

BAY BRIDGE COVE CONDOMINIUM II, INC.  
AMENDED AND RESTATED BY-LAWS

## TABLE OF CONTENTS

<b>Article I</b>		<b>NAME AND LOCATION</b>		
	<b>Section 1</b>	<b>Name and Location</b>		
<b>Article II</b>		<b>DEFINITIONS</b>		
	<b>Section 1</b>	<b>Condominium Declaration</b>		
	<b>Section 2</b>	<b>Other Definitions</b>		
	<b>Section 3</b>	<b>Age-Restricted Adult Housing</b>		
<b>Article III</b>		<b>OWNERSHIP</b>		
	<b>Section 1</b>	<b>Unit Owners</b>		
	<b>Section 2</b>	<b>Condominium By-Laws Applicability</b>		
<b>Article IV</b>		<b>MEETINGS OF CONDOMINIUM ASSOCIATION</b>		
	<b>Section 1</b>	<b>Place of Meetings</b>		
	<b>Section 2</b>	<b>Annual Meetings</b>		
	<b>Section 3</b>	<b>Special Meetings</b>		
	<b>Section 4</b>	<b>Notice of Meetings</b>		
	<b>Section 5</b>	<b>Open Meetings</b>		
	<b>Section 6</b>	<b>Quorum</b>		
	<b>Section 7</b>	<b>Voting</b>		
	<b>Section 8</b>	<b>Proxies</b>		
	<b>Section 9</b>	<b>Election Materials</b>		
	<b>Section 10</b>	<b>Powers</b>		
	<b>Section 11</b>	<b>Annual Proposed Budget</b>		
	<b>Section 12</b>	<b>Waiver</b>		
	<b>Section 13</b>	<b>Electronic Transmission of Votes and Proxies</b>		
<b>Article V</b>		<b>DIRECTORS</b>		
	<b>Section 1</b>	<b>Number and Qualification</b>		
	<b>Section 2</b>	<b>Initial Directors</b>		
	<b>Section 3</b>	<b>Powers and Duties</b>		

	<b>Section 4</b>	<b>Management Agent</b>		
	<b>Section 5</b>	<b>Elections and Terms of Office</b>		
	<b>Section 6</b>	<b>Vacancies</b>		
	<b>Section 7</b>	<b>Removal of Directors</b>		
	<b>Section 8</b>	<b>Compensation</b>		
	<b>Section 9</b>	<b>Organizational and First Meeting</b>		
	<b>Section 10</b>	<b>Regular Meetings</b>		
	<b>Section 11</b>	<b>Special Meetings</b>		
	<b>Section 12</b>	<b>Waiver of Notice</b>		
	<b>Section 13</b>	<b>Quorum</b>		
<b>Article VI</b>		<b>OFFICERS</b>		
	<b>Section 1</b>	<b>Designation</b>		
	<b>Section 2</b>	<b>Election of Officers</b>		
	<b>Section 3</b>	<b>President</b>		
	<b>Section 4</b>	<b>Vice-President</b>		
	<b>Section 5</b>	<b>Secretary</b>		
	<b>Section 6</b>	<b>Treasurer</b>		
	<b>Section 7</b>	<b>Compensation</b>		
<b>Article VII</b>		<b>LIABILITY AND INDEMNIFICATION OF OFFICERS AND DIRECTORS</b>		
	<b>Section 1</b>	<b>Liability and Indemnification of Officers and Directors</b>		
	<b>Section 2</b>	<b>Other Interests</b>		
<b>Article VIII</b>		<b>MANAGEMENT</b>		
	<b>Section 1</b>	<b>Management and Common Expenses</b>		
	<b>Section 2</b>	<b>Management Agent</b>		
	<b>Section 3</b>	<b>Easements, Licenses and Rights of Way for Utilities and Related Programs</b>		
	<b>Section 4</b>	<b>Limitation of Liability</b>		
<b>Article IX</b>		<b>CONDOMINIUM FEES/ASSESSMENTS</b>		

	<b>Section 1</b>	<b>Annual Condominium Fees/Assessments</b>		
	<b>Section 2</b>	<b>Special Assessments</b>		
	<b>Section 3</b>	<b>Limited Common Expense Assessments</b>		
	<b>Section 4</b>	<b>Reserve for Replacements and Working Capital</b>		
	<b>Section 5</b>	<b>Disposition of Common Profits</b>		
	<b>Section 6</b>	<b>Liability for Assessments</b>		
	<b>Section 7</b>	<b>Imposition of Lien</b>		
	<b>Section 8</b>	<b>Interest on Unpaid Assessments; Late Charges; Demand for Payment of Remaining Annual Assessment</b>		
	<b>Section 9</b>	<b>Assessment Certificates</b>		
	<b>Section 10</b>	<b>Acceleration of Installments</b>		
	<b>Section 11</b>	<b>Subordination and Mortgagee Protection</b>		
<b>Article X</b>		<b>HEARING PROCEDURES</b>		
	<b>Section 1</b>	<b>Statement of Purpose</b>		
	<b>Section 2</b>	<b>Rules</b>		
	<b>Section 3</b>	<b>Hearing and Comment</b>		
	<b>Section 4</b>	<b>Right of Appeal</b>		
	<b>Section 5</b>	<b>Extraordinary Actions</b>		
<b>Article XI</b>		<b>INSURANCE</b>		
	<b>Section 1</b>	<b>Insurance</b>		
<b>Article XII</b>		<b>CASUALTY DAMAGES</b>		
	<b>Section 1</b>	<b>Use of Insurance</b>		

<b>Article XIII</b>		<b>MAINTENANCE OF THE PROPERTY</b>		
	<b>Section 1</b>	<b>Maintenance by Unit Owners</b>		
	<b>Section 2</b>	<b>Maintenance by the Council</b>		
	<b>Section 3</b>	<b>Maintenance by the Master Association</b>		
	<b>Section 4</b>	<b>Additions, Alterations, Improvements and Decorations</b>		
	<b>Section 5</b>	<b>Water, Gas and Electricity</b>		
	<b>Section 6</b>	<b>Compliance with Master Declaration</b>		
<b>Article XIV</b>		<b>DISPUTE RESOLUTION</b>		
	<b>Section 1</b>			
	<b>Section 2</b>	<b>Fine Imposition Procedure</b>		
	<b>Section 3</b>	<b>Enforcement</b>		
<b>Article XV</b>		<b>FISCAL MANAGEMENT</b>		
	<b>Section 1</b>	<b>Fiscal Year</b>		
	<b>Section 2</b>	<b>Books and Accounts</b>		
	<b>Section 3</b>	<b>Auditing</b>		
<b>Article XVI</b>		<b>AMENDMENTS</b>		
	<b>Section 1</b>	<b>Amendments</b>		
<b>Article XVII</b>		<b>COMPLIANCE, INTERPRETATION, &amp; MISCELLANEOUS</b>		
	<b>Section 1</b>	<b>Compliance</b>		
	<b>Section 2</b>	<b>Conflict</b>		
	<b>Section 3</b>	<b>Resident Agent</b>		
	<b>Section 4</b>	<b>Rights of Action</b>		
	<b>Section 5</b>	<b>Litigation</b>		
	<b>Section 6</b>	<b>Severability</b>		
	<b>Section 7</b>	<b>Waiver</b>		

	<b>Section 8</b>	<b>Captions and Table of Contents</b>		
	<b>Section 9</b>	<b>Gender, etc.</b>		
<b>Article XVIII</b>		<b>SPECIAL PROVISIONS RELATING TO VETERANS ADMINISTRATION</b>		
	<b>Section 1</b>	<b>Notice of Meetings</b>		
	<b>Section 2</b>	<b>Books and Records</b>		
	<b>Section 3</b>	<b>Reconstruction After a Casualty Loss</b>		
<b>Article XIX</b>		<b>HOUSING FOR OLDER PERSONS</b>		
	<b>Section 1</b>			
	<b>Section 2</b>			
	<b>Section 3</b>			
	<b>Section 4</b>			
	<b>Section 5</b>			
<b>END</b>				

EXHIBIT "B"

[CONDOMINIUM BY-LAWS]

**BAY BRIDGE COVE CONDOMINIUM II, INC.**  
**AMENDED AND RESTATED BY-LAWS**

**ARTICLE - I NAME AND LOCATION**

Section 1. Name and Location. The name of the Condominium is Bay Bridge Cove Condominium II (the "Condominium Association") The principal office and mailing address of the Condominium Association is 917 Moorings Circle, Stevensville Maryland 21666.

**ARTICLE II - DEFINITIONS**

Section 1. Condominium Declaration. "Condominium Declaration" as used herein means that certain Declaration made the \_10th\_ day of \_October\_\_\_\_\_, 2018\_\_\_, by Kent Island L.L.C., a Delaware limited liability company, as Declarant (sometimes referred to herein as "Condominium Developer"), pursuant to Section 11-101 of the Real Property Article of the Annotated Code of Maryland, 2015 Replacement Volume, as amended (the "Condominium Act"), by which certain described property, including land, was submitted to a Condominium Regime (hereinafter called the "Condominium," "Regime" or "Property"), which Condominium Declaration is recorded among the Land Records of Queen Anne's County, Maryland, prior hereto and to which these Condominium By-Laws are appended.

Section 2. Other Definitions. Unless it is plainly evident from the context that a different meaning is intended, all other terms used herein shall have the same meaning as they are defined to have in the Condominium Declaration or in the Condominium Act.

Section 3. Age-Restricted Adult Housing. In accordance with the Condominium Declaration and Article XIX of these Condominium By-Laws, the Condominium is intended to constitute housing intended and operated for occupancy by at least one (1) person fifty-five (55) years of age or older per Unit.

**ARTICLE III - OWNERSHIP**

Section 1. Unit Owners. Every person, group of persons, corporation, trust or other legal entity, or any combination thereof, which owns a Condominium Unit within the Condominium shall be a member of the Council of Unit Owners (hereinafter referred to as the "Council" or "Condominium Association"); provided, however, that any person, group of persons, corporation, trust or other legal entity, or any combination thereof, which holds such interest solely as security for the performance of an obligation shall not be deemed an owner.

Section 2. Condominium By-Laws Applicability. The provisions of these Condominium By-Laws (sometimes herein referred to as “**Condominium** By-Laws”), are applicable to the Condominium. The terms “Condominium”, “Condominium Regime” or “Regime” as used herein shall include the land, as well as the improvements thereon. In construing these **Condominium** By-Laws, and the government of the **Condominium Association** pursuant thereto, the provisions of the Corporations and Associations Article of the Annotated Code of Maryland, 2014 Replacement Volume, as amended, pertaining to the government of nonstock corporations, shall be considered as governing to the extent not inconsistent with the provisions of the Condominium Act, and the **Condominium** Declaration and these **Condominium** By-Laws; the Council being considered the Corporation and the **Unit** Owners being considered its members. This Council shall be incorporated as provided in the Condominium Act.

#### **ARTICLE IV - MEETINGS OF CONDOMINIUM ASSOCIATION**

Section 1. Place of Meetings. Meetings of the Council shall be held at the principal office or place of business of the **Condominium Association** or at such other suitable place convenient to the Council as may be designated by the Condominium Board. The Council, Condominium Board, and committees of the **Condominium Association** may conduct meetings by and on electronic platforms, including, without limitation, telephone and/or video conferencing, in accordance with Sec. 11-139.3 of the Condominium Act, notwithstanding the provisions of this Article.

Section 2. Annual Meetings. The Organizational and First Meeting of the Council shall be held within sixty (60) days after the date on which Units, as expanded from time to time, representing at least fifty percent (50%) of the votes in the Council have been conveyed by the Condominium Developer to the initial purchasers of Units. Thereafter, annual meetings of the Council shall be held at such date and time and at such place as may be designated by the Condominium Board or the Manager of the Condominium (**as defined by the Condominium Declaration**). At such meeting there shall be elected by ballot of the Unit Owners a Condominium Board in accordance with the requirements of Section 5 of Article V of these **Condominium** By-Laws. The Council may also transact such other business of the **Condominium Association** as may properly come before it.

Section 3. Special Meetings. It shall be the duty of the President to call a special meeting of the Council as directed by resolution of the Condominium Board or upon a petition signed by Unit Owners representing at least twenty-five percent (25%) of the total votes of the **Council** having been presented to the Secretary. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 4. Notice of Meetings and Electronic Transmissions. Subject to these **Condominium** By-Laws, it shall be the duty of the Secretary or his agent to mail by first class a notice of each annual or special 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 as it appears on the roster of the **Council** on the date of the notice, or if no such address appears, at his last known address, not less than ten (10) nor more than ninety (90) days prior to such meeting, unless the Condominium Act provides for a shorter time in which case the Condominium Act will control. Service may also be accomplished by the delivery of any such notice to the Unit Owner at his Unit or last known address. Notice by either such method shall be considered as notice served. Attendance by a Unit Owner at any meeting of the **Condominium Association** shall be a waiver of notice by him of the time, place and purpose thereof.

