrawal of enough directors to leave less than a quorum.

Section 7. VOTING. The action of the majority of the directors present at a meeting at which a quorum is present shall be the action of the Board of Directors, unless the concurrence of a greater proportion is required for such action by applicable statute.

Section 8. TELEPHONE MEETINGS. Members of the Board of Directors may participate in a meeting by means of a conference telephone or similar communications equipment if all persons participating in the meeting can hear each other at the same time. Participation in a meeting by these means shall constitute presence in person at the meeting.

Section 9. INFORMAL ACTION BY DIRECTORS. Any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting, if a consent in writing to such action is signed by each director and such written consent is filed with the minutes of proceedings of the Board of Directors.

Section 10. VACANCIES. Any vacancy on the Board of Directors for any cause may be filled by a majority of the remaining directors, although such majority is less than a quorum; provided, however, that any newly appointed director must be representative of the same parcel as the vacating

director. A director elected by the Board of Directors to fill a vacancy shall serve until the next annual meeting of stockholders and until his successor is elected and qualifies.

Section 11. COMPENSATION. Directors, as such, shall not receive any stated salary for their services, but, by the affirmative vote of two-thirds of the outstanding shares of the corporation at any annual meeting of the stockholders or a special meeting called for that purpose, a fixed sum and expenses of attendance if any, may be allowed to directors for attendance at each annual, regular or special meeting of the Board of Directors or of any committee thereof; but nothing herein contained shall be construed to preclude any director from serving the corporation in any other capacity and receiving compensation therefor.

Section 12. REMOVAL OF DIRECTORS. The stockholders may at any time, remove any director, with or without cause, by the affirmative vote of a majority of all the votes entitled to be cast for the election of directors and may elect a successor to fill any resulting vacancy for the balance of the term of the removed director; provided, however, that any newly elected director must be representative of the same parcel as the removed director.

Section 13. ANNUAL BUDGET. In futherance of the definitions and provisions of the Proprietary Lease, the Board of Directors shall determine the cash requirements as defined therein for each particular year of the term of such Proprietary Lease by resolution or resolutions adopted during the particular year in question or the preceding year and shall likewise fix the terms and times of payment of the rent due from stockholders who are lessees under such Proprietary Leases to meet such cash requirements. Immediately after the adoption of any such resolution as above provided, the secretary shall mail, or cause to be mailed, or deliver, or cause to be delivered, to each stockholder who is such a lessee a statement of the amount of the cash requirements so determined or a copy of the resolution of the Board concerning the same.

Section 14. MAINTENANCE AND OPERATION. The Board of Directors shall have discretionary power to prescribe the manner of maintaining and operating the property of the corporation, and any other premises acquired by the corporation by purchase or otherwise, and to determine the aforesaid cash requirements. Every such determination by the Board shall be final and conclusive as to all stockholders who are lessees under Proprietary Leases. Any expenditures made by the corporation's officers or agents under the direction or with the approval of the Board shall, as against such

stockholders, be deemed necessarily and properly made for such purposes. The operating year of the corporation shall be the calendar year.

Section 15. HOUSE RULES. The Board of Directors shall have power to make and change reasonable rules applicable to the mobile home park of the corporation whenever the Board deems it advisable so to do. All rules shall be binding upon all tenants and occupants of the mobile home park. Copies of changes in rules shall be furnished to each stockholder and shall be binding upon the delivery thereof in the manner provided in the Proprietary Lease.

## ARTICLE V

### COMMITTEES

Section 1. NUMBER, TENURE AND QUALIFICATIONS. The Board of Directors may appoint from among its members an Executive Committee and other committees, composed of three or more directors, to serve at the pleasure of the Board of Directors.

Section 2. POWERS. The Board of Directors may delegate to committees appointed under Section 1 of this Article any of the powers of the Board of Directors, except the power to declare dividends or distributions on stock, to issue stock except pursuant to a general formula or method specified by the Board of Directors by resolution or by adoption of a stock option or other plan, to recommend to the stockholders any action which requires stockholder approval, to amend the By-Laws, to approve any merger or share exchange which does not require stockholder approval, to determine the cash requirements defined in the Proprietary Lease, to fix the rent to be paid under the Proprietary Lease, or to vary the terms of payment thereof as fixed by the Board of Directors.

Section 3. MEETINGS. In the absence of any member of any such committee, the members thereof present at any meeting, whether or not they constitute a quorum, may appoint a director to act in the place of such absent member.

