

December 11, 2000

**AMENDED AND RESTATED  
BYLAWS  
OF  
FARMINGDALE CONDOMINIUM  
GERMANTOWN, MARYLAND**

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## ARTICLE I

### Plan of Unit Ownership

Section 1. Recordation. The Property, located in Montgomery County, Maryland, and more particularly described in the Declaration of Condominium, recorded among the Land Records of Montgomery County, Maryland in Liber 5877 at Folio 072, amended in Liber 5952 at Folio 221 and Liber 6110 at Folio 152, and as supplemented (hereinafter referred to as "Declaration") has been subjected to the provisions of the Maryland Condominium Act, Section 11-101 et seq., Annotated Code of Maryland, as may be amended from time to time (hereinafter referred to as the "Maryland Condominium Act") by recordation of the Declaration among the Land Records of Montgomery County, Maryland.

Section 2. Applicability of Bylaws. The provisions of these Bylaws are applicable to the Property and to the use and occupancy thereof. All present and future Unit Owners, family members, Mortgagees, lessees, guests and occupants of Units and their employees, and any other person who may use the Property in any manner, are subject to these Bylaws, the Declaration and any Rules and Regulations that may be duly adopted pursuant hereto, as well as applicable federal, state, and local laws. The acceptance of a deed of conveyance, mortgage, or deed of trust or the entering into of a lease or the act of occupancy of a Unit shall conclusively establish the acceptance and ratification of these Bylaws, the Rules and Regulations and the provisions of the Declaration as any of the same may be amended from time to time, by the person so acquiring, leasing or occupying a Unit and shall constitute and evidence an agreement by such person to comply with the same.

Section 3. Address. The office of the Condominium, the Board of Directors and the Council of Unit Owners shall be located at 18211 Chalet Drive, Germantown, Maryland, or at such other place as may be designated from time to time by the Board of Directors, except as otherwise provided for in Article XIII, Section 1, of these Bylaws.

Section 4. Name. The name of the Council of Unit Owners is as follows: Farmingdale Condominium, Inc.

Section 5. Definitions. Unless it is plainly evident from the context that a different meaning is intended, all terms used herein shall have the same meaning as they are defined to have in the Declaration. Capitalized terms used herein without definition shall have the meanings specified for such terms in the Declaration, or if not defined therein, the meanings specified for such terms in the Maryland Condominium Act. Undefined terms have their plain and natural meaning.

## ARTICLE II

### Council of Unit Owners

Section 1. Purpose. The Council of Unit Owners shall have all of those powers enumerated in the Maryland Condominium Act and shall have the responsibility of administering the Condominium, establishing the means and methods of collecting assessments, arranging for the management of the Condominium and performing all other acts that may be required or permitted to be performed by the Declaration, these Bylaws, the Maryland Condominium Act and Maryland and Montgomery County law. Except for those matters which the Maryland Condominium Act, the Declaration, these Bylaws, or Maryland or

Montgomery County law requires be decided by a vote of the Council of Unit Owners, the administration of the foregoing responsibilities is delegated to and shall be performed by the Board of Directors as set forth below.

Section 2. Membership. An Owner of a Unit shall automatically become a member of the Council of Unit Owners upon taking title to a Unit and shall remain a member for the entire period of ownership. If title to a Unit is held by more than one (1) person, the membership shall be shared in the same proportion as the title, but there shall be only one (1) membership and one (1) vote per Unit. Membership does not include persons who hold an interest merely as security for the performance of an obligation, and the giving of a security interest shall not terminate a Unit Owner's membership. Membership shall be appurtenant to a Unit and shall be transferred automatically by conveyance of that Unit and it may be transferred only in its entirety and in connection with the transfer of title. It shall be the duty of each member to notify the Council of Unit Owners in writing of a conveyance of title.

Section 3. Title to Units. Title to a Unit may be taken in the name of one (1) or more persons, in any manner permitted by law. The Council of Unit Owners, in its own name, may acquire, hold and transfer legal title to one (1) or more units.

Section 4. Roster of Unit Owners. The Council of Unit Owners shall maintain or cause to be maintained a current roster of the names and addresses of each Unit Owner to which notice of meetings of the Council of Unit Owners shall be sent. Each Unit Owner shall, upon acquiring title to a Unit, furnish the Council of Unit Owners, through the Managing Agent for the Council of Unit Owners, with his or her name and current mailing address. Unless the Council of Unit Owners has received express written notice to the contrary, the Council of Unit Owners is entitled to rely upon such roster as accurately reflecting the name of the current Unit Owner and such Unit Owner's current mailing address. As provided in Section 11-109(c)(3) of the Condominium Act, as amended, a Unit Owner may not vote at meetings of the Council of Unit Owners until this information has been supplied.

Section 5. Roster of Mortgagees. Any Unit Owner who mortgages his or her Unit has conveyed an interest in his or her Unit which may obligate the Council of Unit Owners, under certain circumstances, to provide notice to the Mortgagee. Therefore, the Unit Owner shall give prompt written notice to the Council of Unit Owners, through the Managing Agent for the Council of Unit Owners, of his or her loan number and the name and address of his or her Mortgagee. If a Unit Owner's mortgage is transferred to another holder, the Unit Owner shall notify the Council of Unit Owners, in writing, through the Managing Agent for the Council of Unit Owners, of the name and address of the new Mortgagee. Any Unit Owner who satisfies his or her mortgage shall give prompt written notice to that effect to the Council of Unit Owners, through the Managing Agent for the Council of Unit Owners. The Council of Unit Owners shall maintain such information or cause such information to be maintained in a roster. Unless the Council of Unit Owners has received express written notice to the contrary, the Council of Unit Owners is entitled to rely upon such roster as accurately reflecting the name of the current Mortgagee and such Mortgagee's current mailing address for all purposes required by these Bylaws, the Declaration and the Maryland Condominium Act.

Section 6. Annual Meetings. The annual meetings of the Council of Unit Owners shall be held during the month of March of each year at a time and date designated by the Board of Directors. At such annual meetings the Board of Directors shall be elected by ballot of the Unit Owners in accordance with the requirements in Section 4 of Article III of these Bylaws. The Unit Owners may transact such other business of the Council of Unit Owners at

such meetings as may properly come before them.

Section 7. Place of Meetings. Meetings of the Council of Unit Owners shall be held at the principal office of the Condominium or at such other suitable place convenient to the Unit Owners as may be designated by the Board of Directors.

Section 8. Special Meetings. It shall be the duty of the President to call a special meeting of the Council of Unit Owners if so directed by resolution of the Board of Directors or upon a petition signed and presented to the Secretary by Unit Owners having not less than twenty-five percent (25%) of the total number of Units. The notice of any special meeting shall state the time, place and purpose thereof. No business shall be transacted at a special meeting, except as stated in the notice.

Section 9. Notice of Meetings. It shall be the duty of the Secretary to send by United States First Class mail, or to otherwise deliver a notice to each Unit Owner of each annual or special meeting of the Council of Unit Owners, at least fifteen (15), but not more than sixty (60), days prior to such meeting, stating the time, place and purpose thereof. The mailing of a notice of meeting in the manner provided in this Section shall be considered service of notice. Such notice shall be given to each Unit Owner at the address appearing on the Council of Unit Owners' records.

Section 10. Waiver of Notice. Waiver of notice of a meeting of the Unit Owners shall be deemed the equivalent of proper notice. Any Unit Owner may file with the Board of Directors a written waiver of notice of any meeting of the Unit Owners, either before or after any meeting. Attendance at a meeting by a Unit Owner, whether in person or by proxy, shall be deemed waiver by such Unit Owner of notice of the time, date and place thereof unless such Unit Owner specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting shall also be deemed waiver of notice of all business transacted thereat, unless objection to lack of notice is raised before the business, of which proper notice was not given, is put to a vote.

Section 11. Rights of Mortgagees. Any Mortgagee of any Unit who desires notice of the annual and special meetings of the Council of Unit Owners shall notify the Secretary to that effect by certified mail, return receipt requested. Any such notice shall contain the name and address of such Mortgagee and the name and address of the person to whom notice of the annual and special meetings should be sent. The Secretary of the Council of Unit Owners shall maintain, or cause to be maintained, a roster of all Mortgagees from whom such notices are received, and it shall be the duty of the Secretary to mail or otherwise send a notice of each annual or special meeting to each such Mortgagee, in the same manner and subject to the same requirements and limitations as are provided for with respect to notice of such meetings to the Unit Owners or the Board of Directors, as the case may be. Any such mortgagee shall be entitled to designate a representative to attend any such annual or special meeting, and such representative may participate in the discussion at any meeting and may, upon request made to the Chair of the meeting, in advance of the meeting, address the Unit Owners at any meeting. Such representative shall have no voting rights at any such meeting. Such representative shall be entitled to a copy of the minutes of all meetings of the Council of Unit Owners upon request made in writing to the Secretary.

Section 12. Proxies. Any Unit Owner entitled to vote may appoint another individual person by name or title as his or her proxy, provided, however, that the provision of the Maryland Condominium Act and any other applicable law regarding proxies and the voting of

proxies are otherwise observed. Proxies shall be in writing, signed and dated by the Unit Owner, shall identify the Owner's Unit number, shall be valid only for the particular meeting designated therein and shall be filed with the Secretary before the appointed time of the meeting. Except with respect to proxies granted to a Mortgagee or Lessee, no proxy shall in any event be valid for a period in excess of one hundred eighty (180) days after the execution thereof. Notwithstanding the foregoing, a Unit Owner may grant an irrevocable general proxy in favor of a Mortgagee pursuant to which such proxy shall have the right to vote upon all matters to be voted upon by such Unit Owner, whether at a meeting or otherwise. An irrevocable proxy granted by a Unit Owner in favor of a Mortgagee shall be filed with the Secretary prior to any meeting or the giving of any notice at which or upon which such proxy has been appointed to act. The attendance of any Unit Owner at a meeting shall constitute the revocation of any proxy given by such Unit Owner except in the case of an irrevocable proxy granted to a Mortgagee, which shall not be deemed revoked. A proxy holder who is not appointed to vote as directed by a Unit Owner may be appointed only for purposes of meeting quorums and of voting on matters of business before the Council of Unit Owners other than the election of members of the Board of Directors.

Section 13. Quorum. Except as otherwise provided for in these Bylaws, the presence in person or by proxy of twenty-five percent (25%) of the Unit Owners shall constitute a quorum at all meetings of the Council of Unit Owners. Once a quorum has been established at a meeting, the existence of such quorum shall not be affected by the subsequent withdrawal from the meeting of any voting participant. Valid proxies executed by a Unit Owner not entitled to vote due to delinquency of more than sixty (60) days shall count for quorum purposes only.

Section 14. Conduct of Meetings. The President shall preside over all meetings of the Council of Unit Owners, and the Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting as a record of all transactions occurring thereat. The Rules of Order and all other matters of procedure at all annual and special meetings shall be determined by the Board of Directors. The Board may, but is not required to, determine that the current edition of Robert's Rules of Order shall govern the conduct of all meetings of the Council of Unit Owners when not in conflict with the Declaration, these Bylaws or the Maryland Condominium Act.

Section 15. Voting.

(a) Each Unit shall be entitled to one (1) vote pursuant to Exhibit C of the Declaration which may be cast by the Unit Owner or by lawful proxy, as provided below. For each matter to be voted on, each eligible Unit Owner (as defined in subparagraphs (b) and (c) of this provision) shall have the right to cast one (1) vote for his or her Unit. The vote of the Unit Owners representing the majority of the eligible votes represented at such meetings, at which a quorum is present in person or by proxy, shall decide any question brought before such meeting. However, if the question is one upon which, by express provision of an applicable statute, the Declaration or these Bylaws, a different vote is required, such express provision shall govern and control. Notwithstanding the above, the Board of Directors shall be elected by the Unit Owners, from among those nominated, by a plurality vote of the eligible voters at the annual meeting in person or by proxy, a quorum being present. Plurality shall mean the greatest number of votes, even if such votes do not equal a majority of the total votes by those present in person or by proxy and voting. If there are more nominees than positions to be filled, those persons receiving the greatest number of votes shall be elected.

(b) When more than one (1) person owns a Unit, only one (1) of the Unit Owners may cast the vote for the Unit. The vote for any Unit which is owned by two (2) or more persons may be exercised by any one of them present in person or by proxy at any meeting unless any objection or protest by any other owner of such Unit is noted at the meeting. In the event that all co-owners of such Unit are unable to agree on the manner in which the vote for such Unit shall be cast on any particular question, then the vote shall be counted as provided in the Corporations and Associations Article of the Annotated Code of Maryland Section 2-508(e), as amended. If two (2) or more of the Unit Owners of one (1) Unit attempt to cast such vote or votes, such persons shall not be recognized, and such vote or votes shall not be counted. In the event that any Unit is owned by a corporation, limited liability company, limited partnership, or other such entity, then the vote appurtenant to such Unit shall be cast by a person designated in a certificate signed by the president or any vice-president and attested by the secretary or assistant secretary of such entity and filed with the Secretary of the Council of Unit Owners at or prior to the meeting. Any such certificate shall remain valid until revoked or superceded in writing. The vote appurtenant to any condominium unit which is owned by a trust or partnership may be exercised by any trustee or partner thereof, as the case may be, and, unless any objection or protest by any other trustee or partner is noted at such meeting, the Chairman of such meeting shall have no duty to inquire as to the authority of the person casting such vote or votes.

