

AMENDED AND RESTATED BYLAWS
OF
CHESTNUT HILL CONDOMINIUM
(BALTIMORE COUNTY, MARYLAND)

AMENDED AND RESTATED BYLAWS

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AMENDED AND RESTATED BYLAWS
OF
CHESTNUT HILL CONDOMINIUM

ARTICLE 1. PLAN OF CONDOMINIUM OWNERSHIP.

Section 1.1 The Condominium.

The Property described on Exhibit "1A" to the Declaration and as Exhibits to all Supplements to the Declaration has been established as a Condominium pursuant to the Act. The original Bylaws for Chestnut Hill Condominium as recorded among the Land Records of Baltimore County in Book 6368, pages 233 *et seq.* and any amendments thereto are replaced in entirety by these Amended and Restated Bylaws, and are intended to set forth, *inter alia*, a plan by which the affairs of the Condominium shall be administered and governed pursuant to the Act.

Section 1.2 Definitions.

- a. All words in these Bylaws shall have the same meanings as designated in the Act, and/or the Declaration, unless otherwise apparent from the context, provided that the Council of Unit Owners shall sometimes be designated in these Bylaws as the "Condominium".
- b. "Act" means the Maryland Condominium Act [Title 11, Md. Real Property Article] as amended from time to time.
- c. "Eligible Mortgage Holder" means a holder, insurer, or guarantor of a mortgage or deed of trust of record on a Unit who has submitted a written request to the Board of Directors for notice of amendments to Condominium documents, or other significant matters which would affect the interests of the mortgagee.
- d. "Managing Agent" means a professional management company that is licensed under Maryland law, if such license is required, and for which the Board of Directors has contracted to manage the Condominium's affairs.

Section 1.3 Applicability of Bylaws.

The provisions of these Bylaws are applicable to the Condominium, and to all present and future Unit owners, lessees and occupants of Units, and any other persons who may use the Property or the facilities of the Condominium in any manner. All are subject to these Bylaws, the Declaration and rules and regulations (hereinafter called the "Rules and Regulations") from time to time promulgated by the board of directors of the Condominium (hereinafter called the "Board of Directors" and each member thereof a "member" or a "Director"). The acceptance of a deed of conveyance to a Unit shall constitute an agreement that these Bylaws, the Rules and Regulations

and the provisions of the Declaration, as they may be amended from time to time, are accepted, ratified and will be complied with.

ARTICLE 2. COUNCIL OF UNIT OWNERS.

Section 2.1 Purpose and Status of Condominium.

The purpose of the Condominium shall be to operate and maintain the Property for the benefit of the Unit owners and to exercise the powers conferred upon it by the Act, the Declaration and these Bylaws. The Condominium shall be an unincorporated entity.

Section 2.2 Name.

The Condominium hereby organized and formed for the purposes set forth above shall be known as "Council of Unit Owners of Chestnut Hill Condominium".

Section 2.3 Powers of the Condominium.

The Condominium shall have all of those powers enumerated in Section 11-109(d) of the Act, as the same may be amended from time to time. All powers residing in the Condominium, except for such as in the Act are expressly reserved to the Condominium, shall be delegated to and exercised by the Board of Directors of the Condominium and/or if so determined by the Board of Directors, the Managing Agent employed by the Board of Directors on behalf of the Condominium.

Section 2.4 Members.

The Condominium shall have as its members every person, group of persons, corporation, trust or other legal entity, or any combination thereof, who or which owns a Unit (herein called "Unit owner"); provided, however, that any person, group of persons, corporation, trust or other legal entity, or any combination thereof, who or which holds such interest solely as security for the performance of an obligation shall not be a member solely on account of such interest.

Section 2.5 Annual Meetings.

Annual meetings of the Unit owners shall be held not less than once per calendar year in the month of November as determined by the Board of Directors. At such meeting there shall be elected by written ballot such number of directors as are necessary. The Council of Unit Owners may also transact such other business of the Condominium as may properly come before it. Notice of the annual meeting shall be given in accordance with the provisions of Section 2.8. of this Article 2.

Section 2.6 Special Meetings.

It shall be the duty of the President of the Condominium to call a special meeting (a) if so directed by resolution of a majority of the directors on the Board of Directors, or (b) upon a

petition signed and presented to the Secretary, or President of the Condominium by not less than twenty-five percent (25%) of the total votes in the Condominium. No business shall be transacted at a special meeting except such as shall have been stated in the notice thereof.

Section 2.7 Place of Meetings.

Meetings of the Condominium shall be held at the clubhouse located within the Condominium or at such other suitable place convenient to the Unit owners as may be designated in the notice of meeting by the Board of Directors.

Section 2.8 Notice of Meetings.

It shall be the duty of the Secretary to cause the Managing Agent to send a notice of each annual or special meeting of the Council of Unit Owners at least ten (10) but not more than ninety (90) days prior to such meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Unit owner of record, at his address shown on the roster (hereinafter called the "Roster") required to be kept pursuant to Section 11-109 (c) of the Act, or to his designated E-mail address. If the purpose of any meeting shall be to act upon a proposed amendment to the Declaration or to these Bylaws, the notice of meeting shall be sent at least thirty (30) days prior to such meeting. The sending of a notice of meeting in the manner provided in this Section shall be considered service of notice as of the date of such sending. In lieu of sending notice of each annual and special meeting as provided above, notice may also be personally delivered to each Unit owner at his residence address as shown on the Roster. Service of notice shall be proven by affidavit of the person sending or delivering such notice. Presence by a Unit owner at a meeting in person or by proxy shall constitute waiver of notice of the time, place and purposes of such meeting.

Section 2.9 Adjournment of Meeting.

If a sufficient number of Unit owners to constitute a quorum or to approve or authorize the actions set forth in the notice are not in attendance, the procedure authorized by Section 11-109(c)(8)(ii) of the Maryland Condominium Act as amended from time to time may be invoked. The members present at such meeting, in person or by proxy, may by a majority vote call a further meeting of the members for the same purpose. Fifteen days notice of the time, place and purpose of such further meeting shall be sent to each Unit owner at the address shown on the Roster of the Condominium or to the Unit owner's designated E-mail address. At such further meeting the members present, in person or by proxy, shall constitute a quorum and by majority vote of those present, in person or by proxy, may approve or authorize the proposed action or take any other action which might have been taken at the original meeting if a sufficient number of members had been present. This may not be construed to affect the percentage of votes required to amend the declaration or bylaws or to take any other action required to be taken by a specified percentage of votes.

Section 2.10 Order of Business.

The order of business at the annual meeting of the Unit owners shall be as determined by the Chairman of the meeting, including but not limited to the items provided below:

- a. Roll call.
- b. Proof of notice of meeting.
- c. Reading of minutes of the preceding meeting and approval thereof.
- d. Reports of officers and directors of the Board.
- e. Reports of committees, if any.
- f. Appointment of inspector of election (when so required).
- g. Nomination of Directors from the floor (when so required).
- h. Election of members of the Board of Directors (when so required).
- i. Unfinished business.
- j. New business.
- k. Open forum for Unit owners.
- l. Adjournment.

In the case of a special meeting, items a. through c. shall be applicable, and thereafter the agenda shall consist of the items specified in the notice of meeting.

Section 2.11 Voting by Unit Owners at Council of Unit Owners Meetings.

- a. No Unit owner shall be entitled to vote at a meeting of the Condominium unless and until he shall have furnished the Condominium with his name and current mailing address for listing on the Roster in accordance with Section 11-109 (c) of the Act as amended from time to time. Each Unit owner eligible to vote may cast one vote on each question, in person or by proxy, for each Unit owned.
- b. In the event a Unit is owned by more than one person, only one vote may be cast on any question. The Unit's vote may be exercised by any of that Unit's owners present at any meeting unless an objection or protest by any other Unit owner of such Unit is noted at the meeting. In the event that all of the co-owners of the Unit who are present at any meeting are unable to agree on the manner in which the vote shall be cast on any particular question, then such vote shall not be

counted for the purpose of deciding that question.

- c. In the event that any Unit is owned by a corporation or LLC, then the vote shall be cast by a person designated in a certificate signed by the president or any vice president of such corporation or the manager the LLC and attested by the secretary or an assistant secretary of such corporation or LLC and filed with the Secretary of the Condominium prior to the meeting.
- d. In the event a Unit is owned by a trust or partnership, then the vote may be exercised by any trustee or partner thereof. Unless any objection or protest by any other trustee or partner is noted at such meeting, the Chairman of such meeting shall have no duty to inquire as to the authority of the person casting such vote or votes.
- e. Unless otherwise provided in the Declaration, these Bylaws or the Act, decisions of the Council of Unit Owners shall be made by a majority of Eligible votes present and voting, in person or by proxy at a meeting duly called.
- f. The Board of Directors may suspend the vote of any Unit owner who is not in good standing as defined in §11-108(e)(6)(i) of the Act, or notwithstanding the number of days delinquent, after notice to the Unit owner and recording a Condominium Lien in accordance with the provisions of the Maryland Contract Lien Act, or a judgment is entered against such Unit owner for non-payment of any charges due to the Condominium. Such suspension shall remain in effect until the lien or judgment is discharged and all charges are current.
- g. The Board of Directors may authorize Unit owners to submit a vote or proxy by electronic transmission if the electronic transmission contains information that verifies the vote or proxy is authorized by the Unit owner or the Unit owner's proxy.

Section 2.12 Majority of Unit Owners.

As used in these Bylaws, the term "majority of Unit owners" shall mean those Unit owners having more than fifty percent (50%) of the total Eligible votes of all Unit owners present, in person or by proxy, and voting at any meeting of the Council of Unit Owners.

Section 2.13 Proxies.

- a. Votes may be cast either in person or by proxy. Proxies must be in writing, in a form approved by the Board of Directors, dated and signed by the Unit owner, and filed with the Secretary of the Board of Directors before the meeting. Proxies shall be valid for no more than one hundred and eighty (180) days, and may be revoked.

- b. No person may carry more than two proxies in addition to his own vote for any given meeting. The Board of Directors of the Condominium as a body may carry unlimited proxies. A majority of the Board must be present at any meeting wherein proxies of Unit owners given to the Board are intended to be voted.
- c. Notwithstanding the foregoing, proxies for the election of directors shall be effective only if the Unit owner specifies the candidates for whom such votes are to be cast on the proxy/ballot, unless the Act permits otherwise.

Section 2.14 Quorum.

Except as otherwise provided in these Bylaws or in the Act, the presence in person or by proxy of Unit owners representing not less than 46 units and having twenty-five percent (25%) or more of the total votes of all Unit owners, or the lowest percentage permitted under the Act if less than 25%, shall constitute a quorum at all meetings of Council of Unit Owners.

ARTICLE 3. BOARD OF DIRECTORS.

Section 3.1 Number and Qualification.

The Board of Directors shall be elected by the Unit owners and shall be composed of five (5) members, all of whom shall be adult natural persons and Unit owners. No person who has a judicial or statutory lien against his Unit in favor of the Condominium, or who has been convicted of a felony, or who is a party in any open litigation or administrative action where the Condominium is the adverse party may be a candidate for, or may serve on the Board of Directors, either as an officer or a director. Not more than one Unit owner from each Unit shall serve as a director at the same time. All persons elected or appointed to serve as directors are fiduciaries and will sign a confidentiality agreement as prepared by the majority of the directors.

Section 3.2 Nomination, Election and Term of Office.