Section 4. TELEPHONE MEETINGS. Members of a committee of the Board of Directors may participate in a meeting by means of a conference telephone or similar communications equipment if all persons participating in the meeting can hear each other at the same time. Participation in a meeting by these means shall constitute presence in person at the meeting.



Section 5. INFORMAL ACTION BY COMMITTEE. Any action required or permitted to be taken at any meeting of a committee of the Board of Directors may be taken without a meeting, if a consent in writing to such action is signed by each member of the committee and such written consent is filed with the minutes of proceedings of such committee.

Section 6. ADMISSIONS COMMITTEE. In furtherance of the cooperative purposes of the corporation and to assure, so far as possible, that the occupants of all lots therein shall be congenial and that all Proprietary Leases shall be reputable and financially responsible, the Board of Directors may, by resolution, create an Admissions Committee of three or more persons to interview and consider the qualifications of proposed assignees and subtenants and to make recommendations thereon to the Board of Directors. Once such committee has been created, no consent to transfer of stock or assignment of Lease or subletting of lots shall thereafter be given by the Board of Directors until the Admissions Committee shall have recommended the same, or until the Board of Directors has overruled an unfavorable recommendation by the Admissions Committee. Until such an Admissions Committee is created, the Board of Directors shall conduct the interview and consider the qualifications of proposed assignees and subtenants. All information received and reports by the Admissions Committee or any director (whether or not an Admissions Committee has been created) concerning a proposed assignee or subtenant, and the deliberations of the Committee and the Board thereon, shall be deemed confidential and disclosed to no one, except other directors. On all applications for consent to assignment or subletting, the only action of the Board shall be to "approve" or "disapprove," without comment. No member of the Admissions Committee or the Board of Directors shall be required to explain to any stock or any other person the reason for his determination.

Section 7. LOT LINE DISPUTE COMMITTEE. In furtherance of the cooperative purposes of the corporation and to assure, so far as possible, that the occupants of all lots therein shall be congenial, the Board of Directors shall, by resolution, create a Lot Line Dispute Committee which shall be comprised of six (6) persons, two (2) from each of the three (3) parcels of land of which the Complex is comprised, to hear all matters pertaining to lot line disputes which may occur between two or more of the-occupants of the lots, and to make recommendations for resolving same to the Board of Directors. The Board of Directors shall upon the recommendations of the Committee, without the necessity for further hearings, resolve such dispute. The decision of the Board of Directors upon such matter shall be final and binding and no appeal shall lie therefrom. No member of the Lot Line Dispute Committee or the

Board of Directors shall be required to explain to any stockholder or any other person the reason for his determination.

## ARTICLE VI

### OFFICERS

Section 1. POWERS AND DUTIES. The officers of the corporation shall be elected annually by the Board of Directors at the first meeting of the Board of Directors held after each annual meeting of the stockholders. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as may be convenient. Each officer shall hold office until his successor is elected and qualifies or until his death, resignation or removal in the manner hereinafter provided. Any two or more offices except president and vice-president may be held by the same person. Election or appointment of an officer or agent shall not of itself create contract rights between the corporation and such officer or agent.

Section 2. REMOVAL. Any officer or agent of the corporation may be removed by the Board of Directors if in its judgment the best interest of the corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

Section 3. VACANCIES. A vacancy in any office may be filled by the Board of Directors for the balance of the term.

Section 4. PRESIDENT. The president shall be the principal executive officer of the corporation and shall in general supervise and control all of the business and affairs of the corporation. He shall preside at all meetings of the stockholders and of the Board of Directors. The president shall be a director of the corporation. He may execute any deed, mortgage, bond, contract, Proprietary Lease or other instrument which the Board of Directors has authorized to be executed, except in cases where the execution thereof shall be expressly delegated by the Board of Directors or by these By-Laws to some other officer or agent of the corporation or shall be required by law to be otherwise executed, and in general shall perform all duties incident to the office of president and such other duties as may be prescribed by the Board of Directors from time to time.

Section 5. VICE PRESIDENTS. In the absence of the president or in the event of a vacancy in such office, the vice president (or in the event there be more than one vice

president, the vice presidents in the order designated at the time of their election or, in the absence of any designation, then in the order of their election) shall perform the duties of the president, and when so acting shall have all the powers of and be subject to all .the restrictions upon the president; and shall perform such other duties as from time to time may be assigned to him by the president or by the Board of Directors. The Board of Directors may designate one or more vice presidents as executive vice president or as vice president for particular areas of responsibility.

