

**AMENDED AND RESTATED BYLAWS
OF THE
ROCK CREEK GARDENS
CONDOMINIUM**



**COUNCIL OF UNIT OWNERS
Rock Creek Gardens Condominium
Silver Spring, Maryland**

June 2013

This page intentionally left blank

TABLE OF CONTENTS

ARTICLE I: General Information

Section 1: Name and Location.....	1
-----------------------------------	---

ARTICLE II: Definitions

Section 1: General	1
Section 2: Other Meanings.....	2

ARTICLE III: Applicability

Section 1: General	2
Section 2: Other Governing Documents.....	2

ARTICLE IV: Council of Unit Owners

Section 1: Membership	3
Section 2: Officers.....	3
Section 3: Duties and Responsibilities.....	3
Section 4: Election of Officers	4
Section 5: Removal of Officers	4
Section 6: Roster of Unit Owners	4
Section 7: Mortgages.....	4

ARTICLE V: Meetings of the Council of Unit Owners

Section 1: Meeting Locations	4
Section 2: Annual Meeting	5
Section 3: Special Meetings.....	5
Section 4: Notice of Meetings	5
Section 5: Quorum.....	5
Section 6: Adjourned Meetings	6
Section 7: Voting.....	6
Section 8: Proxies	6
Section 9: Inspectors of Election	7

ARTICLE VI: Board of Directors

Section 1: Number 8
Section 2: Qualifications 8
Section 3: Powers and Duties 8
Section 4: Election and Term of Office 9
Section 5: Vacancies 9
Section 6: Removal of Directors 10
Section 7: Compensation..... 10
Section 8: Organizational Meeting 10
Section 9: Regular Meetings..... 10
Section 10: Special Meetings..... 11
Section 11: Quorum..... 11
Section 12: Closed Meetings 11
Section 13: Action without Meeting..... 11
Section 14: Fidelity Bonds 11

ARTICLE VII: Liability, Indemnification, and Conflicts of Interest

Section 1: Officers and Directors..... 12
Section 2: Conflicts of Interest 12

ARTICLE VIII: Financial Management

Section 1: Assessments for Common Expenses 13
Section 2: Budget..... 14
Section 3: Special Assessments 14
Section 4: Reserve for Replacements..... 14
Section 5: Non-payment of Assessments 15
Section 6: Assessment Certificates..... 15
Section 7: Acceleration of Installments..... 16
Section 8: Enforcement 16
Section 9: Subordination and Mortgage Protection..... 16

ARTICLE IX: Financial Records

Section 1: Fiscal Year 17
Section 2: Books and Accounts..... 17
Section 3: Auditing..... 17
Section 4: Inspection of Records 17

ARTICLE X: Property Management

Section 1: Management Agent..... 17
Section 2: Common Expenses..... 18
Section 3: Duty to Maintain..... 19
Section 4: Windows and Doors 19
Section 5: Right of Entry 20
Section 6: Additions, Alterations, and Improvements to the General Common Elements 20
Section 7: Limitation of Liability 20

ARTICLE XI: Use Restrictions

Section 1: Residential Use 20
Section 2: Leasing 20
Section 3: Prohibited Uses and Nuisances 20
Section 4: Exterior Appearance 22
Section 5: Parking 22
Section 6: Pets 23

ARTICLE XII: Architectural Standards

Section 1: Architectural Standards 23
Section 2: Architectural Standards Committee 24
Section 3: Approvals and Limitations 24

ARTICLE XIII: Insurance

Section 1: Condominium Master Insurance 25
Section 2: Unit Owner Insurance..... 26

ARTICLE XIV: Casualty Losses

Section 1: General 26
Section 2: Allocation of Expenses..... 27
Section 3: Disposition of Insurance Proceeds 27
Section 4: Reallocation of Interest 27
Section 5: Condemnation or Eminent Domain..... 27

ARTICLE XV: Mortgagees

Section 1: Changes Requiring Mortgagee Consent 28
Section 2: Right to Inspect Financial Records..... 28
Section 3: Other Rights of Mortgagees 28

ARTICLE XVI: Amendments

Section 1: Amendments 28
Section 2: Proposal of Amendments 29
Section 3: Effective Date..... 29

ARTICLE XVII: Miscellaneous

Section 1: Compliance 29
Section 2: Conflicts 29
Section 3: Resident Agent..... 29
Section 4: Attorney-in-Fact..... 30
Section 5: Severability 30
Section 6: Waivers 30
Section 7: Captions and Table of Contents..... 30
Section 8: Gender 30

**Amended and Restated Bylaws
of the
Rock Creek Gardens Condominium
Silver Spring, Maryland**

June 2013

ARTICLE I

Name and Location

Section 1: Name and Location.

The name of the Condominium is the Rock Creek Gardens Condominium, Inc. The name of the Council of Unit Owners is the "Council of Unit Owners of the Rock Creek Gardens Condominium, Inc." The principal office and mailing address is 2224-A Washington Avenue, Silver Spring, MD 20910.

ARTICLE II

Definitions

Section 1: General.

As used in these Bylaws, the following terms have the meanings indicated, unless otherwise apparent from the context in which used.

Act (or the Act) means Title 11, Sections 11-101 through 11-143 inclusive of the Real Property Article of the Annotated Code of Maryland, as amended, commonly known as *The Maryland Condominium Act*.

Board of Directors (or the Board) means, collectively, those persons to whom some or all of the powers of the Council of Unit Owners have been delegated under provisions of the Act or these Bylaws.

Condominium means, collectively, the units, General Common Elements, and Limited Common Elements, as defined and described in the Declaration.

Council of Unit Owners (or the Council) means the legal entity defined in the Act that is the governing body of the Condominium and that collectively includes all of the unit owners.

Declaration means the document promulgated by the original developer and dated May 1, 1980 that established and defined the Condominium pursuant to provisions of the Act and recorded among the land records of Montgomery County, Maryland, and to which these Bylaws are appended.

General Common Elements means all of the property and facilities of the Condominium identified in the Declaration and on the Condominium plat except for units and those parts of the Condominium identified as Limited Common Elements.

Limited Common Elements means those parts of the Condominium identified in the Declaration and on the Condominium plat as reserved for the exclusive use of one or more but less than all units.

Mortgagee means the holder of any recorded mortgage or the beneficiary of any deed of trust that encumbers any unit.

Unit means a three-dimensional space identified as such in the Declaration and on the Condominium plat, to include all betterments and improvements located within each such space, except those specifically excluded in the Declaration.

Unit Owner means every person or group of persons holding legal title to a unit, excluding any mortgagee or trustee designated as such in a deed of trust.

Section 2: Other Meanings.

Unless it is plainly evident from the context that a different meaning is intended, all other terms used herein shall have the same meaning as they are defined to have in the Declaration or the Act.

ARTICLE III
Applicability

Section 1: General.

The provisions of these Bylaws apply to unit owners and their lessees, agents and assigns.

Section 2: Other Governing Documents.

In applying these Bylaws to the governance of the Condominium, the provisions of the Corporations and Associations Article of the Annotated Code of Maryland, as amended, pertaining to the governance of non-stock corporations, shall be considered as governing to the extent not inconsistent with the provisions of the Act, the Declaration, and these Bylaws; the Council being considered the corporation and the unit owners being considered its members.

ARTICLE IV

Council of Unit Owners

Section 1: Membership.

The Council of Unit Owners shall include all of the unit owners, except that any person, group of persons, general or limited partnership, corporation, trust, or other legal entity, or any combination thereof that holds title to a unit solely as security for the performance of an obligation shall not be deemed a unit owner and shall not hold membership on the Council.

Section 2: Officers.

The principal officers of the Council shall be a President, a Vice President, a Secretary and a Treasurer, all of whom shall be elected by the Board of Directors from among its members and all of whom shall be unit owners. The Directors may also appoint an Assistant Secretary and an Assistant Treasurer, and such other officers as in their judgment may be necessary. The offices of Secretary and Treasurer may be filled by the same person.

Section 3: Duties and Responsibilities.