- a. Directors shall be elected by the Unit owners at each Annual Meeting of the Unit owners. At the first Annual Meeting following the approval of these Amended and Restated Bylaws, all five director positions shall be set for election. At that first meeting following the approval and recording among the Baltimore County Land Records of these Amended and Restated Bylaws, the two persons receiving the greatest number of votes shall each be elected to a three (3) year term, the two persons receiving the third and fourth greatest number of votes shall each be elected to a two (2) year term, and the person receiving the fifth greatest number of votes shall be elected to a one (1) year term. Thereafter, to assure staggered terms for the Board, each director shall be elected for a term of three (3) years and shall hold office until his or her successor has been elected, qualified and the organizational meeting of the new Board is commenced. Any director failing to attend more than three (3) consecutive Board meetings without a reasonable

excuse as determined by a majority of the remaining directors, shall be deemed to have resigned his or her position on the Board which shall result in an immediate vacancy.

- b. The Board of Directors will establish a Nominating Committee not later than ninety (90) days prior to the date of the Annual Meeting. The Board of Directors may act as the Nominating Committee. This Committee will develop a slate of candidates for upcoming director vacancies and shall submit at least one candidate for each director vacancy. The list of the candidates shall be arranged and presented to the Unit owners in alphabetical order on any ballot or proxy form. To be listed on the proxy and the ballot, such nominations must be submitted in a timely manner and not less than 15 days before notice of the election meeting is sent.
- c. Nominations may be made from the floor at the meeting at which the election is held. A Unit owner may nominate himself or any other qualified Unit owner.

Section 3.3 Vacancies.

All vacancies on the Board of Directors created by death, failure to qualify, *de facto* or other resignation or removal, shall be filled by a majority vote of the remaining directors whether said remaining directors constitute a majority of directors or not. The successor's term shall be the remainder of the term of the director being replaced.

Section 3.4 Removal of Directors.

A director may be removed with or without cause at any Special Meeting of the Unit owners called for that purpose and at which a quorum is present, by a vote of a not less than 60% of all Eligible votes present in person or by proxy. Examples of "for cause" shall include but not be limited to 1) use of position to gain personal advantage; 2) failure to keep required confidential information confidential; 3) failure to attend three consecutive Board meetings, or failure to attend more than 4 Board meetings in any 6 month period; 4) failure to comply with the rules and covenants of the Condominium; 5) interfering with management or approved contractors. A successor to any such vacated director position may be immediately elected at the Special Meeting at which the director was removed by vote of the Unit owners present in person or by proxy. If not so elected at that meeting, the Board shall fill the vacated position by a majority vote of the remaining directors no later than its next regular meeting. The successor's term shall be the remainder of the term of the director removed from office. Any director removed by a vote of the Council of Unit Owners shall not be eligible to run for or serve on the Board of Directors for five years from the date of such removal. Any director whose removal has been proposed shall be given a reasonable opportunity to be heard at the meeting.

Section 3.5 Compensation of, or Interested Directors.

No director shall be compensated for acting as a director. This does not prohibit a director from being compensated for services or supplies rendered to the Condominium in a capacity other than as a director, provided that either the director first fully discloses all personal interests, or the remaining directors are aware of the interest, and a majority of disinterested directors, in a resolution acknowledging the interest, approved the specific transaction.

Section 3.6 Organizational Meeting.

The Board of Directors shall hold a Board meeting within ten (10) days following the Annual Meeting. Individual directors will be chosen for Officer positions at this meeting. The place and time of the meeting shall be determined at the Annual meeting and may be held immediately following the Annual meeting. If all the directors are present, no other notice shall be necessary to constitute a properly called meeting. A notice will be posted or sent to all Unit owners announcing the names of Directors and of the Officers within thirty (30) days of their election.

Section 3.7 Regular Board Meetings.

All Regular Meetings of the Board shall be open to all Unit owners, their designated agents, and their mortgagees, except in the following circumstances where closed meetings are permitted by the Act, and they may comment on any agenda item at such meetings as permitted by the chairperson, but shall not be entitled to vote upon any matter coming before the Board at the meeting. The Board shall publish for the Unit owners at least once a year when and where the regular meetings will be held. Such meetings will be held at such time and place as the Board may determine from time to time, provided that the Board shall meet at least quarterly each fiscal year. Meetings may be held by conference telephone call as permitted by law. Any action required or permitted to be taken at a meeting of the Board of Directors or of a committee of the Board of Directors may be taken without a meeting by unanimous written consent, which written consent must be filed with the minutes of any such proceedings. The Board may vote electronically on any day to day business matters or in the event of an exigent circumstance. Notice of regular meetings of the Board of Directors shall be given to each member of the Board of Directors, at least five (5) days prior to the day named for such meeting or on shorter notice as circumstances may require. Reasonable notice shall be provided to all Unit owners of all open Board of Director meetings.

Section 3.8 Closed Meetings of the Board.

Closed meetings are permitted for:

- a. Discussion of matters pertaining to employees and personnel.
- b. Protection of the privacy or reputation of individuals in matters not related to the Condominium's business.

- c. Consultation with legal counsel on legal matters.
- d. Consultation with staff personnel, consultants, attorneys or other persons in connection with pending or potential litigation, or other legal matters.
- e. Investigative proceedings concerning possible or actual criminal misconduct.
- f. Consideration of the terms or conditions of a business transaction in the negotiation stage if the disclosure could adversely affect the economic interests of the Condominium.
- g. Complying with a specific Constitutional, statutory or judicially imposed requirement protecting particular proceedings or matters from public disclosure.
- h. Discussion of individual Unit owner assessment accounts.
- i. For any other reason as permitted under the Act or superior law.
- j. If a meeting is held in closed session under subsections a. thru i. of this section:
 - 1. An action may not be taken and a matter may not be discussed if it is not permitted by subsections a. through I. of this section; and
 - 2. A statement of the time, place, and purpose of any closed meeting, the record of the vote of each Board member by which any meeting was closed, and the authority under this section for closing any meeting shall be included in the minutes of the next meeting of the Board. The closed meeting minutes may be withheld from public view.

Section 3.9 Working Sessions.

Any matter, act or thing required or permitted to be taken at any meeting of the Board may be taken without such meeting if a written consent to such action, matter or thing is signed by all the Directors and such written consent is filed with the minutes of the proceedings of the Board of Directors at a subsequent meeting. The Board may hold informal working sessions without notice to the Unit owners. In order to comply with the requirements as set forth in the Act for open meetings, any time the Board is considering taking an action that requires a vote, it shall give reasonable notice of the meeting to all Unit owners. If however, the Board is discussing issues or holding a general planning session where no formal votes are taken, no notice to Unit owners is required and the directors may discuss these issues in informal working sessions, either in person, telephonically or electronically. The Board may make day to day operational decisions electronically via E-mail as long as such day to day operational decisions are included in the minutes of the next open Board meeting.

Section 3.10 Special Board Meetings.

Special meetings of the Board of Directors may be called by the President on three (3) business day's notice sent to each member of the Board of Directors, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President of the Condominium in like manner and on like notice on the written request of at least three (3) directors of the Board of Directors.

Section 3.11 Waiver of Notice.

Any member of the Board of Directors may at any time waive notice of any meeting of the Board of Directors, in writing, and such waiver shall be assumed if the member attends the meeting.

Section 3.12 Powers and Duties.

The Board of Directors shall have and shall exercise all powers and duties of the Council of Unit Owners except those expressly reserved to the Council of Unit Owners as set forth in these Bylaws, and may do all such acts and things provided in §11-109(d) of the Act and except as by law or by the Declaration or by these Bylaws or the Act may not be delegated to the Board of Directors by the Unit owners. Without limiting the generality of the foregoing, the Board of Directors' powers shall include the following:

- a. Operation, care, upkeep and maintenance of the Common Elements.
- b. Determination of the common expenses required for the affairs of the Condominium and to adopt the annual budget.
- c. Collection of the common charges, expenses and other fees from the Unit owners.
- d. Employment and dismissal of the personnel necessary for the maintenance and operation of the Common Elements.
- e. Opening of bank accounts on behalf of the Condominium, designating the signatories required therefor, borrowing money and pledging assets.
- f. Purchasing of Units at foreclosure or other judicial sale in the name of the Board of Directors, or its designee, corporate or otherwise, on behalf of the Condominium.
- g. Obtaining of insurance for the Property and for the Condominium governance.
- h. Making of repairs, additions, replacements and improvements to, or alterations of the Common Elements in accordance with the other provisions of these Bylaws

after damage or destruction by fire or other casualty, or as may be required to protect the Property, or as a result of condemnation or eminent domain proceedings, including any repairs to the Units as may be expressly provided for in these Bylaws.

- i. Enacting uniform Rules and Regulations from time to time for the use of the Property, including but not limited to the swimming pool and clubhouse, as well as the conduct and the enjoyment of Unit owners, their tenants, guests and invitees therein and on the Property; provided, however, that no such Rules and Regulations so adopted shall be in conflict with the Act or the Declaration or these Bylaws; and provided further that no such Rules and Regulations shall be so construed so as to impair in any manner the lien of any mortgage or deed of trust with respect to any Unit and/or the Common Elements if such Rules and Regulations are promulgated after the recording of said mortgage or deed of trust.
- j. Enforcing obligations of Unit owners, allocating common profits and common expenses, if any, and doing anything and everything else necessary and proper for the sound management of the Property. In this connection, the Board of Directors shall have the power to levy fines against Unit owners and tenants for violations of the Declaration, Bylaws and/or Rules and Regulations. No fine may be levied for more than One Hundred Dollars (\$100.00) for any one (1) violation; but for each day that a violation continues, after notice, it shall be considered a separate violation. Collection of fines may be enforced against the Unit owner or Unit owners involved as if the fines are a common assessment charge owed by the particular Unit owner or Unit owners. Where a Unit owner persists in violating the Declaration, Bylaws or Rules and Regulations, the Board of Directors may require him to post a bond, satisfactory to it, to secure future compliance.
- k. Controlling the use of all Common Elements, including, but not limited to, designating temporary exclusive use parking spaces thereon for use by Unit owners and/or their guests, and authorizing towing of vehicles. No Unit owner shall be entitled to more than one designated parking space.
- l. Establishing reasonable reserve funds for emergencies and unforeseen contingencies and for the repair and replacement of Common Elements. The Board shall set aside not less than 3% of the gross annual revenues for reserves each year and shall cause to be conducted not less than every five years, a reserve study to assure that sufficient funds are set aside for reserves.

Section 3.13 Managing Agent.

The Board of Directors may employ for the Condominium a professional Managing Agent at a compensation established by the Board of Directors. The Board of Directors shall not undertake

"self-management" or otherwise fail to employ a professional Managing Agent. No management agreement entered into on behalf of the Condominium shall be valid unless it is; a. for a term not in excess of one (1) year (which term may be automatically renewable); b. provides that either party may terminate the agreement, without cause, upon not more than ninety (90) days' written notice; c. provides that the Board of Directors may, for cause, terminate such agreement upon not more than thirty (30) days' written notice. No liquidated damages clause in such management contract is permitted and any such purported clause shall be invalid.

Section 3.14 Quorum of Board of Directors.

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

Section 3.15 Fidelity Bonds.