Section 6. SECRETARY. The secretary shall (a) keep the minutes of the proceedings of the stockholders and Board of Directors in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these By-Laws or as required by law; (c) be custodian of the corporate records and of the seal of the corporation; (d) keep a register of the post office address of each stockholder which shall be furnished to the secretary by such stockholder; (e) have general charge of the stock transfer books of the corporation; and (f) in general perform such other duties as from time to time may be assigned to him by the president or by the Board of Directors.

Section 7. TREASURER. The treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the corporation in such depositaries as may be designated by the Board of Directors.

He shall disburse the funds of the corporation as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the president and Board of Directors, at the regular meetings of the Board or whenever they may require it, an account of all his transactions as treasurer and of the financial condition of the corporation.

If required by the Board of Directors, he shall give the corporation a bond in such sum and with such surety or sureties as shall be satisfactory to the Board of Directors for the faithful performance of the duties of his office and for the restoration to the corporation, in cash of his death, resignation, retirement or removal from office, all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the corporation.

Section 8. ASSISTANT SECRETARIES AND ASSISTANT TREASURERS. The assistant secretaries and assistant treasurers, in general, shall perform such duties as shall be assigned to them by the secretary or treasurer, respectively, or by the president or the Board of Directors. The assistant treasurers shall, if required by the Board of Directors, give bonds for the faithful performance of their duties in such sums and with such sureties as shall be satisfactory to the Board of Directors.

Section 9. ANNUAL REPORT. The president or other executive officer of the corporation shall prepare or cause to be prepared annually a full and correct statement of the affairs of the corporation, including a balance sheet as of the end of the preceding fiscal year, a statement of the results of operations for the preceding fiscal year, and a profit and loss statement for the preceding fiscal year, which shall be submitted at the annual meeting of the stockholders, filed within 20 days thereafter at the principal office of the corporation in the State of Maryland and sent to each stockholder then listed on the books of the corporation.

Section 10. SALARIES. The salaries of the officers shall be fixed by the Board of Directors. No officer shall be prevented from receiving such salary by reason of the fact that he is also a director of the corporation.

## ARTICLE VII

### CONTRACTS, LOANS, CHECKS AND DEPOSITS

Section 1. CONTRACTS. The Board of Directors may authorize any officer or agent to enter into any contract or to execute and deliver any instrument in the name and on behalf of the corporation, and such authority may be general or confined to specific instances.

Section 2. CHECKS AND DRAFTS. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the corporation shall be signed by such officer or officers, agent or agents of the corporation and in such manner as shall from time to time be determined by the Board of Directors.

Section 3. DEPOSITS. All funds of the corporation not otherwise employed shall be deposited from time to time to the credit of the corporation in such banks, trust companies or other depositories as the Board of Directors may select.

## ARTICLE VIII

### PROPRIETARY LEASES

Section 1. FORM. The Board of Directors shall adopt a form of Proprietary Lease to be issued by the corporation for the leasing of all lots, the office and other space in the Complex, if any, to be leased to stockholders under Proprietary Leases. Such Proprietary Leases shall be for such term, with or without provisions for renewals, and shall contain such restrictions, limitations and provisions in respect to the assignment thereof, the subletting of the premises demised thereby and the sale or transfer of the shares of the stock of the corporation accompanying the same and such other terms provisions, conditions and covenants as the Board of Directors deems advisable. After a Proprietary Lease, in the form so adopted by the Board of Directors, has been executed and delivered by the corporation, all Proprietary Leases subsequently executed and delivered shall be in the same form (except with respect to commencement of the Lease term and shall not be changed in form or substance unless varied in accordance with the terms thereof as provided in Section 8 of this Article.

Section 2. ASSIGNMENT. Proprietary Leases shall be assigned or transferred only in compliance with, and shall never be assigned or transferred in violation of, the terms, conditions or provisions of such Proprietary Lease. A duplicate original of each Proprietary Lease shall always be kept on file in the office of the corporation or with the managing agent of the Complex.

Section 3. ACCOMPANYING SHARES. The Board of Directors shall allocate to each lot to be leased under a Proprietary Lease the number of shares of the corporation which must be owned by the lessee thereof. The Board shall adopt the allocation of shares set forth in the Offering Statement. The allocation or any reallocation of shares to a lot shall bear a reasonable relationship to the portion of the fair market value of the corporation's equity in the Complex and the land on- which it is located which is attributable to the lot. In the event of any dispute between the Board of Directors and a stockholder as to whether such "reasonable relationship" test has been met on a proposed reallocation of shares, such dispute shall be resolved by the then managing agent of the Complex, whose determination shall be final and conclusive.