The officers of the Council shall have the following duties and responsibilities:

President. The President shall be the Chief Executive Officer of the Council and a member of the Board of Directors. The President shall preside at all meetings of the Council and the Board of Directors and shall have all of the general powers and duties that are usually vested in the president of a corporation, including but not limited to the power to appoint committees from among the unit owners or other persons whom the President feels are qualified, from time to time, as may be appropriate, in the President’s discretion, to assist in the conduct of the affairs of the Council.

Vice President. The Vice President shall take the place of the President and perform those duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is available or able to act, the remaining members shall appoint another member of the Board of Directors to do so on an interim basis. The Vice President shall also perform such other duties as shall, from time to time, be assigned by the Board of Directors.

Secretary. The Secretary shall cause the minutes of all meetings of the Council and Board of Directors to be kept; shall have charge of the Roster of Unit Owners and such other books and papers as the Board of Directors may direct; and shall, in general, perform or cause to be performed all the duties incidental to the office of Secretary, including counting or overseeing the counting of votes at meetings of the Council. In the Secretary’s absence, the President shall

designate another person to count each vote taken or otherwise cause such votes to be counted.

Treasurer. The Treasurer shall have responsibility for the funds and securities of the Council, and shall be responsible for causing full and accurate accounts of all receipts and disbursements to be kept in the books belonging to the Council. The Treasurer shall be responsible for the deposits or all monies and other valuable effects, in the name and credit of the Council, in such depositories as may from time to time be designated by the Board of Directors. The Board of Directors may delegate any or all of these duties to the management agent.

Section 4: Election of Officers.

The officers of the Council shall be elected annually by the Board of Directors at an organizational meeting held subsequent to the election of new Directors at each Annual Meeting. Officers so elected shall hold office until their successors are duly elected and installed.

Section 5: Removal of Officers.

Upon an affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, with or without cause, and a successor may be elected at any regular meeting of the Board of Directors, or at any special meeting of the Board of Directors called for that purpose.

Section 6: Roster of Unit Owners.

The Secretary shall maintain a current roster of the names and postal addresses of each unit owner to which written notice of meetings of the Council shall be delivered. Each unit owner shall furnish the Council with the full name and postal address to which notices shall be delivered and keep such information current. Unit owners who consent and desire to receive meeting and other notices by electronic means shall, in addition, provide the Council with a current and valid electronic mail address.

Section 7: Mortgages.

A unit owner who mortgages his unit shall notify the Secretary of the Council or the management agent of the name and address of his mortgagee and the Secretary of the Council shall maintain such information in the official council records.

ARTICLE V

Meetings of the Council of Unit Owners

Section 1: Meeting Locations.

Meetings of the Council shall be held at the principal office or place of business of the Council or at such other suitable place convenient to the Council as may be designated by the Board of Directors.

Section 2: Annual Meetings.

The Annual Meeting of the Council of Unit Owners shall be held during the month of May on a day, time, and location determined by the Board of Directors. At the Annual Meeting, unit owners shall vote by ballot to elect members of the Board of Directors, in accordance with these Bylaws. Unit owners may also transact such other business of the Council as may come before them.

Section 3: Special Meetings.

It shall be the duty of the President to call special meetings of the Council as directed by resolution of the Board of Directors or upon a petition presented to the Secretary and signed by unit owners representing at least twenty-five percent (25%) of the total votes of the Council. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 4: Notice of Meetings.

(a) It shall be the duty of the Secretary or a designated agent to deliver or send a notice of each annual or special meeting by first class mail to each unit owner of record, at the address appearing on the current Roster of Unit Owners, not less than ten (10) or more than ninety (90) days prior to such meeting, unless the Act provides for a shorter notice. Each notice shall state the purpose(s) of the meeting as well as the time and place where it is to be held. If no current address is listed on the Roster of Unit Owners, the notice shall be mailed to the last known address.

(b) Service may also be accomplished by the delivery of any such notice to a unit owner at his or her Condominium unit or at his or her last known address. Notice given by either means shall be considered as notice served.

(c) Furthermore, the Council of Unit Owners may provide notice of a meeting or deliver information to a unit owner by electronic means if: (i) the Council, through the Board of Directors, elects to provide notice of a meeting or deliver information by electronic transmission, (ii) a unit owner gives the Council prior written authorization to provide notice of a meeting or to deliver information by electronic transmission, and (iii) an officer or agent of the Council certifies in writing that notice of a meeting or delivery of material or information was provided as authorized by the unit owner.

(d) Attendance by a unit owner at any meeting of the Council shall be a waiver by him or her of notice of the time, place, and purpose thereof.

Section 5: Quorum.

The presence, either in person or by proxy, of unit owners representing at least forty percent (40%) of the total votes of the Council of Unit Owners shall be required for, and shall constitute a quorum for the transaction of business at all meetings of members.

Section 6: Adjourned Meetings.

If any meeting of the Council cannot be conducted because a quorum is not present in person or by proxy, the unit owners who are present, except as otherwise provided by law, may adjourn the meeting to an agreed-upon date, provided that the new date allows for at least fifteen (15) days' notice of the time and place of such meeting or for such notice provided for in the Act.

Section 7: Voting.

(a) Each unit owner shall have the right to exercise the percentage interest vote(s) appurtenant to each owned unit, as established in the declaration, at the Annual Meeting or at any special meeting of the Council of Unit Owners. Only a single percentage interest vote per unit shall be allowed.

(1) In the case of units that are jointly owned, the unit vote may be exercised by any joint owner present. If the joint owners of any unit who are present cannot agree on the manner in which the vote of that unit shall be exercised on any matter coming to a vote, then the vote of that unit shall not be accepted or counted.

(2) In the case of units owned by a corporation, the unit vote shall be exercised by a person designated on a certificate signed by the corporation President or any Vice President, attested to by the corporate Secretary or Assistant Secretary, and filed with the Secretary of the Council of Unit Owners prior to the meeting. The certificate shall remain valid until revoked or superseded in writing.

(3) In the case of units owned by a trust or partnership, the unit vote may be exercised by any trustee or partner and, unless an objection or protest by any other trustee or partner is noted at the meeting, the Chair of the meeting shall have no duty to determine the authority or legitimacy of such trustee or partner to exercise such vote.

(b) The percentage interest votes of unit owners representing a majority of the votes cast by unit owners present and voting, in person or by proxy, shall decide any question brought to a vote at any meeting, except in the case of amendments to the declaration or bylaws, and any other matter requiring a different plurality as may be specified in applicable state laws. In such cases, the plurality specified in the declaration, bylaws, or state law applies.

(c) The percentage interest vote of any unit for which any installment of the assessment for common expenses is more than 60 days delinquent as of the date of the Annual Meeting or any special meeting will neither be accepted nor counted on any question coming to a vote at that meeting.

Section 8: Proxies.

(a) A vote may be cast in person or by proxy. Such proxy may be granted by any unit owner in favor of

- (1) Another unit owner or
- (2) A unit owner’s mortgagee or
- (3) In the case of a non-resident unit owner, the lessee of the unit owner’s unit, or the unit owner’s attorney or management agent.
- (4) A unit owner may appoint any of the above entities or individuals as his or her proxy, except that no person shall cast votes as a proxy for more than three (3) units in addition to his or her own.

(b) Proxies shall be duly executed in writing and may be submitted electronically provided that the electronic transmission contains information that verifies that the proxy is authorized by the unit owner. Such proxies shall be valid only for the particular meeting designated therein and must be filed with the Secretary, through the management agent, before the appointed time of the meeting.

(c) A proxy may be revoked at any time by any unit owner who has executed a proxy upon written notice delivered to the Secretary, through the management agent, in advance or in-person to the Secretary at any meeting for which the proxy was executed.

(d) Except with respect to proxies in favor of a lessee or mortgagee, no proxy shall, in any event, be valid for a period in excess of one hundred and eighty (180) days after the date the proxy was executed.

(e) A proxy may be instructed, showing the actual vote(s) of the unit owner executing the proxy on matters to be voted upon, or uninstructed, showing no votes. Only instructed proxies may be cast for the election of members of the Board of Directors. Uninstructed proxies may be counted for quorum purposes and also may be cast for matters requiring a vote other than for the election of members of the Board of Directors.