(c) No Unit Owner shall be eligible to vote, either in person or by proxy if: (1) the Unit Owner is more than sixty (60) days delinquent in the payment of assessments or other charges or fees due to the Council of Unit Owners, as shown on the most recently published delinquency records of the Council of Unit Owners; (2) a lien has been filed against such Owner's Unit and the amount necessary to release the lien has not been paid; (3) foreclosure proceedings have been initiated and are still pending against the Owner's Unit; (4) the Unit Owner has been found to be in violation of the Declaration, these Bylaws, or any duly adopted Rules and Regulations and has failed to abate such violation and/or to satisfy any sanction that has been imposed upon the Unit Owner after notice and an opportunity for a hearing as a result of such violation; or (5) the Unit Owner has failed to furnish the Council of Unit Owners with his or her name and current mailing address as required by the Maryland Condominium Act and these Bylaws.

(d) In the event any Units are owned by the Council of Unit Owners, the Board of Directors shall not have the authority to vote the vote appurtenant to Units owned by the Council of Unit Owners, and such vote or votes shall be counted for quorum purposes only.

Section 16. Adjournment of Meetings. Any meeting of the Council of Unit Owners may be adjourned from time to time and resumed at a later date by a vote of the majority of Unit Owners eligible to vote represented at such meeting, regardless of whether a quorum is present in person or by proxy. Any business which could be transacted properly at the original session of the meeting may be transacted at the session to which the meeting is adjourned provided that a quorum is obtained. No additional notice of such adjourned session shall be required. In addition to the above, the Board of Directors shall have the power to adjourn and reschedule meetings of the Council of Unit Owners at which a quorum is not present in accordance with the procedures established in Title 5, Subtitle 2, of the Corporations and Associations Article of the Annotated Code of Maryland, as such provision may be amended from time to time.

## ARTICLE III

### Board of Directors

Section 1. Composition and Qualifications. The affairs of the Council of Unit Owners and the Condominium shall be governed by a Board of Directors. The Board of Directors shall be composed of five (5) persons. Each director must be a natural person (an individual as opposed to a corporation or other such entity) and a majority of Board members must be Unit Owners. Said directors shall serve for three (3) year staggered terms as provided in these Bylaws. Each member or candidate for the Board of Directors must disclose any relationship through business or through blood or marriage that he or she has to other members or candidates of the Board of Directors. No Unit Owner and his or her spouse or multiple Owners of the same Unit may serve on the Board of Directors at the same time. No Unit Owner or Unit Owner's spouse may serve on the Board of Directors if any of the following apply to the unit represented by the candidate: (1) the Unit Owner is more than sixty (60) days delinquent in the payment of assessments, charges or fees due to the Council of Unit Owners; (2) a lien has been filed against the Unit Owner's unit and remains unsatisfied; (3) foreclosure proceedings have been initiated against the unit; (4) the Unit Owner has been found to be in violation of the Council of Unit Owners' Declaration, Bylaws, or any duly adopted Rules and Regulations and has failed to abate such violation and/or to satisfy any sanction that has been imposed upon the Unit Owner after notice and an opportunity for a hearing as a result of such violation; or (5) the Unit Owner is an employee of the Council of Unit Owners.

Section 2. Term of Office. As of the date of the adoption of these Bylaws, directors have been elected and are serving in office. These Bylaws are not intended to affect, alter, or diminish the existing terms of such directors. The terms of the directors presently serving are for five (5) years, expiring in 2002. The intention of these Bylaws is to create staggered terms. As such, upon the expiration of the terms of the directors in 2002, the two (2) successors having the highest number of votes shall be elected for three (3) years, the two (2) successors having the next two highest number of votes shall be elected for two (2) year terms and the one (1) successor having the next highest number of votes shall be elected for a one (1) year term, and thereafter, each director position shall be a three (3) year term. The directors shall hold office until their respective successors have been elected and hold their first meeting. Directors appointed to fill vacancies on the Board shall serve until the next annual meeting.

Section 3. Nominations. Persons qualified to be members of the Board of Directors may be nominated for election as follows:

(a) Pursuant to the requirements of the Maryland Condominium Act, at least forty-five (45) days prior to sending the notice of meeting, the Board of Directors shall submit to the Unit Owners a call for nominations. Any Unit Owner may nominate himself/herself or another Unit Owner to be a member of the Board of Directors so long as the nomination is submitted to the Council of Unit Owners at least fifteen (15) days prior to the sending of the notice of meeting. The names of those persons nominated in accordance with the requirements hereof shall be included, in alphabetical order, on the election ballots prepared for the meeting;

(b) The Board of Directors may appoint a Nominations/Election Committee consisting of at least three (3) persons who shall, at least fifteen (15) days prior to sending the notice of meeting, nominate selected individuals to fill vacancies on the Board of Directors. Failure to comply with this subparagraph (b) shall in no way impact the validity of the election. The names of those persons nominated in accordance with the requirements hereof shall be

included, in alphabetical order, on the election ballots prepared for the meeting. No person who is a candidate for the Board of Directors shall serve on the Nominations/Election Committee;

(c) Nominations may also be submitted from the floor at the meeting at which the election is held to fill vacancies on the Board of Directors. The member nominated must consent to the nomination either at the meeting or in writing in order for the nomination to be accepted. For obvious reasons, candidates nominated from the floor at the meeting will not have the benefit of being listed on the election ballots prepared for the meeting;

(d) No person shall be nominated as a candidate who is not eligible to serve on the Board of Directors as set forth in these Bylaws;

(e) Pursuant to the Maryland Condominium Act, the Board may adopt additional Rules and Regulations governing the procedures for the nominations and election process.

Section 4. Elections. Directors shall be elected by the Council of Unit Owners, from among those nominated, by a plurality vote of the eligible voters at the annual meeting at which a quorum is present. Plurality shall mean the greatest number of votes, even if said number of votes does not equal a majority of the total votes of those present\_in person or by proxy and voting. If there are more nominees than positions to be filled, those persons receiving the greatest\_number of votes shall be elected.

Section 5. Powers and Duties. The Board of Directors shall have all of the powers and duties necessary for the administration of the affairs of the Condominium and may do all such acts and things as are not prohibited by the Maryland Condominium Act, the Declaration or these Bylaws directed to be exercised and done by the Council of Unit Owners. The Board of Directors shall have the power from time to time to adopt and amend Rules and Regulations deemed necessary for the enjoyment of the Condominium; provided, that such Rules and Regulations shall not be in conflict with the Maryland Condominium Act, the Declaration or these Bylaws. The Board of Directors may delegate to one of its members the authority to act on behalf of the Board of Directors within its established policies and guidelines on matters which may arise between meetings of the Board of Directors relating to the duties of the Managing Agent. In addition to the duties imposed by these Bylaws or by any resolution of the Council of Unit Owners that may hereafter be adopted, the Board of Directors shall have the following powers which are stated by way of explanation and not limitation:

(a) Prepare an annual budget, in which there shall be established the contribution of each Unit Owner to the Common Expenses;

(b) Make assessments against Unit Owners for the Common Expenses of the Condominium, establishing the means and methods of collecting such assessments from the Unit Owners and establishing the period of the installment payment of the annual assessment for Common Expenses. Unless otherwise determined by the Board of Directors, the annual assessment against each Unit Owner for his or her proportionate share of the Common Expenses shall be payable in equal monthly installments, each such installment to be due and payable in advance on the first day of each month for such month;

(c) Provide for the operation, care, upkeep, maintenance and surveillance of all of the Property and services of the Condominium, and grant leases and licenses on all or parts of the Common Elements;

(d) Designate, hire and dismiss the personnel\_and/or contract services\_necessary for the maintenance, operation, repair and replacement of the Common Elements and for the provision of services for the Property; where appropriate, provide for the compensation of such personnel; and, where appropriate, provide for the purchase of equipment, supplies and material to be used by such personnel in the performance of their duties, which supplies and equipment shall be deemed part of the Property;

(e) Collect the assessments and/or other charges and fines assessed against the Unit Owners, deposit the proceeds thereof in bank depositories designated by the Board of Directors and use the proceeds to carry out the administration of the Condominium;

(f) Make and amend Rules and Regulations respecting the Condominium in accordance with the procedures outlined in the Maryland Condominium Act, as amended; enforce compliance with the Declaration, Bylaws and duly adopted Rules and Regulations by the imposition of fines (the said monetary fine shall be treated as an assessment for collection purposes) or other sanctions, which may include the suspension of voting rights and/or rights to use the Common Element recreational facilities, subject to the notice and hearing procedures of the Maryland Condominium Act, as amended, for violations of the Declaration, these Bylaws and duly adopted Rules and Regulations; and tow vehicles in violation of the parking regulations, in accordance with the requirements of the Montgomery County Code and other applicable law;

(g) Open bank accounts and invest funds on behalf of the Council of Unit Owners, and designate the signatories thereon;

(h) Make, or contract for the making of, repairs, additions, improvements and alterations to the Condominium, and repairs to and restorations of the Condominium after damage or destruction by fire or other casualty, in accordance with the other provisions of these Bylaws to the extent applicable. However, when in the opinion of the Board of Directors any such addition, alteration or improvement is being made exclusively or substantially for the benefit of one or more, but fewer than all, Unit Owners, the cost thereof may be charged to such Unit Owner or Owners in such proportion as the Board of Directors determines to be fair and equitable and such costs shall be treated as an assessment for collection purposes;

(i) Enforce by legal means the provisions of the Declaration, these Bylaws and the Rules and Regulations, and bring any proceedings which may be instituted on behalf of the Council of Unit Owners and the individual\_Unit Owners with respect to any cause of action relating to the Condominium as authorized by the Maryland Condominium Act, as amended;

(j) Obtain and carry adequate insurance to protect the Condominium, the Council of Unit Owners and the Board of Directors in the event of casualties and/or liabilities as provided for in Article VI of these Bylaws, pay the premiums therefor, and adjust and settle any claims thereunder;

(k) Pay the cost of services rendered to the Council of Unit Owners and not billed to Owners of individual Units;

(l) Keep books with detailed accounts of the receipts and expenditures affecting the Condominium and the administration of the Council of Unit Owners. The said books shall be available for examination by the Unit Owners, and/or their duly authorized agents, accountants

or attorneys during general business hours on working days at the times and in the manner that shall be determined by the Board of Directors or at such time as may be mutually agreeable by and between the Board of Directors and the Unit Owner(s) wishing to examine such books. All books and records shall be kept in accordance with generally accepted accounting principles and shall be audited at least once a year by an outside certified public accounting firm employed by the Council of Unit Owners. The accountant conducting the audit shall not be a resident of the Condominium or a Unit Owner therein. The cost of such audit shall be a Common Expense. The cost of copying any records or any other cost incurred by the Council of Unit Owners as a result of the request of the Unit Owners or their duly authorized agents, accountants or attorneys, including employee overtime that may be necessary, shall be borne by the party requesting such service and shall be treated as an assessment for collection purposes if unpaid;

(m) Notify a Mortgagee of any default under the Declaration, these Bylaws or the Rules and Regulations, by the Owner(s) of the Unit(s) subject to such Mortgage, in the event such default continues for a period exceeding thirty (30) days;

(n) Borrow funds for the purpose of making repairs, restorations, modifications, improvements or additions in accordance with these Bylaws;

(o) Grant leases, licenses, easements, rights-of-way and other rights of use and enjoyment in all or any part of the Common Elements of the Condominium for utilities or other uses that are not inconsistent with the intended use of such Common Elements as provided for in the Declaration and these Bylaws;

(p) Purchase Units in the Condominium and lease, mortgage or convey the same, subject to the provisions of the Declaration and these Bylaws;

(q) Contract for services, including the management services (as more specifically outlined in these Bylaws); and

(r) Do such other things and acts not inconsistent with the Maryland Condominium Act, the Declaration or these Bylaws which the Board of Directors may be authorized to do by a resolution of the Council of Unit Owners.

#### Section 6. Managing Agent.

(a) The Board of Directors must employ for the Council of Unit Owners a professional management agent (hereinafter "Managing Agent"), at a compensation established by the Board of Directors, to perform such duties and services as the Board of Directors shall authorize in accordance with the Declaration and these Bylaws. Any management contract shall not exceed one (1) year and shall contain a termination clause permitting termination, with or without cause, upon thirty (30) days written notice by either party. The Managing Agent shall be a bona fide business enterprise which manages common interest residential communities. Such Managing Agent shall have a minimum of two (2) years of experience in real estate community management and shall employ persons possessing a high level of competence in the managerial and administrative skills necessary for the proper management of the Condominium. The Managing Agent must be able to advise the Board of Directors regarding the administrative operation of the Condominium and shall employ personnel who are experts in the areas of condominium insurance, accounting, contract negotiation, labor relations and condominium regulation. The Managing Agent shall maintain a separate fidelity

bond for all of the Managing Agent's employees and, to the extent reasonably available in the marketplace, principals that handle or are responsible for the Condominium's funds. Such bond shall name the Council of Unit Owners as a beneficiary and/or named insured.

(b) The Board of Directors may delegate to the Managing Agent, subject to the Board of Directors' supervision, the powers granted to the Board of Directors by these Bylaws, provided, however, that the Managing Agent may not: (1) perform any act which exceeds the authority granted in the management contract or the Council of Unit Owner's' Declaration or these Bylaws; (2) open bank accounts in the name of the Council of Unit Owners, unless expressly authorized in writing by the Board of Directors; (3) have an undisclosed financial or any other interest in any of the parties with which the Council of Unit Owners may contract for work to be performed or services to be rendered to the Council of Unit Owners; (4) borrow money on behalf of the Council of Unit Owners; or (5) assess any charges to the Unit Owners. The Council of Unit Owners and the Board of Directors shall not be liable for any omission or improper exercise by the Managing Agent of any such duty, power or function. If a management contract is terminated at any time, the Board of Directors shall employ another professional Managing Agent, it being the intention of this Section that the Condominium will be managed at all times by a qualified professional Managing Agent.

(c) Any management contract shall comply with the terms of the Declaration, these Bylaws and the Maryland Condominium Act. Any provision of the management contract or any part thereof that fails to comply with the Declaration, these Bylaws and the Maryland Condominium Act shall be deemed null and void. Any management contract shall specifically state that it complies with the terms of the Declaration, these Bylaws and the Maryland Condominium Act.