Section 4. RE-GROUPING OF SPACE. The Board of Directors upon the written request of the owner or owners of one or more Proprietary Leases covering one or more -lots in the Complex

and of the shares issued to accompany the same, may, in its discretion, at any time permit such owner or owners at his or their own expense to:

(A) (1) Subdivide any lot into two or more lots; (2) combine all or any portions of any such lots into one or any desired number of lots; and (3) re-allocate the shares issued to accompany the Proprietary Lease or Leases so affected in such proportions as the said owners request, provided only that (a) the allotment of shares is based upon the fair market value of the equity of the property (including the improvements) attributable to the subdivided or combined lots; (b) in any case, the total number of shares so re-allocated remains the same; and (c) the Proprietary Lease or Leases so affected and the accompanying certificate (s) of shares are surrendered and that there are executed and delivered in place thereof respectively, a new Proprietary Lease for each such separate lot so created and a new certificate of shares for the number of shares so re-allocated to each such new Proprietary Lease; or

(B) Incorporate other space in the Complex not covered by any Proprietary Lease into one or more lots covered by a Proprietary Lease, whether in connection with any re-grouping of space pursuant to the previous paragraph or otherwise, and in allocating shares to any such resulting lot or lots, the Board shall determine the number of shares from its treasury shares to be issued and allocated in connection with the incorporation of such additional space (such allocation to be based on the fair market value of the equity in the property, including the improvements, attributable to such resulting lot or lots), provided such incorporation shall be conditioned upon the surrender by the owner making such request of his Proprietary Lease and stock certificate and provided further that such owner shall execute a new Proprietary Lease covering such resulting lot or lots. A new certificate representing the number of shares so re-allocated to the new Proprietary Lease will be issued to the owner surrendering said stock certificate.

Anything hereinabove contained to the contrary notwithstanding, the holders of Unsold Shares shall have the absolute right, without payment of any fee or charge of whatever nature, to change the size and layout of any lot owned by them, including the right to subdivide any lot owned by them, or any of them, into two (2) or more lots or to combine all or any portion of any such lots into one or any desired number of lots, subject only to obtaining the prior consent of the then managing agent of the Complex with respect to any re-allocation of shares issued and accompanying the Proprietary Lease or Lease so affected by such subdivision or

combination (as the case may be) . The re-allocation of shares shall be based upon the fair market value of the equity of the property (including the improvements) attributable to the subdivided or combined lots, but in any event, the total number of shares so re-allocated shall remain the same. Upon the surrender of the stock certificate or certificates and Proprietary Lease or Leases affected by such subdivision or combination, the Board of Directors shall issue a new stock certificate or certificates and accompanying Proprietary Lease or Leases covering the subdivision or combined lots (as the case may be) in accordance with the foregoing.

Any dispute under this Section 4 concerning the number of shares to be re-allocated shall be resolved by the then managing agent of the Complex, whose determination shall be final and conclusive.

Section 5. ALLOCATION OF SHARES TO ADDITIONAL SPACE. The Board of Directors may in its discretion authorize the conversion of the space in the Complex not covered by a Proprietary Lease into space suitable for the primary purposes of the corporation, as set forth in its Charter, allocate theretofore unissued shares to such space, and authorize the execution of a Proprietary Lease or Leases covering such space.

Section 6. FEEES ON ASSIGNMENT. Subject to the provisions of the form of Proprietary Lease adopted by the Board of Directors (and the rights of holders of Unsold Shares as herein or in the Proprietary Lease set forth) , the Board of Directors shall have authority to fix by resolution and to collect, before any assignment of a Proprietary Lease or any re-allocation of shares takes effect as against the corporation as lessor, reasonable fees to cover the corporation's expenses and attorneys' fees in connection with such proposed assignment or re-allocation, or both, as the case may be. However, no such fees may be charged to the holders of Unsold Shares in connection with the sale or transfer of such Unsold Shares and appurtenant Proprietary Leases or a re-allocation of shares.

Section 7. LOST PROPRIETARY LEASE. In the event that any Proprietary Lease in full force and effect is lost, stolen, destroyed or mutilated, the Board of Directors may authorize the issuance of a new Proprietary Lease in lieu thereof, in the same form and with the same terms, provisions, conditions and limitations. The Board may, in its discretion, before the issuance of such new. Proprietary Lease, require the owner of the lost, stolen, destroyed or mutilated Proprietary Lease, or the legal representative of the owner, (i) to pay the corporation a reasonable fee for the time and

expense incurred in preparing the same; (ii) to make an Affidavit or affirmation setting forth such facts as to loss, theft, destruction or mutilation as it deems necessary; and (iii) to give the corporation a bond in such sum as it directs, not exceeding double the value of the shares accompanying such Proprietary Lease, to indemnify the corporation against any loss or claim which may arise as a result of the issuance of a new Proprietary Lease.