(a) Notwithstanding language contained in the Condominium Documents (**as defined by the Condominium Declaration**), in accordance with Sec. 11-139.1 of the Condominium Act, as may be amended from time to time, the Secretary may provide notice of a meeting or deliver information to a Unit Owner by electronic transmission if:

(1) The Condominium Board gives the Council the authority to provide notice of a meeting or deliver information by electronic transmission;

(2) The **Unit** Owner gives the **Condominium Association** prior written authorization to provide notice of a meeting or deliver information by electronic transmission; and

(3) An officer or agent of the **Condominium Association** certifies in writing that the **Condominium Association** has provided notice of a meeting or delivered material or information as authorized by the Unit Owner.

(b) Notice or delivery by electronic transmission shall be considered ineffective if:

(1) The **Condominium Association** is unable to deliver two consecutive notices; and

(2) The inability to deliver the electronic transmission becomes known to the person responsible for the sending of the electronic transmission.

(c) The inadvertent failure to deliver notice by electronic transmission does not invalidate any meeting or other action.

Section 5. Open Meetings. All meetings of the Condominium Association shall be open to all members of the Condominium Association (and other interested parties in the sole

discretion of the Board of Directors or as required by law). Meetings of the **Condominium Board (as defined by the Condominium Declaration)** shall be held in accordance with the provisions herein. Notwithstanding the foregoing and if permitted by applicable law, any action by the Condominium Association required or permitted to be taken at any meeting may be taken without a meeting if all the **Unit** Owners shall individually or collectively consent in writing to such action. Any such written consent shall be filed with the minutes of the proceedings of the Condominium Association.

Section 6. **Quorum.** The presence, either in person, **remotely by electronic platform**, or by proxy, of **Unit** Owners representing at least ten percent (10%) of the total votes of the Regime shall be requisite for and constitute a quorum for the transaction of business at all meetings of the Council. In the absence of a quorum, the meeting may be adjourned from time to time by majority vote of those **Unit** Owners present in person, **remotely by electronic platform**, or by proxy, in accordance with the requirements of **Maryland Code**, including Section 5-206 of the Corporations and Associations Article of the Annotated Code of Maryland, as amended from time to time, if applicable, and at any such adjourned meeting those owners present in person, **remotely by electronic platform**, or by proxy shall constitute a quorum and any business may be transacted which may have been transacted at the meeting originally held.

Section 7. **Voting.** At every meeting of the Council, each of the Unit Owners shall have the right to cast the number of votes for each Unit (as provided in the **Condominium Declaration**) on each question. The votes established in the **Condominium Declaration** shall be applicable to voting rights. The vote of the Unit Owners representing fifty-one percent (51%) of the total votes of those present and voting shall decide any questions brought before such meeting, unless the question is one upon which, by express provision of statute **or the Condominium Documents**, a different vote is required, in which case such express provision shall govern and control. No Unit Owner shall be eligible to vote at any annual or special meeting of the Council, or be elected to an office or to the Condominium Board if the **Condominium Association** has recorded a Lien under the Maryland Contract Lien Act and the amount necessary to satisfy the Lien has not been paid at the time of the meeting. No **Unit** Owner shall be entitled to vote at the meeting of the Council of Unit Owners until said **Unit** Owner has furnished to the Secretary his name and current mailing address.

Section 8. **Proxies.** A Unit Owner may appoint any other Unit Owner, the Condominium Developer (as defined in the **Condominium Declaration**), **Manager**, Mortgagee, attorney or lessee, as his proxy. Only a Unit Owner voting in person, **remotely by electronic platform**, or a proxy voting for candidates designated by a Unit Owner may vote for members of the Condominium Board. Notwithstanding this provision, blank proxies may be used for any other purpose, including obtaining a quorum.

Proxies shall be effective for a maximum period of one hundred eighty (180) days following issuance, unless granted to a lessee or Mortgagee.

Section 9. Election Materials. Election materials prepared with funds of the **Condominium Association** must list candidates in alphabetical order and cannot indicate a preference among candidates.

Section 10. Powers. The **Condominium Association** has, subject to any provision of the Condominium Act, the **Condominium** Declaration and these **Condominium** By-Laws, the following powers:

(a) To have perpetual existence, subject to the right of the Unit Owners to terminate the **Condominium Association** as provided in Section 11-123 of the Condominium Act;

(b) To adopt and amend reasonable rules; provided, however, that notwithstanding any provision of the Condominium Documents to the contrary, the adoption or amendment of any rules shall require the written consent of Condominium Developer for so long as Condominium Developer owns any Units;

(c) To adopt and amend budgets for revenues, expenditures, and reserves and collect assessments for Common Expenses from Unit Owners;

(d) To sue and be sued, complain and defend, or intervene in litigation or administrative proceedings in its own name on behalf of itself or two (2) or more Unit Owners on matters affecting the Common Elements of the Condominium;

(e) To transact its business, carry on its operations and exercise the powers provided in this **Section 10** in any State, territory, district, or possession of the United States and in any foreign country;

(f) To make contracts and guarantees, incur liabilities and borrow money, sell, mortgage, lease, pledge, exchange, convey, transfer, and otherwise dispose of any part of its property and assets;

(g) To issue bonds, notes, and other obligations and secure the same by mortgage or deed of trust on any part of its property, franchises, and income;

(h) To acquire by purchase or in any other manner, to take, receive, own, hold, use, employ, improve, and otherwise deal with any property, real or personal, or any interest therein, wherever located;

(i) To hire and terminate managing agents and other employees, agents, and

independent contractors;

(j) To purchase, take, receive, subscribe for or otherwise acquire, own, hold, vote, use, employ, sell, mortgage, loan, pledge or otherwise dispose of, and otherwise use and deal in and with, shares or other interests in, or obligations of corporations of the State, or foreign corporations, and of associations, partnerships, and individuals;

(k) To invest its funds and to lend money in any manner appropriate to enable it to carry on the operations or to fulfill the purposes named in the **Condominium Declaration** or **Condominium By-Laws**, and to take and to hold real and personal property as security for the payment of funds so invested or loaned;

(l) To regulate the use, maintenance, repair, replacement, and modification of Common Elements;

(m) To cause additional improvements to be made as a part of the General Common Elements;

(n) To grant easements, rights-of-way, licenses, leases in excess of one (1) year, or similar interests through or over the Common Elements in accordance with the Section 11-125(f) of the Condominium Act, and to assess responsibility for damages resulting therefrom;

(o) To impose and receive any payments, fees, or charges for the use, rental, or operation of the Common Elements other than Limited Common Elements;

(p) To impose charges for late payment of assessments and, after notice and an opportunity to be heard, levy reasonable fines and charges for violations of the **Condominium Documents, in accordance with** Section 11-113 of the Condominium Act;

(q) To impose reasonable charges for the preparation and recordation of amendments to the **Condominium Declaration, Condominium By-Laws**, rules, resolutions, resale certificates, or statements of unpaid assessments;

(r) To provide for the indemnification of and maintain liability insurance for officers, Directors, **Manager**, and any managing agent or other employee charged with the operation or maintenance of the Condominium;

(s) To enforce the implied warranties made to the Council by the Condominium Developer under Section 11-131 of the Condominium Act;

(t) To enforce the provisions of this title **and the Condominium Documents** against any Unit Owner or occupant **of a Unit**;

(u) Subject to the terms and conditions of the **Condominium** Declaration, to exercise all powers and perform all duties set forth in Section 11-109 of the Condominium Act; and

(v) To collect all fees due to the Master Association by the **Unit** Owners, to the extent required under the Master **Association** Documents (as defined in the **Condominium Declaration**).

Section 11. Annual Proposed Budget. Each year, at least thirty (30) days prior to its adoption at an open meeting of the Council, the Condominium Board, **Manager**, officers, or agents of the Council as delegated by the **Condominium** Board, shall prepare a budget in a reasonably itemized form for the Council containing an estimate of the total amount which will be necessary to pay for the upcoming fiscal year the cost of the maintenance, management, operation, repair and replacement of the Common Elements and the cost of wages, materials, insurance premiums, services, supplies and other expenses that may be declared to be Common Expenses by the Condominium Act, **Condominium** Declaration, **Condominium** By-Laws, or a resolution of the **Condominium** Board. Such budget shall also include a reserve for contingencies and replacements. Furthermore, the budget shall provide for the funding required for reserves and reserve study as required by and in accordance with Sections 11-109, 11-109.2, and 11-109.4 of the Condominium Act, as may be amended from time to time. The Secretary of the Council or another delegated agent of the Condominium Board shall send a copy of the budget as so prepared to each Unit Owner at least thirty (30) days prior to the open meeting. After receiving comments on the budget at the open meeting, the **Condominium** Board will adopt a budget for the **Condominium Association** for the next fiscal year. Further, the Council, through the **Condominium Board**, shall submit the adopted annual budget to **each Unit** Owners not more than thirty (30) days after the meeting at which the budget was adopted. The adopted budget may be submitted to each **Unit** Owner by electronic transmission, by posting on the **Condominium Association's webpage**, or by inclusion in **Condominium Association's** newsletter.

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 significant risk of damage to the Condominium, that would result in an increase in the assessments for the current fiscal year of the Condominium in excess of fifteen percent (15%) of the budgeted amount previously adopted, shall be approved by an amendment to the budget adopted at a special meeting of the **Condominium** Board, upon not less than ten (10) days written notice to the Council.

The adoption of a budget shall not impair the powers of the Council to obligate the **Condominium Association** for expenditures for any purpose consistent with the Condominium Act.

Section 12. Waiver. The omission of the Council or the Condominium Board, before the expiration of any budget period, to adopt a budget hereunder for that or the next period, shall not be deemed a waiver or modification in any respect of the provisions of this Article or the Condominium Act, or a release of assessment installment thereof, for that or any subsequent budget period, but the budget fixed for the preceding period shall continue until a new budget is fixed. No Unit Owner may exempt himself from liability for assessment by a waiver of the use or enjoyment of any of the Common Elements, or by abandonment of any Unit belonging to him. Expenditures increasing the annual assessment in excess of fifteen percent (15%) shall be levied as provided in the Condominium Act.

Section 13. Electronic Transmission of Votes and Proxies. Notwithstanding the provisions herein, and in accordance with Sec. 11-139.2 of the Condominium Act, as may be amended from time to time, the Condominium Association, by and through the Condominium Board and Secretary thereof, may authorize Unit Owners, including a Unit Owner's duly authorized proxy, to submit a vote or proxy by electronic transmission if such electronic transmission contains information that verifies that the vote or proxy is authorized by the Unit Owner of the Unit Owner's proxy. Where voting by secret ballot is to be conducted, voting by electronic transmission shall be permitted if all Unit Owners have the option of casting anonymous printed ballots.

## ARTICLE V - DIRECTORS

Section 1. Number and Qualification. The affairs of the **Condominium Association** shall be governed by the Condominium Board composed of three (3) or five (5) Directors; provided, however, until the Organizational and First Meeting of the Council, the **Condominium** Board may be comprised of one (1) or more persons and further, provided, that three (3) Directors shall be elected at the Organizational and First Meeting of the Council. At each annual meeting following the Organizational and First Meeting, the number of Directors shall be determined by a simple majority vote of those **Unit** Owners present in person, **remotely by electronic platform**, or by proxy at the meeting electing such Directors. Only Unit Owners who are in good standing with the Condominium Association – defined herein as not in violation of any provision of the Condominium Documents and the Master **Association's** Declaration and current in the payment of all assessments levied by the Condominium Association and the Master Association – are eligible to be nominated and elected to the Condominium Board.

Section 2. Initial Directors. The initial Directors shall be selected by the Condominium Developer and need not be a Unit Owner. The name of the Director who shall act as such from the date upon which the **Condominium** Declaration is recorded among the Land Records of Queen Anne's County, Maryland until such time as his successor is duly chosen and qualified is Kevin E. McLaughlin, who shall serve until the Organizational

and First Meeting of the Council, at which time the Unit Owners shall elect a **Condominium** Board, all as prescribed herein, subject to applicable law. In addition, the initial Director may be removed and his successors appointed by the Condominium Developer, its successors and assigns. The Condominium Developer shall also have the right to appoint additional Directors to the **Condominium** Board until the Organizational and First Meeting of the Council.

Section 3. Powers and Duties. The **Condominium** Board shall have the powers and duties necessary for the administration of the affairs of the **Condominium Association** and may do all such acts and things as are not, by law or by these **Condominium** By-Laws, directed to be exercised and done by the **Condominium Association**. The powers and duties of the **Condominium** Board shall include, but not be limited to, the following:

(a) To provide for the care, upkeep and surveillance of the **Condominium**, as it is constituted from time to time and its General Common Elements and Limited Common Elements, and services and maintenance of the Unit exteriors in a manner consistent with the law, and the provisions of the **Condominium** Declaration and these **Condominium** By-Laws.