The Board of Directors shall obtain and maintain blanket fidelity bonds for all officers, directors, managers, trustees, employees and volunteers of the Condominium, and for all other persons handling or responsible for funds held or administered by the Condominium, whether or not they receive compensation for their services. Where the Condominium has delegated some or all of the responsibility for the handling of funds to a management agent, such management agent shall be covered by its own fidelity bond which shall include coverage for the owner of the company. All fidelity bonds, including those entered into by, and/or, on behalf of, or for the benefit of, a management agent, its personnel and owner, shall name the Condominium as an obligee, or in the case of the management agent's bond, the Condominium shall be named as an additional obligee. Fidelity bonds entered into by the Condominium shall have their premiums paid by the Condominium as a Common Expense. The total amount of fidelity coverage required shall be in an amount not less than sufficient to equal at least the sum of three months' gross annual assessments on all condominium Units, plus the amounts in the Condominium's reserve funds, and as otherwise required by the Act from time to time. Any such bonds shall require that they shall not be cancelled or substantially modified (including cancellation for non-payment of premium) without at least thirty days' prior written notice to the Board.

Section 3.16 Liability of the Board of Directors; Indemnification.

- a. The members of the Board of Directors shall not be liable to the Unit owners for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith.
- b. The Condominium shall indemnify every Director against any and all expenses, including counsel fees, reasonably incurred by or imposed upon any Director in

connection with any action, suit or other proceeding (including the settlement of any such suit or proceeding if approved by the then Board of Directors of the Condominium) to which he may be made a party by reason of being or having been a Director at the time such expenses are incurred. The Board of Directors shall, to the extent available at rates which in their opinion are reasonable, obtain adequate directors and officers insurance. The Directors of the Condominium shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Condominium (except in their capacity as Unit owners) and the Condominium shall indemnify and forever hold each such Director free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any Director of the Condominium or former Director of the Condominium may be entitled.

- c. The provisions of "a." and "b." above shall also apply to each and every officer of the Condominium.

Section 3.17 Executive Committee.

The Board of Directors may, by resolution duly adopted, appoint an Executive Committee to consist of three (3) members of the Board of Directors, one of whom shall be the President. The Executive Committee shall have and may exercise all of the powers of the Board of Directors in the management of the business and affairs of the Condominium during the intervals between the meetings of the Board of Directors insofar as may be permitted by law, except that the Executive Committee shall not have power (a) to determine the common charges and expenses required for the affairs of the Condominium, or (b) to adopt or amend the Rules and Regulations covering the details of the operation and use of the Property.

Section 3.18 Board as Attorney-in-Fact.

The Board of Directors is hereby irrevocably appointed as attorney-in-fact for the Unit owners of all of the Units, and for each of them, to manage, control and deal with the interests of such Unit owners in the Common Elements of the Condominium so as to permit the Board of Directors to fulfill all of its powers, functions and duties under the provisions of the Act, the Declaration and these Bylaws, and to exercise all of its rights thereunder and to deal with the Property upon its destruction and/or the proceeds of any insurance indemnity as hereinafter provided and to grant easements in accordance with the provisions of these Bylaws and the Act. 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 Unit shall constitute an appointment of the Board of Directors as attorney-in-fact as aforesaid.

ARTICLE 4. OFFICERS.

Section 4.1 Designation of Officers.

The principal officers of the Condominium shall be the President (who shall also act as chairman of the Board of Directors of the Condominium), the Vice President, the Secretary, and the Treasurer, all of whom shall be elected by the Board of Directors. The Board of Directors may appoint an assistant treasurer, an assistant Secretary, and such other officers as in its judgment may be necessary or desirable. The President and Vice President must be directors on the Board of Directors. The office of secretary and treasurer may be held by the same person.

Section 4.2 Election of Officers.

The officers of the Condominium shall be elected by the Board of Directors at the Board's organizational meeting following each Annual Meeting and shall hold office until the following year's organizational meeting unless sooner removed and replace at the pleasure of the Board of Directors.

Section 4.3 Removal of Officers.

Upon the affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and his 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 such purpose.

Section 4.4 President.

The President shall be the chief executive and operating officer of the Condominium. He shall preside at all meetings of the Condominium and shall serve as the Chair of any Executive Committee appointed by the Board of Directors. He shall have all of the general powers and duties which are incident to the office of president of a stock corporation organized and existing under the laws of the State of Maryland.

Section 4.5 Vice President.

The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other member of the Board of Directors to act in the place of the President on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Directors or by the President, including, without limitation, the counting of votes at meetings of the Condominium.

Section 4.6 Secretary.

The Secretary shall keep the minutes of all meetings of the Condominium (including copies of all resolutions adopted thereat), and of the Board of Directors; he shall have charge of such books and papers as the Board of Directors may direct; and he shall, in general, perform all the duties incident to the office of secretary of a stock corporation organized and existing under the laws of the State of Maryland.

Section 4.7 Treasurer.

The Treasurer shall have the responsibility for overseeing the Condominium funds and securities and shall be responsible for causing to be kept full and accurate financial records and books of account showing all receipts and disbursements, and for the review of all required financial data. He or she shall be responsible for overseeing the deposit of all moneys and other valuable effects in the name of the Condominium in such depositories as may from time to time be designated by the Board of Directors, and he or she shall, in general, perform or cause to be performed, all the duties incident to the office of treasurer of a stock corporation organized and existing under the laws of the State of Maryland.

Section 4.8 Compensation of Officers.

No officer shall receive any compensation from the Condominium for acting as such, except that any assistant secretary may be reasonably compensated for recording and producing the minutes of the Board and Council of Unit Owner meetings.

ARTICLE 5. OPERATION OF THE PROPERTY.

Section 5.1 Determination of Common Expenses and Fixing of Common Charges.

- a. Unless otherwise expressly provided herein, common expenses of the Condominium, in general, shall include maintenance, operation, repair, or replacement of the Common Elements. They include, but are not limited to:
 - 1. Management fees;
 - 2. Insurance premiums;
 - 3. Charges for landscaping, snow removal and maintenance of the walks, driveways, parking areas and retaining walls;
 - 4. Audit, attorneys' fees, and like administrative costs;
 - 5. Reserves for replacements or other expenses of a nonrecurring nature;
 - 6. Service contracts and employees' salaries;
 - 7. Payment of utility bills and like expenses (except to the extent that such bills or expenses are individually metered for any Unit, in which event such bills or expenses shall be the responsibility of the Unit owner

- receiving the benefit of such individually metered service); and
- 8. Such other expenses as shall be necessary or desirable in the judgment of the Board of Directors for the administration and operation of the Property, or which may be declared to be common expenses by the Act, the Declaration, these Bylaws or by resolution of the Unit owners.
- b. The proportionate interest of any Unit owner in any reserve fund shall be considered an appurtenance to his Unit and shall not be separately withdrawn, assigned or transferred or otherwise separated from the Unit to which it is appurtenant, and shall be deemed to be transferred with such Unit.

Section 5.2 Preparation and Approval of Budget.

- a. Each year at least thirty (30) days before its adoption, the Board of Directors shall prepare and cause to be submitted to the Unit owners an annual proposed budget at least thirty (30) days before its adoption.
- b. The annual budget shall provide for at least the following items:
 - 1. Income;
 - 2. Administration;
 - 3. Maintenance;
 - 4. Utilities;
 - 5. General Expenses;
 - 6. Reserves; and
 - 7. Capital Items.
- c. The budget shall be adopted at an open meeting of the Board of Directors not less than fifteen (15) days preceding the beginning of the fiscal year to which the budget applies or as soon thereafter as is possible. The said budget shall constitute the basis for determining each Unit owner's contribution for the common expenses of the Condominium.
- d. The failure or delay of the Board of Directors to prepare or adopt the annual budget for any fiscal year shall not constitute a waiver or release in any manner of a Unit owner's obligation to pay his or her allocable share of the common expenses, as herein provided, whenever the same shall be determined, and in the absence of any annual budget, each Unit owner shall continue to pay his allocable share of the common expenses at the then existing rate established for the previous fiscal period until the new payment is established.

- e. The adoption of a budget shall not impair the authority of the Board of Directors to obligate the Condominium for expenditures for any purpose consistent with any provision of the Act, the Declaration, or these Bylaws.
- f. Any expenditure made, other than those made because of conditions which, if not corrected, could reasonably result in a threat to the health or safety of the Unit owners, or a significant risk of damage to the Property, that would result in an increase in the amount of assessments for the current fiscal year in excess of fifteen percent (15%) of the budgeted amount as previously adopted, shall be approved by an amendment to the budget adopted at a special meeting of the Board of Directors, upon not less than ten (10) days notice to the Unit owners.

Section 5.3 Reserves

- a. As part of the annual budget the Board of Directors shall build up and maintain an adequate reserve for working capital and contingencies, and an adequate reserve for replacement of the Common Elements required to be replaced by the Condominium. Each fiscal year, not less than three percent (3%) of the gross annual assessments shall be set aside in reserves.
- b. All funds accumulated for reserves shall be kept in a separate bank account, segregated from the general operating funds, and, if the Board of Directors deems it advisable, funds accumulated for each type of reserve shall be kept in a separate bank account, identified by reference to the specific category of reserve.
- c. Extraordinary expenditures not originally included in the annual budget which may become necessary during the year shall be charged first against such reserves. Except where an emergency requires an expenditure to prevent or minimize loss from further damage to, or deterioration of, the Common Elements, reserves accumulated for one purpose may not be expended for any other purpose unless approved a majority vote of the Board of Directors after not less than ten (10) days notice to the Unit owners.
- d. If the reserves are inadequate for any reason, including non-payment of any Unit owner's assessment, the Board of Directors may at any time levy a further assessment, which shall be assessed against each Unit owner according to their proportionate share, and which may be payable in a lump sum or in installments as the Board of Directors may determine. The Board of Directors shall serve notice of any such further assessment on all Unit owners by a statement in writing giving the amount and reasons therefor, and such further assessment shall, unless otherwise specified in the notice, become effective with the next regular installment payment which is due no more than ten (10) days after the delivery or mailing of such notice of such further assessment.

Section 5.4 RESERVED.

Section 5.5 Payment of Common Charges; Lien.

- a. Each Unit owner shall be obligated to pay, in advance and without demand, the common expenses and charges assessed by the Board of Directors against his Unit.
- b. The amount levied and assessed against each Unit for common expenses shall constitute a lien against said Unit from the date of assessment until the date of full payment, provided that a "Statement of Lien" is recorded against the Unit as provided in Section 11-110 of the Act and Section 14-201 *et seq.* Md. Real Prop. Code Ann. as amended from time to time. At the option of the Board of Directors, said amount may be payable in annual, quarterly, monthly or other convenient installments, and to the Board of Directors or to such other person or entity who or which the Board of Directors shall designate from time to time.
- c. **Except as provided in the Act**, the lien hereinabove set forth shall be inferior only to deeds of trust, mortgages or other encumbrances recorded prior to the date of assessment of said lien, or recorded promptly after receipt of a written statement from the Board of Directors that payments due on said Unit were current as of the date of such written statement.
- d. Upon the voluntary sale or conveyance of a Unit there shall be paid or provided from the sale proceeds an amount sufficient to satisfy any unpaid portion of the assessments due and payable as of the date of sale or conveyance. Upon an involuntary sale through foreclosure of a deed of trust, mortgage or encumbrance not a first trust, first mortgage or first encumbrance (any such first trust, first mortgage or first encumbrance having the priority rights set forth in the immediately succeeding paragraph with the exception noted as provided in the Act) having a preference as set forth in the preceding paragraph, or in the event of any proceeding or other conveyance in lieu of foreclosure, a purchase thereunder shall not be liable for any installments of such lien as become due prior to the recording of such deed of trust, mortgage or encumbrance.
- e. Notwithstanding any other provisions hereof to the contrary, with the exception of the limited priority provided in Section 11-110 of the Act, the lien of any assessments levied pursuant to these Bylaws upon any Unit shall be subordinate to and shall in no way effect the rights of the holder of any indebtedness secured by any recorded first mortgage or deed of trust upon such interest made in good faith and for value received, provided, however, that such subordination shall apply only to assessments which have become due and payable prior to a sale or transfer of such Unit pursuant to a decree of foreclosure, or any other proceeding in lieu of foreclosure. Such sale or transfer shall not relieve the purchaser at such sale of the Unit from liability for any assessments thereafter becoming due, nor from the

lien of any such subsequent assessments, which lien, if any, claimed shall have the same effect and may be enforced in the same manner as provided herein.