Section 9: Inspectors of Election.

The Board of Directors may, in advance of any annual or special meeting of the Council at which directors are to be elected, appoint an uneven number of one or more inspectors of election to act at the meeting and at any adjournment thereof. In the event inspectors are not appointed in advance, the Chair of any annual or special meeting of unit owners shall appoint inspectors of election at that time. Each inspector so appointed, and before performing duties, shall take and sign an oath to faithfully execute the duties of inspector of election at such meeting. The oath so taken shall be filed with the Secretary of the Council. No officer or director of the Council and no candidate for office shall act as an inspector of election at any meeting of the Council if one of the purposes of such meeting is to elect Directors.

ARTICLE VI
Board of Directors

Section 1: Number.

The affairs of the Council shall be governed by an elected Board of Directors composed of an uneven number of at least three (3) and not more than seven (7) persons.

Section 2: Qualifications.

The members of the Board of Directors shall be unit owners, provided, however, that no unit owner shall be elected who is more than sixty (60) days delinquent in any payment owed to the Council, or against whose unit or units a Statement of Lien has been recorded and the amount necessary to release the lien(s) has not been paid at the time of the meeting.

Section 3: Powers and Duties.

The Board of Directors shall have the powers and duties necessary to administer the affairs of the Condominium and may do all such acts and things as are not by law or by these Bylaws directed to be exercised and done by the members of the Council. The powers and duties of the Board of Directors shall include, but not be limited to, the following:

- (a) Provide for the care and upkeep of the Condominium, as it is constituted from time to time, and its General Common Elements, and to provide services for the units in a manner consistent with law and the provisions of the Declaration and these Bylaws;
- (b) Grant easements, rights-of-way, licenses, leases, or similar interests for the provision of public utilities to the Condominium, including but not limited to cable and satellite television, and other communications systems, sewer lines, water lines, electrical cables, telephone cables, gas lines, storm drains, underground conduits, and any other purpose as may be considered necessary and appropriate by the Board of Directors for the orderly maintenance, preservation and enjoyment of the General Common Elements, or for the preservation of the health, safety, convenience and/or welfare of the unit owners;
- (c) Establish, collect, and expend assessments and carrying charges from the unit owners, including reasonable monetary fines for violation of these bylaws, and for the filing and enforcement of liens and money judgments for the collection of delinquent assessments in a manner consistent with law and the provisions of the Declaration and these Bylaws;
- (d) Promulgate and enforce such rules and regulations, including monetary fines for violations thereof, and such restrictions on or requirements as may be deemed proper respecting the use, occupancy and maintenance of the Condominium, the use of the general and Limited Common Elements, the

prevention of unreasonable interference with the use and occupancy of the Condominium and of the general and Limited Common Elements, all of which shall be consistent with law and the provisions of the declaration and these Bylaws;

(e) Designate, hire and/or dismiss personnel as may be necessary for the good working order of the Condominium and for the proper care of the Common Elements and to provide services for the Condominium in a manner consistent with all applicable Federal, State and County laws, the Declaration and these Bylaws;

(f) Cause the filing of all reports, tax returns and the like which are required by law;

(g) Borrow money on behalf of the Condominium when required in connection with the operation, care, upkeep and maintenance of the Common Elements;

(h) Purchase insurance for the Condominium in the manner provided for in these bylaws or as required by law;

(i) Repair, restore or reconstruct all or any part of the Condominium after a casualty loss in a manner consistent with law and the provisions of these Bylaws, and to otherwise improve the Condominium;

(j) Purchase units in the Condominium and lease, mortgage or convey the same, subject to the provisions of the declaration and these Bylaws; and

(k) Establish committees for specific purposes and appoint committee members as the Board of Directors may from time to time designate.

Section 4: Election and Term of Office.

The election of Directors shall be by secret written ballot, unless balloting is dispensed with by the unanimous consent of the unit owners present at any meeting. There shall be no cumulative voting. Directors shall be elected for a term of three (3) years and shall continue to hold office until their successors have been elected and hold their first meeting.

Section 5: Vacancies.

Vacancies on the Board of Directors caused by any reason other than the removal of a Director by vote of the Council shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum. Each person so elected shall be a Director until a successor is elected by the Council at the next annual meeting to serve the unexpired portion of the term of the Director being replaced.

Section 6: Removal of Directors.

Any Director may be removed, with or without cause, at a regular or special meeting duly called by the affirmative vote of a majority of the entire Council, in person or by proxy, and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the Council shall be given at least ten (10) days written notice of the calling of the meeting, stating the purpose of the meeting, and providing an opportunity to be heard at the meeting. The term of any Director who is more than sixty (60) days delinquent in paying any amount owed to the Council, who has an unreleased Statement of Lien recorded against his or her unit, or who is not in attendance at three (3) meetings of the Board of Directors in any twelve month period, without prior consent of the Board of Directors, shall be deemed to have resigned from the Board of Directors and the remaining Directors shall appoint his or her successor.

Section 7: Compensation.

No compensation shall be paid to Directors for their services as Directors and no remuneration shall be paid to any Director for any other services performed for the Council unless a resolution authorizing such remuneration shall have been adopted by the Board of Directors before such services are undertaken. Directors may be reimbursed for their actual out-of pocket expenses necessarily incurred in carrying out their duties as Directors.

Section 8: Organizational Meeting.

The first meeting of a newly elected Board of Directors shall be held within ten (10) days of the election at a time and place determined by the Directors at the meeting at which the election took place, and no notice to the newly elected Directors shall be necessary in order legally to constitute such meeting, provided that a majority of the whole Board of Directors shall be present.

Section 9: Regular Meetings.

(a) 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 two (2) meetings shall be held during each fiscal year;

(b) The agenda of each regular meeting shall include a reasonable amount of time, as determined by the Board of Directors, during which any unit owner or resident may raise or comment upon any matter relating to the Condominium;

(c) Notice of regular meetings of the Board of Directors shall be given to each director, personally, by mail, or by electronic mail at least ten (10) days but no more than ninety (90) days prior to the day named for such meeting. Notice of such meeting shall be provided to all unit owners, unless duly called as a closed meeting in accordance with applicable provisions of the Act.

Section 10: Special Meetings.

(a) Special meetings of the Board of Directors may be called by the President on at least ten (10) days but no more than ninety (90) days notice given to each Director personally, by mail or by electronic transmission, which notice shall state the time, place, and purpose of the meeting;

(b) Special meetings of the Board of Directors may also be called by the President or Secretary, in like manner and on like notice, on the written request of at least one-third (1/3) of the Directors. Notice of such special meetings, unless duly called as a closed meeting under applicable provisions of the Act, shall be provided to all unit owners.

Section 11: Quorum.

At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of a majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If at any meeting of the Board of Directors there is less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any meeting following an adjourned meeting, any business that might have been transacted at the meeting originally called may be transacted without further notice.

Section 12: Closed Meetings.

The Board of Directors, by majority vote, may conduct a closed meeting or enter into closed session as part of a regular or special meeting to consider personnel, legal, and other matters specifically provided for in the Act. Following any closed meeting or session, the minutes of the next meeting will note the time, place, and purpose of any closed meeting, the reason(s) therefore, and the vote of each Board member on the question of conducting a closed meeting or session.

Section 13: Action without Meeting.

Any action by the Board of Directors that is required or permitted to be taken at any meeting may be taken without a meeting if all of the members of the Board of Directors shall individually or collectively consent in writing to such action. Any such consents shall be filed with the minutes of the proceedings of the Board of Directors.

Section 14: Fidelity Bonds.

The Council, through the Board of Directors, shall obtain and maintain fidelity bonds for officers, Directors, employees, agents, and others who handle, manage, or are otherwise responsible for the funds and other assets of the Council. Pursuant to provisions of the Act, the fidelity insurance required shall provide for the indemnification of the Council against loss resulting from acts or omissions arising from fraud, dishonesty, or criminal acts by: (a) any officer, director, or other agent or employee who controls or disburses Council funds; and (b) any employee of the management agent or who controls or disburses Council funds.