(b) To establish and provide for the collection of assessments and fines, if levied, from the Unit Owners and for the assessment and/or enforcement of liens therefor in a manner consistent with law and the provisions of the Condominium Documents. Except where such action is brought to collect unpaid assessments due to the **Condominium Association** or to enforce the covenants contained in the **Condominium Documents**, the institution of any other action in any court of law will require the affirmative vote of **Unit** Owners having at least fifty-one percent (51%) of the total votes of the Unit Owners and compliance with the provisions of Article XIII (x) of the **Condominium** Declaration, if applicable;

(c) To designate, hire and/or dismiss the personnel necessary for the good working order of the **Condominium** and for the proper care of the General Common Elements and Limited Common Elements, and to provide services for the **Condominium** in a manner consistent with all applicable State, local laws, and the **Condominium Documents**;

(d) To promulgate and enforce such rules, and such restrictions or requirements, as may be deemed proper respecting the use, occupancy and maintenance of the **Condominium** and the use and maintenance of the General Common Elements and Limited Common Elements, as they are designated, to prevent unreasonable interference with the use and occupancy of the **Condominium** and of the General Common Elements and Limited Common Elements by the Unit Owners, all of which are to be consistent with all applicable State, local laws, and the **Condominium Documents**;

(e) Procure bids or otherwise establish the fixed cost of all labor, materials, services, utilities and other items required for the operation, maintenance and care of the Condominium, and the convenience of the Unit Owners; review and analyze all cost and expense factors arising out of or otherwise related to the Condominium, together with the benefits and advantages to be derived therefrom; determine and fix a detailed annual budget for the project, and upon the establishment of such budget, assess and collect the funds therefor as a Common Expense;

(f) Impose and collect reasonable charges for the preparation, copying and recordation of any documents related to the Condominium; and impose and collect reasonable fines for the violations of the Condominium Documents

(g) Establish and maintain an accurate and efficient cash and accounting system, make collections and deposit of funds in such banks, trust companies, or other depositories as the Condominium Board shall from time to time approve, verify and account for all receipts and expenditures involved in the operation of the Condominium, approve or disapprove all requisitions, bills, statements and vouchers, pay all costs and expenses incurred in the operation and maintenance of the Condominium, designate signatories to which bank or other accounts shall be subject, keep and preserve, at the principal office of the Condominium, rosters, books, accounts and records covering the operation of the Condominium and execute and file any statement, certificate, affidavit, return or other form required to be filed with any governmental agency in connection with any income or unemployment, social security or employee benefit tax, or the withholding of any tax, or any information relative to the foregoing, and prepare and submit such account or accounts of the financial condition of the Condominium as may from time to time be required or advisable;

(h) Procure and maintain all policies of insurance required by the Condominium Act, by these Condominium By-Laws, or by the Condominium Association, or otherwise deemed advisable; designate a trustee or trustees, or other person, firm or corporation as the nominal beneficiary of any policy, to hold proceeds payable thereunder for the use and benefit of the Condominium Association; negotiate and adjust any loss occurring under any policy of insurance; and make any repair, replacement or restoration of the property damaged or destroyed by fire or other casualty insured against;

(i) Prepare, with the assistance of an accountant, if deemed necessary, and file all income tax returns and other tax returns, declarations, and other forms required of the Condominium Association by law, and arrange for payment of any tax shown thereby to be due; and

(j) Subject to the terms and conditions of the Condominium Declaration, to exercise all powers and perform all duties enumerated in Section 11-109 of the

Condominium Act.

Section 4. Management Agent. The Condominium Board shall employ for the Condominium a professional management agent (also referred to herein and in the Condominium Declaration as "Manager") at a rate of compensation established by the Condominium Board, to perform such duties and services as the Condominium Board shall authorize, including, but not necessarily limited to, the duties set out in Section 3 of this Article other than those duties reserved to the Council or Condominium Board by the Condominium Declaration, Condominium By-Laws or Condominium Act. The Council shall not undertake "self- management" or otherwise fail to employ a professional management agent. Any professional management company retained by the Condominium shall only be required to maintain fidelity bond coverage if mandated by FHA/VA regulations (as amended from time to time) which affect the Condominium.

Section 5. Elections and Terms of Office. At the Organizational and First Meeting of the Council, three (3) Directors shall be elected. The person receiving the highest number of votes shall be elected to serve for a term of three (3) years, the person receiving the next highest number of votes shall be elected to serve for a term of two (2) years and the person receiving the next highest number of votes shall be elected to serve for a term of one (1) year. If the number of Directors is increased from three (3) to five (5) Directors (at any annual meeting of the Council in accordance with Section 1 of this Article V), then the two (2) persons receiving the highest number of votes shall be elected to serve for a term of three (3) years, the two (2) persons receiving the next highest number of votes shall be elected to serve for a term of two (2) years and the person receiving the next highest number of votes shall be elected to serve for a term of one (1) year. At each annual meeting thereafter, a successor shall be elected to each Director whose term then expires, to serve for a term of three (3) years.

Section 6. Vacancies. Vacancies on the Condominium Board caused by any reason other than the removal of a Director by a vote of the Council shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum; and each person so elected shall be a Director until a successor is elected by the Council at the next annual meeting.

Section 7. Removal of Directors. At a regular or special meeting duly called, any Director may be removed with or without cause by the affirmative vote of the majority of the entire Council and a successor may then be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the Council shall be given an opportunity to be heard at the meeting. The term of any Director who has an unreleased Statement of Lien recorded against him shall be automatically terminated and the remaining Directors shall appoint his successor as provided in Section 6 of this Article V.

Section 8. Compensation. Except for the Director named as such in Section 2 of this Article

V, and any successor(s) elected prior to the Organizational and First Meeting of the Council, no remuneration shall be paid to any Director who is also a Unit Owner for services performed by him for the **Condominium Association** in any other capacity unless a resolution authorizing such remuneration shall have been adopted by the **Condominium** Board before the services are undertaken.

Section 9. Organizational and First Meeting. The Organizational and First Meeting of a newly elected **Condominium** Board shall be held within ten (10) days of election at such place as shall be fixed by the **Condominium Board** at the meeting at which such Directors were elected, and no notice shall be necessary to the newly elected Directors in order legally to constitute such meeting, provided a majority of the whole **Condominium** Board shall be present.

Section 10. Regular Meetings. At least annually, the **Condominium** Board shall send each Unit Owner notice of its meetings. All meetings of the **Condominium** Board shall be open for Unit Owners (except as provided in the Condominium Act) to attend. Regular meetings of the **Condominium** Board may be held at such time and place as shall be determined from time to time by a majority of the **Condominium Board**, but at least one (1) such meeting shall be held during each fiscal year.

(a) Notice of meetings of the Council or the Condominium Board may not be given on less notice than required by Section 11-109 (c) of the Condominium Act.

(b) The **Condominium Association** shall maintain a current roster of names and addresses of each Unit Owner to which notice of meetings of the Condominium Board shall be sent at least annually.

(c) Each Unit Owner shall furnish the **Condominium Association** with his name and current mailing address. A Unit Owner may not vote at meetings of the Council until this information is furnished.

Section 11. Special Meetings. Special meetings of the **Condominium** Board may be called by the President on three (3) days' notice to each Director and Unit Owner, given personally or by mail, facsimile transmission, telephone or telegraph, which notice shall state the time, place (as hereinabove provided) and purpose of the meeting; provided, however, that Unit Owners shall not be furnished notice of special meetings of the **Condominium** Board if such special meeting shall solely address any matter covered by Section 11-109.1 of the Condominium Act. Special meetings of the **Condominium** Board shall be called by the President or Secretary in like manner and on like notice on the written request of at least two (2) Directors.

Section 12. Waiver of Notice. Before or at any meeting of the **Condominium** Board, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed

equivalent to the giving of such notice. Attendance by a Director at any meeting of the **Condominium** Board shall be a waiver of notice by him of the time, place and purpose thereof.

Section 13. Quorum. At all meetings of the **Condominium** Board, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the **Condominium** Board. If any meeting of the **Condominium** Board has less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such meeting, following an adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

## ARTICLE VI - OFFICERS

Section 1. Designation. The principal officers of the **Condominium Association** shall be a President, a Vice-President, a Secretary, and a Treasurer, all of whom shall be elected by the **Condominium** Board. Officers elected by the initial Directors need not be Unit Owners. After the Organizational and First Meeting of the Council, the **Condominium** Board may elect officers who need not be Unit Owners except that the President must always be a Unit Owner. The **Condominium Board** may appoint an Assistant Secretary and an Assistant Treasurer and such other officers as in their judgment may be necessary. The offices of Secretary and Treasurer may be filled by the same person.

Section 2. Election of Officers. Upon any affirmative vote of a majority of the members of the **Condominium** Board, any officer may be removed either with or without cause, and his successor elected at any regular meeting of the **Condominium** Board, or at any special meeting of the **Condominium** Board called for such purpose.

Section 3. President. The President shall be the Chief Executive Officer of the Council and a member of the **Condominium** Board. He shall preside at all meetings of the Council and the **Condominium** Board. He shall have all of the general powers and duties which are usually vested in the office of president of a corporation, including but not limited to, the power to appoint committees from among the Unit Owners, or other persons whom he feels are qualified, from time to time, as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the **Condominium Association**. Additionally, the President shall serve as a Delegate for purposes of voting under the Master **Association Documents** and shall vote on behalf of the Condominium Association.

Section 4. 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 **Condominium** Board shall appoint some other member of the **Condominium** Board to do so 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 **Condominium** Board.

Section 5. Secretary. The Secretary shall keep the minutes of all meetings of the **Condominium** Board and the Council; he shall have charge of the "ownership" and such other books and papers as the **Condominium** Board may direct; and he shall, in general, perform all of the duties incidental to the office of Secretary, including counting the votes at meetings of the Council. In the Secretary's absence, the President shall designate some other person to perform these duties.

Section 6. Treasurer. The Treasurer shall have responsibility for Council funds and securities, and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Council. He shall be responsible for the deposit of all monies and other valuable effects in the name and to the credit of the Council in such depositories as may from time to time be designated by the **Condominium** Board. The **Condominium** Board may delegate any or all of these duties to a management agent or banking institution.

Section 7. Compensation. The **Condominium** Board shall have the power to fix the compensation for all officers of the Council who are not Unit Owners, but shall have the power to fix the compensation for all officers of the Council who are Unit Owners only with the approval of the Council.

## ARTICLE VII - LIABILITY AND INDEMNIFICATION OF OFFICERS AND DIRECTORS

Section 1. Liability and Indemnification of Officers and Directors. The Council shall indemnify every officer and Director of the Council against any and all expenses, including attorneys' fees, reasonably incurred or imposed upon any officer or Director in connection with any action, suit or other proceeding, including the settlement of any such suit or proceeding, if approved by the then **Condominium** Board, to which he may be made a party by reason of being or having been, an officer or Director of the Council, whether or not such person is an officer or Director at the time such expenses are incurred. The officers and Directors of the Council shall be liable to the Council and the Unit Owners for any gross negligence, including their own individual willful misconduct or bad faith, but shall not be liable for mistakes of judgment or otherwise if made in good faith nor incur any personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Council (except to the extent that such officers or Directors may also be Unit Owners), and the Council shall indemnify and forever hold each such officer and Director free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification

provided for herein shall not be exclusive of any other rights to which any officer or Director of the Council, or former officer or Director of the Council, may be entitled.

## Section 2. Other Interests.

(a) The **Condominium Board** shall exercise **its** powers and duties in good faith and with a view to the interest of the **Condominium Association**.

(b) No other contract or other transaction between the **Condominium Association** and any corporation or other entity or person and no act of the Council or Condominium Board or Master Association's Board of **Directors** shall in any way be affected or invalidated by the fact that any member of the Council or Condominium Board is pecuniarily or otherwise interested in, or is a Director or officer of such other corporation or entity; any Director individually, or any firm of which any Director may be a member, may be a party to, or may be pecuniarily or otherwise interested in, any contract or transaction with the **Condominium Association** provided that the fact that he or such firm is so interested shall be disclosed and shall have been known to the Condominium Board or a majority thereof; and any Director of the Council who is also a director or officer of any such other corporation or who is so interested may be counted in determining the existence of a quorum at any meeting of the Council or the Condominium Board thereof which shall authorize any such contract or transaction, and any such contract or transaction shall be valid if approved by a majority vote of disinterested Directors, even if the disinterested Directors constitute less than a quorum.