Section 8. AMENDMENT OF PROPRIETARY LEASE. The terms of the Proprietary Lease, may be changed only by the affirmative vote of the holders of at least seventy-five percent of the outstanding stock of the corporation; provided, however, no change shall (i) affect the right of a holder of Unsold Shares to sublet his lot or assign the Proprietary Lease, or (ii) eliminate or modify any right, privilege or obligation of such holder of Unsold Shares or Owners' Shares, unless the holder of Unsold Shares and/or Owners' Shares so affected thereby shall consent thereto.

Section 9. TERMINATION OF PROPRIETARY LEASE. The Board of Directors, upon the affirmative vote of two-thirds of the total number of directors, at a special meeting called for that purpose, may declare a Proprietary Lease in default upon the occurrence of any of the following events: (a) because of objectionable conduct on the part of the tenant-stockholder, repeated after written notice thereof has been given by the corporation; or (b) because of objectional conduct of a person dwelling in or visiting the lot, repeated after written notice thereof has been given by the corporation. For the purposes herein, "objectionable conduct" means to repeatedly violate or disregard the rules established in accordance with the provisions of the Proprietary Lease, or to repeatedly permit or tolerate a person of dissolute, loose or immoral character to enter or remain in the Complex. Upon a declaration by the Board of Directors hereunder that a Proprietary Lease is in default, the corporation may exercise all rights to which it is entitled under these By-Laws and under the Proprietary Lease.

## ARTICLE IX

### SHARES OF STOCK

Section 1. NATURE OF SHARES. Shares of stock of the corporation shall be issued only in connection with the execution and delivery by the purchaser and the corporation of a Proprietary Lease of a lot in the Complex owned by the corporation, and the ownership of said shares so issued shall



entitle the holder thereof to occupy, for dwelling purposes, the lot specified in the Proprietary Lease so executed and delivered in connection with the issuance of said shares, subject to the covenants and agreements contained in such Proprietary Lease. Shares of Stock of the corporation hereafter acquired and subsequently re-issued, and unissued but authorized shares of the corporation hereafter issued, shall only be so re-issued, as the case may be, in conjunction with the execution of a Proprietary Lease of a lot in the Complex.

Section 2. CERTIFICATES OF ISSUANCE. Certificates of the shares of the Corporation shall be in the form prepared by the Board of Directors and shall be signed by the president or a vice president and the secretary or an assistant secretary or the treasurer or an assistant treasurer and sealed with the seal of the corporation and shall be numbered in the order in which issued. Certificates shall be bound in a book and issued in consecutive order therefrom and in the margin or stub thereof shall be entered the name of the person holding the shares therein represented, the number of shares and the date of issuance. Each certificate exchanged or returned to the corporation shall be cancelled, and the date of cancellation shall be indicated thereon by the secretary and such certificate shall be immediately pasted in the certificate book opposite the memorandum of its issue.

Section 3. TRANSFER. Transfers of shares shall be made only upon the books of the corporation by the holder in person or by power of attorney, duly executed and witnessed (or with such signature guaranty as the Board of Directors may request) and filed with the secretary, and on the surrender of the certificate of such shares; provided, however, that shares sold by the corporation which it holds thereon, or shares required to be (but which are not) surrendered under the Proprietary Lease, may be transferred without the surrender of such certificate. Except as set forth in Article VIII, Section 4 of these By-Laws, shares may be transferred only as an entirety. No transfer of shares shall be valid as against the corporation, its stockholders and creditors, for any purpose, except to render the transferee liable for the debts of the corporation to the extent provided for by law. No such transfer shall be valid or effected until all the requirements with respect thereto set forth in the Proprietary Lease and these By-Laws shall have been satisfied and complied with.

Section 4. UNITS OF ISSUANCE. Shares issued to accompany each Proprietary Lease shall be issued in the amount allocated by the Board of Directors to the lot or other space described in such Proprietary Lease. Unless and until all Proprietary Leases, which shall have been executed by the

corporation, shall have been terminated, the shares of stock which accompany each Proprietary Lease shall be represented by a single certificate and shall not be sold or transferred, except to the corporation or as an entirety to a person who has acquired such Proprietary Lease, or a new one in place thereof, after complying with and satisfying the requirements of such Proprietary Lease in respect to the assignment thereof.