Section 7. Removal or Resignation of Members of the Board of Directors. At any regular or special meeting of the Council of Unit Owners which has been duly called and at which a quorum is present, any one or more of the members of the Board of Directors may be removed with or without cause by a majority of the Unit Owners, and a successor may then and there be elected to fill the vacancy thus created. Any director whose removal has been proposed by the Council of Unit Owners shall be given at least fifteen (15) days' written notice of the time, place and purpose of the meeting and shall be given the opportunity to be heard at the meeting. A member of the Board of Directors may resign at any time upon delivery of a written resignation to any member of the Board of Directors. Additionally, any member of the Board of Directors who fails to attend three (3) consecutive Board meetings without reasonable excuse shall, upon the determination of a majority of the remaining Board members, be deemed to have resigned from the Board.

Section 8. Vacancies. Vacancies on the Board of Directors caused by any reason other than the removal of a director by a vote of the Council of Unit Owners shall be filled by a majority vote of the remaining directors promptly after the occurrence of any such vacancy, even though the directors present at such meeting may constitute less than a quorum. Each person so selected shall be a member of the Board of Directors until the next annual meeting at which time a Director shall be elected to serve the remaining portion of the term.

Section 9. Organizational Meeting. The first meeting of the newly elected Board of Directors following the annual meeting of the Council of Unit Owners shall be held within thirty (30) days thereafter at such time and place as shall be set by the Board of Directors at the meeting at which such Board of Directors shall have been elected, and no notice shall be necessary to the newly elected members of the Board of Directors in order legally to constitute such meeting, provided that a majority of the whole Board of Directors shall be present

thereat. During such meeting, the newly elected Board of Directors shall elect officers.

Section 10. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the directors, but at least ten (10) such meetings shall be held during each fiscal year. Written notice of regular meetings of the Board of Directors shall be given to each director at least ten (10) days prior to the day named for such meeting. The date of the next regular meeting may be set at a meeting, and such action shall constitute notice of the next meeting to all directors present at the prior meeting.

Section 11. Special Meetings. Special meetings of the Board of Directors may be called by the President on three (3) days' written notice to each director, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Treasurer or in like manner and on like notice on the written request of at least two (2) directors. Notice to all Unit Owners of special meetings of the Board of Directors shall be given in a manner determined by the Board of Directors and consistent with applicable laws.

Section 12. Waiver of Notice. Any director may at any time, in writing, waive notice of any meeting of the Board of Directors, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board of Directors shall also constitute a waiver of notice by him of the time, place and purpose of such meeting. If all directors are present at any meeting of the Board of Directors, no notice shall be required and any business may be transacted at such meeting.

Section 13. Quorum of Board of Directors. At all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transaction of business, and the votes of a majority of the directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors. If at any meeting of the Board of Directors less than a quorum is present, a majority of those present may adjourn the meeting from time to time and resume at a later date. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice. No director may use a proxy for quorum, vote or any other matter before the Board of Directors.

Section 14. Action Without a Meeting. Any action by the Board of Directors required or permitted to be taken at any executive session or any such action required as a result of an emergency may be taken without a regular or special meeting (1) if a majority of the members of the Board of Directors individually consent orally to such action during a telephone or electronic poll or (2) if a majority of the members of the Board of Directors shall individually or collectively consent in writing to such action. The result, time and date of each telephone or electronic poll or such written consent or consents shall be filed with the minutes of the next meeting of the Board of Directors.

Section 15. Fidelity Bonds. As part of the insurance required to be obtained under Article VI hereof, fidelity bonds shall be obtained in an amount not less than the aggregate amount of at least three (3) months of assessment and special assessments and one hundred percent (100%) of Reserves of the Council of Unit Owners (in such form and such greater amount as may be required by the Mortgagees) for all directors, officers and employees of the Condominium, and all other persons including the Managing Agent, its agents and principals, handling or responsible for Condominium funds. The premiums on such bonds shall constitute a

Common Expense.

Section 16. Compensation. No director shall receive any compensation from the Council of Unit Owners for acting as such. However, directors may be reimbursed for reasonable expenses incurred on behalf of the Council of Unit Owners as shall be determined by a majority of the Board of Directors.

Section 17. Conduct of Meetings. The President shall preside over all meetings of the Board of Directors, and the Secretary shall keep a Minute Book of the Board of Directors recording therein all resolutions adopted by the Board of Directors and a record of all transactions and proceedings occurring at such meetings. The Rules of Order and Procedure shall be determined by the Board of Directors.

Section 18. Liability of the Board of Directors and Council of Unit Owners. The members of the Board of Directors shall not be liable to the Council of Unit Owners for any mistake of judgment, negligence or otherwise, except for their own individual willful misconduct or bad faith. The Council of Unit Owners shall indemnify and hold harmless each of the directors from and against all contractual liability to others arising out of contracts made by the Board of Directors on behalf of the Council of Unit Owners unless any such contract shall have been made in bad faith or contrary to the provisions of the Maryland Condominium Act, the Declaration or these Bylaws. Members of the Board of Directors shall have no personal liability with respect to any contract made by them on behalf of the Council of Unit Owners. The liability of any Unit Owners arising out of any contract made by the Board of Directors, out of the aforesaid indemnity in favor of the members of the Board of Directors, out of damages as a result of injuries arising in connection with the Common Elements solely by virtue of the Unit Owner's ownership of a Percentage Interest therein or out of liabilities incurred by the Council of Unit Owners shall be limited to the total liability multiplied by the Unit Owner's Percentage Interest, which pursuant to Exhibit C to the Declaration, is equal to a fraction the numerator of which is one (1) and the denominator of which is the total number of units subjected to the condominium regime. Upon making full payment of his or her share, each Unit Owner shall be released from any further liability. Every agreement made by the Board of Directors or by the Managing Agent on behalf of the Council of Unit Owners, if possible, shall stipulate that the members of the Board of Directors or the Managing Agent are acting as agents for the Council of Unit Owners and shall have no personal liability thereunder (except as Unit Owners), and that each Unit Owner's liability thereunder shall be limited to the total liability thereunder multiplied by the Unit Owner's Percentage Interest.

Section 19. Attorney-in-Fact. The Board of Directors is hereby irrevocably appointed as Attorney-in-Fact for the Unit Owners to manage, control and deal with the interests of the Unit Owners so as to permit the Board of Directors to fulfill all of its powers, functions and duties under the Maryland Condominium Act, the Declaration and these Bylaws.

Section 20. Committees. The Board of Directors may establish committees as the Board of Directors shall determine from time to time, with the powers and duties that the Board of Directors shall authorize. The Board of Directors shall determine the manner in which committee members are appointed. Committee chairs shall be appointed by and shall serve at the pleasure of the Board. No person may serve on a committee if that person, or the Owner of the Unit in which such person resides (1) is more than sixty (60) days delinquent in the payment of assessments, charges or fees due to the Council of Unit Owners; (2) has a lien for unpaid condominium assessments or charges filed against the Unit which remains unsatisfied; (3) the Unit is the subject of foreclosure proceedings for unpaid assessments or charges; (4)

the person, or the Owner of the Unit in which the person resides, has been found to be in violation of the Declaration, Bylaws or any duly adopted Rules and Regulations and has failed to abate such violation and/or to satisfy any sanction that has been imposed upon the Unit Owner after notice and an opportunity for a hearing as a result of such violation. Every committee shall have at least one (1) Board liaison.

Section 21. Common Directorate or Interests. Each member of the Board of Directors shall exercise his or her powers and duties in good faith and with a view to the interest of the Council of Unit Owners and the Condominium. No contract or other transaction between the Council of Unit Owners and one or more of its directors, or between the Council of Unit Owners and any association, firm or corporation in which one or more of the directors of this Council are directors or officers or are pecuniarily or otherwise interested, is either void or voidable because such director or directors are present at the meeting of the Board of Directors or any committee thereof which authorizes or approves the contract or transaction, or because his or her votes are counted for such purpose, if any of the conditions specified in any of the following subparagraphs are met:

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

(b) The fact of the common directorate or interest is disclosed or known to the Unit Owners, or a majority thereof, and they approve or ratify the contract or transaction in good faith by a vote sufficient for the purpose; or

(c) The contract or transaction is commercially reasonable to the Council of Unit Owners at the time it is authorized, ratified, approved or executed.

Directors with a common directorate or interest may be counted in determining the presence of a quorum at any meeting of the Board of Directors or committee thereof which authorizes, approves or ratifies any contract or transaction, and may vote thereat to authorize any contract or transaction with like force and effect as if he or she were not a director or officer of such other association or not so interested so long as any of the above conditions are met.

#### ARTICLE IV

##### Officers

Section 1. Designation. The principal officers of the Condominium shall be the President, the Vice President, the Secretary and the Treasurer, all of whom shall be elected by the Board of Directors. The Board of Directors may appoint an Assistant Treasurer, an Assistant Secretary and such other officers as in its judgment may be necessary. The President and Vice President shall be members of the Board of Directors. Any other officers may, but need not, be members of the Board of Directors. No person may hold more than one office at the same time.

Section 2. Election of Officers. The officers of the Condominium shall be elected annually by the Board of Directors at the organization meeting of each new Board of Directors and shall hold office at the pleasure of the Board of Directors.

Section 3. Removal of Officers. Upon the affirmative vote of a majority of all members of the Board of Directors, any officer may be removed, either with or without cause, and a successor may be elected at any regular meeting of the Board of Directors or at any special meeting of the Board of Directors called for such a purpose.

Section 4. President. The President shall: be the chief executive officer of the Council of Unit Owners; preside at all meetings of the Council of Unit Owners and of the Board of Directors; and have all of the general powers and duties which are incident to the office of president of a stock corporation organized under Maryland law, including but not limited to the power to appoint committees from among the Unit Owners from time to time as the President may determine is appropriate to assist in the conduct of the affairs of the Council of Unit Owners.

Section 5. Vice President. The Vice President shall act in the President's absence and perform the duties of the President whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other member of the Board of Directors to act in place of the President, on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed by the Board of Directors or by the President.

Section 6. Treasurer. The Treasurer shall be responsible: (1) for the Council of Unit Owners' funds and securities; (2) for keeping full and accurate financial records and books of account showing all receipts and disbursements; (3) for preparing all required financial data; and (4) for the deposit of all monies and other valuable effects in the name of the Council of Unit Owners or the Managing Agent, in such depositories as may from time to time be designated by the Board of Directors. The Treasurer shall, in general, perform all the duties incident to the office of treasurer of a stock corporation organized under Maryland law.

Section 7. Secretary. The Secretary shall keep the minutes of all meetings of the Council of Unit Owners and of the Board of Directors and have charge of such books and papers as the Board of Directors may direct. The Secretary shall, in general, perform all the duties incident to the office of secretary of a stock corporation organized under Maryland law. The Secretary may delegate any or all of these responsibilities to the Managing Agent if so determined by the Board of Directors.

Section 8. Agreements, Contracts, Deeds, Leases, Checks, etc.

(a) All agreements, contracts, deeds, leases, checks, and other instruments of the Council of Unit Owners for expenditures or obligations included in the adopted budget which provide for an expenditure of \$1,000.00 or less, or an expenditure that exceeds \$1,000.00 if it involves an emergency situation, may be executed by the Managing Agent unless otherwise determined by resolution of the Board of Directors. An "emergency situation," as such term is used in this subparagraph and subparagraph (b) of this provision exists when there is a reasonable belief that damage to property and/or bodily harm or injury is impending. The Managing Agent may execute agreements, contracts, deeds, leases, checks and other instruments of the Council of Unit Owners for expenditures or obligations included in the adopted budget in the amount of \$1,000.00 or less, provided that such expenditure is: (1) provided for in the budget adopted by the Council of Unit Owners; or (2) of the type or nature of an expenditure previously authorized by the Board of Directors; and provided that a financial report disclosing such expenditure is provided to the Board of Directors at the next meeting of the Board of Directors.

(b) Unless expressly provided for otherwise in the Declaration or these Bylaws, all agreements, contracts, deeds, leases, and other such instruments of the Council of Unit Owners must be executed by the President or, in his or her absence, the Vice-President of the Board of Directors, unless otherwise determined by the Board of Directors.

(c) The Board of Directors shall establish operating accounts at its discretion. Any withdrawal of funds or issuance of checks from any operating account of the Council of Unit Owners which exceeds \$1,000.00 shall require the written approval and/or signature as may be determined by the Board of Directors.

(d) The Board of Directors shall establish one or more accounts in which the funds of the Council of Unit Owners' Reserves shall be held. Any account or financial instrument in which Reserve Funds are held must be either an obligation of the federal or state government or an agency thereof, or an account or instrument insured as to principal by the federal or state government or an agency thereof. Any withdrawal of funds or issuance of checks from each reserve account of the Council of Unit Owners shall require the written approval or signatures of two (2) Board members, one (1) of whom must be either the President or the Treasurer.

Section 9. Compensation of Officers. No officer who is also a director shall receive any compensation from the Condominium for acting as such officer. Notwithstanding the foregoing, officers may be reimbursed for reasonable expenses incurred on behalf of the Council of Unit Owners as shall be determined by a majority of the Board of Directors.

## ARTICLE V

### Operation of the Property

Section 1. Determination of Common Expenses and Assessments Against Unit Owners.

(a) Fiscal Year. The fiscal year of the Condominium shall be the calendar year unless otherwise determined by the Board of the Directors.