## ARTICLE VIII - MANAGEMENT

Section 1. Management and Common Expenses. The **Condominium** Board shall manage, operate and maintain the **Condominium** and, for the benefit of the Units and the Unit Owners thereof, shall enforce the provisions hereof and may pay out of the Common Expenses, herein elsewhere provided for, the following, which itemization shall not act as a limitation on the **Condominium** Board:

(a) The cost of providing any water, sewer, gas, electrical, and other utility services for the Common Elements and to the extent that the same are not separately metered or billed to each Unit, for the Units; provided that if the same are separately metered or billed to each Unit, the cost shall be specially assessed pursuant to Section 1(g) of this Article;

(b) The cost of fire and extended liability insurance on the Common Elements and the cost of such other insurance as the **Condominium** Board or the Council may effect;

(c) The cost of the services of a person or firm to manage the **Condominium** to

the extent deemed advisable by the **Condominium Board**, together with the services of such other personnel as the **Condominium Board** or the Council shall consider necessary for the operation of the **Condominium Association**;

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

(e) The cost of painting, maintaining, replacing, repairing and landscaping the General Common Elements and any other areas of a Unit or Common Elements which may be the responsibility of the **Condominium Association** pursuant to the **Condominium Documents**, including such furnishing and equipment for the General Common Elements and any Limited Common Elements as the **Condominium Board** shall determine are necessary and proper; and the **Condominium Board** shall have the exclusive right and duty to acquire the same, provided, however, that nothing herein contained shall require the **Condominium Association** to paint, repair, or otherwise maintain the interior of any dwelling or any fixtures or equipment located therein (except for damage resulting from a casualty which is covered by Condominium insurance); provided, that the **Condominium Association** shall maintain the General Common Elements and Limited Common Elements and any other areas which are the responsibility of the **Condominium Association** in accordance with any replacement reserve schedule described in the budget for the **Condominium Association**, excluding the items described in these **Condominium By-Laws** to be paid by each **Unit Owner** as a Limited Common Expense Assessment, described below;

(f) The cost of any and all other materials, supplies, labor, services, maintenance, repair, taxes, assessments or the like which the **Condominium Association** is required to secure, to pay for by law, or otherwise, or which in the discretion of the **Condominium Board** shall be necessary or proper for the operation of the General Common Elements and any Limited Common Elements; provided, however, that if any of the aforementioned are provided or paid for the benefit of a particular Unit or Units, the cost thereof shall be specially assessed to the Unit Owner or **Unit Owners** thereof in the manner provided in Section 1(g) of this Article;

(g) The cost of: (i) utilities which may be separately metered or billed to a Unit (as described in **this Section 1(a)** above; (ii) maintenance or repair of any Unit in the event such maintenance or repair is reasonably necessary in the discretion of the **Condominium Board** to protect the General Common Elements and Limited Common Elements, to preserve the appearance or value of the **Condominium**, or is otherwise in the interest of the general welfare of all Unit Owners; (iii) maintenance or repair necessitated due to a Unit Owner's negligence, misuse or neglect (which shall be determined in the sole discretion of the **Condominium Board**); and, (iv) the items described in **Article IX of this Condominium By-Laws** below to be paid by each **Unit Owner** as a Limited Common Expense Assessment; provided, however, that (except for the maintenance relating to (iv)

in this Section 1 (g)), no such maintenance or repair shall be undertaken without a resolution by the **Condominium** Board and not without reasonable written notice to the Unit Owner of the Unit proposed to be maintained or repaired; and provided further that the cost thereof shall be assessed against the Unit on which such maintenance or repair is performed, and when so assessed, a statement for the amount thereof shall be rendered promptly to the **Unit** Owner of said Unit, at which time the assessment shall become due and payable and a continuing lien and obligation of said Unit Owner in all respects as provided in Article IX of these **Condominium** By-Laws;

(h) Any amount necessary to discharge any lien or encumbrance levied against the **Condominium Association** or any portion thereof, which may, in the opinion of the **Condominium** Board, constitute a lien against any of the General Common Elements or Limited Common Elements rather than the interest of the Unit Owner of any individual Unit; and

(i) The cost of any maintenance, repair or replacement contracted for between the **Condominium Association** or its **Manager** and individual Unit Owners having to do with an individual Unit, which cost shall be a Common Expense only with respect to that Unit (including, without limitation, a Limited Common Expense Assessment), and that the cost thereof shall be assessed against the Unit on which such maintenance, repair or replacement is performed and when so assessed, a statement for the amount thereof shall be rendered promptly to the then Unit Owner of said Unit, at which time the assessment shall become due and payable and a continuing lien and obligation of said Unit Owner in all respects as provided in Article IX of these **Condominium** By-Laws.

Section 2. Management Agent. The **Condominium** Board shall delegate such of its duties, powers or functions to the **Manager**, as the **Condominium** Board shall authorize, provided that such delegation may be terminated by the Council, by majority vote, without liability upon thirty (30) days written notice, and any such contract shall have a maximum term of two (2) years.

Section 3. Easements, Licenses and Rights of Way for Utilities and Related Programs. The Council, through its **Condominium** Board, is authorized and empowered to grant, subject to the provisions of the Condominium Act, if any, including notice to Unit Owners, hearing requirements and right of Unit Owners to override a grant made by the **Condominium** Board, 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, T.V. antennas, underground conduits and/or such other purposes related to the provision of public utilities to the **Condominium**, or for any other purpose as may be considered necessary and appropriate by the **Condominium** Board for the orderly maintenance, preservation and enjoyment of the General Common Elements and Limited Common Elements for the preservation of the health, safety, convenience and/or welfare of the Unit Owners and the Condominium Developer.

Section 4. Limitation of Liability. The **Condominium Association** shall not be liable for any failure of water supply or other utilities or services to be obtained by the Council or paid for out of the Common Expenses. The **Condominium Association** shall not be liable to any Unit Owner for loss or damage, by theft or otherwise, of articles which may be stored upon any of the General Common Elements or Limited Common Elements. No diminution or abatement of Common Expense Assessments, as herein elsewhere provided, shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the General Common Elements or Limited Common Elements, separately contracted maintenance to a Unit, or from any action taken by the Council to comply with any law, ordinance or with the order or directive of any municipal or other governmental authority.

## **ARTICLE IX CONDOMINIUM FEES/ASSESSMENTS**

Section 1. Annual Condominium Fees/Assessments.

(a) Commencing with the recording of the **Condominium** Declaration to establish the **Condominium Association**, each Unit Owner shall pay to the **Condominium Association** such Unit Owner's proportionate share of the sum required by the **Condominium Association** pursuant to the Percentage Interests in Common Expenses and Common Profits as set forth in the **Condominium** Declaration ("Annual Assessments") to meet its annual budget, including but in no way limited to, the following:

- (1) The cost of all operating expenses of the **Condominium Association** as the same may be constituted from time to time, and services furnished, including charges by the Council for facilities and services furnished by it;
- (2) The cost of necessary management and administration, including fees paid to any management agent;
- (3) The amount of all taxes and assessments levied against the Council or upon any property which it is otherwise required to pay, if any;
- (4) The cost of public liability, fire and extended coverage insurance on the **Condominium** and the cost of such other insurance as the Council or the **Condominium** Board may effect;
- (5) The cost of furnishing water, electricity, heat, gas, garbage and trash collection and/or utilities, to the extent furnished by the **Condominium Association**;

(6) The cost of funding all reserves established by the **Condominium Board** including, when appropriate, a general operating reserve and/or reserve for replacements; provided, however, such reserves shall exclude the items described herein;

(7) The estimated cost of repairs, maintenance and replacements of the **Condominium**, including General Common Elements and Limited Common Elements, which is required to be made and/or performed by the **Condominium Association**; and

(8) The cost of any lease or related expenses for areas rented by the **Condominium Association** for the benefit of the **Unit** Owners.

In addition to the Annual Assessment paid to the **Condominium Association**, each Unit Owner shall be responsible for their share of **any assessment levied by the** Master Association pursuant to the Master **Association** Documents. The Condominium Association shall collect from each Unit Owner such Unit Owner's share of the assessments due to the Master Association and thereafter shall remit such amounts directly to the Master Association.

(b) Each Annual Assessment levied under the provisions hereof shall be paid in twelve (12) equal successive monthly installments, each installment to be equal to one-twelfth (1/12) of the Annual Assessment commencing on the first day of the first month of the fiscal year for which levied, and continuing on the first day of each and every succeeding month thereafter until fully paid; provided, however, the Condominium Board may collect Annual Assessments in different frequencies than monthly (i.e., quarterly, semi-annually or annually) upon prior notice to **each Unit** Owner and further, provided, that the first Annual Assessment shall be due on the date of closing of a Unit by an **Unit** Owner, pro-rated on a 360 day year.

Any Special Assessment or Limited Common Expense Assessment levied under the provisions of this Article IX shall be due and payable fifteen (15) days after the date of levy of such Special Assessment and/or Limited Common Expense Assessment and the serving of notice thereof upon the Unit Owners, or at such other time or times as may be provided by the Condominium Board in making such Special Assessment and/or Limited Common Expense Assessment.

If record title to a Unit is conveyed during the period covered by a monthly installment of an Annual Assessment, Special Assessment or Limited Common Expense Assessment, the Unit Owner of such Unit immediately before such conveyance and the Unit Owner of such Unit immediately after such conveyance shall each be fully liable to the Condominium Association for the entire amount of such installment, and shall each be subject to all remedies available to the Condominium Association for the collection of

such installment, as described herein, provided there be but one satisfaction of the claim. If record title to a Unit is conveyed (i) during the period covered by an Annual Assessment not payable in installments, or (ii) within one hundred eighty (180) days after the date of a Special Assessment not payable in installments, the Unit Owner of such Unit immediately before such conveyance and the Unit Owner of such Unit immediately after such conveyance shall each be fully liable to the Condominium Association for the entire amount of such Annual Assessment, Special Assessment or Limited Common Expense Assessment, and shall each be subject to all remedies available to the Condominium Association for the collection of such Annual Assessment, Special Assessment or Limited Common Expense Assessment, as provided in **Condominium Documents** and further provided there be but one satisfaction of the claim. Each such Unit Owner shall be entitled to exercise any right of contribution which it may have against the other such Unit Owner at law or in equity, or by contract, but the exercise of any such right of contribution shall not be permitted to delay or otherwise impair the collection of such Annual Assessment, Special Assessment or Limited Common Expense Assessment, or installment thereof, by the Condominium Association. The provisions of this **Section 1(b)** shall not apply, however, to any conveyance of a Unit (i) by the Condominium Developer, (ii) by a foreclosure sale pursuant to a bona fide First Mortgage of record, or (iii) by a deed in lieu of foreclosure to a Mortgagee holding a bona fide First Mortgage of record on the Unit, to the Federal Housing Commissioner (if such First Mortgage is insured by the FHA), or to the Administrator of Veterans Affairs (if such First Mortgage is guaranteed by the VA).

Any holder of a First Mortgage who obtains title to a Unit pursuant to the remedies in the Mortgage or through foreclosure shall not be liable for more than six (6) months of the Unit's unpaid regularly budgeted dues or charges accrued before acquisition of the title to the Unit by the holder of the First Mortgage. If the lien for assessments includes costs of collecting unpaid dues, the holder of the First Mortgage is liable for any **attorneys' fees and/or costs** related to the collection of the unpaid **amounts**.

(c) In addition, each Unit Owner shall pay to the **Condominium Association** the amount of any fine levied against him pursuant to any rules for fining promulgated by the **Condominium** Board in accordance with the procedures in these **Condominium By-Laws and with the procedures in the Condominium Act**.

(d) The **Condominium** Board shall determine the amount of the assessment annually by preparation and adoption of an annual proposed budget as provided in Section 11-109.2 of the Condominium Act.

Section 2. Special Assessments. Notwithstanding the provisions of Article IV, Section 10 of the **Condominium By-Laws** and in addition to the regular assessment authorized by this Article, the **Condominium Association** may levy in any assessment year a Special Assessment or assessments applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected maintenance,

repair or replacement of a described capital improvement located upon or within the **Condominium**, as then constituted, including the necessary fixtures and personal property related thereto, or for such other purpose as the **Condominium** Board may consider appropriate, provided that any such assessment shall have the assent of the **Unit** Owners representing fifty-one percent (51%) of the total votes of the **Council**. A meeting of the Unit Owners shall be duly called for this purpose and written notice of such meeting which shall be sent to all **Unit** Owners at least ten (10) days, but not more than ninety (90) days in advance of such meeting, which notice shall set forth the purpose of the meeting.

Notwithstanding the foregoing, the Condominium Board may levy Special Assessments without the aforementioned assent of the **Unit** Owners provided that the amount of any one (1) such Special Assessment levied shall not exceed **Twenty-Five Thousand Dollars (\$25,000.00)** and the aggregate amount of all such Special Assessments levied in any one fiscal year do not exceed an amount which is greater than **twenty percent (20%)** of the annual budget then in existence. This Section shall be subject to the provisions of the Condominium Act applicable to the funding of reserves and reserve studies.