ARTICLE VII

Liability, Indemnification, and Conflicts of Interest

Section 1: Officers and Directors.

(a) The Council shall indemnify every officer and director of the Council against any and all expenses incident to the performance of their duties, including (i) legal fees reasonably incurred by or imposed upon any officer or director in connection with any action, suit, or other proceeding, and (ii) the settlement of any such suit or proceeding to which he or she may be made a party by reason of being or having been an officer or director of the Council, whether or not such person was an officer or director at the time such expenses were incurred.

(b) The officers and directors of the Council shall be liable to the Council for any willful misconduct or bad faith, but shall not be liable for mistakes of judgment or otherwise if made in good faith. The officers and directors of the Council shall not have any personal liability with respect to any contract or other commitment made by them in good faith on behalf of the Council, except to the extent that such officers or directors may also be unit owners, and the Council 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.

(c) Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer or director of the Council, or former officer or director of the Council, may be entitled. The Council shall obtain and maintain, at common expense, officers' and directors' liability insurance.

Section 2: Conflicts of Interest.

(a) The directors shall exercise their powers and duties in good faith and in the best interests of the Council.

(b) No contract or other transaction between the Council and one or more of its directors, or between the Council and any corporation, firm or association in which one or more of the Council directors are also directors or officers of, or are financially or otherwise interested in such firm or corporation, shall be void or voidable solely because any such director or directors are present at a meeting of the Board of Directors, or any committee thereof, that authorizes or approves a contract or other transaction, or because their votes are counted for such purpose, if the conditions specified in all of the following subparagraphs exist:

(1) The fact that the conflict of interest is disclosed or made known to the Board of Directors, or a majority thereof, or is noted in the minutes, and the Board of Directors authorizes, approves or ratifies such contract or other transaction in good faith by vote sufficient for the purpose; and,

(2) The fact of the conflict of interest is disclosed or made known to the unit owners, or a majority thereof, and they approve or ratify the contract or other transaction in good faith by a vote sufficient for the purpose; and

(3) The contract or other transaction is determined to be commercially reasonable to the Council at the time it is authorized, ratified, approved or executed.

(c) The votes of Directors having actual or potential conflicts of interest may be counted in determining the presence of a quorum at any meeting of the Board of Directors, or any committee thereof, that authorizes, approves, or ratifies any contract or other transaction, and any such director present may vote to authorize any contract or other transaction notwithstanding the actual or potential conflict.

ARTICLE VIII

Financial Management

Section 1: Assessments for Common Expenses.

Each unit owner is obligated to pay an annual assessment representing a proportionate share of the common expenses based on the percentage of ownership interest specified in the declaration. The Board of Directors shall determine the amount of the assessment at least annually. The annual assessment shall be payable monthly on a date specified by the Board of Directors. Common expenses include but are in no way limited to the following:

(a) The cost of all operating expenses and services furnished to the Condominium, including charges by the Council for facilities and services furnished by it;

(b) The cost of necessary management and administration, including legal and accounting fees, and fees paid to the management agent;

(c) The amount of all taxes and assessments levied against the Council or upon any property for which the Council is liable, if any;

(d) The cost of public liability, fire and extended coverage insurance on the Condominium that is maintained by the Council, and the cost of such other insurance as the Council or the Board of Directors may determine to be necessary;

(e) The cost, if any, of furnishing water, electricity, heat, gas, garbage and trash collection, and other utilities, to the extent furnished by the Council;

(f) The cost of funding all reserves established by the Council, including, when appropriate, a general operating reserve and/or reserve for replacements;

(g) The cost of maintenance, repairs, and replacements of the General Common Elements.

Section 2: Budget.

(a) The Board of Directors shall prepare and adopt a budget for each fiscal year that shall include, at a minimum, an income projection and expense estimates for administration, maintenance, utilities, reserves, capital improvements, and other accounts as may from time-to-time be established. The budget shall be prepared in a format that provides for analysis of results on a current basis and comparison to prior corresponding periods, in accordance with generally accepted accounting practices.

(b) The proposed budget shall be provided to unit owners at least thirty (30) days prior to any regular or special meeting of the Board of Directors at which consideration of the proposed budget is an agenda item. Adoption of the proposed budget must take place at an open meeting of the Board of Directors.

(c) Other than emergency expenditures, any amendment to the budget that would increase the annual assessment for Common Expenses by more than fifteen percent (15%) must take place at a special meeting of the Board of Directors called for that purpose, provided that at least ten (10) days notice of such special meeting is provided to each unit owner.

Section 3: Special Assessments.

In addition to the annual assessment authorized by this Article, the Board of Directors may levy a special assessment or assessments for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, or any unexpected repair or replacement of any part of the General Common Elements, including necessary fixtures and personal property related thereto, or for such other purpose as the Board of Directors may consider appropriate. A special assessment may not be levied without prior approval of a majority of unit owners, in person or by proxy, at the Annual Meeting or a special meeting called for that purpose. Any such meeting of the unit owners shall require written notice to all unit owners at least ten (10) days, but not more than ninety (90) days, in advance of such meeting.

Section 4: Reserve for Replacements.

The Council shall establish and maintain a reserve fund for replacements by the allocation and monthly payment to such fund of an amount determined by the Board of Directors. The reserve fund shall be conclusively deemed to be a common expense. Reserve funds shall be deposited in a special account with a financial institution insured by an agency of the United States of America or, at the discretion of the Board of Directors, be invested in the obligations of, or fully guaranteed as to principal by, the United States of America, or states, municipalities, or counties thereof. The reserve for replacements may be expended only for the purpose of effecting replacements of the General Common Elements or equipment of the Condominium, or for operating contingencies of a non-recurring nature. The proportionate interest of any unit owner in any reserve for replacements shall be considered an appurtenance of the owned unit and shall not be separately withdrawn, assigned, transferred or

otherwise separated from the unit to which it pertains, and shall be deemed to be transferred with such unit.

Section 5: Non-Payment of Assessments.

(a) Any assessment for common expenses levied pursuant to the declaration or these bylaws, and any installment thereof, that is not paid within fifteen (15) days of the date the assessment or installment was originally due will, upon written notice delivered to the unit owner, subject the unit owner to a late charge of one-tenth of the total amount of any delinquent assessment or installment.

(b) In addition to late charges for unpaid installments, and upon resolution of the Board of Directors and written notice to the unit owner, the total amount of delinquent installments shall bear interest at the highest rate of interest allowed by law.

(c) If the delinquent installment, or any part thereof, remains unpaid after a period of fifteen (15) days from the date the notice of delinquency was delivered, the Council of Unit Owners may bring such actions at law as may be available and appropriate against the unit owner, including the imposition of a lien on the unit, to recover the amount of the delinquent assessment(s), including interest, late charges, costs of collection, and reasonable attorney's fees.

(d) Upon the recordation of a lien under provisions of the Maryland Contract Lien Act, such lien shall bind the Condominium unit described in the Statement of Lien in the hands of the unit owner and all heirs, devisees, personal representatives, and assigns. The personal obligation of the unit owner to pay the assessment shall continue for the statutory period specified in law and a suit to recover a money judgment for non-payment of any assessment levied pursuant to the declaration or these bylaws, or any installment thereof, may be maintained without foreclosing or waiving the lien to secure payment of such assessment. Upon full payment of the amount for which the lien is claimed, the unit owner shall be entitled to a recorded satisfaction of the lien.

(e) In the event of any proceeding to foreclose a recorded lien for any delinquent assessment due, the Council of Unit Owners, upon resolution of the Board of Directors, may assess any unit owner who continues to occupy a foreclosed unit a reasonable rent for the continued use of the foreclosed unit and is entitled to appoint a receiver to collect the same.

Section 6: Assessment Certificates.