Section 5. FEES ON TRANSFER. Subject to the provisions of Section 6 of this Article and subject further to the provisions of the Proprietary Lease, the Board of Directors shall have authority to fix by resolution and to collect, before the transfer of any shares, reasonable fees to cover the corporation's expenses and attorneys' fees in connection with such proposed transfer.

Section 6. DEFAULT BY STOCKHOLDER. Unless and until a stockholder, as lessee, makes default in the payment of any rent or other indebtedness or in the performance of any covenants or conditions under the Proprietary Lease, his shares shall continue to stand in the name of the stockholder upon the books of the corporation and the stockholder shall be entitled to exercise the right to vote thereon. The Board may refuse to consent to the transfer of such shares until any indebtedness of the stockholder to the corporation is paid. Upon the failure of a tenant-stockholder to make any payments of rent or other charges under his Proprietary Lease, upon any failure of the tenant-stockholder to perform any covenants or conditions to be complied with under the Proprietary Lease, upon any other default under the Proprietary Lease, or upon a declaration of default by the Board of Directors pursuant to Article VIII, Section 9 of these By-Laws, the corporation shall have the right to issue to any purchaser of such shares or to the nominee of such purchaser, a certificate for the shares so purchased substantially of the tenor of the certificate issued to such defaulting stockholder, and thereupon the certificate for such shares issued to such defaulting stockholder shall become void and such defaulting stockholder shall surrender the same to the corporation on demand. The failure of such defaulting stockholder to so surrender such certificate shall not affect the validity of the certificate issued in replacement thereof.

Section 7. CERTIFICATES. Certificates representing shares of the corporation shall be subject to the following terms and conditions, which terms and conditions shall be referred to on the such certificates:

- a. The rights of any holder of the shares evidenced by a certificate of the Corporation are subject to the provisions of the charter and the By-

Laws of the Corporation and to all of the terms, covenants, conditions and provisions of a certain Proprietary Lease made between the Corporation, as lessor, and the person in whose name the Certificate is issued, as lessee, for a lot in the mobile home park which is owned by the Corporation and operated as a "cooperative", which Proprietary Lease limits and restricts the title and rights of any transferee of this certificate.

b. The shares represented by the certificate are transferable only as an entirety and only to an assignee of such Proprietary Lease approved in writing in accordance with the provisions of the Proprietary Lease. The Directors of this Corporation may refuse to consent to the transfer of the shares represented by a Certificate until any indebtedness of the shareholder to the Corporation is paid.

c. Copies of the charter, Proprietary Lease and By-Laws are on file and available for inspection at the office of the managing agent of the Complex.

d. Pursuant to the charter, certain actions of the Board of Directors and of the stockholders require a greater quorum and/or a greater vote than would otherwise be required by law.

e. Pursuant to Article IX, Section 6 of the By-Laws, upon the failure of a tenant-stockholder to make any payments of rent or charges under his Proprietary Lease, upon any failure of the tenant-stockholder to perform any covenants or conditions to be complied with under the Proprietary Lease, upon any other default under the Proprietary Lease or upon a declaration of default by the Board of Directors pursuant to Article VIII, Section 9 of the By-Laws, the corporation shall have the right to issue to any purchaser of such shares, or to the nominee of such purchaser, a certificate for the shares so purchased substantially of the tenor of the certificate issued to such defaulting stockholder, and thereupon the certificate of such shares issued to such defaulting stockholder shall surrender the same to the corporation on demand. The failure of such defaulting stockholder to so surrender such certificate shall not affect the validity of the certificate issued in replacement thereof.

Section 8. LOST CERTIFICATE. The Board of Directors may direct a new certificate to be issued in place of any certificate theretofore issued by the corporation alleged to have been lost, stolen or destroyed upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen or destroyed. When authorizing such issue of a new certificate, the Board of Directors may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost, stolen or destroyed certificate or his legal representative to advertise the same in such manner as it shall require and/or to give bond, with sufficient surety, to the corporation to indemnify it against any loss or claim which may arise as a result of the issuance of a new certificate.

Section 9. CLOSING OF TRANSFER BOOKS OR FIXING OF RECORD DATE. The Board of Directors may set, in advance, a record date for the purpose of determining stockholders entitled to notice of or to vote at any meeting of stockholders, or stockholders entitled to receive payment of any dividend or the allotment of any other rights, or in order to make a determination of stockholders for any other proper purpose. Such date, in any case, shall be not more than 60 days, and in case of a meeting of stockholders not less than ten days, before the date on which the meeting or particular action requiring such determination of stockholders is to be held or taken.