Section 3. Limited Common Expense Assessments. In addition to the Annual Assessments and Special Assessments authorized by this Article, the **Condominium Association** may levy, from time to time, Limited Common Expense Assessments against one (1) or more Unit Owners to defray the costs of any service, operation, maintenance, repair and/or replacement made to any Unit and/or any Limited Common Element which costs are designated as Limited Common Expense Assessments in these Condominium By-Laws or as may be designated as such by resolution of the Condominium Board.

Section 4. Reserve for Replacements and Working Capital. The Council shall establish and maintain a reserve fund for replacements by the allocation and payment monthly to such reserve fund of an amount to be designated from time to time by the **Condominium** Board in accordance with the applicable provisions of the Condominium Act. Such fund shall be conclusively deemed to be a Common Expense. Such funds shall be deposited in a special account with a lending institution, the accounts of which are insured by an agency of the United States of America, or may, in the discretion of the **Condominium** Board, be invested in the obligations of, or fully guaranteed as to principal, by the United States of America, states, municipalities or counties thereof. The reserve for replacements may be expended only for the purpose of periodic maintenance, repair and replacement. The proportionate interest of any Unit Owner in any reserve for replacements shall be considered an appurtenance of his Unit and shall not be separately withdrawn, assigned, transferred or otherwise separated from the Unit to which it appertains, and shall be deemed to be transferred with such Unit.

In addition, a working capital fund shall be established for the Condominium equal to two (2) months' of the applicable Annual Assessment for each Unit. The working capital fund shall be deposited by the **Condominium Association** to a segregated fund. Other than Condominium Developer, each Unit Owner (inclusive of the initial purchaser of a Unit and every subsequent purchaser of such Unit thereafter) shall pay the working capital fund for his/her/their Unit at the time of settlement for said Unit. The working capital fund may be used by the **Condominium Association** for organizational expenses, acquisition of capital equipment, operating equipment, furnishings and supplies and for any other expenses deemed appropriate by the **Condominium Board**. In no event shall the Condominium Developer be liable for payment of any working capital contribution.

Section 5. Disposition of Common Profits. All Common Profits shall be disbursed to the Unit Owners, be credited to their assessments for Common Expenses in proportion to their percentage interests in Common Profits and Common Expenses, or be used for any other purpose as the Council determines.

Section 6. Liability for Assessments. A Unit Owner shall be personally liable for all assessments or installments thereof coming due while he is the owner of a Unit and such liability is the personal obligation of such Unit Owner. In a voluntary grant, the grantee shall not be liable for delinquent assessments unless assumed by such grantee or required by applicable law; provided, however, such grantee may be jointly and severally liable with the grantor for all unpaid assessments against the grantor for his share of the Common Expenses up to the time of the voluntary grant for which a statement of lien is recorded, without prejudice to the rights of the grantee to recover from the grantor the amounts paid by the grantee for such assessments. Liability for assessments may not be avoided by waiver of the use or enjoyment of any Common Element or by abandonment of the Unit for which the assessments are made.

Section 7. Imposition of Lien. Payment of assessments, together with interest, late charges, if any, violation fines, costs of collection and reasonable attorney's fees may be enforced by the imposition of a lien on a Unit in accordance with the provisions of the Maryland Contract Lien Act. Suit for any deficiency following foreclosure may be maintained in the same proceeding, and suit to recover any money judgment for unpaid assessments may also be maintained in the same proceeding, without waiving the right to seek to impose a lien under the Maryland Contract Lien Act.

Section 8. Interest on Unpaid Assessments; Late Charges; Demand for Payment of Remaining Annual Assessment.

(a) Any assessment or installment thereof not paid when due may, upon election by the **Condominium Board**, bear interest at the option of the **Condominium Board**, from the date when due until paid at the rate of eighteen percent (18%) per annum.

(b) There shall be a late charge of Fifteen Dollars (\$15.00) or one-tenth (1/10<sup>th</sup>) of the total amount of any delinquent assessment or installment, whichever is greater. This late charge shall not be imposed more than once for the same delinquent **payment**, **but** will be imposed on accounts when payments have not been received by the fifteenth (15<sup>th</sup>) of the month.

(c) The Condominium Association, through the Condominium Board and its legal representatives have the power initiate judicial action against any Unit Owner to collect all unpaid assessments, late charges, interest, violation fines, collection costs, and reasonable attorneys' fees levied against such Unit Owner.

Section 9. Assessment Certificates. The **Condominium Association** shall, upon demand, furnish to any Unit Owner liable for any assessment, fine or other charge levied pursuant to the **Condominium Documents** (or to any other party legitimately interested in the same), a certificate in writing signed by an officer of the **Condominium Association** or its agent, setting forth the status of said assessment, i.e., whether the same is paid or unpaid. Such certificate shall be conclusive evidence of the payment of any assessment therein stated to have been paid. A charge not to exceed the greater of Twenty-Five Dollars (\$25.00) or **two** percent (2%) of the monthly assessment may be levied in advance by the **Condominium Association** for each certificate so delivered.

Section 10. Acceleration of Installments. Upon default in the payment of any one or more monthly regular assessment installments levied pursuant to these **Condominium** By-Laws, and upon any required notice under the Condominium Act, the entire annualized balance of said assessment may be accelerated, at the option of the **Condominium** Board, and be declared due and payable in full, which will be enforceable in accordance with the **Condominium Documents, the Condominium Act, and the** provisions of the Maryland Contract Lien Act.

Section 11. Subordination and Mortgagee Protection.

(a) Notwithstanding any other provisions hereof to the contrary, the lien of any assessment levied pursuant to these **Condominium** By-Laws becoming payable on or after the date of recordation of a First Mortgage upon any Unit in the **Condominium** shall be subordinate to, and shall in no way affect the rights of the holder of any indebtedness secured by any recorded First Mortgage. Except as may be otherwise provided in the **Condominium** Declaration or these **Condominium** By-Laws, such a lien for assessments shall not be affected by any sale or transfer of a Unit, except that a sale or transfer of a Unit pursuant to a foreclosure of a First Mortgage or a deed in lieu of foreclosure shall extinguish a subordinate lien for assessments which became payable prior to such sale or transfer. Any such sale or transfer pursuant to a foreclosure or deed in lieu of foreclosure shall not relieve the purchaser or transferee of a Unit from liability for, nor the Unit so sold or transferred from the lien of any Common Expenses thereafter becoming due.

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

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

(d) The **Condominium Association** may report to a Mortgagee of a Unit any unpaid assessment due from the **Unit** Owner of the Unit, and take such other steps as it may deem reasonable to give notice of the nonpayment of such assessment. Further, in addition to the written notice provided in Article XIII of the **Condominium** Declaration, upon the request of any Mortgagee of a Unit, the **Condominium Association** shall give written notification to the Mortgagee of any default by the Mortgagor of such Unit in the performance of such Mortgagor's obligations under the **Condominium** Declaration, these **Condominium** By-Laws, and the related Condominium Documents, if such default is not cured within sixty (60) days.

#### **ARTICLE X - HEARING PROCEDURES**

Section 1. Statement of Purpose. It is the declared intention of the **Condominium Association** that rules shall be adopted freely by the **Condominium** Board, and without the requirement of a vote of the Council as a requisite to their adoption, provided that the rules shall be adopted in accordance with the requirements of the Condominium Act. All rules are intended to be adopted as supplements to, and not in lieu of, legally required provisions of these **Condominium** By-Laws. Should any adopted rules contradict any provisions of these **Condominium** By-Laws, as amended, such provisions of these **Condominium** By-Laws shall take precedence.

Section 2. Rules. All rules may be proposed by the **Condominium** Board provided that:

- (a) Each Unit Owner shall be mailed or delivered:
  - (1) a copy of the proposed rules;
  - (2) notice that Unit Owners are allowed to submit written comments on the proposed rules; and
  - (3) notice of the proposed effective date of the proposed rules.
- (b) Before a vote is taken on a proposed rules, an open meeting is held to allow

each **Unit** Owner or Tenant to comment on the proposed rules.

### Section 3. Hearing and Comment.

(a) The meeting held may not be held unless each **Unit** Owner receives written notice at least fifteen (15) days before the meeting, a quorum of the **Condominium** Board is present, and after notice has been given to each **Unit** Owner, the proposed rule is passed at a regular or special meeting by a majority vote of the **Condominium** Board.

(b) The vote on the proposed rule shall be final unless:

(1) Within fifteen (15) days after the vote to adopt the proposed rule, fifteen percent (15%) of the Council signs and files a petition with the **Condominium** Board calling for a special meeting;

(2) A quorum of the Council attends the meeting; and

(3) At the meeting, fifty percent (50%) of the Unit Owners present and voting disapprove the proposed rule, and the Unit Owners voting to disapprove the proposed rule are more than thirty-three percent (33%) of the total votes in the Condominium.

(c) During the special meetings held under **this Section 3(b)**, Unit Owners, Tenants, and Mortgagees may comment on the proposed rule.

(d) A special meeting held under **this Section 3(b)** shall be held:

(1) After the Unit Owners and any Mortgagees have at least fifteen (15) days' written notice of the meeting; and

(2) Within thirty (30) days after the day the petition is received by the **Condominium** Board.

(e) Each Unit Owner or Tenant may request an individual exception to a rule adopted while the individual was the Unit Owner or Tenant of the Condominium.

(1) The request for an individual exception under **this Section 3(e)** of shall be:

(i) Written;

(ii) Filed with the **Condominium** Board that voted to adopt the proposed rule; and

(iii) Filed within thirty (30) days after the effective date of the rule.

(f) Each rule adopted under this Section shall state that the rule was adopted under the provisions of Section 11-111 of the Condominium Act.

#### Section 4. Right of Appeal.

(a) Each Unit Owner shall have a right to appeal to the **Condominium** Board for an individual exception to any rules adopted by the **Condominium** Board.

(b) The appeal period shall begin on the effective date of the rule and shall run for a period of thirty (30) days.

(c) No appeals shall be considered, except by permission of the **Condominium** Board, if filed after the expiration of the appeal period.

(d) All appeals shall be in writing, shall be signed and dated by the Unit Owner or **Unit** Owners making such appeal, and shall be delivered to **the Manager**. The **Condominium** Board shall consider all appeals and shall render a decision at its next regularly scheduled meeting. Said decision shall be in writing and shall be addressed to the Unit Owner or **Unit** Owners making the appeal. If the **Condominium** Board shall deny an appeal, there shall be no requirement of publication as to the denial.

(e) If the **Condominium** Board shall uphold any appeal, thus granting an individual exception to an adopted rule, the **Condominium** Board shall publish or communicate in a reasonable manner to the Council an explanation of the reasons for granting the exception.

Section 5. Extraordinary Actions. Although the Condominium Board shall generally have broad powers to regulate, govern and manage the Condominium, the power to approve certain Extraordinary Actions shall remain vested exclusively in the Council. Any provision of the **Condominium** Declaration or these **Condominium** By-Laws to the contrary notwithstanding, the Condominium Board shall not be authorized to take any Extraordinary Actions without the affirmative vote of Unit Owners representing not less than eighty percent (80%) of the Unit Owners listed on the current roster (whether voting in person, **remotely by electronic means**, or by written proxy) and the written consent of every Mortgagee. As used herein, the term "Extraordinary Actions" shall mean any and all actions taken by or on behalf of the Council, including, without limitation, commencing or maintaining any litigation, arbitration or similar proceeding (except for routine Common Expense collection matters, or actions required to enforce the restrictions on use of Units or architectural controls set forth in the Condominium By-Laws), but only with regard to Common Elements (and the Council shall have no right

to bring an action on behalf of any Unit Owner or Unit Owners for matters related to any Unit or Units, or private claims of Unit Owners) which would reasonably require the expenditure of funds in excess of **Twenty Thousand Dollars (\$20,000.00)** in the aggregate during any fiscal year, or **Forty-Five Thousand Dollars (\$45,000.00)** in the aggregate for any proceedings arising out of the same controversy. The Council shall have authority to bring actions against the Condominium Developer pursuant to Section 11-131(d) of the Maryland Code only. Notwithstanding anything herein or in the **Condominium Declaration** to the contrary, the Council shall be prohibited from bringing any action pursuant to Section 11- 109(d)(4) of the **Condominium Act**, and, as a result, the Council shall be expressly prohibited from bringing (or participating) in any actions on behalf of Unit Owners (whether one or more), including but not limited to any actions under the original sale transaction whether in contract, fraud, negligent representation and warranties under Sections 10-202 and 10-203 of the Maryland Code, and all such rights are expressly waived, eliminated, and deemed void *ab initio*; provided, however, the foregoing does not alter any warranties to Unit Owners under Sections 10- 202 and 10-203 of the Maryland Code.