The Council shall, upon demand, furnish to a unit owner liable for any assessment, fine, or other charge levied pursuant to these Bylaws or any duly enacted rule or regulation, or to any other party legitimately interested in the same, a certificate in writing signed by an officer of the Council or its agent, documenting the status of the assessment to include dates and amounts of payments received, current balance, if any, and the amounts of any delinquent payments, to include original dates and amounts due. Such certificate shall be conclusive evidence of the payment in full or other current status of any charge or assessment levied. A charge not to exceed twenty-five dollars (\$25.00) or the actual cost of

preparing such certificate, whichever is higher, may be levied in advance by the Council for each certificate so delivered.

Section 7: Acceleration of Installments.

Upon default in the payment of one or more monthly installments of any assessment, fine, or other charge levied pursuant to these Bylaws, the entire balance of said assessment and/or fine may be accelerated at the option of the Board of Directors, and be declared immediately due and payable in full.

Section 8: Enforcement.

The lien for unpaid assessments, fines, or other charges may be established, enforced, and foreclosed by the Council or any other person specified herein, or by the Board of Directors, in the same manner and subject to the same requirements as the foreclosure of mortgages or deeds of trusts on real property in the State of Maryland, and as otherwise required by law. Suit for any deficiency following foreclosure may be maintained in the same proceeding and suit to recover a money judgment for unpaid assessments may be maintained without waiving the lien.

Section 9: Subordination and Mortgagee Protection.

(a) Notwithstanding any other provisions hereof to the contrary, the lien of any assessment levied pursuant to these Bylaws upon any unit in the Condominium shall be subordinate to and shall in no way affect the rights of the holder of, or any indebtedness secured by, any recorded first mortgage. Such subordination shall apply only to assessments that have become due and payable prior to a sale or transfer of a unit pursuant to a decree of foreclosure, or any other proceeding in lieu of foreclosure. However, with respect to any mortgage or trust made after October 1, 2011, a portion of the lien of any assessment levied pursuant to these Bylaws on any unit, to the extent provided by the Act, shall have priority over the rights of the holder of such Mortgage. Such sale or transfer shall not relieve the purchaser from liability for any assessment thereafter becoming due, nor from the lien of any subsequent assessment, which lien, if claimed, shall have the same effect, and be established and enforced in the same manner as provided herein.

(b) No amendment to these Bylaws shall affect the rights of the holder under any mortgage recorded prior to recordation of such amendment, or the indebtedness secured thereby, unless the holder thereof, or of the indebtedness secured thereby, shall join in the execution of such amendment.

(c) The Board of Directors may, in its sole and absolute discretion, extend the provisions of this Section to the holders of a mortgage, or the indebtedness secured thereby, not otherwise entitled thereto.

(d) As used herein the term “mortgage” shall include a deed of trust and the term “holder” or “mortgagee” shall include the party secured by any deed of trust, any beneficiary thereof, and the trustees named therein, their successors, and assigns.

ARTICLE IX
Financial Records

Section 1: Fiscal Year.

The fiscal year of the Council shall begin on the first day of January every year and end on the 31st day of December. The commencement date of the fiscal year herein established shall be subject to change by the Board of Directors in its discretion.

Section 2: Books and Accounts.

Books and accounts of the Council shall be kept under the direction of the Treasurer in accordance with generally accepted accounting practices. The same shall include books with detailed accounts, in chronological order, of the receipts and expenditures affecting the Condominium and its administration, and shall specify the maintenance and repair expenses for the General Common Elements including services and any other expenses incurred. The amount of any assessment required for payment on any capital expenditure of the Council shall be credited upon the books of the Council to the “paid-in surplus” account as a capital contribution by the unit owners.

Section 3: Auditing.

At the close of each fiscal year, the books and records of the Condominium shall be audited by an independent Certified Public Accountant. The audit report shall be prepared and may be certified in accordance with generally accepted auditing standards. Based upon such audit or report, the Board of Directors shall furnish the unit owners with an annual financial statement, reflecting the income and disbursements of the Council.

Section 4: Inspection of Records.

The books and accounts of the Council, and vouchers accrediting the entries made thereupon, shall be available for examination by the unit owners and, upon request and during normal business hours, by the duly authorized agents, and attorneys for purposes reasonably related to their interests as unit owners.

ARTICLE X
Property Management

Section 1: Management Agent.

The Board of Directors shall retain a professional management agent for the Condominium at a rate of compensation established by the Board of Directors to perform duties and services described in these

Bylaws and as the Board of Directors may otherwise determine to be necessary, prudent, and appropriate. Any professional management agent so employed must have and maintain fidelity bond and other insurance coverage in types and amounts satisfactory to the Board of Directors.

Section 2: Common Expenses.

The Board of Directors shall manage, operate and maintain the Condominium in the common interest and expend Condominium funds for this purpose, including but not limited to:

(a) The cost, if any, of providing water, sewer, garbage and trash collection, electrical service (including street lighting), gas, common television antenna service, and other necessary utility services for the General Common Elements to the extent that they are not separately metered or billed to each unit.

(b) The cost of public liability, fire, and extended coverage insurance on the units and General Common Elements, and the cost of such other insurance as is required by law, the Declaration or these Bylaws, or as the Board of Directors may deem necessary or appropriate.

(c) The cost of the services of a professional management agent to manage the Condominium together with the services of such other employees, agents, or contractors as the Board of Directors shall consider necessary for the operation of the Condominium.

(d) The cost of providing such legal and accounting services as may be considered necessary to the operation of the Condominium.

(e) The cost of painting, maintaining, replacing, repairing and landscaping the General Common Elements, including such furnishings and equipment for the General Common Elements as the Board of Directors shall determine are necessary or proper, and the Board of Directors shall have the exclusive right and duty to acquire or provide for the same.

(f) The cost of any and all other materials, supplies, labor, services, maintenance, repairs, taxes, assessments or the like which the Council is required to secure or to pay for by law or otherwise, or that, in the discretion of the Board of Directors, shall be necessary or proper for the operation of the Condominium. However, any costs incurred and paid for the exclusive benefit of a particular unit or units, other than as required by law or the Declaration, shall be assessed to the unit owner(s) thereof, provided that the Board of Directors gives advance notice to the affected unit owner(s) and promptly renders to those owners a statement for the amount(s) due.

(g) The cost of maintenance or repair of any unit that the Board of Directors determines is reasonably necessary to (i) protect the structural integrity of any part of the General Common Elements, (ii) preserve the appearance or value of the Condominium, or (iii) that is otherwise considered to be in the best interests or to promote the general welfare of all unit owners, as determined by the Board of Directors. No such maintenance or repair shall be undertaken without a prior resolution by the Board of Directors and reasonable written notice to the owner(s) of the affected unit(s). The costs of such repairs shall be assessed against the unit(s) on which maintenance or repairs were performed and a statement

for the amount thereof shall be rendered promptly to the affected owner(s), at which time the assessment shall become due and payable. Any such assessment that is not paid within 60 days shall constitute a continuing lien against and obligation of the affected unit owner(s) in all respects, as provided elsewhere in these Bylaws.

(h) Any amount necessary to discharge any lien or encumbrance levied against the Condominium or any portion thereof, which may, in the opinion of the Board of Directors, constitute a lien against any of the Common Elements rather than the interest of the owner of any individual unit.

Section 3 : Duty to Maintain.

(a) Except for maintenance requirements herein imposed upon the Council of Unit Owners, the owner of any Condominium shall, at his own expense, maintain the interior of his Condominium unit and any and all equipment, appliances or fixtures therein situate, and its other appurtenances (including, without limitation, any balcony, terrace, patio and the like appurtenant to such Condominium unit and designated herein or in the Declaration or Condominium Plat as a Limited Common Element reserved for exclusive use by the owner of the particular Condominium unit, and including all mechanical equipment and appurtenances located outside such unit, which are designed, designated or installed to serve only that unit), in good order, condition and repair, free and clear of ice and snow, and in a clean and sanitary condition, and shall do all redecorating, painting and the like which may at any time become necessary to maintain the good appearance of his Condominium unit.

(b) In addition to the foregoing, the owner of any Condominium unit shall, at his own expense, maintain, repair, or replace all plumbing and electrical fixtures, water heaters, fireplaces, plenums, heating and air conditioning equipment, lighting fixtures, refrigerators, freezers, trash compactors, dishwashers, clothes washers, clothes dryers, disposals, ranges, range hoods, and/or other equipment that may be in or declared to be appurtenant to such Condominium unit. The owner of any Condominium unit shall also, at his own expense, keep other Limited Common Elements which may be appurtenant to his Condominium unit and reserved for his exclusive use in a clean, orderly and sanitary condition.