- f. No amendment to this Section shall affect the rights of the holder of any such mortgage (or the indebtedness secured thereby) recorded prior to recording of such amendment unless the holder thereof (or of the indebtedness secured thereby) shall join in the execution of such amendment.

Section 5.6 Collection of Assessments and Acceleration.

- a. The Board of Directors shall take prompt action to collect any common or other charges due from any Unit owner which remain unpaid for more than thirty (30) days from the due date for payment thereof. The Board of Directors shall notify any Eligible Mortgage Holder who holds a mortgage upon a Unit where there exists a delinquency of sixty or more days in the payment of common charges. Upon default in the payment of any one or more installments of any assessment levied pursuant to the Declaration and/or these Bylaws, the entire balance of said assessments may be accelerated at the option of the Board of Directors and be declared due and payable, in full, together with interest thereon at the rate of eighteen percent (18%) per annum.
- b. Except as may be otherwise required by applicable law or by written agreement, amounts collected for past due assessments and related costs shall be applied in the following order:
 - 1. To payment of attorneys' fees and other legal, administrative and collection costs;
 - 2. To payment of fines and then to late fees;
 - 3. To payment of interest accrued on the delinquent assessments;
 - 4. To payment of delinquent assessments.

Section 5.7 Default in Payment of Common and Other Charges.

The lien for unpaid assessments for common expenses and other charges may be enforced and foreclosed in such manner as may from time to time be provided in the Act and the Maryland Contract Lien Act (Title 14, subtitle 2, Md. Real Prop. Code Ann.) as amended from time to time, and as further provided herein. Such unpaid assessments and charges shall be the personal obligation of the Unit owner as well as a lien upon the Unit to which assessed. The Board of Directors may foreclose the lien and/or may bring an action at law personally against the Unit owner. Any assessment, until paid, may at the election of the Board of Directors bear interest at the rate of eighteen percent (18%) per annum in accordance with Section 11-110(d) of the Act. In addition, the Board of Directors may impose late charges, administrative costs of collection, litigation costs, other collection and court costs, and reasonable attorneys' fees of not less than

20% of the amount claimed whether suit is filed or not, with respect to any assessment or other charges which have not been fully paid when due. Such late charges shall not exceed the maximum permissible amounts provided for in Sections 11-110(d) and (e) of the Act, and shall otherwise comply therewith. All such interest, late charges, administrative costs of collection, litigation fees, attorneys' fees and other collection costs and court fees shall constitute a lien upon the Unit until fully paid as provided in Article 5, Section 5, above, and are the personal obligation of the Unit owner. The Board of Directors may also temporarily suspend use of the recreational facilities and/or any reserved or designated parking privileges associated with a Unit where assessments and related charges (including attorney's fees and costs of collection) are delinquent as further provided herein and in the Declaration. In addition to those charges and fees customarily assessed and collected from Judgment Debtors, the Condominium is entitled to impose and collect from any Unit owner who becomes a Judgment Debtor to the Condominium, all additional administrative, collection and court costs directly related to the collection of the post-judgment debt owed to the Condominium by that Judgment Debtor.

In any action brought by the Board of Directors to foreclose a lien against a Unit because of unpaid common charges, the Unit owner shall be required to pay a reasonable rental for the use of his Unit, and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same, such rent to accrue from the date that an action to recover possession of the Unit is commenced.

No suit or other proceeding may be prosecuted by the Condominium to foreclose the lien for any assessments levied pursuant to the Declaration or these Bylaws except after not less than ten (10) days' written notice sent to the holder of the first mortgage on the Unit that is the subject matter of the proceeding. Such notice to be sent to the address as listed among Land Records for the mortgagee, or as otherwise provided in writing by mortgagee.

Section 5.8 Statement of Common Charges.

Upon written request delivered to the Board of Directors or the Managing Agent, any owner, first mortgagee or any purchaser in connection with any sale or conveyance of a Unit, shall be entitled to a statement furnished by the Board of Directors, or its Managing Agent, setting forth in detail the amount of any unpaid assessments owned by the Unit owner, and such party shall be entitled to rely on such statement and shall have no liability for, nor shall the Unit be encumbered with, an amount of unpaid assessments greater than that shown on such statement.

Section 5.9 Insurance.

- a. The Board of Directors shall be required to obtain and maintain, to the extent reasonably obtainable, the following insurance:
 1. Property insurance on the Common Elements and Units, exclusive of improvements and betterments installed in Units by Unit owners, insuring

against those risks of direct physical loss commonly insured against, which coverage shall include, but not be limited to, fire insurance with extended coverage, sprinkler leakage, debris removal, cost of demolition, windstorm, water damage, vandalism and malicious mischief endorsements, insuring the building(s) and all other improvements which are part of the Property, together with all service machinery contained therein, and covering the interests of the Condominium, the Board of Directors and all Unit owners and their mortgagees, as their interests may appear, in an amount equal to the full replacement value of the building(s) and all other improvements which are part of the Property (less land, excavation and foundation), with an "agreed amount" endorsement and a "condominium replacement cost" endorsement, without deduction for depreciation; and

2. Workmen's compensation insurance, as may be necessary; and
 3. Water damage and water damage legal liability insurance; and
 4. Fidelity insurance as provided elsewhere in these Bylaws; and
 5. Such other insurance as the Board of Directors may determine.
- b. All such policies shall provide that all reports and adjustments of loss shall only be made by the Board of Directors, the Managing Agent, or an Insurance Trustee appointed by the Board.
- c. All policies to the extent reasonably available shall:
1. Be written with a company or companies licensed to do business in the State of Maryland; and
 2. Provide that, notwithstanding any provisions thereof which gives the carrier the right to elect to restore damage in lieu of making a cash settlement, such option shall not be exercisable without the prior written approval of the Board of Directors, and
 3. Shall contain no provision relieving the insurer from liability because of loss occurring while the hazard is increased in the building(s) and all other improvements which are part of the Property, whether or not within the control or knowledge of the Board of Directors and/or any Unit owner, and shall contain no provision relieving the insurer from liability by reason of any breach of warranty or condition caused by the Board of Directors or any Unit owner, and/or their respective agents, employees, tenants, mortgagees or invitees or by reason of any act of neglect or negligence on the part of any of them; and

4. Shall provide that such policies may not be canceled or substantially modified (including cancellation for non-payment of premium) without at least thirty (30) days' prior written notice (which shall include a right to cure any default(s)) to any and all insureds named thereon, including any and all mortgagees of the Units.
- d. All policies of physical damage insurance shall contain waivers of subrogation and waivers of any defense based on co-insurance or of invalidity arising from any acts of the insured.
- e. In no event shall the insurance coverage obtained and maintained by the Board of Directors hereunder be brought into contribution with insurance purchased by individual Unit owners or their mortgagees.
- f. The Board of Directors shall give notice to all Unit owners annually of the amount of the master policy insurance deductible and the obligation of the Unit owners to pay the deductible in certain instances. The Board of Directors shall give notice of the termination of any insurance policy within 10 days of termination.
- g. Each Unit owner shall be required to obtain individual insurance policies covering his or her Unit (HO6), and expressly including sufficient coverage to satisfy not less than \$10,000.00 or the maximum responsibility for the Condominium's master policy property insurance deductible as provided in § 11-114(g)(2)(iii)1 of the Act as amended from time to time (whichever is more), and shall be required to file a copy of such individual policy or policies with the Board of Directors, or its Managing Agent, within thirty (30) days after the purchase of such insurance.
- h. In no event shall any policy provided for hereunder be obtained from an insurance carrier where: (a) under terms of the carrier's charter, bylaws or policy, contributions or assessments may be made against a Unit owner or any first mortgagee; or (b) by the terms of the carrier's charter, bylaws or policy, loss payments are contingent upon action by the carrier's Board of Directors, policyholders, or members; or (c) the policy includes any limiting clauses (other than insurance conditions) which could prevent any first mortgagee, the Insurance Trustee, the Board of Directors or any Unit owner from collecting insurance proceeds.
- i. The Board of Directors shall be required to obtain and maintain, to the extent obtainable, a commercial general liability insurance policy covering all of the Common Elements, public ways and any other areas that are under the Board of Director's supervision. Such policy may be included as part of the master policy insurance for the Condominium. The policy should provide coverage for bodily injury (including death) and property damage that results from the operation, maintenance or use of the Common Elements, and any legal liability that results from law suits related to employment contracts where the Condominium is a

party. Such insurance policy shall contain a "severability of interest" endorsement which shall preclude the insurer from denying the claim of a Unit owner because of negligent acts of the Council, its Board of Directors, Managing Agent, or other Unit owners. Liability coverage shall be obtained in such limits as the Board of Directors may from time to time determine, but not less than One Million Dollars (\$1,000,000.00) per occurrence, for bodily injury or property damage, and shall cover each member of the Board of Directors, the Managing Agent and each Unit owner. The Board of Directors shall review such limits once each year.

Section 5.10 Repair or Reconstruction After Fire or Other Casualty.

- a. Except as hereinafter provided, in the event of damage to or destruction of the Property, or any part thereof, as a result of fire or other casualty, the Board of Directors shall arrange for the prompt repair and restoration thereof, including Units to the extent covered by the Condominium's property insurance coverage. Each Unit owner agrees that the Board may access his Unit at any time to investigate and to make any repair and restoration required. Each Unit owner shall promptly arrange for entry into his Unit by the Board of Directors and/or its designated agents and contractors, for the purpose of investigation, repair and restoration of damaged Units, and to determine where the source of the damage may have originated, and shall fully cooperate with the Board of Directors and its agents and contractors in allowing access at all reasonable times to facilitate the investigation, repair and restoration of the Property. In the event the Board of Directors must access a Unit without the Unit owner's cooperation, the Unit owner will be responsible for any and all additional costs and expenses incurred by the Condominium, including any legal fees, litigation expenses, administrative costs and court costs incurred by the Condominium. The Board of Directors, Managing Agent, or the Insurance Trustee, as the case may be, shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration, as provided below.
- b. In the event that insurance carried by the Condominium, has a provision for the deduction of an amount of the loss from the proceeds of the insurance policy, then **the Unit owner or owners suffering the loss shall be responsible for the payment of the deductible**, except where appropriate, the deductible will be shifted to the Unit owner where the source of the damage originated as provided in the Act.
- c. If two-thirds (2/3) or more of the then replacement cost of the entire Property is destroyed or substantially damaged, the Property shall be subject to an action for partition as provided in the Act.