(b) Purpose of Assessments. Amounts collected from assessments for Common Expenses shall be used for the general purposes of promoting the health, safety, welfare, common benefit, recreation, and enjoyment of the Unit Owners and occupants of Units in the Condominium and specifically authorized from time to time by the Board of Directors. The payment of assessments is for the mutual benefit and protection of all Unit Owners and may not be withheld by a Unit Owner because of the Council of Unit Owners' failure to perform services, a Unit Owner's non-use of Common Elements or any other reason. No diminution or abatement of Common Expense assessments shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the Common Elements or from any action taken by the Council of Unit Owners to comply with any law or ordinance, or with the order or directive of any municipal or other governmental authority. Any amount accumulated in excess of the amount required for actual expenses and reserves shall be added to and maintained by the Board of Directors as operating reserves, operating contingencies and reserves for capital replacements and improvement, as the Board of Directors shall deem appropriate, or, if the Board of Directors deems advisable, be applied to the next year's budget and related assessments. Any net shortage may, if the Board of Directors deems it advisable, be charged against and added according to each Unit Owner's Percentage Interest to the following year's budget or may be specially assessed as provided in these Bylaws.

(c) Management and Common Expenses. The Council of Unit Owners, acting by and through its Board of Directors, shall manage, operate and maintain the Condominium for the benefit of the Condominium Units and the Owners thereof, shall enforce the provisions hereof and may pay out of the Common Expense fund the following items, this list not being exhaustive but illustrative:

(1) The cost of providing water, sewer, garbage and trash collection, electricity, gas and other utility services for the Common Elements.

(2) The cost of providing gas, electricity, water and sewer services to each Unit, except to the extent that gas, electricity, water, or sewer services are supplied to each Unit through individual meters.

(3) The cost of fire and extended liability insurance on the Condominium, and the cost of such other insurance and fidelity bond coverage deemed necessary by the Board of Directors and/or required by the Maryland Condominium Act, the Declaration and these Bylaws.

(4) The cost of the services of a person or firm to manage the Condominium and the cost of the services of such other personnel as the Board of Directors or the Council of Unit Owners may consider necessary for the operation of the Condominium.

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

(6) The cost of painting, maintaining and repairing the Condominium, the cost of snow plowing on the Common Elements and the cost of such furnishings and equipment for the Common Elements as the Board of Directors shall determine are necessary and proper, and the Board of Directors shall have the exclusive right and duty to acquire the same; provided, however, that nothing herein contained shall require the Council of Unit Owners to paint, repair or otherwise maintain any individual Unit or any fixtures or equipment located therein unless owned by the Council of Unit Owners or designated in the Maryland Condominium Act, the Declaration, or these Bylaws as the Council of Unit Owners' responsibility.

(7) The cost of repairing, maintaining, and replacing pathways, walkways and roadways, and other costs required under certain covenants and declarations of easements that are binding upon the Council of Unit Owners and/or Unit Owner(s).

(8) The cost of any and all other materials, supplies, labor, services, maintenance, repairs, taxes, assessments or the like which the Council of Unit Owners is required to secure or pay for by law, or otherwise, or which in the discretion of the Board of Directors may be deemed necessary or proper for the operation of the Common Elements. Notwithstanding the foregoing, if, in the sole discretion of the Board of Directors, any of the aforementioned are provided for, or paid for, for the benefit of a particular Unit or Units, the cost thereof may be specially assessed to the Unit Owner or Owners thereof and collected in the same manner as assessments as provided for in this Article of these Bylaws.

(9) The cost of the maintenance or repair of any Unit, if such maintenance or repair is reasonably necessary in the discretion of the Board of Directors: (1) to protect the Common Elements as such term is defined in the Declaration; (2) to protect another Unit or Units; or (3) to preserve the appearance or value of the Condominium; or (4) is otherwise in the interest of the general welfare of the Unit Owners, provided, however, that except in emergency situations, in which case the Board may immediately proceed without notice, no

such maintenance or repair shall be undertaken without a resolution by the Board of Directors and not without reasonable written notice to the Owner of the Unit proposed to be maintained, which notice states the Board's intent to provide such necessary maintenance, repair, or replacement, at the Owner's sole cost and expense, and setting forth with reasonable particularity the maintenance, repairs or replacement deemed necessary. Except in an emergency, the Owner shall be give a reasonable time under the circumstances within which to complete said maintenance, repair, or replacement. If any Owner does not comply with the provisions hereof, the Board may provide any such maintenance, repair, or replacement at the Owner's sole cost and expense, and the cost thereof shall be assessed against the Condominium Unit on which such maintenance or repair is performed and, when so assessed, a statement for the amount thereof shall be rendered to the Owner of the Unit, at which time the assessment shall become due and payable and a continuing lien and obligation of said Owner and shall be collectible in any manner allowed for the collection of the annual or special assessment.

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

(11) Any amount necessary to pay real estate taxes or other governmental charges, of whatever nature, assessed on or against the Common Elements of the Condominium, and all other taxes and assessments , if any, levied against the Council of Unit Owners or upon any property which it may own or for which it is otherwise required to pay.

(12) Any amount deemed necessary or desirable by the Board of Directors to be placed in reserves as described in this Article of these Bylaws.

(d) Computation of Operating Budget and Assessment. It shall be the duty of the Board of Directors, with the assistance and counsel of the Managing Agent, annually to prepare and adopt a budget covering the estimated costs of operating the Condominium during the coming year. The budget herein required to be prepared and proposed by the Board of Directors shall be in a format consistent with the classification of the accounts of the Council of Unit Owners, and shall provide for sufficient estimates to permit comparison to and analysis of deviations from the various periodic reports of the actual results of operations and the actual financial condition of the Council of Unit Owners, for the present and prior corresponding periods, all in accordance with generally accepted accounting principles, consistently applied. Copies of the budget shall be available for examination by the Unit Owners and their duly authorized agents and attorneys, and by Mortgagees and their duly authorized agents and attorneys during normal business hours for purposes reasonably related to their respective interests. Copies of the proposed budget shall be provided to each Unit Owner prior to its adoption in accordance with Section 11-109.2 of the Maryland Condominium Act, as amended.

Copies of the approved budget shall be furnished to each Unit Owner in a reasonably itemized form which sets forth the amount of the Common Expenses payable by each Unit Owner. Each Unit Owner shall be obligated to pay to the Council of Unit Owners all assessments levied against his or her Unit as established on the basis of the budget. Notwithstanding the foregoing, however, if the Board of Directors fails for any reason to approve a budget for the succeeding year, then, until such time as a budget shall have been adopted, as provided for herein, the budget and assessments in effect for the current year shall continue for the succeeding year until a new budget is adopted.

(e) Assessment and Payment of Common Expenses. The total amount of the estimated funds required for the operation of the Property set forth in the budget adopted by the Board of Directors shall be assessed against each Unit Owner in proportion to his or her respective Percentage Interest equal shares and shall be a continuing lien against each Owner's Unit and the Percentage Interest appurtenant thereto as of the date the assessment or installment of such assessment becomes due.

(f) Reserves. The Board of Directors shall build up and maintain reasonable reserves for working capital expenditures, operations, contingencies and replacements. Reserve funds shall be deposited in separate accounts with institutions the accounts of which are insured by the federal or state government or an agency thereof. For no period of twelve (12) months or longer shall the reserves in the general operating reserve account be less than twenty-five percent (25%) of the total current annual amount of assessments. Extraordinary expenditures not originally included in the annual budget which may become necessary during the year may be charged first against such reserves. If the reserves are inadequate for any reason, including non-payment of any Unit Owner's assessment, the Board of Directors may at any time levy a further assessment, which shall be assessed against the Unit Owners equally, and which may be payable in a lump sum or in installments as the Board of Directors may determine. The Board of Directors shall serve notice of any such further assessment on all Unit Owners by a statement, in writing, giving the amount and reasons therefor. Such further assessment shall, unless otherwise specified in the notice, be reflected in the next monthly payment which comes due ten (10) days or more after the delivery of such notice of further assessment. All Unit Owners shall be obligated to pay the adjusted monthly amount or, if such further assessment is not payable in installments, the full amount of such assessment, and such assessment shall be a lien as of the effective date as set forth in Section 2 of this Article.

## Section 2. Payment of Common Expenses.

(a) Each Unit Owner by acceptance of a deed for the Unit, whether or not it shall be so expressed in such deed, is obligated to pay to the Council of Unit Owners: (1) the annual assessments allocated to that Owner's Unit; (2) special assessments adopted by the Board of Directors as allocated to that Owner's Unit, to be established and collected as herein provided for; (3) charges that have been assessed against that Owner's Unit for maintenance and repairs performed on said Unit, for repairs to the common elements and/or other units caused by the negligence, abuse, misuse or neglect of such Unit Owner and such other charges assessed against such Unit pursuant to these Bylaws, the Declaration and the Act; and (4) specific fines imposed as a result of a violation hearing, and charges or assessments against that Owner's Unit which are established pursuant to the Declaration, these Bylaws, the Maryland Condominium Act or Rules and Regulations duly adopted by the Board of Directors, as amended, and which shall be treated as assessments in all matters. All unpaid assessments, together with management charges, interest, costs, late charges (all at the maximum amount permitted by the Maryland Condominium Act or by law) and reasonable attorney's fees of not less than twenty percent (20%) of the unpaid monthly installments shall be a charge on the Unit and shall be a continuing lien upon the Unit against which such assessment is levied. The Council of Unit Owners may foreclose such lien in accordance with the procedures required by the Maryland Contract Lien Act, as amended. Such amounts shall also be the personal obligation of the person who was the Owner of such Unit at the time when the assessments fell due, and a suit to recover a personal money judgment may be maintained without foreclosing or waiving the lien allowed hereby.

(b) The amount of any annual assessment or special assessment levied against each Unit Owner shall be an equal share of the total as set forth in Exhibit C to the Declaration.

(c) Each Unit Owner shall be liable for his or her portion of each assessment coming due while the Owner of a Unit, and his or her grantee shall be jointly and severally liable for such portion thereof as may be due and payable at the time of conveyance. Assessments shall be paid in such manner and on such dates as may be set by the Board of Directors. Unless otherwise determined by the Board of Directors, the annual assessments shall be paid in monthly installments and shall be due and payable on the first day of each month.

(d) In the event a Mortgagee having a first mortgage of record obtains title to a Unit through foreclosure of the first mortgage or through the enforcement of any other remedies provided for in such mortgage, except to the extent authorized by law, such Mortgagee, its successors and assigns shall not be liable for, and such Unit shall not be subject to a lien for the payment of Common Expenses assessed prior to the acquisition of title to such Unit by such Mortgagee or purchaser pursuant to the foreclosure sale. In the event of such Mortgagee foreclosure, such unpaid share of Common Expenses assessed prior to the acquisition of title to such Unit by such Mortgagee or purchaser pursuant to the foreclosure sale shall be collectible in any manner authorized under the law. Any Common Expenses, assessed prior to the acquisition of title to such Unit by such Mortgagee or purchaser pursuant to the foreclosure sale, that are uncollectible through any authorized means under the law shall be collectible from all Unit Owners of the Council of Unit Owners, including the purchaser at the foreclosure sale, as to that Unit's pro rata share after reallocation, to all Units, of the uncollected share.

### Section 3. Non-Payment of Assessments.

(a) Any assessment levied pursuant to these Bylaws, or any installment thereof, which is not paid within fifteen (15) days after it is due may bear interest up to the maximum rate allowed by the Maryland Condominium Act or other applicable law.

(b) Any assessment levied pursuant to these Bylaws, or any installment thereof, which is not paid within fifteen (15) days after it is due shall accrue a late charge in such amount as may be determined by the Board of Directors (but not less than ten percent (10%) of the assessment or any installment thereof) or such greater amount as may be permitted by the Maryland Condominium Act, as amended.

(c) The Council of Unit Owners may file a lien against a Unit for unpaid assessments, together with management charges, interest, costs, late fees (all which may be charged up to the maximum amount permitted by the Maryland Condominium Act or these Bylaws) and reasonable attorney's fees of not less than twenty percent (20%) of the unpaid amount, after thirty (30) days written notice to the Unit Owner and in accordance with procedures set forth in the Contract Lien Act, as may be amended. In addition to the proceedings at law or in equity for the enforcement of the lien established by the Declaration, these Bylaws or the Maryland Condominium Act, all of the Owners of the Unit may be required by the Board of Directors to execute bonds conditioned upon the faithful performance and payment of the installments of the lien established hereby.

(d) If a Unit Owner fails to pay any monthly installment when due, the Council of Unit Owners may accelerate the remaining installments through the end of the fiscal year pursuant to the requirements imposed by the Maryland Condominium Act. Upon acceleration, full payment of the remaining annual assessment shall be due and shall constitute a lien on the Unit as provided for in this Article.

(e) The Council of Unit Owners may initiate a personal suit against a Unit Owner to

recover a money judgment for unpaid assessments without foreclosing or waiving the lien securing the same and notwithstanding the pendency of any foreclosure proceedings.

(f) The Council of Unit Owners may initiate legal proceedings to foreclose its lien securing the amount of the unpaid assessments notwithstanding the pendency of any suit to recover a money judgment.

Section 4. Statement of Common Expenses. Upon written request, the Board of Directors shall provide any Unit Owner with a written statement of all unpaid assessments for Common Expenses and other assessments and charges due from such Unit Owner. The Board of Directors may impose a reasonable charge for the preparation of such statement.

Section 5. Maintenance and Repair and Other Common Expenses.

(a) By the Council of Unit Owners. The Council of Unit Owners by and through the Board of Directors shall be responsible for the maintenance, repair and replacement of the following, the cost of which shall be charged to all Unit Owners as a Common Expense (unless, in the opinion of not less than sixty percent (60%) of the Board of Directors such expenses were necessitated by the negligence, misuse, abuse or neglect of a Unit Owner, in which case such expenses shall be charged to such Unit Owner and collected in the same manner as assessments for common expenses):

(1) All of the Common Elements (other than the Limited Common Elements) as defined herein or in Article IV, Section 2 of the Declaration, whether located inside or outside of the Units.

(2) The parking areas and the utility areas located in each Building, and any and all other property, both real and personal, contained within the perimeter of the Land and not contained within any Unit.