Section 4: Windows and Doors.

Each unit owner shall, at personal expense, clean and maintain both the interior and exterior surfaces of all windows and the interior surfaces of all entry doors within the Condominium unit. Owners of any door leading to any balcony, terrace, patio, or the like and designated in the declaration as a Limited Common Element are responsible for maintaining both the interior and exterior surfaces thereof. Notwithstanding the provisions of this section, the Board of Directors may resolve to clean the exterior surfaces of all windows in the Condominium at common expense in accordance with a schedule to be determined by the Board of Directors.

Section 5: Right of Entry.

Each unit owner shall and does hereby grant a right of entry to any and all owned units to any person authorized by the Board of Directors incident to any emergency originating in or threatening an owned unit or the General Common Elements, whether or not the owner is present at the time, and to any person authorized by the Board of Directors to perform maintenance, repairs, or other lawful functions, subject to applicable provisions of the Act, the declaration, or these bylaws.

Section 6: Additions, Alterations, or Improvements by Board of Directors.

Except in the case of bona fide emergencies involving manifest danger to life, safety of property, or the interruption of essential services to the Condominium, whenever in the judgment of the Board of Directors the common elements of the Condominium shall require additions, alterations, or improvements requiring expenditure of funds of the Council of Unit Owners in excess of twenty-five thousand and * * * No/100 dollars, (\$25,000.00), additions, alterations or improvements shall not be made until same shall have been approved by (a) unit owners representing a majority of the votes of the Council of Unit Owners at a meeting of unit owners duly called for that purpose; and (b) the institutional holder of any mortgages or other obligations secured by the Condominium unit or units in the aggregate principal sum of more than \$350,000, which approval shall be in writing.

Section 7: Limitation of Liability.

(a) The Council of Unit Owners shall not be liable for any failure of water supply or other services to be obtained by the Council of Unit Owners and paid for out of the common expense funds, or for injury or damage to person or property caused by the elements or resulting from electricity, water, snow or ice which may leak or flow from any portion of the common elements or from any wire, pipe, drain, conduit, appliance or equipment.

(b) The Council of Unit Owners shall not be liable to the owner of any Condominium unit for loss or damage, by theft or otherwise, of articles which may be stored upon any of the common elements. No diminution or abatement of common expense assessments, as herinelsewhere provided, shall be claimed or allowed for inconvenience or discomfort arising from making repairs or improvements to the common elements, or to any Condominium unit, or from any action taken by the Council of Unit Owners to comply with the order or directive or any municipal of other governmental authority.

ARTICLE XI

Use Restrictions

Section 1: Residential Use.

(a) Subject to the exemptions set forth herein, all Condominium units shall be used for private residential use exclusively. The establishment and operation of day care centers and other-than-passive

home-based business activities within Condominium units is expressly prohibited. This does not preclude a home-based business from being conducted within a unit provided the business activity is subordinate to and consistent with use of the unit for residential purposes, and does not involve the use of equipment or processes that create or emit noise, vibration, glare, fumes, odors, or electrical or electronic interference or that, by its nature, uses any part of the General Common Elements, necessitates the use of water or other common resources, or that otherwise requires the expenditure of Condominium funds.

(b) The provisions of subsection (a) may be suspended or rescinded, and the operation of day care centers and other non-passive home-based businesses may be approved upon the affirmative vote of a majority of the members of the Council, in person or by proxy, at a special meeting of the Council called for that purpose.

(c) Nothing in this section shall prevent the Board of Directors from designating parts of the General Common Elements for temporary or permanent use as on-site management office space, maintenance facilities, or other activities consistent with and in furtherance of the management, upkeep, and administration of the community.

Section 2: Leasing.

(a) No portion of any Condominium unit (other than the entire unit) shall be leased for any period. Any owner of any Condominium unit who shall lease such unit shall, promptly following the execution of any such lease, forward a conformed copy thereof to the Board of Directors. All leases shall be in writing. Any such lease shall contain a provision to the effect that the rights of the tenant to use and occupy the Condominium unit shall be subject and subordinate in all respects to the provisions of the Declaration and these By-laws and to such other reasonable rules and regulations relating to the use of the common elements, or other “house rules”, as the Board of Directors may from time-to-time promulgate and shall provide, further, that any failure of the tenant to comply with the provisions of such documents shall be a default under the lease.

(b) The provisions of this subsection shall not apply to any institutional first mortgagee of any Condominium unit who comes into possession of the unit by reason of any remedies provided by law or in such mortgage or as a result of a foreclosure sale or other judicial sale or as a result of any proceeding, arrangement, assignment or deed in lieu of foreclosure.

(c) No Condominium unit within the Condominium shall be rented for transient or hotel purposes.

Section 3: Prohibited Uses and Nuisances.

Except as permitted by express written approval of the Board of Directors:

(a) Nothing shall be done or maintained in any Condominium unit or upon any part of the General Common Elements that would constitute unlawful use or otherwise be in violation of any Federal, state, or county law or regulation, or any zoning code.

(b) There shall be no violation of any of the Condominium rules and regulations that may, from time to time, be adopted by the Board of Directors and published in writing, and the Board of Directors is hereby and elsewhere in these bylaws authorized to adopt and publish such rules that it considers necessary, prudent, or appropriate to the management, administration, and good order of the Condominium.

(c) No activity or practice shall be permitted within any unit or on any part of the General Common Elements that, by its nature, is or becomes a nuisance to the neighborhood or a source of annoyance that interferes with the peaceful use and possession of Condominium units by unit owners or their tenants. In order to reduce the transmission of sound between units, each unit owner or tenant shall ensure that at least seventy percent (70%) of all floor surfaces within any unit that is located directly above any part of any other unit, excluding kitchens, closets, and bathrooms, are covered with padded carpeting.

(d) Nothing shall be stored upon any stairwell, landing, or hallway, or any other part of the General Common Elements or upon any patio or balcony, except those areas designated for storage of residents' personal property by the Board of Directors.

(e) Nothing shall be done or maintained in any Condominium unit or upon any part of the General Common Elements that could reasonably be expected to increase the rate of insurance on any Condominium unit or the General Common Elements, or result in the cancellation thereof, without the prior written approval of the Board of Directors.

(f) No trash or other waste shall be deposited in or on any of the General Common Elements, except for receptacles provided for that purpose or as permitted by the Condominium rules and regulations.

(g) Except for signs permitted by law or posted by the Council of unit owners for identification, safety, traffic control, or the like, no signs of any character shall be erected, posted or displayed anywhere on the general or Limited Common Elements without the prior consent of the Board of Directors, except that signs identifying "open houses" at units for sale may be posted during the time such "open house" is being conducted. The provisions of this subsection shall not be applicable to the institutional holder of any first mortgage that comes into possession of any Condominium unit by reason of any remedies provided by law or in such mortgage, or as a result of a foreclosure sale or other judicial sale, or other proceeding, arrangement, assignment, or deed in lieu of foreclosure.

(h) Except as otherwise provided, no junk vehicle or other vehicle on which current registration plates are not displayed, or any truck, trailer, camper, camp truck, house trailer, boat, or the like shall be kept upon any of the General Common Elements, nor shall the repair or extraordinary maintenance of automobiles or other vehicles be carried out on any of the General Common Elements or within or any Condominium unit.

(i) There shall be no cooking or preparation of food upon any balcony or patio, or upon any portion of the General Common Elements, except those outdoor cooking facilities expressly built for that purpose, without prior consent of the Board of Directors.

(j) No structure of a temporary character, including but not limited to any trailer, shed, tent, shack, barn, storage pod, or outbuilding, nor any outdoor clothes dryer or clothesline, shall be maintained upon any part of the General Common Elements at any time.