- d. The Insurance Trustee may rely upon a certificate of the Board of Directors which certifies whether or not the damaged Property is to be reconstructed or repaired. The Board of Directors, upon request of the Insurance Trustee, shall deliver such certificate as soon as practicable.
- e. If the damage is only to those parts of a Unit for which the responsibility of maintenance and repair is borne by the Unit owner, then the Board of Directors may permit the Unit owner to take responsibility for the supervision of reconstruction and repair after casualty and after inspection and approval of same by the Board of Directors or its agents, shall apply the applicable insurance proceeds thereto. Only licensed contractors pre-approved by the Board of Directors may be hired to make such repairs. In all other instances, the responsibility of reconstruction and repair after casualty shall be that of the Condominium.
- f. Immediately after a casualty causing damage to the Property for which the Condominium has the responsibility of maintenance, repair, and/or replacement the Board of Directors shall obtain reliable and detailed estimates of the cost to place the damaged portions of the Property in as good a condition as existed before the casualty. Such costs may include professional fees and premiums for such bonds as the Board of Directors may desire.
- g. In the event of reconstruction or repair (as estimated by the Board of Directors) which shall exceed Five Hundred Thousand dollars (\$500,000.00), the Board of Directors may require that all proceeds of insurance shall be paid over to a trust company or bank having trust powers and authorized to engage in the trust business in the State of Maryland, and shall be paid out from time to time as the reconstruction or repair progresses in accordance with the provisions of an Insurance Trust Agreement satisfactory in form and substance to the Board of Directors, and which contains, *inter alia*, the following provisions:
 - 1. The reconstruction or repair shall be in the charge of an architect or engineer, who may be an employee of the Condominium, and hereinafter called the "Architect";
 - 2. Prior to the commencement of the reconstruction or repair, other than such work as may be necessary to protect the Property from further damage, the Board of Directors shall have approved the plans and specifications for such reconstruction or repair, which approval shall not be unreasonably withheld or delayed;
 - 3. Unless otherwise required by the Board of Directors, each request for an advance of the proceeds of insurance shall be made to the Insurance Trustee and shall be accompanied by a certificate from the Architect to the effect that (i) all work then completed has been performed in accordance with the plans and specifications; and (ii) the amount requested to be advanced is required to reimburse the Board of Directors for payments

- previously made by the Board of Directors or is due to the contractor responsible for the restoration or repair, or to subcontractors, materialmen, laborers, engineers, architects or to other persons responsible for services or materials in connection with such restoration or repair, or for fees or the like necessarily incurred in connection with the same; and (iii) when added to amounts previously advanced by the Insurance Trustee, the amount requested to be advanced does not unreasonably exceed the value of the work done and materials delivered to the date of such request;
4. Each request for an advance of the proceeds of insurance shall, if required by the Board of Directors, be accompanied by satisfactory waivers of liens covering that portion of the repair or reconstruction for which payment or reimbursement is being requested, together with appropriate evidence from a title insurance company or the like to the effect that there has not been filed with respect to the Property, or any part thereof, any mechanics' or other lien, or notice of intention to file the same, which have not been dismissed, bonded, or satisfied of record;
 5. The fees and expenses of the Insurance Trustee, as agreed upon by the Board of Directors and the Insurance Trustee, shall be paid by the Condominium as a common expense, and such fees and expenses may be deducted from any insurance proceeds in the hands of the Insurance Trustee, *pro rata*, as the reconstruction or repair progresses.
 6. Such other provisions not inconsistent with the provisions hereof as the Board of Directors or the Insurance Trustee may reasonably require.
- h. Upon completion of the reconstruction or repair and payment in full of all amounts due on account thereof, any proceeds of insurance then in the hands of the Insurance Trustee shall be paid to the Board of Directors, shall be considered as one fund and shall be divided among the owners of all the Units in the same proportion as that previously established for ownership of appurtenant undivided interests in Common Elements, after first paying out of the share of the owner of any Unit (to the extent such payment is required by a lienor and to the extent the same is sufficient for such purpose), all liens upon said Unit.

Section 5.11 Abatement and Enjoinment of Violations by Unit Owners.

The violation of any of the Rules or Regulations adopted by the Board of Directors, or the breach of these Bylaws or of any provision of the Declaration, shall give the Board of Directors the right, in addition to any other rights set forth in these Bylaws and/or the Declaration: (a) to enter the Unit in which or as to which such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Unit owner, any structure, thing or condition, including but not limited to, insect or rodent infestations, that may exist therein contrary to the intent and meaning of the provisions hereof, and the Board of Directors shall not thereby be deemed guilty in any manner of trespass; or (b) to enjoin, abate or remedy by appropriate legal proceeding, either at law or in equity, the continuance of any such breach at the cost and expense of the Unit owner. Each Unit owner and his or her tenant shall promptly grant access to the Board of

Directors and/or its agents upon request. All attorneys' fees, litigation expenses, administrative costs, other costs and court costs, if any, incurred by the Condominium to enforce any of its Rules or Regulations shall constitute a lien upon the Unit and the personal obligation of the Unit owner until fully paid and shall be collectible in the same manner as assessments levied by the Condominium, whether suit is filed or not.

Section 5.12 Maintenance and Repair.

a. By the Condominium

The Condominium shall be responsible for the maintenance, repair and replacement of the following, the cost of which shall be charged to all Unit owners as a common expense:

1. Except as otherwise provided in paragraph (b) of this Section 5.12, all of the Common Elements, whether located inside or outside of the Units; and
2. All exterior walls and exterior surfaces of the buildings constituting the Condominium except Unit windows, and including but not limited to the painting of the exterior surface of the front entrance door of each Unit and as further detailed in paragraph (b) of this Section 5.12; the roofs of the buildings constituting the Condominium; Unit party walls and all other portions of the Units which contribute to the support of the buildings constituting the Condominium, such as the outside walls of such buildings, and all fixtures on the exterior thereof; the boundary walls of Units; floor slabs; load-bearing columns; but excluding, however, the interior walls, interior ceilings and interior floor coverings of the Units, and excluding the surfaces of all walls, floors and ceilings of the Units; and
3. The sanitary and storm sewer systems and appurtenances; all catch basins and all roof drainage pipes, gutters, down-spouts and leaders; all water, electric, plumbing and telephone lines, facilities and systems that are deemed Common Elements, including all conduits, ducts, plumbing, wiring and other facilities for the furnishing of all utility services into two or more Units, **but excluding therefrom** all air handling units, heating units, air conditioning units and conduits and wiring thereof, and all plumbing and electrical appliances, fixtures, systems and parts thereof which are enjoyed by only a single Unit or are located solely within the boundary of an individual Unit or in a Limited Common Element designated in the Declaration as being appurtenant to an individual Unit; and
4. Except as otherwise provided in paragraph (b) (2) of this Section 5.12, all patios and balconies; and

5. All incidental damage caused to any Unit by such work as may be done or caused to be done by the Condominium in accordance with the provisions of these Bylaws.

b. By the Unit owner

1. Except for the portions of his Unit required to be maintained, repaired and replaced by the Condominium, if any, each Unit owner shall be responsible for the maintenance, repair and replacement, at his own expense, of the following: any and all interior walls, ceiling and floors, kitchen and bathroom fixtures and equipment, air handling units, heating units, air conditioning units, lighting fixtures, plumbing and electrical appliances and systems, fixtures and parts thereof which are wholly contained within his Unit and/or in a Limited Common Element designated in the Declaration as being appurtenant to his Unit and serving his Unit and no other.
2. Each Unit owner shall be responsible for performing, at his expense, the normal maintenance for any patio or balcony, including any railings thereto, which is designated in the Declaration as being a Limited Common Element appurtenant to his Unit, including keeping it in a clean and sanitary condition and free and clear of snow, ice and any accumulation of water, and shall also make, at his own expense, all repairs thereto caused or permitted by his negligence, misuses or neglect.
3. Each Unit owner shall, at his expense, perform all maintenance and make all repairs and replacements to the windows, including but not limited to glazing, casings and caulking; and to the front entrance door (except that the Condominium will be responsible for the normal periodic painting of the exterior surface of each Unit's front entrance door) and any sliding glass and/or patio door(s) appurtenant to or part of his Unit. Such maintenance, repair and replacement shall include but not be limited to the window and door glass, the window and door frames, casings, screens, and the sealant or caulking between the window and door casings/frames and the Unit wall. Rotted or damaged wood at window and door casings must be replaced by each Unit owner before painting by the Condominium.
4. Each Unit owner shall be responsible for, and promptly after demand shall reimburse the Condominium for the cost of maintaining, repairing or replacing any damage to the Common Elements or any portion of his Unit required to be maintained, repaired or replaced by the Condominium which is caused by the negligence, misuse or neglect of such Unit owner. Such reimbursement shall be assessed and collected by the Condominium from the Unit owner obligated therefore in the same manner as set forth in Article 5 of these Bylaws for the collection of common expenses.
5. Each Unit owner shall keep any storage areas clean, neat and orderly, and shall keep the breaker box clear and accessible at all times.

6. Each Unit owner shall keep his Unit's toilets, faucets, spigots and water conduits in good condition and repair and shall annually, or as deemed appropriate by the Board of Directors, allow access to his Unit by the Board of Directors or its agents for the purpose of inspection of such facilities, and immediate repair if deemed appropriate by such inspector, at the expense of the Unit owner, which cost shall be assessed to the Unit and shall be collectible in the same manner as an assessment duly levied pursuant to Article 5 of these Bylaws.
 7. Each Unit owner shall keep his Unit free from vermin, rodents, roaches, and bedbugs. The Board of Directors may, but is not required to inspect and exterminate roaches and rodents at its expense, but only if it uses the exterminator of its choosing. The Board of Directors may, but is not required, to authorize an inspection and first extermination treatment for bedbugs. The Unit owner shall have the duty and the expense for follow up treatments for bedbugs. The Unit owner will allow access to his Unit by the Board of Directors, its agents or contractors for the purpose of inspection and/or treatment by a pest control professional. Should pest control treatment be necessary, the Condominium may exercise the right to authorize treatment of a Unit and may assess the cost to the owner of the Unit, which cost if assessed to the Unit and shall be collectible in the same manner as an assessment duly levied pursuant to Article 5 of these Bylaws.
 8. Each Unit owner shall perform his responsibilities under this Section 5.12 in such a manner as shall not unreasonably disturb or interfere with the other Unit owners or residents of the Condominium. Each Unit owner shall promptly report to the Condominium, or the Managing Agent any defect or need for repair for which the Condominium is responsible.
- c. Manner of Repair and Replacement. Any and all repairs and replacements shall be substantially similar to the original construction, unless the Board of Directors expressly approves otherwise, and installation and shall be of first-class quality. Applications for such work shall be submitted to the Board of Directors or its designated Architectural Committee and for consideration and approved before any such work is commenced.
 - d. Mold. According to the U. S. Environmental Protection Agency ("the EPA"), "molds are part of the natural environment. Outdoors, molds play a part in nature by breaking down dead organic matter such as fallen leaves and dead trees, but indoors, mold growth should be avoided." U. S. Environmental Protection Agency. *A Brief Guide to Mold, Moisture and Your Home* (EPA Document 402-K-02-003). 2002. Unit owners shall run bathroom and kitchen exhaust fans or open kitchen and bathroom windows, as applicable, whenever showering, cooking, running the dishwasher, or performing other activities that produce steam or water vapor. Unit owners are required to keep exhaust fans and conduits in good working order and clear of debris and blockage. Unit owners shall promptly make repairs to any leaking pipes, equipment, or other areas within their

Units and shall promptly report any sign of leaking water or water damage to the Board of Directors or its Managing Agent. Unit owners shall not leave windows and doors open during cold weather, nor is a Unit owner permitted to close his Unit without air flow therein, e.g. by turning off or causing the air-handler for the Unit to stop working. Mold that may result from the negligence or intentional act(s) of the Unit owner or his tenant shall be promptly remediated at the expense of the Unit owner.