In lieu of fixing a record date, the Board of Directors may provide that the stock transfer books shall be closed for a stated period but not longer than 20 days. If the stock transfer books are closed for the purpose of determining stockholders entitled to notice of or to vote at a meeting of stockholders, such books shall be closed for at least ten days before the date of such meeting.

If no record date is fixed and the stock transfer books are not closed for the determination of stockholders, (a) the record date for the determination of stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day on which the notice of meeting is mailed or the 30th day before the meeting, whichever is the closer date to the meeting; and (b) the record date for the determination of stockholders entitled to receive payment of a dividend or an allotment of any other rights shall be at the close of business on the day on which the resolution of the Board of Directors, declaring the dividend or allotment of rights, is adopted.

When a determination of stockholders entitled to vote at any meeting of stockholders has been made as provided in this

section, such determination shall apply to any adjournment thereof, except where the determination has been made through the closing of the stock transfer books and the stated period of closing has expired.

Section 10. STOCK LEDGER. The corporation shall maintain at, its principal office or at the office of its counsel, accountants or transfer agent, an original or duplicate stock ledger containing the name and address of each stockholder and the number of shares of stock of each class held by such stockholder.

## ARTICLE X

### FISCAL YEAR

The Board of Directors shall have the power, from time to time, to fix the fiscal year of the corporation by a duly adopted resolution.

## ARTICLE XI

### SEAL

Section 1. SEAL. The corporate seal shall have inscribed thereon the name of the corporation, the year of its organization and the words "Incorporated Maryland". The Board of Directors may authorize one or more duplicate seals and provide for the custody thereof.

Section 2. AFFIXING SEAL. Whenever the corporation is required to place its corporate seal to a document, it shall be sufficient to meet the requirements of any law, rule or regulation relating to a corporate seal to place the word "(seal)" adjacent to the signature of the authorized officer.

## ARTICLE XII

### INDEMNIFICATION

Section 1. DEFINITIONS. For the purposes of this Article, the following terms shall have the following meanings: (a) "Corporation" shall mean only this corporation, notwithstanding any inconsistent definition in the charter or By-Laws of the Corporation or the laws of this state; (b)

"Proceeding" shall mean any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative; and (c) "Liability" shall include any reasonable expenses and attorney's fees, judgments, fines, costs, penalties, interest and reasonable amounts paid in a settlement of a claim.

Section 2. MANDATORY INDEMNIFICATION. The Corporation shall indemnify against any Liability any person who is or was a party or is threatened to be made a party to any Proceeding, except a Proceeding by or on behalf of the Corporation to obtain a judgment or decree in its favor, by reason of his serving or having served the Corporation, or any other entity at the request of the Corporation, in any capacity, while a director or officer of the Corporation.

Section 3. PERMISSIVE INDEMNIFICATION. The Corporation may indemnify against any Liability any person who is or was a party or is threatened to be made a party to any Proceeding, except a Proceeding by or on behalf of the Corporation to obtain a judgment or decree in its favor, by reason of his serving or having served the Corporation, or any other entity, at the request of the Corporation, in any capacity.

Section 4. PROCEEDINGS BY OR ON BEHALF OF THE CORPORATION. With respect to a Proceeding brought by or on behalf of the Corporation to obtain a judgment or decree in its favor, the Corporation shall provide indemnification in the manner set forth in Section 2 of this Article, or may provide indemnification in the manner set forth in Section 3 of this Article, as the case may be, only to the extent of expenses, including legal fees, actually and reasonably incurred by the person seeking indemnification in connection with the defense or settlement of the Proceeding, but shall not provide any such indemnification with respect to any claim, issue or matter as to which such person was adjudged liable for negligence or misconduct in performing his duty to the Corporation, except to the extent that the court in which the Proceeding was brought, or disinterested directors exists, the Board of Directors shall, by majority vote of such quorum, determine the amount of the Liability to be indemnified in a manner consistent with these By-Laws.

Section 7. ADVANCE PAYMENT. Expenses incurred in defending a Proceeding may be paid by the Corporation in advance of the final disposition of such Proceeding, as authorized by the Board of Directors in the specific case upon receipt of an undertaking by or on behalf of the person seeking indemnification to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Corporation as authorized in this Article.

Section 8. INSURANCE. The Corporation shall have power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving any other entity at the request of the Corporation, in any capacity,, against any Liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Corporation would have the power to indemnify him against such Liability and under the provisions of this Article.

Section 9. MISCELLANEOUS PROVISIONS. The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any By-Law, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue -as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such person.