## ARTICLE XI - INSURANCE

### Section 1. Insurance.

(a) The **Condominium Board**, acting on behalf of the **Condominium Association**, shall obtain and maintain, to the extent reasonably available, the following insurance as a Condominium Master Insurance Policy, which shall be an item of Common Expenses:

(1) Blanket property insurance on the General Common Elements and Limited Common Elements and Units (excluding land, foundation, excavation and other items normally excluded from coverage) and including fixtures to the extent they are part of the Common Elements, building service equipment and supplies, and other common personal property appertaining to the Condominium and Units, exclusive of improvements and betterments installed in Units by Unit Owners, other than the Condominium Developer, insuring against all risks of direct physical loss commonly insured against or such other insurance as deemed appropriate to protect the Council, the individual **Unit Owners**, and the Condominium from risks customarily associated with projects similar in construction, location and use. The policy shall be in an amount equal to 100% of the current replacement cost of the Condominium, exclusive of land, foundation, excavation and other areas normally excluded from coverage;

(2) Comprehensive general liability insurance covering all Common Elements and any areas which the **Condominium Association** is required to maintain, including medical payments insurance, in an amount determined by the

Condominium Board, but not less than One Million Dollars (\$1,000,000.00) arising out of a single occurrence commonly insured against for death, bodily injury and property damage arising out of or in connection with the use, ownership or maintenance of the Common Elements and related areas;

(3) Fidelity insurance (as described in Section 11-114.1 (a) of the **Condominium Act**) indemnifying the **Condominium Association** for those losses set forth in Section 11-114.1(c) of the **Condominium Act** and in the amounts specified under Section 11-114.1(e) of the **Condominium Act**;

(4) Errors and omission insurance covering the Directors, officers, architectural review committee and its members and any other committee members duly formed by the **Condominium Board**; and

(5) Worker's compensation insurance if required by law and flood insurance, if applicable, subject to any conditions which FHA and/or VA may impose from time to time.

(b) The Council shall give notice to all Unit Owners of the termination of any insurance policy within ten (10) days of termination. The Council, in any event, may carry any other insurance it deems appropriate to protect the Council or the Unit Owners.

(c) **Insurance policies carried pursuant to this Section 1(a)(1) shall be subject to the following:**

(1) **the name of the insured under such policy must be substantially in the following form:**

(i) "Bay Bridge Cove Condominium **II**, Inc." for use and benefit of **individual Unit Owners**; or

(ii) in the name of an authorized representative of the Condominium Association (i.e., any Insurance Trustee with whom the Condominium Association has entered into an insurance trust agreement).

(2) Loss payable shall be in favor of the Condominium Association (or Insurance Trustee), as a trustee, for each Unit Owner and each such **Unit Owner's Mortgagee**. The Condominium Association or Insurance Trustee, if any, shall be required to hold any proceeds of insurance in trust for Unit Owners and their First Mortgage holders, as their interests may appear. Each Unit Owner and each Unit Owner's Mortgagee, if any, shall be beneficiaries of the policy equal to their respective percentage interest in the Common Elements, except as may be

otherwise provided in the **Condominium** Declaration. Such policies shall contain the standard mortgage clause, or equivalent endorsement (without contribution), which is commonly accepted by private institutional mortgage investors in Queen Anne's County and which appropriately names FNMA and FHLMC if such corporations are holders of First Mortgages on Units within the Condominium. Such policies must also provide that they may not be cancelled or substantially modified, without at least thirty (30) days' prior written notice to the Condominium Association and to each holder of a First Mortgage listed as a scheduled holder of a First Mortgage in the policies.

(3) The policy must also provide for the following: recognition of any Insurance Trust Agreement; a waiver of the right of subrogation against Unit Owners individually; and that the insurance is not prejudiced by any act or neglect of individual Unit Owners which is not in the control of such **Unit** Owners collectively. The requirements stated in this **Section 1(c)** are generally provided by the insurer in the form of a "Special Condominium Endorsement" or its equivalent.

(4) The insurance policy shall afford, as a minimum, protection against the following:

(i) Loss or damage by fire and other perils normally covered by the standard extended coverage endorsement;

(ii) In the event the Condominium contains a steam boiler, loss or damage resulting from steam boiler equipment accidents in an amount not less than \$50,000 per accident per location (or such greater amount as deemed prudent based on the nature of the property); and

(iii) All other perils which are customarily covered with respect to condominiums similar in construction, location and use, including all perils normally covered by the standard "all-risk" endorsement, where such is available.

(5) In addition, such policy shall include an "Agreed Amount Endorsement" and, if available, an "Inflation Guard Endorsement", as may be required from time to time by FNMA or other endorsements required by FHLMC.

(d) Insurance policies obtained under **this Section 1(a)(2)** above shall comply with the following provisions:

(1) Coverage under this policy shall include, without limitation, legal liability of the insured for property damage, bodily injuries and deaths of persons

in connection with the operation, maintenance or use of the Common Elements, and legal liability arising out of lawsuits related to employment contracts of the Condominium Association.

(2) Such policies must also provide that they may not be cancelled or substantially modified, without at least **fifteen (15)** days' prior written notice to the Condominium Association and to each holder of a First Mortgage listed as a scheduled holder of a First Mortgage in the policies.

(3) Other conditions which FNMA and FHLMC may require from time to time.

(e) Insurance policies under **Section 1(a)(1)** and (2) are also subject to the following provisions:

(1) There may be named as an insured, on behalf of the Condominium Association, the Condominium Association's authorized representative, including any trustee with whom such Condominium Association may enter into any Insurance Trust Agreement or any successor to such trustee (each of whom shall be referred to herein as the "Insurance Trustee"), who shall have the exclusive authority to negotiate losses under any policy providing such property or liability insurance and to perform such other functions as are necessary to accomplish this purpose.

(2) Any loss covered by the policies shall be adjusted with the Condominium Association, but the insurance proceeds for that loss shall be payable to any Insurance Trustee designated for that purpose, or otherwise to the Condominium Association, and not to any Mortgagee. The Insurance Trustee or the Condominium Association shall hold any insurance proceeds in trust for Unit Owners and lienholders, as their interests may appear. Except as otherwise provided herein, the proceeds shall be disbursed for the repair or restoration of the damaged Common Elements and Units, and the Unit Owners and lienholders are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the Common Elements and Units have been completely repaired or restored, or the Condominium **Association** is terminated.

(f) All insurance policies shall comply with the following criteria, to the extent:

(1) For property and casualty losses to the Common Elements and the Units, exclusive of improvements and betterments installed in the Units by Unit Owners other than the Condominium Developer, each Unit Owner is an insured person under the policy with respect to liability arising out of his ownership of an undivided interest in the Common Elements or membership in the Council;

(2) The insurer waives its right to subrogation under the policy against any Unit Owner or members of his household;

(3) Any act or omission by any Unit Owner, unless acting within the scope of his authority on behalf of the **Condominium Association**, does not void the policy and is not a condition to recovery under the policy; and

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

(g) Any insurance policy issued to the **Condominium Association** does not prevent a Unit Owner from obtaining insurance for his own benefit.

(h) An insurer that has issued an insurance policy under this Section 1 shall issue certificates or memoranda of insurance to the **Condominium Association** and, upon request, to any Unit Owner, Mortgagee, or beneficiary under a deed of trust.

(i) Each Unit Owner shall obtain and maintain his own insurance policy on his Unit to include, among other things, any personal property, damage to the Common Elements and/or other Units from causes and damages originating within such Unit Owner's Unit, in the HO-6 form with an "improvements and betterments," "alterations and additions", or similar endorsement as well as to cover the amount of the maximum deductible which the **Unit** Owner may be liable for under applicable Maryland law. Each Unit Owner shall provide evidence of such insurance coverage to the **Condominium Association** on an annual basis. NOTICE IS HEREBY GIVEN BY THE CONDOMINIUM DEVELOPER THAT THE CONDOMINIUM MASTER INSURANCE POLICY REFERRED TO IN THIS ARTICLE DOES NOT INSURE ANY ADDITIONS, ALTERATIONS, IMPROVEMENTS, BETTERMENTS OR MODIFICATIONS TO ANY UNIT INSTALLED BY UNIT OWNERS (OTHER THAN CONDOMINIUM DEVELOPER).

(j) No **Unit** Owner shall do or permit anything to be done or any condition to exist ("Increased Risk") which shall invalidate or cause the cancellation of any of the insurance policies described herein or cause an increase in the premium paid for such insurance. If any **Unit** Owner does or permits any Increased Risk, then such **Unit** Owner shall pay the **Condominium Association** promptly upon demand, for any additional premiums payable which are attributable to such Increased Risk. Payment of such additional premiums will not excuse the **Unit** Owner from immediately terminating or removing the Increased Risk, unless the **Condominium Association**, acting and through the **Condominium** Board, shall agree in writing to permit such Increased Risk to remain.

## ARTICLE XII - CASUALTY DAMAGES

### Section 1. Use of Insurance.

(a) Any portion of the Common Elements and Units, exclusive of improvements and betterments installed in the Units by Unit Owners other than the Condominium Developer, damaged or destroyed shall be repaired or replaced promptly by the **Condominium Association** unless:

(1) The Condominium is terminated;

(2) Repair or replacement would be illegal under any State or local health or safety statute or ordinance; or

(3) Eighty percent (80%) of the Unit Owners, including every **Unit** Owner of a Unit or assigned Limited Common Element which will not be rebuilt, vote not to rebuild.

(b) The cost of repair or replacement in excess of insurance proceeds and reserves is a Common Expense. A property insurance deductible is not a cost of repair or replacement in excess of insurance proceeds. If the cause of any damage to or destruction of any portion of the Condominium originates from the Common Elements or a Unit, the **Condominium Association's** property insurance deductible is a Common Expense; provided, however, that an **Unit** Owner of a Unit where the cause of the damage or destruction originated is responsible for the Council of Unit Owner's property insurance deductible up to a maximum of Ten Thousand Dollars (\$10,000.00) or such other limit as may be prescribed from time to time by the Condominium Act; and further, provided, that the Council of Unit Owners' property insurance deductible amount exceeding Ten Thousand Dollars (\$10,000.00) or such limit set by the **Condominium** Act, is a Common Expense. The Council may make an annual assessment against the **Unit** Owner responsible under the preceding sentence in accordance with Section 11-110 of the **Condominium** Act. The Council of Unit Owners shall inform each Unit Owner annually in writing of a Unit Owner's responsibility for the **Condominium Association's** property insurance deductible and the amount of the deductible.

(c) If the entire Condominium is not repaired or replaced:

(1) The insurance proceeds attributable to the damaged Common Elements shall be used to restore the damaged area to a condition compatible with the remainder of the Condominium;

(2) The insurance proceeds attributable to the Units and Limited Common Elements which are not rebuilt shall be distributed to the **Unit** Owners

of those Units and the **Unit** Owners of the Units to which those Limited Common Elements were assigned; and

(3) The remainder of the proceeds shall be distributed to all the Unit Owners in proportion to their Common Element interest.

(d) If the Unit Owners vote not to rebuild any Unit, that Unit's entire Common Element interest, votes in the Council, and Common Expense liability are automatically reallocated upon the vote as if the Unit had been condemned, and the provisions of the **Condominium** Declaration shall govern; and the Council shall promptly prepare, execute and record an amendment to the **Condominium** Declaration reflecting the reallocations. Notwithstanding the provisions of this **Section 1(d)**, **Section 11-114** of the Condominium Act governs the distribution of insurance proceeds if the Condominium is terminated.

### **ARTICLE XIII - MAINTENANCE OF THE PROPERTY**

Section 1. **Maintenance by Owners.** Except as otherwise provided in Sections 2 and 3 of this Article XIII and except as provided in the Master **Association Documents**, each Unit Owner shall maintain, repair and replace all portions of his Unit and the Limited Common Elements appurtenant thereto, and each improvement thereon or therein, except those portions of or duties with respect to the Limited Common Elements or Units which are, under the provisions of the **Condominium** Declaration or these **Condominium** By-Laws, to be undertaken by the **Condominium Association** or the Master Association. Each Unit Owner shall keep his Unit and the Limited Common Elements appurtenant to his Unit in an orderly, neat and clean condition.