(k) Except for common-use television and satellite receiving antennas authorized by the Board of Directors and installed on designated parts of the General Common Elements, no outside radio, television, or satellite transmitting or receiving antenna shall be attached to or erected on any part of the general or Limited Common Elements, including but not limited to the exterior walls of the Condominium buildings, without the prior written consent of the Board of Directors.

(l) No unit owner or tenant shall engage or direct any employee of the Council or management agent on any private business during the hours each such employee is employed by the Council of Unit Owners or management agent, nor shall any resident attempt to direct, supervise, or otherwise assert control over any such employee.

Section 4: Exterior Appearance.

In order to enhance the exterior appearance of the community, the exterior-facing portions of all shades, blinds, curtains, drapery liners, shutters, and other window coverings be white, off-white, or natural wood in color. Drapery liners installed within any Condominium unit shall be maintained and periodically replaced at the expense of the unit owner or tenant, and not at common expense.

Section 5: Parking.

(a) All parking areas within the Condominium shall be considered part of the General Common Elements. Parking may be regulated by the Board of Directors and parking spaces may be initially assigned by the Board of Directors.

(b) No unit owner shall make use of any parking space other than the space or spaces appurtenant or assigned to his unit by the Board of Directors, if any, without the express written consent of both the unit owner to whom such space has been assigned by the Board of Directors, nor shall any unit owner invite, encourage or permit the use by his guests of parking spaces appurtenant or assigned to Condominium units other than his own.

(c) No vehicle belonging to any unit owner, or to any guest or employee of any unit owner, shall be parked in a manner which unreasonably interferes with or impedes ready vehicular access to any parking space assigned to any other unit owner.

(d) Nothing shall be stored upon any parking space nor shall the same be permitted to accumulate trash or debris.

(e) Each unit owner shall comply in all respects with such supplementary rules and regulations which are not inconsistent with the provisions of these By-laws, which the Board of Directors may from time to time adopt and promulgate with respect to parking and traffic control within the Condominium and the Board of Directors is hereby, and elsewhere in these Bylaws authorized to adopt such rules and regulations.

(f) In the event the Board of Directors elects to assign parking spaces within the Condominium, the Board of Directors may make reasonable efforts to assign parking spaces in a manner calculated to make reasonable adjustments to accommodate the elderly and handicapped.

Section 6: Pets.

(1) The maintenance, keeping, breeding, boarding, and/or raising of animals, livestock, or poultry of any kind, regardless of number, shall be and is hereby prohibited within any Condominium unit or upon any part of the common elements, except that this shall not prohibit the keeping of a dog, cat, or caged birds as domestic pets provided that they are not kept or maintained for commercial purposes or for breeding.

(2) Pets shall not be permitted upon the General Common Elements of the Condominium unless accompanied by a responsible person and unless they are carried or leashed.

(3) Any unit owner who keeps or maintains any pet upon any portion of the Condominium shall be deemed to have indemnified and agreed to hold the Council of Unit Owners, each of unit owner, and the Declarant and Management Agent free and harmless from any loss, claim or liability of any kind or character whatever arising by reason of keeping or maintaining such pet within the Condominium.

(4) All pets shall be registered with the Board of Directors and shall otherwise be registered and inoculated as required by law.

(5) The Board of Directors shall have the right to order any owner whose pet is a nuisance to remove such pet from the premises and the Board of Directors, after affording the right to a hearing to the unit owner affected, shall have exclusive authority to declare any pet a nuisance.

ARTICLE XII

Architectural Standards

Section 1: Architectural Standards.

(a) Except for original construction and any prior improvements made to any unit or to the General Common Elements, and except for purposes of proper maintenance and repair, or as otherwise provided for in these bylaws, no unit owner or tenant, including any agent or contractor thereof, shall be permitted to install, erect, attach, apply, paste, hinge, screw, nail, build, alter, remove or construct

any addition, alteration, or improvement, including any alteration in color, in any manner whatsoever, to the exterior of any unit or upon any part of the General Common Elements, until complete plans and specifications showing the location, nature, shape, height, material, color, type of construction, and/or other proposed form of change, including, without limitation, any other information specified by the Board of Directors, shall have been submitted to, and approved in writing by the Board of Directors.

(b) In addition, the Board of Directors may establish and promulgate such rules and regulations regarding interior architectural changes, to include remodeling of or renovations to individual units or Limited Common Elements, as it may consider necessary or appropriate to ensure the continued structural integrity or any unit and continued proper functioning of any and all affected electrical, plumbing, drainage, and other common utilities. Notwithstanding the foregoing, painting, wallpapering or other similar decorating of the interior walls of a unit, or the routine replacement of appliances, flooring, and cabinetry, shall not require prior approval.

(c) No Condominium unit shall be subdivided or partitioned.

(d) Any and all alterations and/or changes made without necessary prior approval, as defined in this Article, shall be deemed violations of this Article.

Section 2: Architectural Standards Committee.

The Board of Directors, at its discretion, may establish an Architectural Standards Committee to develop architectural standards, review applications for architectural change, and provide appropriate advice, assistance, and recommendations to both applicants and the Board of Directors

Section 3: Approvals and Limitations.

(a) Construction or alterations incident to any architectural change application approved by the Board of Directors must be commenced within six (6) months following the date on which the application was approved and shall be substantially completed within twelve (12) months following the date of commencement, unless a longer period has been approved by the Board of Directors.

(b) In the event construction or alterations incident to an application for architectural change are not commenced within twelve (12) months of approval, the action of the Board of Directors in approving each such application shall be conclusively deemed to have lapsed and the provisions of Section 1 of this Article shall again apply.

(c) In the event the Board of Directors or any designated committee fails to approve, approve with modifications, or disapprove any architectural change application within sixty (60) days after plans and specifications have been submitted, approval will not be required and this Article will be deemed to have been fully complied with.

ARTICLE XIII

Insurance

Section 1: Condominium Master Insurance.

(a) The Board of Directors, acting on behalf of the Council, shall obtain and maintain, to the extent reasonably available, a Condominium Master Insurance Policy at common expense that includes the following provisions:

(1) Property insurance on the General Common Elements and units, exclusive of improvements and betterments installed within units by unit owners, insuring against all risks of direct physical loss commonly insured against, including fire and extended coverage perils. The total amount of insurance, after application of any deductibles, may not be less than an amount determined by the Board of Directors or required by law; and

(2) Comprehensive general liability insurance, including medical payments insurance, in an amount determined by the Board of Directors but not less than Two Million Dollars (\$2,000,000.00), covering all occurrences commonly insured against for death, bodily injury, and property damage arising out of or in connection with the use, ownership, or maintenance of the General Common Elements.

(3) Any other form of insurance in such amounts as may be deemed necessary by the Board of Directors to otherwise protect the Council and unit owners.

(b) The Board of Directors shall give notice to all unit owners in the event of the termination of any insurance policy within ten (10) days of termination.

(c) Policies carried pursuant to subsection (a) shall provide that:

(1) For property and casualty losses to the General Common Elements and units, exclusive of improvement and betterments installed in the units by unit owners other than the original developer, each unit owner is an insured person under the policy with respect to liability arising out of personal ownership of an undivided interest in the General Common Elements or membership on the Council;

(2) The insurer waives its right to subrogation under the policy against any unit owner or members of any unit owner's household;

(3) An act of omission by any unit owner, unless acting within the scope of any authority granted by or otherwise on behalf of the Council of Unit Owners, does not void the policy and is not a condition of recovery under the policy; and

(4) If, at the time a loss under the policy is incurred, there is other insurance in the name of a unit owner covering the same property covered by the master policy, the master policy is the primary insurance not contributing with the other insurance.

(d) Any loss covered by the property policy under sub-section (a)(1) shall be adjusted with the Board of Directors but any proceeds for that loss shall be payable to an Insurance Trustee designated for that purpose, or otherwise to the Council, and not to any Mortgagee. The Insurance Trustee or Board of Directors shall hold any insurance proceeds in trust for unit owners and lien holders as their interests may appear. Subject to the provisions of this section, any such proceeds shall be disbursed first for the repair or restoration of the damaged general and Limited Common Elements and units. Unit owners and lien holders are not entitled to receive payment of any portion of any proceeds unless there is a surplus of proceeds after the general and Limited Common Elements and units have been completely repaired or restored, or the Condominium is terminated.