(3) The operation (in addition to maintenance, repair and replacement) of all recreational and community facilities in a safe and sanitary manner.

(4) The water supply line of each Unit from the curb cut-off to the point where such line exits from the foundation of the building at the building interior, whether or not serving an individual Unit.

(5) Any structural work necessary to maintain, repair or replace any patio or balcony which is appurtenant to a Unit and to which such Unit Owner has sole access and exclusive use thereof; provided, however, that normal maintenance (as defined in subparagraph (b) (2) below) shall be the responsibility of the Owner of such appurtenant Unit.

(6) All incidental damage caused to any Unit by such work as may be done or caused to be done by the Board of Directors in accordance herewith.

(b) By the Unit Owners.

(1) Except for the portions of a Unit required to be maintained, repaired or replaced by the Council of Unit Owners, each Unit Owner shall be responsible for the maintenance, repair and replacement, at the Unit Owner's own expense, of the following: interior walls, ceilings and floors, kitchen and bathroom fixtures and equipment, refrigerator and range, dishwasher, garbage disposers, kitchen fan, washer and dryer, smoke detector(s),

window units, lighting, heating, ventilation and air conditioning (HVAC), and those parts of the plumbing system which are wholly contained within and/or serving only the specific Unit, including water supply lines outside of the Unit but serving only that Unit, unless otherwise specifically provided herein. Unit Owners are also responsible for routine maintenance of the following: caulking around tubs and showers, washing machine hoses, dryer vents, HVAC and such other similar equipment located within and serving only the Unit. Each Unit Owner shall keep his or her Unit and its equipment and appurtenances in good order, condition and repair and in a clean and sanitary condition, and shall do all redecorating, painting and varnishing which may at any time be necessary to maintain good appearance and condition of the Unit. In addition, each Unit Owner shall be responsible for all damages to any and all other Units or to the Common Elements resulting from the Unit Owner's negligence, misuse, neglect, abuse or failure to perform any of the maintenance and repairs required to be made by the Unit Owner by this Section. Each Unit Owner shall perform his or her responsibility in such manner as shall not unreasonably disturb or interfere with the other Unit Owners. Each Unit Owner shall promptly report to the Board of Directors or the Managing Agent any defect or need for repairs for which the Council of Unit Owners is responsible.

(2) Patios and Balconies. A patio or balcony which is appurtenant to a Unit and to which such Unit has sole access shall be for the exclusive use of the Owner of such Unit. The Owner of such Unit shall perform the normal maintenance for such patio or balcony including keeping it in a clean and sanitary condition, free and clear of snow, ice and any accumulation of water and shall also make all repairs thereto caused by his negligence, misuse, abuse or neglect. All maintenance, repair or replacement which is structural in nature shall be made by the Council of Unit Owners as a Common Expense, as provided for in subparagraph (a)(4) above.

(3) Unit Owner's Negligence, Misuse, Abuse or Neglect.

(a) If the maintenance, repair or replacement of the Common Elements is necessitated as a direct result of a Unit Owner's negligence, misuse, abuse, or neglect, or indirectly due to an Unit Owner's failure to maintain and/or repair his or her Unit or any part thereof in a proper manner, then upon the affirmative vote of sixty percent (60%) of the members of the Board of Directors, the Unit Owner causing the necessity for such maintenance, repair or replacement of the Common Elements shall be responsible for the payment of such cost. Such cost will be treated as an assessment and may be collected in the same manner as assessments pursuant to the Maryland Condominium Act, the Declaration and these Bylaws.

(b) If the repair or replacement of a Unit component is necessitated as a direct result of another Unit Owner's negligence, misuse, abuse or neglect, or is indirectly due to such Unit Owner's failure to maintain and/or repair his or her Unit or any part thereof in a proper manner, the Council of Unit Owners shall not be responsible for such repair and/or replacement costs. The Unit Owner whose Unit or any component thereof is damaged and in need of repair and/or replacement must seek sole recourse for the repair and/or replacement costs from the Unit Owner whose negligence, misuse, abuse or neglect directly or indirectly caused such damage. However, if the Board of Directors determines that such maintenance or repair is reasonably necessary to protect the Common Elements, to protect other Units, to preserve the appearance or value of the Condominium, or is otherwise in the interest of the general welfare of the Unit Owners, then the Board may proceed with the maintenance and/or repair of the Unit as outlined in Article V, Section C(9) of these Bylaws and the cost thereof shall be assessed against the Owner whose negligence, misuse, abuse or neglect directly or indirectly caused the damage for which maintenance and/or repairs were performed.

(c) Manner of Repair and Replacement. All repairs and replacements shall be substantially similar to the original construction and installation and shall be of first-class quality. The method of approving payment vouchers for all repairs and replacements shall be determined by the Board of Directors.

Section 6. Additions, Alterations or Improvements by Board of Directors. Whenever in the judgment of the Board of Directors the Common Elements require additions, alterations or improvements in excess of Fifty Thousand Dollars (\$50,000), or as such amount may be increased annually based upon the Consumer Price Index, the making of such additions, alterations or improvements shall be approved by a Majority of the quorum of the Unit Owners present in person or by proxy at a meeting of the Unit Owners. Following such approval, the Board of Directors shall proceed with such additions, alterations or improvements and shall assess all Unit Owners for the cost thereof as a Common Expense. Any additions, alterations or improvements costing not more than five percent (5%) of the annual budget, may be made by the Board of Directors without the approval of the Unit Owners.

Section 7. Additions, Alterations or Improvements by Unit Owners.

a. No Unit Owner shall make any structural addition, alteration or improvement in or to his Unit without the prior written consent of the Board of Directors. No Unit Owner shall paint or alter the exterior of his or her Unit, including the doors and windows, nor shall any Unit Owner paint or alter the exterior of any Building without the prior written consent of the Board of Directors. No Unit Owner shall make any additions, alterations or improvements to the electrical wiring, plumbing or gas lines without the prior written consent of the Board of Directors. The Board of Directors shall respond in writing to any written request by a Unit Owner for the approval of a proposed addition, alteration or improvement (by painting or otherwise) in such Owner's Unit within sixty (60) days after such request, and failure to do so within the stipulated time shall constitute a disapproval by the Board of Directors to the proposed addition, alteration or improvement. Any application to any governmental authority for a permit to make any addition, alteration or improvement in or to any Unit shall be executed by the Board of Directors provided such application has been approved only, without, however, incurring any liability on the part of the Board of Directors or any of them to any contractor, subcontractor or materialman on account of such addition, alteration or improvement, or to any person having any claim for injury to person or damage to property arising therefrom.

b. Architectural Change Approval. No Unit Owner shall make any addition, alteration, improvement or architectural change on or visible from the exterior or which affects in any way the structural walls, mechanical elements, electricity or plumbing to his or her Unit until the plans and specifications showing the nature, kind, shape, height, color, materials and location of the same have been submitted to and approved in writing by the Board of Directors. In the event said Board of Directors fails to approve or disapprove any plans or specifications within sixty (60) days, the plans or specifications shall be deemed disapproved. Any change, alteration or modification of any approved plans or specifications must be submitted to the Board of Directors in the same manner as the initially proposed and approved plans and specifications, and must be approved in writing prior to being performed by any Unit Owner. The Board of Directors shall have the right to establish a reasonable fee for reviewing each application in an amount not to exceed the costs actually incurred. Such costs may include, but shall not be limited to, administrative costs for reproduction for committee or Board review and consulting fees to the extent necessary for the review of proposed modifications. Any addition, alteration or improvement made without an application having first been made and

approved as provided for in this provision shall be deemed to be in violation of this covenant and the Unit Owner may be required to restore such addition, alteration or improvement to the original condition or such restoration may be performed by or on behalf of the Council of Unit Owners at the Unit Owner's expense. No such change shall be made by a Unit Owner without first obtaining any necessary approvals and permits from the applicable public authorities or agencies and submitting copies of such applications and permits to the Board of Directors. No changes may be constructed which are not in compliance with local governmental guidelines or restrictions.

c. Architectural and Environmental Control Committee. Except for purposes of proper maintenance and repair or as otherwise provided in the Condominium Act, as amended, or these Bylaws, it shall be prohibited for any Unit Owner to install, erect, attach, apply, paste, hinge, screw, nail, build, alter, remove or construct any lighting, lamps, screens, awnings, decorations, aerials, antennas, radio or television broadcasting or receiving devices, balconies, walls or to make any change or otherwise alter (including any alteration in color) in any manner whatsoever the exterior of any condominium unit or upon any of the common elements within the project or to combine or otherwise join two or more condominium units, or to partition the same after combination, or to remove or alter any window or exterior doors of any condominium unit, or to make any change or alteration within any condominium unit which will alter the structural integrity of the building or otherwise affect the property, interest or welfare of any other unit owners, materially increase the cost of operation or insuring the condominium or impair any easement, until the complete plans and specifications showing the location, nature, shape, change (including, without limitation, any other information specified by the Board of Directors or its designated committee) shall have been submitted to and approved in writing as to safety, the effect of any such alterations on the costs of maintaining and insuring the condominium, by the Board of Directors of the Council of Unit Owners, or by an Architectural and Environmental Control Committee designated by the Board of Directors.

d. Window Coverings. Each Unit Owner shall maintain venetian blinds and draperies with a light, neutral-colored drapery liner in place and in use on all windows and sliding glass doors to maintain uniformity and a neat appearance throughout the community.

Section 8. Restrictions on Use of Units. Each Unit and the Common Elements shall be occupied and used as follows:

(a) No part of the Property shall be used for other than housing and the related common purposes for which the Property was designed. Each Unit shall be used as a residence, subject to the Montgomery County occupancy restrictions, and shall be used for no other purpose. Any Unit Owner may use a portion (but not all) of his Unit for a no-impact home-based business as such term is defined in Section 11-111.1 of the Maryland Condominium Act, as amended, provided, that such use has been duly licensed by all public authorities asserting jurisdiction and subject to the right of prohibition in accordance with the procedures outlined in Section 11-111.1 of the Maryland Condominium Act, as amended.

(b) Nothing shall be done or maintained in any Unit or on the Common Elements which will increase the rate of insurance for the Condominium Project or any part thereof applicable for residential use without the prior written consent of the Board of Directors. No Unit Owner shall permit anything to be done or maintained in his Unit or in the Common Elements which will result in the cancellation of insurance on the Property or any part thereof or which would be in violation of any law. No waste will be committed upon the Common Elements.

(c) No immoral, improper, offensive or unlawful use shall be made of the Condominium

Project or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental agencies having jurisdiction thereof shall be observed. All laws, orders, rules, regulations or requirements of any governmental agency having jurisdiction thereof relating to any portion of the Condominium Project shall be complied with, by and at the sole expense of the Unit Owner or the Board of Directors, whichever has the obligation to maintain or repair such portion of the Condominium Project and, if the latter, then the cost of such compliance shall be a Common Expense. No noxious or offensive trade or activity shall be carried on within the Condominium Project or within any Unit, nor shall anything be done therein or thereon which may be or become an annoyance or nuisance to the neighborhood or the other Unit Owners. Each Unit Owner shall exercise extreme care to avoid unnecessary noise in the use of musical instruments, radios, televisions and amplifiers that may disturb others.

(d) Nothing shall be done in any Unit or in, on or to the Common Elements which may impair the structural integrity of the Condominium or which would structurally change any building or improvements thereon except as is otherwise provided for in the Bylaws, the Declaration or the Maryland Condominium Act.

(e) Nothing shall be altered or constructed in or removed from the Common Elements except upon the written consent of the Board of Directors and in strict compliance with the provisions of the Declaration and these Bylaws.

(f) The Common Elements shall be used only for the furnishing of the services and facilities for which the same are reasonably suited and which are incident to the use and occupancy of the Units. There shall be no obstruction of any Common Elements. Notwithstanding the foregoing, the Board of Directors may establish Rules and Regulations regarding the use of Common Elements.

(g) No planting is permitted on Common Elements\_ and no fences may be erected on the Common Elements or around or on any patio without the prior written consent of the Board of Directors.

(h) No awnings, television antennas (unless otherwise governed by federal law), or the like may be erected by any Unit Owner without the prior written consent of the Board of Directors.

(i) A Unit may be rented only in its entirety; no fraction or portion may be rented. No transient tenants may be accommodated therein. Each Unit Owner leasing his or her Unit shall enter into a written lease for an initial term of not less than twelve (12) months. Any Unit Owner who leases his or her Unit must, within five (5) business days after signing the lease, supply a copy of such executed lease to the Board of Directors or Managing Agent and provide such general information about the tenant as the Board of Directors may reasonably require. The Unit Owner must give the tenant copies of the Declaration, these Bylaws, and any duly adopted rules and regulations. If the Unit Owner fails to provide these documents to the tenant, such copies, upon the tenant's request, will be made available to the tenant by the Council of Unit Owners with all associated costs charged to the Unit Owner. Such charges to the Unit Owner shall be treated as an assessment and a lien against the Unit and may be collected in the same manner as assessments pursuant to the Maryland Condominium Act, the Declaration and these Bylaws. Additionally, all Unit Owners leasing their Units shall bind all lessees to the provisions of the Declaration, these Bylaws and any duly adopted Rules and Regulations by utilizing the Council of Unit Owners' Standard Lease Addendum Form, which is maintained by the Council of Unit Owners' Managing Agent and which includes the following provisions:

(1) All provisions of the Declaration, these Bylaws and any duly adopted Rules and Regulations which govern the conduct of the Unit Owners and which provide for sanctions against Unit Owners shall apply to all tenants. Each tenant shall agree to abide by and comply with all provisions of the Declaration, these Bylaws and any duly adopted Rules and Regulations. Each Unit Owner agrees to cause all occupants of his or her Unit to comply with said documents, and is responsible for all violations and losses caused by such occupants, notwithstanding the fact that such occupants of the Unit are fully liable and may be sanctioned for any violation of said documents in the same manner as a Unit Owner. If the tenant, or a person living with the tenant, violates said documents and a fine is imposed, such fine shall be assessed against the Unit Owner. Unpaid fines constitute a lien against the Unit. Any tenant charged with a violation of said documents is entitled to the same procedure to which a Unit Owner is entitled prior to the imposition of a fine or other sanction.