Section 5.13 Restrictions on Use of Units.

In order to provide for the congenial occupancy of the Property and for the protection of the values of the Units, the use of the Property shall be restricted to and shall be in accordance with the following provisions:

- a. No part of the Property shall be used for other than **single family housing** and the related common purposes for which the Property was designed. Each Unit shall be used for residential purposes and for no other purpose except as may be otherwise permitted by the Act, and no such activities shall interfere with the quiet enjoyment or comfort of any other Unit owner or resident.
- b. The use of any Unit as a “no-impact home-based business”, as defined in the Act, is permitted subject to reasonable rules and regulations regarding such businesses which may from time to time be promulgated by the Board of Directors. No activities associated with the business may be conducted on the Common Elements. In all events, before any Unit may be operated as such business, the Unit owner shall first provide 30 days written notice to the Board of Directors or its Managing Agent, and shall outline the nature of the business, portions of the Unit to be used, and the times for such usage.
- c. **The operation of family child care homes as defined in the Act on the Property or in any Unit on the Property shall be prohibited.** The prohibition stated herein may be eliminated, and the use of Units and the Common Elements of the Property for family child care homes may be approved, by a simple majority of the total eligible voters of the Condominium under voting procedures contained in the Declaration or Bylaws of the Condominium.
- d. Nothing shall be done or kept in any Unit or in the Common Elements which will increase the rate of insurance for the Property applicable for residential use without the prior written consent of the Board of Directors. No Owner shall permit anything to be done or kept in his Unit or in the Common Elements which will result in the cancellation or increase premiums of insurance on the Property, or the contents thereof, or which would be in violation of any law. No waste will be committed in the Common Elements.

- e. No immoral, improper, offensive, or unlawful use shall be made of the Property or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental agencies having jurisdiction thereof shall be observed. All laws, orders, rules, regulations or requirements of any governmental agency having jurisdiction thereof, relating to any portion of the Property, shall be complied with, by and at the sole expense of the Unit owner or the Board of Directors, whichever shall have the obligation to maintain or repair such portion of the Property.
- f. Nothing shall be done in any Unit or in, on, or to the Common Elements which will impair the structural integrity of the Property or which would structurally change any building or improvements thereon except as is otherwise provided in these Bylaws, provided, further, that interior partitions contributing to the support of any Unit shall not be altered or removed without the need for same and only after approval of the Board of Directors and not less than a majority of Unit owners present in person or by proxy at a duly constituted meeting..
- g. Except for other uses permitted by the Declaration, the Act or these Bylaws, no industry, business, trade, occupation or profession of any kind, commercial, religious, educational, or otherwise, designed for profit, altruism, exploration, or otherwise, shall be conducted, maintained, or permitted on any part of the Property. No Unit owners may post any advertisement, poster or sign of any kind on the exterior of his Unit or in the windows of his Unit, except (i) as permitted by the Board of Directors; (ii) a temporary sign not larger than 2' by 2' advertising the sale or rental of a Unit; or (iii) when required by law or permitted as provided in the Act.
- h. No antennas or satellite dishes are permitted to be attached to the exterior of any Unit, and no antennas or satellite dishes are permitted on the Common Elements. Notwithstanding the foregoing sentence, such items may be permitted within areas under the exclusive control of Unit owners as provided by superior law and pursuant to reasonable rules and regulations adopted by the Board of Directors.
- i. No Unit shall be used for hotel or transient purposes. No short-term rentals are permitted, included but not limited to, usage in conjunction with Airbnb, Flipkey, Homestay, Roomorama, Rentalo and other such companies. No portion of a Unit (other than the entire Unit) may be rented, and no transient tenants may be accommodated therein. Not more than twenty-five percent (25%) of the Units shall be rented at any given point in time, except that the Board may grant exceptions for good cause from time to time in its sole discretion. **The second sentence of this item limiting rental Units to 25% shall be enforceable against all Unit owners who may purchase or otherwise receive ownership of a Unit or any portion thereof after these Amended and Restated Bylaws are recorded among the Baltimore County Land Records.** All lease agreements shall list all residents that are to reside in the Unit by name and relationship to

lessee and shall provide that the terms of the lease shall be subject in all respects to the provisions of the Declaration, Bylaws and Rules and Regulations of the Condominium, and that any failure of the lessee to comply with the terms of such documents shall be a default under the lease. The Board of Directors may require that a specific lease addendum adopted by it be used for all leased Units, and such lease addendum shall among other things require that in the event the Unit owner is delinquent in the payment of assessments or other charges to the Condominium, that the tenant shall be required to pay his or her rent directly to the Condominium until the Unit owner's account is current. All leases must be in writing and a copy shall be delivered to the Managing Agent for the Condominium within 15 days of execution by the parties. The limitations of this Section shall not apply to any institutional first mortgagee of any Unit who comes into possession of the Unit by reason of any remedies provided by law or in the mortgagee, or as a reason of foreclosure sale or other judicial sale, or as a result of any proceeding, arrangement, assignment, or deed in lieu of foreclosure.

- j. All Units and Limited Common Elements must be kept in an orderly condition so as not to detract from the neat appearance of the Property. In this regard, no motorcycles or other motorized item may be parked on the sidewalks, lawn areas, front entrance-ways, patios or balconies. The Board of Directors, in its sole discretion, may determine whether or not Limited Common Elements are orderly. If an Owner shall fail to keep his Limited Common Elements orderly, the Board of Directors after not less than fifteen days written notice may have any objectionable items removed from the Limited Common Elements so as to restore its orderly appearance, without liability therefore, and shall charge the Unit owner for any administrative costs and other expenses incurred in the process.
- k. No motorized vehicle, including, but not limited to scooters, golf carts, mini-bikes, mopeds and go-carts, may be stored in any storage locker, nor in any common area of any building, nor may such motorized vehicle be used or maintained on any lawn area of the Common Elements, and no unlicensed vehicles are allowed on the Property.
- l. The maintenance, keeping, breeding, boarding and/or raising of animals, including but not limited to farm animals, swine, constrictors, venomous and/or exotic animals, livestock, or poultry (including but not limited to ducks, pigeons and geese), of any kind, regardless of number, shall be and is hereby prohibited within any Unit or upon any Common Elements, except that this shall not prohibit the keeping of two orderly animals as may be permitted by the Board of Directors by adoption and promulgation of reasonable rules and regulations regulating such animals, and provided that no such animal is kept or maintained for commercial purposes or for breeding. Animals shall not be permitted upon the Common Element except in areas designated by the Board of Directors. All animal

excrement shall be promptly removed from the Common Elements by the Unit owner or his designated responsible party promptly. All animals shall be accompanied by an adult and are to be carried or leashed. Any person who keeps or maintains any animal upon any portion of the Property shall be deemed to have indemnified and agreed to hold the Condominium, its Board of Directors, its agents and each of its Unit owners free and harmless from any loss, claim or liability of any kind or character whatever arising by reason of keeping or maintaining such animal within the Property. The Board of Directors shall have the right to order any person whose animal is a nuisance or which the Board, in its sole discretion, deems is dangerous or has a dangerous propensity, to remove such animal from the Property.

- m. No junk vehicle or other vehicle on which current registration plates registered to that vehicle are not displayed, shall be kept upon any of the Common Elements, nor shall the repair or extraordinary maintenance of automobiles or other vehicles be carried out on any of the Common Elements. All vehicles shall be kept in good condition and repair and Unit owners will be responsible for the cost to remove any oil, antifreeze, brake, transmission or other such fluids that may be deposited on the Common Element, which such cost shall be assessed and collected in the same manner as assessments under Article 5 of these Bylaws. All vehicles shall be properly parked within the parking lines designating the parking spaces and no double-parking is permitted.
- n. No commercial vehicles as defined by the Board of Directors, mobile homes, panel vans or trucks over 3/4 ton, trailers, campers, camp trucks, house trailers, boat trailers, boats, recreation vehicles or the like shall be kept upon any of the Common Elements; provided, however, that the Board of Directors reserves the right to permit such vehicles on the Common Elements in accordance with rules and regulations as may from time to time, be promulgated by the Board of Directors.
- o. No structure of a temporary character, trailer, tent, shack, barn or other outbuilding shall be maintained upon any Common Elements at any time. Outdoor clothes dryers or clothes lines shall not be maintained upon any Common Elements at any time, except that a collapsible clothes drying rack may be installed securely on a removable pole upon Limited Common Elements and otherwise in accordance with reasonable rules and regulations duly adopted from time to time by the Board of Directors. Collapsible clothes drying racks must be closed/collapsed, or removed, when not in use. No clothing, laundry or the like shall be hung so as to be viewed from the exterior of any Unit or upon any of the General Common Elements, or on any Limited Common Element except in accordance with this section.

- p. Balconies, patios and terraces shall be maintained broom clean, and in a neat, safe and orderly manner and nothing shall be stored thereon without express written approval of the Board of Directors. No items or material of any kind shall be hung over any railing, or on the outer side of any balcony. Secure, well maintained flower-boxes may be hung on the inside of the balcony railing.
- q. Outdoor cooking is strictly prohibited anywhere on the Property, including but not limited to balconies, patios and terraces. No electric grills and no open flame cooking devices, grills, charcoal, lighter fluid, flammable liquids and gasses are permitted to be used or stored in any Unit, or any Common Element, including but not limited to balconies, patios and terraces.
- r. No noxious or offensive trade or activity shall be carried on within the Property or within any Unit situate thereon, nor shall anything be done therein or thereon which may be or become an annoyance to the neighborhood or the other Unit Owners.
- s. No loitering is permitted in the Common Elements, including but not limited to, the building halls and stairwells, entrance areas, sidewalks, streets and recreation areas.
- t. Between 9:00 p.m. and 9:00 a.m., there shall be no loud or unusual noises and no musical instruments, radios, televisions, record players, phonographs, sound devices and/or amplifiers of any kind shall be used in such manner as to disturb other residents.
- u. No burning of any trash, and no unreasonable or unsightly accumulation or storage of litter, new or used building materials, hoarding of items or materials of any kind, or trash of any other kind shall be permitted within any Unit or upon any General or Limited Common Elements. Trash and garbage containers shall not be permitted to remain in public view, except within locations designated by the Board.
- v. With the exception of ground level terrace Units, which are exempt from this requirement, not less than eighty percent (80%) of all floor surfaces in each Unit (except for the kitchen, closets, and bathroom areas shall be carpeted at all times in order to reduce sound transmission between Units. Any Unit owner wishing to install hardwood flooring is required to submit an application to the Board of Directors prior to installation and any such flooring installed shall be subject to the carpet requirements of this Rule.

- w. No commercial use shall be made of any portion of the Common Elements, including, but not limited to, yard sales, without the prior written approval of the Board of Directors.

Section 5.14 Additions, Alterations or Improvements by Board of Directors.