(e) Any insurer that has issued any insurance policy under this section shall issue certificates or memoranda of insurance to the Board of Directors and, upon request, to any unit owner, mortgagee, or trustee or beneficiary under a deed of trust. The insurance may not be cancelled until thirty (30) days after a notice of the proposed cancellation has been mailed to the Council of Unit Owners, each unit owner, and each Mortgagee, Trustee or beneficiary to whom certificates of insurance have been issued.

Section 2: Unit Owner Insurance.

(a) Each unit owner shall obtain insurance at personal expense, commonly referred to as Form HO-6, which affords coverage against:

- (1) Damage to betterments and improvements within each owned unit, and other perils not covered by the Condominium master policy, in at least the minimum amount required by law and
- (2) Personal liability incurred arising out of the use of an owned unit by any person.

(b) Each policy that affords such coverage shall contain the same waiver of subrogation by the insurer as that referred to in the provisions of Section 1 of this Article. Evidence of a current Condominium Unit Owner insurance policy shall be presented each year within fifteen (15) days of the issue or renewal date of the policy.

ARTICLE XIV
Casualty Losses

Section 1: General.

(a) Any portion of the Condominium that becomes damaged or destroyed shall be repaired, replaced, or rebuilt promptly by the Council unless:

- (1) The Condominium is terminated;
- (2) Repair or replacement is illegal under any Federal, state, or local statute or ordinance; or
- (3) Eighty percent (80%) of the unit owners, including each owner of a unit or assigned Limited Common Element that will not be rebuilt, vote not to rebuild.

Section 2: Allocation of Expenses.

(a) The costs of repairs, replacements, alterations, or construction incident to a casualty loss shall be paid from

- (1) Insurance proceeds and
- (2) To the extent necessary, from reserves.

(b) Costs in excess of insurance proceeds and reserves are a common expense.

Section 3: Disposition of Insurance Proceeds.

(a) Insurance proceeds attributable to or deriving from damaged General Common Elements shall be used to restore the damaged area(s) to a condition compatible with the remainder of the Condominium;

(b) Insurance proceeds attributable to or derived from units and Limited Common Elements that are not rebuilt shall be distributed to the owners of those units and the owners of the units to which those Limited Common Elements were assigned; and

(c) The remainder of the proceeds, if any, shall be distributed to all the unit owners in proportion to their percentage interests in the General Common Elements.

Section 4: Reallocation of Interest.

(a) Should unit owners vote not to rebuild any unit, that unit's percentage interest in the General Common Elements, votes in the Council of Unit Owners, and common expense liability are automatically reallocated as if the unit has been condemned, in accordance with the provisions of the Declaration, and the Council shall promptly prepare, execute, and record an amendment to the Declaration reflecting the reallocations.

(b) Notwithstanding the provisions of this section, provisions the Act shall govern the distribution of insurance proceeds if the Condominium is terminated.

Section 5: Condemnation or Eminent Domain.

In the event any Condominium unit or any part of the General Common Elements is made the subject of any condemnation or eminent domain proceeding, or is otherwise sought to be acquired by any

condemning authority, the Board of Directors shall give prompt written notice of any such proceeding or proposed acquisition to the holders of all first mortgages of record on the Condominium units. No provision of the Declaration or these Bylaws shall entitle any unit owner to any priority over the holder of any first mortgage of record on an owned Condominium unit with respect to the distribution to such unit owner of the proceeds of any award or settlement.

ARTICLE XV

Mortgagees

Section 1: Changes Requiring Mortgage Consent.

The consent of all mortgagees, obtained in advance in writing, is mandatory if the Council should adopt any change for which such consent is required by law or the Declaration.

Section 2: Right to Inspect Financial Records.

All mortgagees shall have the right to inspect the books of the Condominium, obtain financial statements, and review budgets of the Condominium.

Section 3: Other Rights of Mortgagees.

Any mortgagee of any unit who desires notice of the annual and special meetings of the Council and the Board of Directors shall notify the Secretary to that effect by certified mail, return receipt requested. Any such notice shall contain the name and address of such mortgagee and the name and address of the person to whom notice of a meeting should be sent. Any such mortgagee shall be entitled to designate a representative to attend any annual or special meeting and such representative may participate in the discussion at any meeting and may, upon request made to the Board President in advance of the meeting, address the unit owners or the Board of Directors. Such representative shall have no voting rights at any such meeting. Upon written request to the Secretary of the Council, such representatives shall be entitled to a copy of the minutes of all meetings of the Council and the Board of Directors, unless protected by law.

ARTICLE XVI

Amendments

Section 1: Amendments.

These Bylaws may be amended by the affirmative vote of unit owners representing 66 2/3% of the total votes of the Condominium at any meeting of the Council duly called for such purpose in accordance with the provisions of the Act.

Section 2: Proposal of Amendments.

Amendments may be proposed by the Board of Directors or by a petition signed by unit owners representing at least twenty percent (20%) of the total votes of the Condominium. A copy of the proposed amendment shall accompany the notice of the regular or special meeting at which a proposed amendment is to be voted upon, and a copy and notice shall also be given to the holders of all first mortgages in the Condominium whose name and addresses are furnished to the Council pursuant to Article XVII, Section 2 of these Bylaws.

Section 3: Effective Date.

Any amendment enacted by the Council shall be effective only upon recordation among the Land Records of Montgomery County, Maryland. The recorded amendment shall specify the Sections of these Bylaws being amended and applicable provisions of the Act.

ARTICLE XVII

Miscellaneous

Section 1: Compliance.

These Bylaws comply with the requirements of the Act and all applicable State and local laws and ordinances, notwithstanding anything in these Bylaws to the contrary, whether expressed or implied.

Section 2: Conflicts.

These Bylaws are subordinate and subject to all provisions of the Declaration and the provisions of the Act. All of the terms hereof, except where clearly repugnant to the context, shall have the same meaning as in the Declaration or the Act. In the event of any conflict between these Bylaws and the Declaration, the provisions of the Declaration shall control; in the event of any conflict between the Bylaws and the applicable sections of Act, the provisions of the Act shall control.

Section 3: Resident Agent.

The resident agent of the Council shall be the person designated by the Board of Directors whose name will be registered with the Maryland Department of Assessments and Taxation. The resident agent shall be designated as the person authorized to accept service of process in any action relating to the Condominium or the General Common Elements, as authorized under the Act. The Board of Directors may, in its discretion, substitute another resident agent for the purpose of accepting such service of process as set forth above, provided that proper notification of such change is promptly filed with the Maryland Department of Assessments and Taxation. The Council of Unit Owners, resident agent, and management agent, if any, shall register with the Department of Assessments and Taxation as required by the Act or otherwise required by law.

Section 4: Attorney-in-Fact.

The Council of Unit Owners is hereby irrevocably appointed as attorney-in-fact for the owners of all of the units in the Condominium, and for each of them, to manage, control and deal with the interests of the unit owners in the General Common Elements of the Condominium so as to permit the Council to fulfill all of its powers, functions, and duties under the provisions of the Act, the Declaration and the Bylaws, and to exercise all of its rights thereunder, and to deal with the Condominium upon its destruction and the proceeds of any insurance indemnity, as herein and elsewhere provided. The foregoing shall be deemed to be a power of attorney coupled with an interest and the acceptance by any person or entity of any interest in any Condominium unit shall constitute an irrevocable appointment of the Council of Unit Owners as Attorney-in-Fact as aforesaid.

Section 5: Severability.

In the event any provision or provisions of these Bylaws 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 6: Waivers.

No restriction, condition, obligation or provision of these Bylaws shall be deemed to have been abrogated or waived by reason of any failure or failures to enforce the same.

Section 7: Captions and Table of Contents.

The captions and Table of Contents provided in these Bylaws are for convenience and ease of use only, are not part of these Bylaws, and are not intended in any way to limit or enlarge the terms and provisions of these Bylaws.

Section 8: Gender.

Whenever in these Bylaws 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.