(2) Any violation of said documents is deemed to be a violation of the terms of the lease and authorizes the Unit Owner to terminate the lease without liability and to evict the tenant in accordance with applicable law. The Unit Owner hereby delegates and assigns to the Council of Unit Owners, acting through the Board of Directors, the power and authority of enforcement against the tenant for breaches resulting from the violation of said documents, including the power and authority to evict the tenant on behalf of the Unit Owner. If the Board of Directors elects to proceed to evict the tenant, any costs, including reasonable attorney's fees and court costs, associated with the eviction shall be specially assessed against the Unit and the Unit Owner thereof, such being deemed, hereby, as an expense which benefits the leased Unit and the Unit Owner thereof. Such special assessment shall be a lien against the Unit and may be collected in the same manner as assessments pursuant to the Maryland Condominium Act, the Declaration and these Bylaws.

(3) Each tenant agrees to be personally obligated for the payment of all assessments against the Unit Owner which become due as a consequence of the tenant's activities, including, but not limited to, activities which violate any provisions of the Declaration, these Bylaws and any duly adopted Rules and Regulations. The above provision shall not be construed to release the Unit Owner from any obligation, including the obligation for assessments, for which such Unit Owner would otherwise be responsible.

(4) If the Owner becomes delinquent in the payment of assessments, upon request by the Council of Unit Owners, such Owner's tenant shall pay to the Council of Unit Owners all unpaid installments of annual assessments and special assessments; provided, however, the tenant need not make such payments to the Council of Unit Owners in excess of, or prior to, the due dates for monthly rental payments unpaid at the time of the Council of Unit Owner's request. All such payments made by the tenant shall reduce, by the same amount, such tenant's obligation to make monthly rental payments to the Owner-lessor.

(j) No inoperable or partially dismantled vehicle or other vehicle on which current registration plates and stickers are not displayed or which shows evidence of neglect or abandonment, shall be kept on any Common Element. No trailer, truck, commercial vehicle, camper, camper truck, house trailer, boat or the like shall be kept upon any common elements; provided, however, that the Board of Directors may, in its discretion, designate areas for the keeping of such vehicles, or for motorcycles. No vehicle may remain parked and unmoved in any one parking space for more than thirty (30) continuous days without the consent of the Board of Directors or Managing Agent. With the exception of minor maintenance, no repair or extraordinary maintenance of automobiles or other vehicles shall be performed upon any Common Element. The Board of Directors has the authority to adopt Rules and Regulations to regulate parking on the Common Elements and parking and roadway usage, to assign parking spaces for the exclusive use of Unit Owners and may institute a towing policy in accordance

with applicable law for abuses of parking privileges, posted traffic regulations (i.e., speed limits, stop signs) or for violations of the Declaration, these Bylaws (including violations associated with the failure to pay assessments) and Rules and Regulations adopted to control parking and the maintenance of automobiles.

(k) The maintenance, keeping, breeding, boarding or raising of animals, livestock or poultry of any kind, regardless of number, shall be and is prohibited within any Unit or upon the Common Elements, except that the keeping of no more than one (1) orderly dog (as may be defined in the Rules and Regulations) or no more than two (2) house cats, birds or other domestic pets is permitted; provided, that such pets are not kept or maintained for commercial purposes or for breeding; and provided, further, that such pets shall not be sources of nuisance or annoyance to any Unit Owner. Such pets shall not be permitted upon the Common Elements unless properly supervised and controlled and unless carried or leashed. Any Unit Owner who keeps or maintains any domestic pets upon any portion of the Property shall be deemed to have indemnified and agreed to hold the Condominium and each Unit Owner free and harmless for any loss, claim or liability of any kind or character whatever, arising by reason of keeping or maintaining such domestic pets within the Condominium. All permitted domestic pets shall be registered with the Board of Directors and shall otherwise be registered and inoculated as required by law. The Board of Directors shall have the right to order any person whose pet is a nuisance to remove such pet from the Property. A pet may be determined to be a nuisance if it makes disturbing noise or jumps on or bites any person or other pet. All pet owners are required to remove excrement from Common Elements and the Units immediately upon occurrence. Failure to do so constitutes a nuisance for purposes of this provision.

(l) No decorations shall be used in the Common Element areas without the prior written approval of the Board of Directors.

(m) No burning of any trash, no unsightly accumulation or storage of litter, new or used building materials or trash, and no storage of other similar items shall be permitted within any Unit or upon any Common Elements. No littering is permitted.

(n) No structure of a temporary character; no trailer, tent or shack; and no barn or other outbuilding shall be maintained upon any Common Element at any time without the prior written consent of the Board of Directors.

(o) No Unit shall be used as a family day care home unless the establishment of family day care homes is approved by a simple majority of the total eligible voters of the Council of Unit Owners in accordance with the procedures outlined in Section 11-111.1 of the Maryland Condominium Act, as amended.

(p) No charcoal or other fuel burning or electric cooking equipment shall be used on the Limited Common Elements and Common Elements, except in accordance with the requirements and restrictions imposed by the Montgomery County Code, as amended.

(q) No signs may be displayed on the Common Elements or on the individual units, except that a single "For Sale" sign no larger than three feet (3') by two feet (2') may be displayed in one (1) window of the Unit.

Section 9. Right of Access. By acceptance of a deed of conveyance, each Unit Owner thereby grants an irrevocable right and easement to enter his or her Unit to the Board of Directors, the Managing Agent or any other person authorized by the Board of Directors or Managing Agent; or to any group of the foregoing, for the purpose of: (1) making inspections;

(2) correcting any condition originating in his or her Unit and threatening another Unit or the Common Elements; (3) making repairs when such repairs reasonably appear necessary for public safety or to prevent damage to the Common Elements or other Units, for example, plumbing cut-offs and repairs for upper and lower Units; (4) performing installations, alterations, repairs or replacements to the mechanical, plumbing, electrical, and cable television services generally provided by the Association of the Common Elements in the Unit or elsewhere in the Property; or (5) correcting any condition which violates any mortgage; or (6) performing maintenance and repairs which the Unit Owner has failed or refused to perform as provided in Article V, Section 1 of these Bylaws; provided that requests for entry are made in advance and that any such entry is at a time reasonable and convenient to the Unit Owner(s). If access is denied or if a Unit Owner fails to respond to the request for entry, then the Board of Directors, or its designee, may effect entry into the Unit by whatever reasonable means it deems appropriate under the circumstances, the cost of which shall be assessed against the Unit Owner and collected in the manner prescribed in these Bylaws for the collection of assessments. In case of an emergency, such right of entry shall be immediate, whether the Unit Owner is present at the time or not.

Section 10. Rules and Regulations. Rules and Regulations may from time to time be promulgated and amended by the Board of Directors in accordance with the provisions of the Maryland Condominium Act, as it may be amended.

Section 11. Utility Charges. Each Unit Owner shall pay for utilities consumed or used in his Unit which may be billed directly to such Unit through separate meters or to the Association which may then determine the individual unit costs and bill the unit owner for such individual costs together with an administrative charge for monitoring the submetering arrangement. Any such utility charges administered by the Association creates a right in the Association to lien for and collect such utility charges and related administrative charges as provided in Article V, Section 1(c)(1) of these Bylaws. The cost of utilities serving the Common Elements and of utilities serving Units through metering systems other than separate meters for each Unit shall be Common Expenses.

Section 12. Parking Spaces. Parking areas designated as such on the Condominium Plat shall be used by the Unit Owners for self-service parking purposes on a first-come, first-served basis. Notwithstanding the above, the Board of Directors is authorized to develop a parking plan which assigns specific spaces for the exclusive use of individual Unit Owners in accordance with the same procedures required for the adoption or amendment of Rules and Regulations. The cost of maintenance and repair of all parking areas shall be a Common Expense.

Section 13. Use of Common Elements. No Unit Owners shall place or cause or permit to be placed on or in the halls, stairways or other Common Elements, any furniture, packages or objects of any kind and the Council of Unit Owners shall not be liable to the Owner of any Unit for loss or damage, by theft or otherwise, of articles which may be stored upon any of the Common Elements, Limited Common Elements or individual Units. The halls and stairways shall be used only for the purpose of normal transit.

Section 14. Limitation of Liability. The Council of Unit Owners shall not be liable: (1) for any failure of water supply or other services obtained by the Council of Unit Owners or paid for out of the Common Expense funds; or (2) for injury or damage to person or property caused by the elements or by a Unit Owner or any other person or resulting from electricity, water, snow or ice which may leak or flow from or over any portion of the Common Elements or from any pipe, drain, conduit, appliance, or equipment.

Section 15. Enforcement. The Board of Directors shall have the power to enforce the Declaration, these Bylaws and any duly adopted Rules and Regulations as follows:

(a) To impose reasonable fines which shall constitute a lien upon a Unit after notice and an opportunity to be heard in accordance with the Maryland Condominium Act, as amended, and to collect such fines in the same manner as assessments pursuant to these Bylaws. Each day of a continuing violation may be considered a separate violation.

(b) To suspend a Unit Owner's rights to use the Common Element recreational facilities and a Unit Owner's right to vote after notice and an opportunity to be heard in accordance with the Maryland Condominium Act, as amended.

(c) To tow vehicles in accordance with requirements of the Montgomery County Code, as amended, for violations of the Parking Rules and Regulations and any parking plan adopted.

(d) To suspend any assigned parking privileges in the event the Unit Owner is delinquent sixty (60) days or more in the payment of assessments due to the Council of Unit Owners.

(e) Except in the event of an emergency, after notice and an opportunity to be heard pursuant to the Maryland Condominium Act, as amended, to enter the Unit in which, or as to which, such violation or breach exists and summarily to abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Board of Directors shall not thereby be deemed guilty, in any manner, of trespass. In the event of such entry and abatement, the costs thereof shall be charged to the Unit Owner and shall constitute a lien upon the Unit which may be collected in the same manner as assessments pursuant to these Bylaws.

(f) To enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of such breach.

(g) Nothing herein contained shall be construed to limit the Council of Unit Owners' right to any other additional remedies at law or equity available to it to enforce the Declaration, these Bylaws or any duly adopted Rules and Regulations. The remedies contained herein shall be construed as cumulative of the Council of Unit Owners' other rights of enforcement at law or in equity or any other remedies available to the Council of Unit Owners.

(h) Any and all legal fees incurred by the Association as a result of enforcement of the Declaration, the Bylaws and/or any duly adopted Rules and Regulations shall constitute a lien upon a Unit and shall be collectible in the same manner as assessments pursuant to these Bylaws.

(i) Procedure. The Board of Directors shall not impose a fine, enter a Unit to abate or remove a violation except in the event of an emergency, suspend voting, or infringe upon any other rights of a Unit Owner or other occupant for violation of the Declaration, these Bylaws or any duly adopted Rules and Regulations unless and until the notice and hearing procedures of the Maryland Condominium Act, as amended, are followed. The failure of the Council of Unit Owners to enforce a provision of this Section, the Declaration, or Bylaws on any occasion is not a waiver of the right to enforce the provision on any other occasion.

## ARTICLE VI

### Insurance

Section 1. Master Policy. The Council of Unit Owners shall obtain and maintain at all times, as a Common Expense, insurance, including a casualty insurance policy or policies affording fire and extended coverage, as well as all risk perils, for and in an amount consistent with the full replacement cost (i.e., one hundred percent (100%) of current "replacement cost," excluding Land, foundation, excavation and other items normally excluded from coverage) of all structures comprising the Condominium; and a liability insurance policy or policies in amounts not less than Three Million Dollars (\$3,000,000.00) per injury or injuries, including death, arising out of a single occurrence, and not less than Three Million Dollars (\$3,000,000.00) property damage covering the Council of Unit Owners, the Board of Directors, committee members, officers, all agents and employees of the Council of Unit Owners and all Unit Owners and other persons entitled to occupy any Unit or other portion of the Condominium. All such insurance coverage shall be written in the name of the Council of Unit Owners as trustee for each of the Unit Owners; provided, however, that the casualty insurance policy or policies shall contain a standard Mortgagee clause in favor of each Mortgagee of a Unit to the extent of the portion of the coverage of the policy or policies allocated to such Unit, which shall provide that the loss, if any, thereunder shall be payable (in addition to the Council of Unit Owners) to such Mortgagee as its interest may appear. It shall be the duty of the Board of Directors annually to conduct an insurance review to determine if the policy in force is adequate to meet the needs of the Council of Unit Owners and to satisfy the requirements of this Section. Such insurance shall be for the benefit of the Council of Unit Owners, the respective Unit Owners and their respective Mortgagees, as their interests may appear. The improvements, betterments and personal property made or acquired by the individual Unit Owners shall be excluded from this required coverage, and each Unit Owner shall have the right to obtain additional coverage for such improvements, betterments or personal property at his or her own expense. The "structure," as insured by the master policy, shall be the Building and Units therein as depicted on the plats and plans filed and recorded in accordance with the Maryland Condominium Act. Each of the policies of insurance obtained by the Council of Unit Owners shall contain the following provisions, if available: (1) that they shall not be prejudiced by any act or neglect of any occupants or Unit Owners of the Condominium when such act or neglect is not within the control of the insured, or Unit Owners collectively; and (2) that they shall not be prejudiced by failure of the insured, or Unit Owners collectively, to comply with any warranty or condition with regard to any portion of the Condominium over which the insured, or Unit Owners collectively, have no control.