#### ARTICLE XIII

##### WAIVER OF NOTICE

Whenever any notice is required to be given pursuant to the charter or By-Laws of the corporation or pursuant to applicable law, a waiver thereof in writing, signed by the person or persons entitled to such notice whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Neither the business to be transacted at nor the purpose of any meeting need be set forth in the waiver of notice, unless specifically required by statute. The attendance of any person at any meeting shall constitute a waiver of notice of such meeting, except where such person attends a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

#### ARTICLE XIV

##### REPORTS

TAX DEDUCTION STATEMENT. The corporation shall, or before March 15th following the close of a fiscal year, send to each stockholder then listed on the books of the corporation for the fiscal year a statement setting forth the

amount per share of that portion of the rent paid by such stockholder under his Proprietary Lease during such year which has been used by the corporation for payment of real estate taxes and interest on mortgage or other indebtedness paid by the corporation with respect to property owned by it.

## ARTICLE XV

### AMENDMENT OF BY-LAWS

Section 1. BY DIRECTORS. At any regular or special meeting, the Board of Directors shall have the power, by the affirmative vote of two-thirds of the total number of directors, to adopt By-Laws, provided that the proposed amendment, or the substance thereof, was contained in the notice of said meeting. The Board of Directors shall not alter or repeal this Section or any By-Laws made by the stockholders.

Section 2. BY STOCKHOLDERS. At any annual or special meeting the stockholders shall have the power, by the affirmative vote of two-thirds of the lots represented by blocks of outstanding shares of the corporation, to adopt, alter or repeal any By-Laws of the corporation and to make new By-Laws; provided that the proposed amendment, or the substance thereof, was contained in the notice of said meeting.

Section 3. GENERAL. Anything herein container' to the contrary notwithstanding, these By-Laws and an' provisions hereof may not be altered, amended or repeal(7 in such a manner as would adversely affect the rights interests of the owners under the Offering Statement its successors and assigns) in any shares and accompany Proprietary Leases that may have been pledged with the Owners in connection with financing the purchase of lots in the Complex.

The foregoing are certified as the By-Laws of the corporation adopted by the Board of Directors on June 1982.

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Secretary

(Corporate Seal)



# BY-LAW AMENDMENTS

## ARTICLE IV

Article IV to change making Section 12 to 12A and adding Section 12B to read: Any Director who is absent from a total of four regular and/or special Board meetings of which due notice has been given shall be removed from the Board and a successor elected by the remaining Directors, whose election shall meet the requirements of Section 12A hereof.

## ARTICLE IV - SECTION II

Approved July 20, 1985

To provide payment to Directors of milage expense for attending any Board meetings or special sessions that require traveling to such meetings.

## ARTICLE XII

Approved July 16, 1988

SECTION 4: Proceedings By Or On Behalf of the Corporation with respect to a Proceeding brought by or on behalf of the Corporation to obtain a judgment or decree in its favor, the Corporation shall provide indemnification for actual legal fees and expenses of the person seeking indemnification unless the proceeding alleges that the person seeking indemnification was guilty of receiving an improper benefit or profit in money, property or services; or that the act or failure was to act of the person seeking indemnification was the result of his active and deliberate dishonesty which dishonesty was material to the damage resulting to the Corporation. In the event the proceeding results in a verdict in favor of the Defendant, the Corporation shall then pay the actual fees and expenses incurred by the Defendant.

SECTION 5: Limitation to Liability for Money Damages. To the maximum extent that Maryland law in effect from time to time shall permit no director or officer of the Corporation shall be liable to the Corporation for money damages. Neither the amendment nor repeal of this Section of the By-Laws, nor the adoption or amendment of any other provision of the charter or by-laws is consistent with this Section shall apply to or affect in any respect the applicability of the preceding sentence to any act or failure to act by an officer or director which occurred prior to such amendment, repeal or adoption.

ARTICLE III - SECTION 2

Approved July 15, 1989

ANNUAL MEETING

"An Annual Meeting of the stockholders for the election of directors and the transaction of any business within the powers of the Corporation shall be held during the month of May in each year, beginning with the year 1990."

ARTICLE XVI

Approved May 18, 1991

LIMITATION ON OWNERSHIP OF SHARES OF STOCK

No individual, group of individuals, corporate entity, partnership or association shall acquire ownership of shares of Sundowner Park, Incorporated, which ownership would entitle said individual, group of individuals, corporate entity, partnership or association to occupy greater than three (3) lots located within the boundaries of Sundowner Park, Incorporated.