By way of example and not as a limitation, the following items of maintenance, repair and replacement shall be performed by the Unit Owners and such maintenance, repair and replacement shall not be the responsibility of the Council or an item of Common Expense:

(a) Any heating and air conditioning systems, hot water heaters, smoke detectors, fixtures, equipment and appliances and all chutes, flues, ducts, conduits, wires, pipes or other apparatus installed or contained within the Unit or located in the Limited Common Elements, if any. Additionally, to prevent freezing of any water in any pipe, plumbing fixture or other facility in the Condominium, and to minimize the heating costs of any adjacent Units and Common Elements, each Unit Owner, at his own expense, shall maintain the temperature inside his Unit at not less than 62 degrees Fahrenheit throughout each calendar year. Furthermore, each Unit Owner shall shut off any water main serving such Unit if the Unit Owner will not be residing in the Unit for more than five (5) consecutive days;

(b) All windows, storm windows, screens and the exterior door, garage door and trim (including repainting thereof), storm door and exterior door and window

frames including any sliding glass doors and the seals or glazing thereof; provided, however, the **Condominium Association** shall perform, as a Common Expense, painting of the exterior surfaces of all exterior doors (excluding, however, garage doors) and door frames, windows and window frames as set forth below;

- (c) Repair and replacement of all screens;
- (d) The washing of all exterior windows and the replacement of all glass;
- (e) Fireplaces and chimneys, including the regular inspection and cleaning at least once annually, if applicable;
- (f) All chutes, flues, ducts, conduits, wires, water pipes, sewer pipes, sprinkler pipes and condensate lines or other apparatus whether or not installed or contained within the Unit, but serving only that one Unit, including the inspection, cleaning or flushing of all such items at least once annually (if applicable);
- (g) Without limiting Section 1(f). above, each Unit Owner shall be responsible for the maintenance, repair and replacement of the lateral water line serving the Unit from the dwelling to the curb stop, and the lateral sewer pipe serving the Unit from the dwelling to the cleanout;
- (h) Maintenance, repair and replacement of any patio or deck;
- (i) Repair, replacement, repainting and cleaning of any porch, inclusive of any trim and columns, serving a Unit; provided however, the Master Association (or the **Condominium Association** if the Master Association fails to perform) shall perform snow removal of any porch;
- (j) Maintenance, repair and replacement of driveways including the resealing and resurfacing thereof; provided that, the Master Association shall perform snow and ice removal therefrom;
- (k) Maintenance, repair and replacement of leadwalks and steps, provided the Master Association shall perform snow and ice removal from the leadwalks and steps (or the Condominium Association in the event the Master Association fails to perform such snow and ice removal);
- (l) Watering of lawns and flowerbeds surrounding a dwelling as well as maintenance and replacement of any plantings installed by a Unit Owner;
- (m) Maintenance, repair, replacement, inspection and testing of any sprinklers and the water lines appurtenant thereto located within a dwelling;

(n) Maintenance, repair, replacement, cleaning, snow removal and/or painting or staining (as applicable) of any deck and patio serving a dwelling;

(o) Extermination services and any treatment for pests, insects or other infestations within a dwelling; and

(p) Any alteration or modification to a Unit or to the Limited Common Elements appurtenant thereto unless such responsibility is expressly assumed in writing by the **Condominium Association**.

Each **Unit** Owner shall perform such maintenance, repairs and replacements in such manner and at such hours as to not unreasonably disturb any other Unit Owner.

In accordance with Sec. 11-113 of the Condominium Act, in the event any Owner fails to maintain, repair or replace any portions of his Unit or Limited Common Elements which the **Unit** Owner is responsible for as set forth herein, it shall be deemed a violation of these **Condominium** By-Laws, and, in addition to the right of entry by the **Condominium Association, and/or its agents and employees**, to remedy the violation, the **Condominium Association** may assess the **Unit** Owner for any expenses incurred by the **Condominium Association** (including, but not limited to, administrative costs and attorneys' fees relating to pursuit of the violation) for maintenance, repair or replacement of the Unit, the Limited Common Elements or for repairs or replacements to other Units or the Common Elements resulting from the negligent act, the failure to act, or the failure of such **Unit** Owner, his family members, Tenants, invitees or other user of the Unit to maintain, repair or replace all portions of the Unit. Such expenses may be levied and the collection of such expenses may be enforced against the **Unit** Owner in the same manner as regular Assessments.

Section 2. Maintenance by the Council. Except as provided elsewhere in the **Condominium** Declaration or these **Condominium** By-Laws, and unless the Master Association specifically undertakes to provide such maintenance, the Council shall maintain, repair, and replace all General Common Elements and certain Limited Common Elements as set forth in this Section 2, the costs of which shall be a Common Expense, other than any expenses which are assessed as Limited Common Expense Assessments.

By way of example and not as a limitation, the following items of maintenance, repair and/or replacement shall be performed by the **Condominium Association** and such maintenance, repair and/or replacement shall be an item of Common Expense or may be assessed as a Limited Common Expense Assessment:

(a) All maintenance, repair and replacement of the General Common Elements;

(b) All maintenance, repair and replacement of roofs and flashing, gutters and downspouts and exterior walls (including exterior surfaces such as siding and stone veneer, trim, shutters and other similar components) for and of each dwelling, as well as structural repairs and replacements thereto, provided that, the costs of the foregoing shall be assessed against the benefitted Unit and/or Units as a Limited Common Expense Assessment;

(c) Maintenance, repair and replacement of foundations, party walls and privacy panels;

(d) The removal of snow and ice from the General Common Elements, as well as the leadwalks, steps and driveways serving the dwellings to the extent the same is not performed by the Master Association;

(e) Snow removal from the porches serving a dwelling to the extent the same is not performed by the Master Association: and

(f) Lawn care (including grass cutting, mulching, and fertilization) of the yards surrounding the dwellings to the extent such lawn care is not performed by the Master Association;

(g) Maintenance and replacement of foundation plantings installed by a builder to the extent such maintenance and repair is not performed by the Master Association;

(h) The painting, where applicable, of the exterior surface of all doors (excluding the garage door and trim serving a dwelling which shall be the responsibility of the Unit Owner) and door frames, windows and window frames, which costs and expenses shall be levied and collected as a Limited Common Expense Assessment; and

(i) The administration of termite treatments and/or treatments for other insects or pests to the exterior perimeters of the dwellings.

Section 3. Maintenance by the Master Association. The Master Association shall be responsible for the lawn care of the yards surrounding the dwellings (including grass cutting, mulching and fertilization); maintenance and replacement of the foundation plantings surrounding the dwellings which are installed by a builder; snow removal from porches, snow and ice removal from driveways, leadwalks and steps serving a dwelling, as well as maintenance, repair and replacement of the Community Common Area (as such term is defined in the Master [Association Documents](#)).

#### Section 4. Additions. Alterations. Improvements and Decorations.

(a) Except as otherwise provided herein or in the Condominium Declaration, or in this Section 4(b), no Unit Owner, except the Condominium Developer, shall make (i) any structural addition, alteration or improvement to his Unit or any Limited Common Element which he has the right to use (including without limitation, any deck, patio, fence or other structure), or (ii) any non-structural addition, alteration, improvement or decoration to or upon the windows and doors enclosing his Unit, or to or upon any Limited Common Element which he has the right to use including, without limitation, the addition of any awning or screen to any window, door, patio or deck, unless and until plans and specification, in duplicate, showing the nature, kind, shape, height, color, materials, location and approximate cost of such addition, alteration, improvement or decoration shall have been submitted to and approved in writing by the Condominium Board, which shall have the right for good cause to refuse to approve any such plans or specifications which it deems unsuitable or undesirable, whether based on aesthetic or other reasons, except that (i) the Condominium Board shall not refuse to permit a Unit Owner to make reasonable modifications to his Unit or to any Limited Common Element which he has the right to use, if such modifications are necessary under the Federal Fair Housing Act (as heretofore and hereafter amended) to afford one (1) or more Person(s) with a disability who is residing at or intending to reside at such Unit the full enjoyment of such Unit and/or the Limited Common Elements appurtenant thereto, and (ii) if the Condominium Board fails to deny any requested addition, alteration, improvement or decoration within sixty (60) days after receipt of two (2) complete sets of plans and specifications therefor, such request shall be deemed approved. The Condominium Board may delegate its authority under this Section 4(a) to an architectural committee appointed by the Condominium Board. The plans and specifications for any addition, alteration, improvement or decoration approved by the Condominium Board or the architectural committee and actually constructed or installed shall be filed and maintained at the principal office of the Condominium, and, if appropriate, the Condominium Plat shall be amended to reflect any such addition, alteration or improvement.

(b) The Condominium Board may adopt reasonable rules as provided herein establishing general standards for the making of one or more types of non-structural addition, alteration, improvements or decorations to or upon the windows and doors enclosing the Units or to or upon the Limited Common Elements. Such rules may provide that to the extent any particular addition, alteration, improvement or decoration is made in compliance with such general standards, such addition, alteration, improvement or decoration may be made without the submission of plans and specifications therefor to the Condominium Board and without written approval by the Condominium Board of said plans and specifications.

(c) For the purposes of the Condominium Declaration, and of this Section 4, a

structural addition, alteration or improvement to a Unit shall include, without limitation, any addition, alteration or improvement involving any portion of the Unit (such as a utility line or duct serving that Unit) located above the top surface of any sheetrock ceiling within the Unit, whether such ceiling is a drop ceiling or is located at the upper boundary of the Unit.

Section 5. Water, Gas and Electricity. If applicable, electricity and gas are furnished to the General Common Elements through a separate meter or meters serving the property held in common, and the Condominium Board shall pay, as a Common Expense, the cost of all electricity and gas furnished through said meter or meters. Electricity and gas are furnished to the Units through separate meters, and each Unit Owner shall pay for all electricity and gas furnished through a separate meter to his Unit to the billing entity. Any water and sewer furnished to the General Common Elements is through a single meter, and the Condominium Board shall pay, as a Common Expense, the cost of all water and sewer furnished through said meter. Water and sewer is furnished to the Units through separate sub-meters which are read by a third party meter reading company on a monthly basis. The third party meter reading company shall bill each Unit Owner for the costs of water and sewer furnished to his Unit on a monthly basis and each Unit Owner shall pay such costs directly to the third party meter reading company.

Section 6. Compliance with Master Declaration. In addition to the provisions contained herein, in the event the Condominium Association does not perform its maintenance responsibilities hereunder, the Condominium By-Laws or the Master **Association Documents**, then the Master Association shall have the right to perform such maintenance and assess each Unit Owner in accordance with the provisions of the Master Declaration.

#### ARTICLE XIV - DISPUTE RESOLUTION

Section 1. This Article XIV shall not apply to the resolution of a dispute with the Condominium Developer as described in Article XIII(x) of the **Condominium Declaration**.

Section 2. Fine Imposition Procedure. The Condominium Association shall be entitled to impose a reasonable fine against a Unit Owner, Tenant or resident of a Unit for the violation of any of the use restrictions or any of the rules adopted by the Condominium Association pursuant to **Condominium Documents**, provided the Condominium Association follows the procedure set forth in Section 11-113 (or any successor provision) of the Condominium Act for the imposition of fines for rules violations (the "Fine Imposition Procedure"), except that notwithstanding Section 11-113(b)(4) of the Condominium Act, a decision rendered by or on behalf of the Condominium Association pursuant to the Fine Imposition Procedure shall be appealable to the Courts of Maryland.

Any such appeal by a Unit Owner or Tenant must be initiated by written notice delivered to the Secretary of the Condominium Association within thirty (30) days after the Condominium Association gives the Unit Owner or Tenant written notice of the decision rendered pursuant to the Fine Imposition Procedure.

Section 3. Enforcement. All of the use restrictions and all of the rules adopted by the Condominium Board pursuant to the **Condominium Documents** shall be held and construed to run with and bind the Common Elements and all Units located within the Condominium and all Unit Owners and Tenants of such Units, their respective heirs, personal representatives, successors and assigns, forever, all except as otherwise expressly set forth in said rules. Said use restrictions and rules shall inure to the benefit of and be enforceable by the Condominium Association, Condominium Board and Manager in accordance with the procedures set forth in this Article against anyone violating or attempting to violate any of said use restrictions or rules, provided, however, that if the person who commits or attempts such a violation is not a Unit Owner, Tenant or resident of a Unit (or if, for any reason, such person is not subject to the procedures set forth in this Article notwithstanding that such person is a Unit Owner or Tenant), the Condominium Association, Condominium Board or Manager may enforce such use restriction or rule in accordance with the procedure set forth in this Article **XIV and the rules adopted by the Condominium Board.** Furthermore, and in any event, the Condominium Association, for itself, its agents, servants, employees and contractors, after notice to a Unit Owner of any breach or violation of any provision of the **Condominium** Declaration or rule within his Unit or within or upon any Limited Common Element which he has the right to use, and the failure of said Unit Owner to correct the same within a reasonable time thereafter, shall have the right to enter said Unit or Limited Common Element and, at the expense of said Unit Owner, summarily abate or remove the breach or violation occurring in said Unit or Limited Common Element, provided, however, that appropriate judicial proceedings shall be instituted before any item of construction can be altered or demolished.