(a) The Board of Directors shall utilize every reasonable effort to secure a master policy covering the Condominium as specifically described in the preceding paragraph which shall provide the following:

(1) That the insurer waives its rights of subrogation of any claims against the Council of Unit Owners, the Board of Directors, its directors, officers, the Managing Agent, employees, the individual Unit Owners and their respective household members, employees, agents and invitees. Independent contractors shall not be considered agents, employees or servants of the Council of Unit Owners, the Board of Directors or the respective Condominium Unit Owners within the meaning of said waiver. The policy shall also waive any defenses based on co-insurance or invalidity arising from the acts of the insured.

(2) That the master policy on the Condominium cannot be canceled, invalidated, or suspended on account of the conduct of any director, officer, or employee of the Council of

Unit Owners or the Managing Agent without a prior demand in writing delivered to the Council of Unit Owners to cure the defect and the allowance of a reasonable time thereafter within which the defect may be cured.

(3) That any "no other insurance" clause contained in the master policy shall expressly exclude individual Unit Owners' policies from its operation. It is the intent of this provision to prohibit the Council of Unit Owners' master policy from containing a provision prohibiting a Unit Owner from purchasing his or her own individual insurance policy covering his or her Unit.

(4) That the master policy may not be canceled or substantially modified without at least thirty (30) days' prior notice in writing to the Board of Directors.

(5) That the master policy shall contain an agreed upon value or amount of endorsement and a waiver of co-insurance.

(6) That, notwithstanding any provisions thereof which give the carrier the right to elect to repair damage in lieu of making a cash settlement, such option shall not be exercisable when in conflict with the Maryland Condominium Act, the Declaration or these Bylaws.

(b) The Board of Directors shall use its best efforts, using good business judgment, to ensure that all policies of insurance shall be written with a company licensed to do business in the State of Maryland and holding a rating of A or better in the Financial Category as established by A.M. Best Company, Inc., or the highest rating under the evaluation system A.M. Best Company, Inc., should adopt in the future, if available, or, if not available, the best rating available. The company shall provide insurance certificates to each Unit Owner and each Mortgagee, upon request.

(c) In no event shall the insurance coverage obtained and maintained by the Council of Unit Owners hereunder be brought into contribution with insurance purchased by individual Unit Owners or their Mortgagees.

(d) All officers' and directors' liability insurance shall contain a cross liability endorsement.

Section 2. Additional Insurance Requirements. In addition to the insurance required above, the Board of Directors shall obtain as a Common Expense:

(a) Worker's compensation insurance if necessary and to the extent necessary to meet the requirements of applicable law.

(b) Officers' and directors' liability insurance in such amounts as the Board of Directors may determine, but in no event less than that set out in Section 1 above.

(c) Fidelity bonds covering officers, directors, employees, and other persons, including the Managing Agent and all principals and employees of the Managing Agent. Such bonds: (1) shall be written in an amount not less than three (3) months receivables from assessments and special assessments and one hundred percent (100%) of reserves, as determined by the auditor's balance sheet, which shall include both actual cash and invested reserves; (2) shall contain waivers of any defense based upon the exclusion of persons serving without compensation; and (3) shall include the Managing Agent and all principals of the Managing Agent.

(d) Property insurance on Condominium Units owned by the Council of Unit Owners.

(e) Such other insurance as the Board of Directors may determine to be necessary.

Section 3. Unit Insurance. Insurance carried by the Council of Unit Owners as a Common Expense shall not include any part of a Unit not depicted on the original plats and plans, nor shall the Council of Unit Owners include public liability insurance for individual Unit Owners for liability arising within a Unit.

Each Unit Owner may obtain insurance at his or her own expense affording coverage against (1) damage to or destruction of his or her Unit or of any of his or her personal property located anywhere on the Condominium, and (2) personal liability incurred by such Unit Owner and arising out of the use of his or her Unit by any person, but each policy which affords such coverage shall contain the same waiver of subrogation provision (whereby the insurer shall not seek recovery for contribution from an individual Unit Owner or the insurer of the individual Unit Owner for claims covered under the Council of Unit Owners' insurance policy or whereby the insurer shall not seek recovery for contribution from the Council of Unit Owners or its insurer for claims covered under an individual Unit Owner's policy) by the insurer as that referred to in the provisions of Section 1 of this Article. Such policy shall further provide that the insurer has no right of contribution against any casualty insurance affording coverage against such risk held pursuant to the provisions of this Article (notwithstanding that such Unit Owner may be an insured thereunder) or shall be written by the same carrier as that of such insurance held by the Council of Unit Owners.

If a loss is sustained and the amount of the proceeds which would otherwise be payable under any policy of insurance then held by the Council of Unit Owners pursuant to the provisions of Sections 1 and 2 of this Article is reduced because of proration of, or right of contribution from, any insurance against the same risk held by any Unit Owner under the provisions of this Section, such Unit Owner shall assign to the Council of Unit Owners any proceeds of his or her insurance which are payable on account of such loss, to the extent of the amount of such reduction, and the amount so assigned shall be distributed by the Council of Unit Owners in the same manner as that prescribed by these Bylaws for distribution of the proceeds payable under the policy held by the Council of Unit Owners, as aforesaid.

#### Section 4. Proceeds of Insurance

(a) The Council of Unit Owners shall receive any proceeds payable under any policy of insurance held by it pursuant to the provisions of this Article, and shall hold and distribute said proceeds in trust for the purposes set forth in these Bylaws, for the benefit of the Unit Owners, their respective insured Mortgagees, the Council of Unit Owners and any other insured thereunder.

(b) The Council of Unit Owners shall not make any distribution of any such proceeds directly to a Unit Owner when a Mortgagee endorsement is noted on the certificate of insurance covering such Unit Owner, but shall make any such distribution to such Unit Owner and his or her Mortgagee jointly.

(c) Each Unit Owner shall be deemed to have delegated to the Council of Unit Owners his or her right to adjust with the insurer all losses payable under policies purchased by

the Council of Unit Owners.

## ARTICLE VII

### Repair and Reconstruction After Fire or Other Casualty

Section 1. Repair and Reconstruction. In the event of damage to or destruction of all or any part of the Condominium as a result of fire or other casualty, and subject to the terms of the Maryland Condominium Act, the Board of Directors or its duly authorized agent shall arrange for and supervise the prompt repair and restoration of the structure in accordance with the original plats and plans. If a first Mortgagee requests in writing that it be provided written notice of the damage, the Council of Unit Owners shall provide such notice. Nothing in these documents shall be construed to afford a priority to any Unit Owner with respect to the distribution of proceeds to any Unit. The procedure for repair and reconstruction shall be:

(a) Cost Estimates. Immediately after a fire or other casualty causing damage to the Condominium, the Board of Directors shall obtain reliable and detailed estimates of the cost of repairing and restoring the structures (including any damaged unit) to a condition as good as that existing before such casualty, or to such other condition as may be required by the appropriate governmental authority. Such costs may also include professional fees and premiums for such bonds as the Board of Directors determines to be necessary.

(b) Source and Allocation of Proceeds. If the proceeds of insurance are not sufficient to defray the estimated costs of repair and reconstruction as determined by the Board of Directors, or if at any time during the repair and reconstruction or upon completion of the repair and reconstruction, the funds for the payment of the costs thereof are insufficient, assessments shall be made against all of the Unit Owners. If after repair and reconstruction are completed there is a surplus of funds, such funds shall be common funds of the Council of Unit Owners to be used as determined by the Board of Directors.

(c) Plans and Specifications. Any such repair or reconstruction shall be substantially in accordance with the plans and specifications under which the Condominium was originally constructed.

(d) Encroachments. Minor encroachments upon or in favor of Units which may be created as a result of such repair or reconstruction shall not constitute a claim or basis for any proceeding or action by the Unit Owner upon whose property such minor encroachment exists, provided that the repair or reconstruction was substantially in accordance with the architectural plans under which the Condominium was originally constructed. Such minor encroachments shall be allowed to continue in existence for so long as the repaired or reconstructed building shall stand.

(e) Construction Fund. The net proceeds of the insurance collected on account of a casualty and the funds collected by the Council of Unit Owners from assessments against Unit Owners on account of such casualty shall constitute a construction fund which shall be disbursed in payment of the cost of repair and reconstruction in the manner set forth in this Article.

(f) Method of Disbursement. The construction fund shall be paid by the Council of Unit Owners in appropriate progress payments to contractors, suppliers and personnel performing the work or supplying materials or services for the repair and reconstruction of the building as designated by the Board of Directors.

(g) Insurance Deductibles. Notwithstanding Section 11-114 of the Maryland Condominium Act, as may be amended, and pursuant to Section 11-142(b) of the Maryland Condominium Act, as may be amended, the requirements for the payment of insurance deductibles applicable to insurance policies of the Council of Unit Owners shall be as follows: (1) If repair is required as a result of an insured loss caused by or through the Common Elements of the Condominium and was not the result of negligence, misuse, abuse or neglect on the part of any party, the insurance deductible shall be charged as a Common Expense, unless otherwise provided for by law. (2) If repair is required as a result of an insured loss caused by the negligence, misuse, abuse or neglect of a Unit Owner, the amount of the deductible shall be assessed against such Unit Owner and shall be collectible as an assessment pursuant to these Bylaws. (3) If there is negligence on the part of more than one (1) party, the cost of the deductible may be apportioned equitably by the Board of Directors among such responsible parties. (4) If the loss suffered is of the type that would be covered by the Council of Unit Owners' insurance but the cost of repair is an amount below the deductible, the cost of repair shall be charged or assessed in the same manner outlined above, as if it is the deductible.

To the extent reasonably available, Unit Owners must maintain insurance in sufficient amounts to cover the cost of any such deductible for which they may become liable pursuant to this provision.

#### Section 2. Restoration Not Required.

(a) Any portion of the Condominium property damaged or destroyed shall be repaired or replaced promptly by the Council of Unit Owners unless:

- (1) The Condominium regime is terminated;
- (2) Repair or replacement would be illegal under any state or local health or safety statute or ordinance; or
- (3) More than two-thirds (2/3) of the entire Condominium is substantially damaged or destroyed by fire or other casualty and Owners of Units owning at least eighty percent (80%) of the total value of the Condominium resolve not to proceed with repair or reconstruction.

(b) 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 Units and Limited Common Elements which are not rebuilt shall be distributed to the Owners of those Units and the Owners of the Units to which those Limited Common Elements were assigned; and
- (3) the remainder of the proceeds shall be distributed to all of the Unit Owners in equal shares.

Section 3. Reallocation of Interest of Unrepaired Unit. If the Unit Owners vote not to rebuild any Unit, that Unit's entire Percentage Interest, votes in the Council of Unit Owners and Common Expense liability shall be automatically reallocated as if the Unit had been condemned and the Council of Unit Owners shall promptly prepare, execute and record an

amendment to the Declaration reflecting the reallocations.

Section 4. Liability and Indemnification of Officers and Directors. The Council of Unit Owners shall indemnify every officer, director, committee member and volunteer of the Council of Unit Owners against any and all expenses, including counsel fees, reasonably incurred by or imposed upon such officer, director, committee member and volunteer of the Council of Unit Owners in connection with any action, suit or other proceedings (including settlement of any such action, suit, or proceeding, if approved by the then Board of Directors) to which he or she may be made a party by reason of being or having been an officer, director, committee member and volunteer of the Council of Unit Owners, except for his or her own willful misfeasance or malfeasance or fraud, whether or not such person is an officer, director, committee member or volunteer of the Council of Unit Owners at the time such expenses are incurred. The officers, directors, committee members and volunteers of the Council of Unit Owners shall not be liable for any mistake of judgment, negligence, or otherwise, except for their own individual willful misfeasance or malfeasance. The officers, directors, committee members and volunteers of the Council of Unit Owners shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Council of Unit Owners (except to the extent that such officers, directors, committee members and volunteers of the Council of Unit Owners may also be members of the Council of Unit Owners), and the Council of Unit Owners shall indemnify and forever hold each such officer, director, committee member and volunteer of the Council of Unit Owners 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, director, committee member, volunteer of the Council of Unit Owners or former officer, director, committee member or volunteer of the Council of Unit Owners may be entitled. The Council of Unit Owners shall, as a Common Expense, maintain adequate general liability and officers' and directors' liability insurance and fidelity bond insurance to fund this obligation, and the insurance shall be written as provided for in these Bylaws.

#### ARTICLE VIII

#### Condemnation

Section 1. Condemnation. In the event of a taking by condemnation or by eminent domain, or any taking by sale in settlement of any pending or threatened condemnation of part or all of the Property, the award therefor shall be allocated and paid as follows:

(a) Each Unit Owner shall be entitled to the entire award for the taking of all or part of his Unit and for consequential damages to his Unit to be distributed in accordance with the priority of interests at law or in equity in such Unit.

(b) Any award for the taking of Limited Common Elements shall be allocated to the Owners of the Units to which the use of such Limited Common Elements is restricted in equal proportions.

(c) Any award for the taking of General Common Elements shall be allocated to the remaining Unit Owners and shall be paid to the Council of Unit Owners by and through the Board of Directors.

#### Section 2. Restoration.

(a) If less than two-thirds (2/3) of the Units are rendered untenable by such taking; or, if more than two-thirds (2/3) of the Units are rendered untenable by such taking and the remaining Unit Owners unanimously vote in favor of the repair and reconstruction of the

Property at a meeting which shall be held within ninety (90) days after such taking, then in either case such repair and/or reconstruction shall be accomplished to restore the remaining Buildings to an architectural whole in the same manner as set forth in Article VII of these Bylaws in the case of damage by fire or other casualty. Any costs of such restoration in excess of the award paid to the Council of Unit Owners by and through the Board of Directors shall be a Common Expense allocable among the remaining Unit Owners in equal proportions.