Whenever in the judgment of the Board of Directors the Common Elements shall require **additions** costing in excess of One Hundred Thousand Dollars (\$100,000.00), and the making of such additions shall have been approved by more than fifty percent (50%) in voting interest of the Unit owners present in person and/or by proxy and voting at a meeting duly held in accordance with these Bylaws, the Board of Directors shall proceed with such additions, and may assess all Unit owners for the cost thereof as a common expense. Any additions costing One Hundred Thousand Dollars (\$100,000.00) or less may be made by the Board of Directors without approval of the Unit owners, and the costs thereof shall constitute a common expense.

Section 5.15 Additions, Alterations or Improvements by Unit Owners/Architectural Committee.

It shall be prohibited to install, erect, attach, apply, paste, hinge, screw, nail, build, alter, remove or construct any lighting, screens, awnings, balcony or terrace covers, decorations, fences, aerials, antennas, radio or television broadcasting or receiving devices, air-conditioning units, furnaces, patio doors, windows, slabs, sidewalks, balconies, terraces, platforms, walls or to make any change or otherwise alter, including any alteration in color, in any manner whatsoever, to the exterior of any Unit or upon any of the General or Limited Common Elements within the Property until the 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 (or its designated Architectural Committee), shall have been submitted to, and approved in writing by the Board. The Board shall have the sole right of approval and refusal for any requested architectural change. Recommendations of the Architectural Committee shall not be binding upon the Board.

The Board of Directors or its designated Architectural Committee shall have the obligation to answer any written request by a Unit owner for approval of such a proposed structural addition, alteration or improvement within sixty (60) days after such request is submitted containing full and sufficient details of the proposed project, and failure to do so within the stipulated time shall constitute the consent by the Board of Directors to the proposed addition, alteration or improvement, provided such proposed addition, alteration or improvement is not in direct violation of the Declaration, these Bylaws, or any Federal, State or County law. Any structural addition, alteration or improvement may require the Unit owner to obtain conditional use approval from the Department of Planning & Zoning and/or other County agency. Building permits must be obtained by the Unit owner from the local jurisdiction before any structural changes may be made to any Unit. No addition, change or alteration is permitted to obstruct the flow of water and proper drainage.

Section 5.16 Right of Access.

Each present and future Unit owner and, if applicable, tenants of each Unit owner, hereby grants a right of access to his Unit to the Board of Directors, the Managing Agent employed by the Board of Directors and/or any other person authorized by the Board of Directors for the purpose of making inspections of the plumbing system or any other part of the Unit, or for the purpose of correcting any plumbing problems or other items in any Unit which might affect that Unit, any other Unit in the building, or any of the Common Elements. Access may not be denied. In the event of an emergency, such entry shall be immediate whether the Unit owner or tenant is present or not. Provided that if such entry is not needed on an emergency basis, the Board of Directors, it's the Managing Agent or other authorized person shall provide the Unit owner or tenant with reasonable prior notice of such entry. The Board of Directors, its Managing Agent or other authorized person may permit employees or agents of the Association to enter the premises for the purpose of making corrections, remediation and repairs. The provisions of this Article shall not be deemed to alter the responsibilities of the Association and/or any Unit owner for the maintenance and repair of the Units and/or Common Elements as specified elsewhere in the Declaration or in these Bylaws.

Section 5.17 Water Service and Unit Maintenance.

Each Unit owner is required to keep all fireplaces, including all parts thereof in good working order and all plumbing and appliances in the Unit owner's Unit in good condition and repair and free from leaking or excessive use of water. The Board of Directors shall have the express right to enter any Unit after reasonable notice for the purpose of inspecting the plumbing fixtures to assure that they are in good order and repair. The Board of Directors has the authority but not the obligation to cause any defective or leaking fixture to be repaired or replaced at the expense of the Unit owner. Such expense shall be considered an assessment and shall be collectible from the Unit owner in the same manner as assessments hereunder. The Board shall also have the express authority to adopt reasonable rules to require inspections of fireplaces and Units and periodic replacement of washing machine hoses and major household appliances, *inter alia*.

Section 5.18 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 may be assigned by the Board of Directors to designated Units as long as, if assigned, one parking space is assigned for each Unit. Without the express written consent of both the Unit owner to whom such space has been assigned and the Board of Directors, no person shall make use of any parking space assigned unless assigned to his Unit by the Board of Directors. Assigned parking privileges may be suspended for any Unit where assessments and related charges are not current.
- b. No Unit owner shall invite, encourage or permit the use by his guests of parking spaces assigned to Units other than his own. Notwithstanding the foregoing,

unassigned spaces or spaces designated for general use may be used on a "first come, first served" basis. 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.

- c. Each Unit owner shall comply in all respects with such supplementary Rules and Regulations which are not inconsistent with the provisions of these Bylaws which the Board of Directors may from time to time adopt and promulgate with respect to parking and traffic control within the Condominium, which such Rules and Regulations, among other things, may limit the number of vehicles per Unit. The Board of Directors is hereby, and elsewhere in these Bylaws, expressly authorized to adopt such Rules and Regulations. The location of any parking space assigned to any Unit owner may be changed by the Board of Directors, at any time and from time to time, upon reasonable notice thereof in writing.

ARTICLE 6. MORTGAGES.

Section 6.1 Notice to Board of Directors.

A Unit owner who mortgages his Unit shall provide written notice to the Board of Directors of the name and address of his mortgagee, or servicer thereof, and shall file a conformed copy of the note and mortgage with the Board of Directors. The Board of Directors shall maintain such information in a book entitled "Mortgagees of Units".

Section 6.2 Notice of Unpaid Common Charges or Other Defaults

The Board of Directors shall report to each Eligible Mortgage Holder any unpaid common expenses due from, or any other default by, the owner of a mortgaged Unit, which default has not been cured within thirty (30) days.

Section 6.3 Examination of Books

Each Unit owner and each mortgagee of a Unit shall be permitted to examine the books of account of the Condominium at reasonable times on business days by appointment.

Section 6.4 Consents

Any other provisions of these Bylaws or of the Declaration to the contrary notwithstanding, neither the Condominium nor the Board of Directors shall institute any proceeding, without the prior written consent of 75% of the Eligible Mortgage Holders, to take any of the following actions:

- a. abandon or terminate the Condominium regime; or

- b. modify or amend the provisions of these Bylaws or the Declaration; or
- c. modify the method of determining and collecting common expenses and/or other assessments or of allocating the distribution of the proceeds of hazard insurance or condemnation awards; or
- d. partition or subdivide any Unit (which shall also require the consent of the first mortgagee of such Unit); or
- e. abandon, partition, subdivide, encumber, sell or transfer the Common Elements; or
- f. resolve to use the proceeds of casualty insurance for any purpose other than the repair or restoration of the Condominium.

Section 6.5 Notice of Loss to or Taking of Common Elements.

The Board of Directors shall give written notice to each Eligible Mortgage Holder of any loss to or taking of the Common Elements of the Condominium if such loss or taking exceeds Ten Thousand Dollars (\$10,000.00), and if the loss or taking to such Unit exceeds One Thousand Dollars (\$1,000.00).

Section 6.6 Rights of Mortgagees-Eligible Mortgage Holder.

Any institutional mortgagee of any Unit in the Condominium who desires notice of the annual and special meetings of the Condominium shall notify the Secretary to that effect by certified mail, return receipt requested. Any such notice shall contain the name and post office address of such institutional mortgagee and the name of the person to whom notice of the annual and special meetings should be addressed. The Secretary of the Condominium shall maintain a roster of all institutional mortgagees from whom such notices are received in a book entitled "Eligible Mortgage Holders", and it shall be the duty of the Secretary to mail or otherwise cause the delivery of a notice of each annual or special meeting, as aforesaid, to each such Eligible Mortgage Holder, in the same manner and subject to the same requirements and limitations as are provided for with respect to notice of such meetings to the Unit owners. Any institutional mortgagee shall be entitled to designate a representative to attend any annual or special meeting of the Condominium. Such representative shall have no voting rights at any such meeting. Any institutional mortgagee shall be entitled to a copy of the minutes of all meetings of the Condominium upon request made in writing to the Secretary.

Section 6.7 Change in Percentage Interests in Common Elements.

The consent of all Unit owners and their mortgagees, obtained in advance in writing, is mandatory if the Council should adopt any change in the pro-rata interest of the Unit owners in the Common Elements of the Condominium.

Section 6.8 Notice of Meetings.

All Eligible Mortgage Holders shall be notified of each Council of Unit Owners meeting and all mortgagees shall have the right to notification of, and attendance at all general and special meetings of the Council upon providing the Board of Directors or the Managing Agent with written request and a current address.

Section 6.9 Rental by Mortgagee.

All mortgagees shall have the right, notwithstanding any provision herein to the contrary to temporarily rent any Units which such mortgagee or mortgagees may own through foreclosure, deed in lieu thereof or voluntary sale, free from any restriction herein against leasing.

ARTICLE 7. SALES AND MORTGAGES OF UNITS.

Section 7.1 Sales.

A Unit owner may sell his Unit or any interest therein without the consent of the Condominium, but shall notify the Condominium upon such sale of the name and address of the new owner.

Section 7.2 No Severance of Ownership.

Except as may be provided in the Act, no Unit owner shall execute any lease, mortgage or other instrument conveying or mortgaging title to his Unit without including therein the appurtenant Common Elements, it being the intention hereof to prevent any severance of such combined ownership. Any such lease, mortgage or other instrument purporting to affect one or more of such interests, without including all such interests, shall be deemed and taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or described therein. No part of the appurtenant Common Elements of any Unit may be sold, transferred or otherwise disposed of, except as part of a sale, transfer or other disposition of the Unit to which such interests are appurtenant, or as part of a sale, transfer or other disposition of such part of the appurtenant Common Elements of all Units.

**ARTICLE 8. FEDERAL HOME LOAN MORTGAGE CORPORATION AND
FEDERAL NATIONAL MORTGAGE CONDOMINIUM.**

It is the intention of the Condominium that these Bylaws conform to the rules, regulations, guidelines, standards, and procedures, as may from time to time be promulgated by both the Federal Home Loan Mortgage Corporation ("FHLMC") and the Federal National Mortgage Condominium ("FNMA") with respect to condominium projects approved by FHLMC and FNMA. Accordingly, to the extent there should exist any inconsistency between these Bylaws and any provision required by FHLMC and/or FNMA to be contained herein, then the applicable requirements of FHLMC and/or FNMA shall be deemed controlling and a part of these Bylaws.

ARTICLE 9. CONDEMNATION.

In the event of a taking in condemnation (or by purchase in lieu thereof) of a Unit or any part thereof, or of part or all of the Common Elements, the award made for such taking or purchase shall be distributed in accordance with Section 11-112 of the Act.

ARTICLE 10. RECORDS AND AUDITS.

Section 10.1 Records.

The Board of Directors or the Managing Agent shall keep detailed records of the actions of the Board of Directors and the Managing Agent, minutes of the meetings of the Condominium, and financial records and books of account of the Condominium, including a chronological listing of receipts and expenditures, as well as a separate account for each Unit which, among other things, shall contain the amount of each assessment of common expenses against such Unit, the date when due, the amounts paid thereon, and the balance remaining unpaid, if any.