## ARTICLE XV - FISCAL MANAGEMENT

Section 1. Fiscal Year. The fiscal year of the **Condominium Association** shall begin on the first day of January every year and shall end on the 31st day of December, except that the first year of the **Condominium Association** shall begin on the date of the recording of the **Condominium** Declaration. The commencement date of the fiscal year herein established shall be subject to change by the **Condominium** Board in its discretion.

Section 2. Books and Accounts. Subject to any other provision herein, books and accounts of the **Condominium Association** shall be kept under the direction of the Treasurer in accordance with good accounting practices. The same shall include books with detailed accounts, in chronological order, of the receipts and expenditures affecting the **Condominium Association** and its administration and shall specify the maintenance and

repair expenses of the General Common Elements and Limited Common Elements and services and any other expenses incurred. That amount of any assessment required for payment on any capital expenditures of the Council shall be a credit upon the books of the Council to the "Paid-in Surplus" account as a capital contribution by the Unit Owners.

The **Condominium Association** shall be required to make available to all **Unit Owners**, lenders and the holders or insurers of the First Mortgage on any Unit, current copies of the **effective copies of the Condominium Documents**, and any other books, records and financial statements of the **Condominium Association not protected by privilege**. The **Condominium Association** shall also be required to make available to prospective purchasers **current copies of the effective copies of the Condominium Documents** governing the Condominium and the most recent annual audited financial statement, if the same has been prepared. "Available" for purposes of this Section shall mean available for inspection upon request during normal business hours or under other reasonable circumstances.

Section 3. **Auditing**. At the close of each fiscal year, the books and records of the **Condominium Association** shall be audited, and if such audit is by an independent Certified Public Accountant, his report shall be prepared and may be certified in accordance with generally accepted auditing standards. Based upon such audit or report, the **Condominium Association** shall furnish the Unit Owners with an annual financial statement, including the income and disbursements of the **Condominium Association**. Upon request of Unit Owners of at least five percent (5%) of the Units, an audit of the Condominium shall be made by an independent Certified Public Accountant, provided an audit shall not be made more than once in any consecutive twelve (12) month period. The cost of the audit shall be a Common Expense. In addition, upon written request from any entity which has an interest or prospective interest in the Condominium, the Council may be required to furnish within a reasonable time an audited financial statement of the Council for the immediately preceding fiscal year.

## **ARTICLE XVI AMENDMENTS**

Section 1. **Amendments**. Except as otherwise provided in the **Condominium** Declaration, these **Condominium** By-Laws may be amended by the affirmative vote of Unit Owners in Good Standing (as defined in the **Condominium Declaration**) having at least sixty percent (60%) of the total votes in the **Council**, at any meeting of the Council duly called for such purposes in accordance with the provisions of the Condominium Act.. Amendments may be proposed by the **Condominium** Board or by a petition signed by Unit Owners representing at least twenty percent (20%) of the total votes of the **Council**. A description of the proposed amendment shall accompany the notice of the regular or special meeting at which such proposed amendment is to be voted upon, and said notice shall also be given to the holders of all First Mortgages in the **Condominium Association**. Any amendments adopted by the Council shall be effective only upon recordation among

the Land Records of Queen Anne's County, Maryland. The recorded amendment shall set out the Section(s) of these **Condominium** By-Laws being amended and the applicable provisions of the Condominium Act. The provisions of this Article are subject to the rights of the Condominium Developer as provided in the **Condominium** Declaration. The following specific types of amendments shall require the consent of every Unit Owner and Mortgagee: (i) any change in the pro rata interest or obligations of any individual Unit for the purpose of levying assessments or charges, of allocating distribution of hazard insurance proceeds or condemnation awards, or in determining the pro rata share of ownership of each Unit in the Common Elements; (ii) any partition or subdivision of any Condominium Unit; (iii) any abandonment, partition, subdivision, encumbrance, sale or transfer of the Common Elements (the granting of easements of public utilities or other public purposes consistent with the intended use of the Common Elements by the Condominium shall not be deemed a transfer within the meaning of this clause); (iv) the power to approve Extraordinary Actions (as defined herein and in the **Condominium** Declaration); or (v) use of hazard insurance proceeds for losses to any Condominium property (whether to Units or to Common Elements) for other than repair, replacement or reconstruction of such improvements, except as provided in Article XIII of the **Condominium** Declaration, in the case of substantial loss to the Units and/or Common Elements for the Condominium.

#### **ARTICLE XVII – COMPLIANCE, INTERPRETATION, & MISCELLANEOUS**

Section 1. **Compliance.** These **Condominium** By-Laws are set forth in compliance with the requirements of the Condominium Act and all applicable State and local laws and ordinances, notwithstanding anything in these **Condominium** By-Laws to the contrary, whether expressed or implied.

Section 2. **Conflict.** These **Condominium** By-Laws are subordinate and subject to all provisions of the **Condominium** Declaration and to the provisions of the Condominium Act. All of the terms hereof, except where clearly repugnant to the context, shall have the same meaning as in the **Condominium** Declaration, and the provisions of the **Condominium** Declaration shall control; in the event of any conflict between the **Condominium** By-Laws and the applicable sections of the Condominium Act, the provisions of the Condominium Act control.

Section 3. **Resident Agent.** Rachel M. Hess, whose address is 400 Redland Court, Suite 212, Owings Mills, Maryland 21117, a Maryland resident, is designated as the party authorized to accept service of process in any action relating to the **Condominium Association** or to the General Common Elements or Limited Common Elements, as authorized under the Condominium Act. The **Condominium** Board may, at its discretion, substitute another Resident Agent for the purpose of accepting such service of process as set forth above, provided that proper notification of such change shall be promptly filed with the Maryland Department of Assessments and Taxation.

Section 4. Rights of Action. The **Condominium** Association and any aggrieved Unit Owner shall have the right of action against Unit Owners who fail to comply with the provisions of the **Condominium** Declaration or **Condominium** By-Laws or the decisions made by the **Condominium** Association. Unit Owners have similar rights of action against the **Condominium** Association. However, any judicial or administrative proceeding which is to be commenced or prosecuted by the Condominium Association shall first be subject to any applicable provisions of these **Condominium** By-Laws or the **Condominium** Declaration.

Section 5. Litigation. Any judicial or administrative proceeding which is to be commenced or prosecuted by the Condominium Association shall first be subject to any applicable provisions of these **Condominium** By-Laws or the **Condominium** Declaration.

Section 6. Severability. In the event any provision or provisions of these **Condominium** By-Laws shall be determined to be invalid, void or unenforceable, such determination shall not render invalid, void or unenforceable any other provisions hereof which can be given effect.

Section 7. Waiver. No restriction, condition, obligation or provision of these **Condominium** By-Laws shall be deemed to have been abrogated or waived by reason of any failure to enforce or delay in enforcing the same, and such failure, delay or written waiver of enforcement shall not be precedential in nature or interpreted as a waiver for any other provision or for any other person.

Section 8. Captions and Table of Contents. The captions and Table of Contents contained in these **Condominium** By-Laws are for convenience and ease of use only, and are not part of these **Condominium** By-Laws, and are not intended in any way to limit or enlarge the terms and provisions of these **Condominium** By-Laws.

Section 9. Gender, etc. Whenever in these **Condominium** By-Laws the context so requires, the singular shall include the plural and the converse, and the use of any gender shall be deemed to include all genders.

#### **ARTICLE XVIII - SPECIAL PROVISIONS RELATING TO VETERANS ADMINISTRATION**

Notwithstanding any provisions herein or in the **Condominium** Declaration, in the event VA has guaranteed any loan secured by any Unit, from time to time, the following provisions shall control:

Section 1. Notice of Meetings. Notwithstanding Article IV, Section 4 of these **Condominium** By-Laws, it shall be the duty of the Secretary or his agent to mail by first

class a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held and a summary of any Material Amendment or any proposed VA Extraordinary Action to each Unit Owner of record, at his address as it appears on the roster of the **Council** on the date of the notice, or if no such address appears, at his last known address, not less than seven (7) days (unless the notice pertains to a meeting to approve Material Amendments or VA Extraordinary Action , in which case, not less than twenty-five (25) days), nor more than ninety (90) days prior to such meeting. Service may also be accomplished by the delivery of any such notice to the Unit Owner at his Condominium Unit or last known address. The notice shall contain a copy of the proxy that can be cast in lieu of attendance at the meeting.

Section 2. Books and Records. The Council shall be required to keep for a period of not less than three (3) years' records of: (a) all governing documents including, without limitation, Condominium Documents, any rules and any design standards; (b) actions by the Council including, without limitation, **Condominium** Board resolutions and minutes of meetings; and (c) financial conditions including, without limitation, receipts and expenditures affecting the finances, operation and administration of the Condominium Association, budget and financial statements.

Section 3. Reconstruction After a Casualty Loss. Any provisions of these **Condominium** By-Laws relating to the repair and replacement of the Common Elements after a casualty loss shall also include and refer to any reconstruction of the Common Elements.

## **ARTICLE XIX - HOUSING FOR OLDER PERSONS**

Section 1. As provided in the **Condominium** Declaration, the Condominium is intended to qualify as housing for elderly and handicapped persons under the Fair Housing Acts, as amended from time to time. The Condominium shall be considered a community operated for persons 55 years of age or older; and shall be further restricted such that at least 80% of the occupied Units are occupied by at least one person who is 55 years of age or older and that the Condominium Association publish and adhere to policies and procedures which demonstrate the Condominium's intent to qualify for exemption under the Fair Housing Act. The Condominium Association shall also comply with the rules issued by HUD for the verification of occupancy.

Section 2. The Condominium shall have occupied Units by at least one (1) person 55 years of age or older which means that on the date the exemption for housing designated for persons who are 55 years of age or older is claimed: (1) at least one (1) occupant of the Unit is 55 years of age or older; or (2) if the Unit is temporarily vacant, at least one of the occupants immediately prior to the date on which the Unit was temporarily vacated was 55 years of age or older. The requirements of this Section are satisfied even though there are Units occupied by persons who are necessary to provide a reasonable accommodation to disabled residents as required by the Fair Housing Acts and who are under the age of

55.

Section 3.

(a) Each Owner shall:

(1) be obligated, at least annually, to provide affidavits ("Affidavit"), under oath, to the Condominium Association, upon the **Condominium** Association's request and within thirty (30) days following such written request evidencing that at least one occupant in the dwelling is 55 years of age or older. Such Affidavit shall be executed by the **Unit** Owner in the form and content as set forth by the Condominium Association. Accompanying such Affidavit shall be a copy of any one of the following documents, which shall evidence the age of the occupants and such documentation shall be as follows:

(i) Driver's License;

(ii) Birth Certificate;

(iii) Passport;

(iv) Immigration Card (if applicable);

(v) Military Identification;

(vi) Any other state, local, national, or international official documents containing a birth date of comparable reliability; or

(vii) A certification in a Lease, application, affidavit, or other document signed by any member of the household aged 18 or older asserting that at least one person in the Unit is 55 years of age or older.

(2) be required to comply with these verification requirements and upon their failure to do so the Condominium Association may impose a fine of Fifty Dollars (\$50.00) for each refusal and may also enforce these provisions by specific performance in any appropriate court of law.

(3) authorize the Condominium Association to submit such evidence of age into evidence in any administrative or judicial proceeding for verifying occupancy.

(b) All sales contracts and/or leases shall provide above a signature line the following statement or similar statement: "The undersigned (Lessee) (Purchaser) hereby

certifies that the dwelling unit will be occupied by at least one person 55 years of age or older."

Section 4. The Condominium Association will adhere to the following:

(a) Posting and maintenance of signage in any General Common Elements indicating that the Condominium is 55 or older housing;

(b) Any lease for any Unit must include a statement that the Condominium intends to operate as housing for persons 55 or older;

(c) A summary of occupancy survey shall be available for inspection upon reasonable notice and request by any person;

(d) Maintenance and consistent application of procedures relevant to the intention of the Condominium to be operated as housing for persons 55 and older; and

(e) Promulgation of rules and regulations as necessary to continued operation of the Condominium as housing for persons 55 or older;

(f) Notwithstanding the refusal of any **Unit** Owner to verify the occupant's age, the Condominium Association may consider the Units to be occupied by at least one (1) person 55 years of age or older provided the Condominium Association has obtained some evidence to support such belief, which evidence may include:

(1) Government records or documents such as local household census;

(2) Prior forms or applications; or

(3) A statement from an individual who has personal knowledge of the age of the occupants. The individual statement must set forth the basis for such knowledge and be signed under penalty of perjury.

Section 5. The provisions contained in this Article XIX shall be supplementary to those provisions contained in Article X(j) of the **Condominium** Declaration regarding age restrictions.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

{SIGNATURE PAGE}

ATTORNEY CERTIFICATION

The undersigned, an attorney duly admitted to practice and in good standing before the Court of Appeals of Maryland, certifies that the foregoing instrument was prepared by her.

---