(b) If more than two-thirds (2/3) of the Units are rendered untenable by such taking and the remaining Unit Owners fail to unanimously vote in favor of repair or reconstruction of the Property at a meeting which shall be held within ninety (90) days after such taking, the Property shall be subject to an action for partition at the suit of any Unit Owner or Mortgagee as if the Property were owned in common, in which event the net proceeds of sale, together with the award made for such taking shall be divided by the Board of Directors among the remaining Unit Owners in equal proportions after first paying out of the share of each Unit Owner, to the extent sufficient therefore, the amount of any unpaid liens on his or her Unit, in the order of priority of such liens.

Section 3. Reallocation. Following the taking of part of a Unit the votes appurtenant to that Unit shall be appurtenant to the remainder of that Unit and following the taking of all of a Unit the right to vote appurtenant to the Unit shall terminate. All damages for each Unit shall be distributed in accordance with the priority of interests at law or in equity in each Unit.

## ARTICLE IX

### Sales, Leases and Alienation of Units

Section 1. No Severance of Ownership. No Unit Owner shall execute any deed, lease, mortgage or instrument conveying or encumbering the title to his Unit without including therein the Percentage Interest appurtenant to such Unit. Any such deed, lease, mortgage or other instrument purporting to affect one or more of such interests, without including all such interests, shall be deemed and taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or described therein. No part of the interests in the Common Elements of any Unit may be sold, leased, transferred, dissolved or otherwise disposed of, except as part of a sale, lease, transfer, gift, devise or other disposition of such part of the interests in the Common Elements of all Units.

Section 2. Payment of Assessment. No Unit Owner shall convey, mortgage, hypothecate, sell, lease, or give his Unit and the Percentage Interest appurtenant thereto unless and until he (or his personal representative) shall have paid in full to the Board of Directors all unpaid Common Expenses theretofore assessed by the Board of Directors against his Unit, in addition to all such other costs, charges, fees and the like which have been levied.

## ARTICLE X

### Mortgages

Section 1. Notice to Board of Directors. A Unit Owner who mortgages his Unit shall notify the Board of Directors within ninety (90) days of the name and address of his Mortgagee. The Unit Owner shall file a copy of the note and Mortgage with the Board of Directors.

Section 2. Notice of Default, Right to Cure, Casualty or Condemnation. The Board of Directors, when giving notice to a Unit Owner of a default in paying an assessment for Common

Expenses or other costs, charges, fees and the like which have been levied, or any other default, may simultaneously send a copy of such notice to the Mortgagee of such Unit. Whenever so requested in writing by a Mortgagee, the Board of Directors shall promptly report any default in payment of Common Expenses or other costs, charges, fees and the like which have been levied, or any other default by the Owner of such Unit under the provisions of the Declaration or these Bylaws which may, to the Board's knowledge, then exist. Such Mortgagee shall have the right (but not the obligation) to cure the Unit Owner's default within the time provided for in these Bylaws, or in duly adopted Rules and Regulations, for such Unit Owner to cure the same. Each Mortgagee shall also be notified of any casualty giving rise to a possible claim under any insurance purchased under Article VI, of all actions taken under Article VII and of any taking under Article VIII and actions of the Council of Unit Owners with respect thereto.

Section 3. Notice of Amendment of Bylaws. The Board of Directors shall give notice to all first Mortgagees sixty (60) days prior to the date on which the Unit Owners, in accordance with the provisions of these Bylaws, materially amend these Bylaws. Unless such Mortgagee objects to the proposed amendment in writing, it shall be deemed to have consented to such amendment. This provision shall be subject to Section 11-104 of the Maryland Condominium Act, as the same may be amended.

Section 4. Other Notices to Mortgagees. Any other provision of these Bylaws to the contrary notwithstanding, neither the Unit Owners, the Board of Directors nor the Council of Unit Owners shall take any of the following actions without giving sixty (60) days' prior written notice to the holders of all first mortgages of record on the condominium units:

(a) abandon or terminate the Condominium except for abandonment or termination provided in the Condominium Act in the case of substantial damage or destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain; or

(b) modify or amend any material provision of the Declaration or of these Bylaws, including, but without limitation, any amendment which would change the Percentage Interest of any Unit for any purpose; or

(c) modify the method of determining and collecting common expense assessments or other assessments as provided in Article V of these Bylaws; or

(d) partition, subdivide, transfer or otherwise dispose of any of the Common Elements of the Condominium Project.

(e) resolve to use the proceeds of casualty insurance for any purpose other than the repair or restoration of the Condominium.

(f) no Condominium Unit in the Condominium shall be subdivided or partitioned without the prior written approval of the holder of any first mortgage on such Condominium Unit.

(g) in the event of damage or destruction of any Condominium Unit or any part of the Common Elements of the Condominium, the Board of Directors of the Council of Unit Owners shall give prompt written notice of such damage or destruction to the holders of all first mortgages of record on the Condominium Units. No provision of the Declaration or these Bylaws shall entitle any Unit Owner to any priority over the holder of any first mortgage of record on his Condominium Unit with respect to the distribution to such Unit Owner of any insurance proceeds, except as provided in the Maryland Condominium Act, as amended.

(h) in the event any Condominium Unit or any part of the Common Elements of the

Condominium is made the subject matter of condemnation or eminent domain proceeding, or is otherwise sought to be acquired by any condemning authority, then the Board of Directors of the Council of Unit Owners shall give prompt written notice of any such proceeding or proposed acquisition to the holders of all first mortgages of record on the Condominium Units. No provision of the Declaration or these Bylaws shall entitle any Unit Owner to any priority over the holder of any first mortgage of record on his Condominium Unit with respect to the distribution to such Unit Owner of any insurance proceeds, except as provided in the Maryland Condominium Act, as amended.

## ARTICLE XI

### Compliance and Default

Section 1. Relief. Each Owner of a Unit shall be governed by, and shall comply with, all of the terms of the Maryland Condominium Act, the Declaration, these Bylaws and the Rules and Regulations as any of the same may be amended from time to time. A default by a Unit Owner shall entitle the Council of Unit Owners, acting through its Board of Directors or through the Managing Agent, to the relief outlined in these Bylaws which includes the following, which list is illustrative and shall not be considered exhaustive:

(a) Legal Proceedings. Failure to comply with any of the foregoing shall be grounds for relief which may include, without limitation, an action to recover any sums due for money damages, injunctive relief, foreclosure and enforcement of the lien for payment of all assessments as well as other costs and charges levied against the Unit, any other relief provided for in these Bylaws, or any combination thereof and any other relief afforded by a court of competent jurisdiction, all of which relief may be sought by the Council of Unit Owners, the Board of Directors, the Managing Agent or, if appropriate, any aggrieved Unit Owner.

(b) Additional Liability. Each Unit Owner shall be liable for the expense of all maintenance, repair or replacement rendered necessary pursuant to Article V, Section 5(b)(3), by his act, negligence, misuse, abuse or neglect or the act, negligence, misuse, abuse or neglect of any member of his family or visitors, or his employees, agents or licensees, but only to the extent that such expense is not covered by the proceeds of insurance carried by the Council of Unit Owners. Such liability shall include any increase in fire insurance rates occasioned by use, misuse, occupancy or abandonment of any Unit or its appurtenances. All such additional expenses charged or levied against the Unit shall be a continuing lien against the property and collectible in the same manner as assessments. Nothing contained herein, however, shall be construed as modifying any waiver by any insurance company of its rights of subrogation.

(c) Fines. Each Unit Owner shall be liable for fines imposed after notice and hearing, in accordance with the requirements of the Maryland Condominium Act, as amended.

(d) Costs and Attorneys' Fees. In any proceedings arising out of any alleged default by a Unit Owner, the prevailing party shall be entitled to recover the costs of such proceedings and reasonable attorneys' fees.

(e) Interest. In the event of a default by any Unit Owner in paying any Common Expenses or other cost or charges assessed against him or her which continues for a period in excess of fifteen (15) days, the amount unpaid shall bear interest at the maximum rate authorized by law from the due date until paid.

(f) Abatement and Enjoining of Violations by Unit Owners. The violations of any of the Rules or Regulations adopted by the Board of Directors, the breach of any Bylaw contained herein or the breach of any provision of the Declaration or the Maryland Condominium Act shall give the Board of Directors the right, in addition to any other rights set forth in these Bylaws: (1) to enter the Unit in which, or as to which, such violation or breach exists and summarily to abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Board of Directors shall not thereby be deemed guilty in any manner of trespass, or (2) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of such breach. The costs, including any resulting legal fees, incurred in exercising this provision shall be charged to the unit owner in violation and /or breach and shall become a continuing lien on the property and collectible in the same manner as assessments as provided in these Bylaws.

(g) Suspension of Voting Rights. In the event of a sixty (60) day delinquency in the payment of assessments or other charges or other violation as specifically addressed in Article II, Section 15 of these Bylaws, a Unit Owner's right to vote may be suspended.

(h) Suspension of Right to Use Common Element Recreational Facilities. A Unit Owner's right to use the Common Element recreational facilities may be suspended after notice and hearing in accordance with the Maryland Condominium Act, as amended, as provided in Article V, Section 15 of these Bylaws.

(i) No Waiver of Rights. The failure of the Council of Unit Owners, the Board of Directors or of a Unit Owner to enforce any right, provision, covenant or condition which may be granted by the Maryland Condominium Act, the Declaration, these Bylaws or the Rules and Regulations shall not constitute a waiver of the right of the Council of Unit Owners, the Board of Directors or the Unit Owner to enforce such right, provision, covenant or condition in the future. All rights, remedies and privileges granted to the Council of Unit Owners, the Board of Directors or any Unit Owner pursuant to any term, provision, covenant or condition of the Maryland Condominium Act, the Declaration, these Bylaws or the Rules and Regulations shall be deemed to be cumulative and the exercise of any one or more thereof shall not be deemed to constitute an election of remedies, nor shall it preclude the party exercising the same from exercising such other privileges as may be granted to such party by the Maryland Condominium Act, the Declaration, these Bylaws or the Rules and Regulations or at law or in equity.

(j) Suspension of Assigned Parking Privileges and Towing. In the event a Unit Owner is sixty (60) days delinquent in the payment of assessments or charges levied pursuant to these Bylaws, the Council of Unit Owners, by the Board of Directors, may suspend such Unit Owner's assigned parking privileges. Towing may be implemented for violations of Parking Rules and Regulations.

## ARTICLE XII

### Miscellaneous

Section 1. Notices. All notices, demands, bills, statements or other communications under these Bylaws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by first-class postage prepaid: (1) if to a Unit Owner, at the address which the Unit Owner shall designate in writing and file with the Secretary or, if no such address is

designated, at the address of the Unit of such Owner; (2) if to the Council of Unit Owners, the Board of Directors or the Managing Agent, at the principal office of the Managing Agent or at such other address as shall be designated by notice in writing to the Unit Owners pursuant to this Section; and (3) if to a Mortgagee, at the address which Unit Owner shall provide in writing to the Board of Directors or the Managing Agent.

Section 2. Invalidity. The invalidity of any part to these Bylaws shall not impair or affect, in any manner, the validity, enforceability or effect of the balance of these Bylaws.

Section 3. Captions. The captions herein are inserted only for convenience and for reference and in no way define, limit or describe the scope of these Bylaws or the intent of any provision thereof.

Section 4. Gender. The use of the masculine gender in the Bylaws shall be deemed to include the feminine gender and the use of the singular shall be deemed to include the plural whenever the context so requires.

Section 5. Attorney-in-Fact. The Board of Directors is hereby granted irrevocable power as attorney- in-fact on behalf of all Unit Owners and their successors in title to grant easements through the Common Elements and to accept easements benefitting the Condominium or any portion thereof, subject to the approval of all Mortgagees.

Section 6. Other Rights of Mortgagees. All first Mortgagees or their representative shall be entitled to attend meetings of the Council of Unit Owners and the Board of Directors and shall have the right to speak thereat subject to reasonable Rules and Regulations. All such first Mortgagees shall have the right to examine the books and records of the Condominium and to require the submission of annual financial reports and other financial and budgetary information.

## ARTICLE XIII

### Amendments to Bylaws

Section 1. Amendments. Except as otherwise provided for in this Section, these Bylaws may be modified or amended at any regular or special meeting either (1) by a vote of Owners of Units representing sixty-six and two-thirds percent (66 2/3%) of the aggregate Units or such lower number as may be authorized by the Maryland Condominium Act; provided, that notice of the proposed amendment shall have been given to each Unit Owner at least ten (10) days in advance of such meeting and to mortgagees in accordance with Article X, Section 3 of these Bylaws or (2) pursuant to a written instrument duly executed by Owners of Units representing at least sixty-six and two-thirds percent (66 2/3%) of the aggregate Units or such lower amount as may be authorized by the Maryland Condominium Act.

Section 2. Recording. A modification or amendment of these Bylaws shall become effective only if such modification or amendment is recorded among the land records of Montgomery County, Maryland.

Section 3. Conflicts. No modification or amendment of these Bylaws may be adopted which shall be inconsistent with the provisions of the Maryland Condominium Act or the Declaration. A modification or amendment once adopted and recorded as provided for herein shall then constitute part of these Bylaws, and all Unit Owners shall be bound thereby.

Section 4. Notice to Mortgagees. These Bylaws contain provisions concerning various rights, priorities, remedies and interests of Mortgagees. Accordingly, notice shall be given to all first Mortgagees sixty (60) days prior to the date on which these Bylaws are amended. This provision shall be subject to Section 11-104 of the Maryland Condominium Act as the same may be amended.

Section 5. Approval of Washington Suburban Sanitary Commission (WSSC). These Bylaws contain provisions concerning various rights, remedies and interests of WSSC. Such provisions in the Bylaws are to be construed as covenants for the protection of the WSSC and, therefore, no amendment or modification of the Bylaws impairing or affecting such rights, remedies and interests of WSSC shall be adopted without the prior written consent of WSSC.