Section 10.2 Audits

An annual report of the receipts and expenditures of the Condominium shall be rendered by the Board of Directors to all Unit owners and to all mortgagees of Units who have requested the same within 120 days after the end of the fiscal year, or as soon thereafter as possible. If directed by the Board of Directors or if requested by the Unit owners of five percent (5%) or more of the Units, such report shall be prepared and certified by independent, certified public accountants retained by the Board. The cost of such report shall be charged by the Board of Directors as a common expense. In any event, an audit of the books and records shall be conducted not less than once every other year.

ARTICLE 11. EASEMENTS FOR UTILITIES AND RELATED PURPOSES.

The Condominium through its Board of Directors and after not less than 30 days' notice to all unit owners and their mortgagees of record with the Condominium, is authorized and empowered to grant (and shall from time to time grant) such licenses, easements and/or rights-of-way for sewer lines, water lines, electrical cables, telephone cables, gas lines, storm drains, underground conduits and/or such other purposes related to the provision of public utilities, including but not limited to access easements, to the Condominium as may be considered necessary or appropriate by the Board of Directors for the orderly maintenance, preservation, and enjoyment of the Common Elements or for the preservation of the health, safety, convenience and/or welfare of the owners of the Units or the Declarant and/or as required by the Declaration.

ARTICLE 12. MISCELLANEOUS.

Section 12.1 Notices.

All notices hereunder to the Board of Directors shall be sent by first class mail, or certified mail - return receipt requested, or personally delivered to the Managing Agent, or to such person as the Board of Directors may hereafter designate from time to time. All notices to any Unit owner shall be sent by U.S. Postal service mail, or electronically to the address provided for such purpose by the Unit owner, or personally delivered to the address as may have been designated by him from time to time in writing to include on the Roster. All notices to Eligible Mortgage Holders shall be sent by first class mail or personally delivered to their respective addresses as designated by them from time to time, in writing. All notices shall be in writing and shall be deemed to have been given when mailed, sent or personally delivered, except notices of change of address which shall be deemed to have been given when received.

Section 12.2 Invalidity.

The invalidity of any part of these Bylaws shall not impair or affect in any manner the validity or enforceability of these Bylaws, and any such determination of invalidity of any particular provision shall not impact the validity and enforceability of the remaining provisions.

Section 12.3 Captions.

The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these Bylaws, or the intent of any provision thereof.

Section 12.4 Gender.

The use of the masculine gender in these Bylaws shall be deemed to include the feminine gender and the use of the singular shall be deemed to include the plural, whenever the context so requires, and vice versa.

Section 12.5 Waiver.

No restriction, condition, obligation or provision contained in these Bylaws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

Section 12.6 Amendments to Bylaws.

Except as elsewhere herein or in the Declaration provided, these Bylaws may be modified or amended by the affirmative vote of Unit owners in good standing having at least sixty percent (60%) of the votes in the Condominium, or that percentage provided in the Act, whichever is less, at a meeting of the Condominium duly called and constituted and for which not less than thirty days notice of such amendment is sent.

Section 12.7 Conflicts.

In case any part of these Bylaws conflict with the Act and/or the Declaration, the provisions of the Act and/or Declaration, as the case may be, shall control.

ARTICLE 13. TERMINATION OF REGIME

Section 13.1 Termination.

Each Unit owner in Chestnut Hill Condominium covenants and agrees that abandonment or termination of the Condominium Regime created herein is prohibited without prior written consent of all Unit owners in the Regime, as then constituted, along with mortgagees then holding mortgages on existing Condominium Units, and said consent requirement shall extend to all trustees under Deeds of Trust. Termination shall be in accordance with the Act as amended from time to time.

Section 13.2 Liquidation Rights.

In the event of any voluntary or involuntary dissolution of the Condominium, each Unit owner or owners shall be entitled to receive out of the assets of the Condominium available for distribution to the Unit owners thereof an amount equal to the Percentage Interest in the Common Profits and Common Expenses of the Condominium for the Unit owned.

THE FOREGOING AMENDED AND RESTATED BYLAWS were approved by the Unit owners on **January 9th, 2023.**

ATTEST:

Kent T Bange
Kent T Bange (SEAL)
Kent Bange, President
COUNCIL OF UNIT OWNERS OF
CHESTNUT HILL CONDOMINIUM

Cheryl A. Bobbitt
Cheryl A. Bobbitt, Secretary
CHERYL A. BOBBITT

CERTIFICATE OF APPROVAL

I HEREBY CERTIFY that on the 9th day of January, 2023, I was the Vice President of Chestnut Hill Condominium, and that, by virtue of said office, I was one of the persons specified by the Bylaws and the Board of Directors of said condominium to count and/or verify votes at the meeting of the Council of Unit Owners of Chestnut Hill Condominium. I further certify that the foregoing Amended and Restated Bylaws of Chestnut Hill Condominium was on that date approved by the affirmative vote of Unit owners of said condominium in good standing having at least sixty percent (60%) of the votes of said Council of Unit Owners at a continued meeting of said Council of Unit Owners for which due written notice was provided to each Unit owner in said condominium. Said Amended and Restated Bylaws to become effective upon recordation among the Land Records of Baltimore County, Maryland.

AS WITNESS my hand and seal.

ATTEST:

CHERYL A. BOBBITT

Cheryl A. Bobbitt

Cheryl A. Bobbitt, Secretary

Bonnie S. Cohen (SEAL)
Bonnie S. Cohen, Vice President
Bonnie S. Cohen

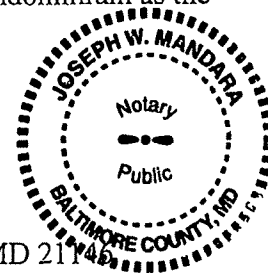
STATE OF MARYLAND, Baltimore COUNTY:

I HEREBY CERTIFY that on this 11 day of January, 2023, before me, the subscriber, a Notary Public in and for the aforesaid state and county, personally appeared **BONNIE S. COHEN** who is known to me to be the person whose name is subscribed to the foregoing Certificate of Approval and said person made oath in due form of law that the matters and facts stated in said Certificate of Approval are true and said person acknowledged the execution of the foregoing Amended and Restated Bylaws of Chestnut Hill Condominium as the act and deed of the Council of Unit Owners of said condominium.

AS WITNESS my signature and notarial seal.

Joseph W. Mandara
Notary Public

My Commission Expires: 4/12/2024



RETURN TO: Kathleen M. Elmore, Esquire, 5 Riggs Avenue, Severna Park, MD 21146
et@elmore-throop.com 410-544-6644

10605.001

State of Maryland Land Instrument Intake Sheet

☐ Baltimore City ☒ County: Baltimore

Information provided is for the use of the Clerk's Office, State Department of Assessments and Taxation, and County Finance Office Only.

(Type or Print in Black Ink Only—All Copies Must Be Legible)

1	Type(s) of Instruments	<input type="checkbox"/> Check Box if addendum Intake Form is Attached						
		Deed Deed of Trust	Mortgage Lease	<input checked="" type="checkbox"/> Other Amendment of By-Laws	Other			
2	Conveyance Type Check Box	Improved Sale Arms-Length [1]	Unimproved Sale Arms-Length [2]	Multiple Accounts Arms-Length [3]	Not an Arms- Length Sale [9]			
3	Tax Exemptions (if applicable) Cite or Explain Authority	Recordation						
		State Transfer						
		County Transfer						
4	Consideration and Tax Calculations	Consideration Amount		Finance Office Use Only Transfer and Recordation Tax Consideration				
		Purchase Price/Consideration	\$	Transfer Tax Consideration	\$			
		Any New Mortgage	\$	X () %	=	\$		
		Balance of Existing Mortgage	\$	Less Exemption Amount	-	\$		
		Other:	\$ 0.00	Total Transfer Tax	=	\$		
		Other:	\$	Recordation Tax Consideration	\$			
		Full Cash Value:	\$	X () per \$500	=	\$		
5	Fees	Amount of Fees		Doc. 1	Doc. 2	Agent:		
		Recording Charge	\$ 20.00	\$				
		Surcharge	\$ 40.00	\$		Tax Bill:		
		State Recordation Tax	\$	\$				
		State Transfer Tax	\$	\$		C.B. Credit:		
		County Transfer Tax	\$	\$				
		Other	\$	\$		Ag. Tax/Other:		
6	Description of Property SDAT requires submission of all applicable information. A maximum of 40 characters will be indexed in accordance with the priority cited in Real Property Article Section 3-104(g)(3)(i).	District	Property Tax ID No. (1)	Grantor Liber/Folio	Map	Parcel No.	Var. LOG	
		03						<input type="checkbox"/> (5)
		Subdivision Name		Lot (3a)	Block (3b)	Sect/AR (3c)	Plat Ref.	SqFt/Acreage (4)
		Chestnut Hill Condominium						
		Location/Address of Property Being Conveyed (2)						
		Reisterstown, MD 21136						
		Other Property Identifiers (if applicable)						
		Water Meter Account No.						
		Residential <input checked="" type="checkbox"/> or Non-Residential <input type="checkbox"/> Fee Simple <input type="checkbox"/> or Ground Rent <input type="checkbox"/> Amount:						
		Partial Conveyance? <input type="checkbox"/> Yes <input type="checkbox"/> No Description/Amt. of SqFt/Acreage Transferred:						
7	Transferred From	Doc. 1 – Grantor(s) Name(s)			Doc. 2 – Grantor(s) Name(s)			
		Chestnut Hill Condominium						
		Doc. 1 – Owner(s) of Record, if Different from Grantor(s)			Doc. 2 – Owner(s) of Record, if Different from Grantor(s)			
8	Transferred To	Doc. 1 – Grantee(s) Name(s)			Doc. 2 – Grantee(s) Name(s)			
		Chestnut Hill Condominium						
		New Owner's (Grantee) Mailing Address						
9	Other Names to Be Indexed	Doc. 1 – Additional Names to be Indexed (Optional)			Doc. 2 – Additional Names to be Indexed (Optional)			
10	Contact/Mail Information	Instrument Submitted By or Contact Person					<input checked="" type="checkbox"/> Return to Contact Person	
		Name: Kathleen M. Elmore, Esquire					<input type="checkbox"/> Hold for Pickup	
		Firm: Elmore Law Group, PC					<input type="checkbox"/> Return Address Provided	
		Address: 5 Riggs Avenue, Severna Park, Maryland 21146						
		Phone: (410) 544-6644						
		IMPORTANT: BOTH THE ORIGINAL DEED AND A PHOTOCOPY MUST ACCOMPANY EACH TRANSFER						
		Assessment Information	Yes	<input checked="" type="checkbox"/> No	Will the property being conveyed be the grantee's principal residence?			
			Yes	<input checked="" type="checkbox"/> No	Does transfer include personal property? If yes, identify:			
			Yes	<input checked="" type="checkbox"/> No	Was property surveyed? If yes, attach copy of survey (if recorded, no copy required).			
		Assessment Use Only – Do Not Write Below This Line						
<input type="checkbox"/> Terminal Verification		<input type="checkbox"/> Agricultural Verification		<input type="checkbox"/> Whole		<input checked="" type="checkbox"/> Partial Verification		
Transfer Number	Date Received:	Deed Reference:	COUNCIL BLADES PROPERTY No.:					
Year	20	20	Geo.	Map	Grid	Block		
Land			Zoning	Parcel	Plat	Lot		
Buildings			Use	Section	Section	Occ. Cd.		
Total			Town Cd.	Ex. St.	Ex. St.			
REMARKS:								
Date: 2/21/23								

Space Reserved for County Validation