



# MUTUAL SIXTEEN

BYLAWS



**MUTUAL 16 BYLAWS Amendment and Restatement  
COUNCIL OF UNIT OWNERS OF MUTUAL 16  
CONDOMINIUM OF ROSSMOOR, INC.**

*Approved by Mutual 16 Board of Directors  
March 21, 2024*

**Table of Contents**

<i>ARTICLE I – Identification and Definitions .....</i>	<i>3</i>
<i>ARTICLE II – Meetings of Unit Owners .....</i>	<i>3</i>
<i>ARTICLE III – Directors .....</i>	<i>6</i>
<i>ARTICLE IV – Officers .....</i>	<i>9</i>
<i>ARTICLE V – Liability and Indemnification .....</i>	<i>10</i>
<i>ARTICLE VI – Assessments and Carrying Charges for Common Expenses .....</i>	<i>11</i>
<i>ARTICLE VII – Use Restrictions .....</i>	<i>15</i>
<i>ARTICLE VIII – Architectural Control.....</i>	<i>18</i>
<i>ARTICLE IX – Insurance. ....</i>	<i>20</i>
<i>ARTICLE X – Casualty Damage, Reconstruction or Repair .....</i>	<i>23</i>
<i>ARTICLE XI – Fiscal Management.....</i>	<i>25</i>
<i>ARTICLE XII – Physical Management.....</i>	<i>26</i>
<i>ARTICLE XIII – Amendment and Rules.....</i>	<i>28</i>
<i>ARTICLE XIV – Mortgages – Notice – Other Rights of Mortgagees .....</i>	<i>29</i>
<i>ARTICLE XV – Compliance – Interpretation – Miscellaneous .....</i>	<i>30</i>
<i>Appendix – Exhibit C .....</i>	<i>32</i>



## **ARTICLE I – Identification and Definitions**

**Section 1. Name and Location.** The name of the Council of Unit Owners is as follows:

### **COUNCIL OF UNIT OWNERS OF MUTUAL 16 – CONDOMINIUM OF ROSSMOOR, INC.**

Its principal office and mailing address is: 3701 Rossmoor Boulevard, Silver Spring, Maryland 20906.

**Section 2. Declaration.** “Declaration,” as used herein, means that certain Declaration made the 28th day of October, 1977, by the Declarant therein identified, pursuant to Title 11, Real Property Article, Annotated Code of Maryland (1974 Repl. Vol.) and by which certain described premises (including land) were submitted to a condominium property regime and which Declaration as well as any subsequent amendments were recorded among the Land Records for Montgomery County, Maryland, immediately prior hereto and to which the original Bylaws were appended as an Exhibit.

**Section 3. Members.** Every person, group of persons, corporation, partnership, trust or other legal entity, or any combination thereof, who holds legal title to a unit within the condominium shall be a member of the Council of Unit Owners; provided, however, that any person, group of persons, corporation, partnership, trust or other legal entity, or any combination thereof, who holds such interest solely as security for the performance of an obligation shall not be a member of the Council of Unit Owners by reason only of such interest.

### **Section 4. Definitions**

- (a) Common Elements: All of Mutual 16 minus the condominium units and the limited common elements.
- (b) Condominium Unit (or Unit): A condominium unit includes the interior of a residence as defined by the interior walls. In addition, the condominium unit includes the mechanical equipment and appurtenances located outside the interior walls of a unit (air conditioning equipment, etc.). Interiors of Florida rooms and garages are considered part of the unit.
- (c) Limited Common Elements: Areas immediately adjacent to the Condominium Units that are reserved for the exclusive use of the owner of the unit as designated on the Condominium Plat as a limited common element. Examples include the rectangular concrete slab immediately outside the front door of each unit, atriums, and patio areas.
- (d) Resident: A person whose lives in the unit for an extended period. A resident is not necessarily the unit owner.

## **ARTICLE II – Meetings of Unit Owners**

**Section 1. Place of Meeting.** Meetings of the unit owners shall be held at the principal office of the Council of Unit Owners or at such other suitable place reasonably convenient to the unit owners as may from time to time be designated by the Board of Directors. The Board of Directors may authorize any meetings of the Council of Unit Owners, the Board of Directors, or a committee of the Council of Unit Owners or the Board of Directors to be conducted or attended in person, by telephone conference, video conference, or other electronic means. No specific authorization from unit owners shall be required to hold a meeting electronically.

**Section 2. Annual Meetings.** The annual meetings of the Unit Owners shall be held each year on the third Thursday of May or any other appropriately established date, which has been approved by the Board of Directors. At such meeting, there shall be elected by ballot of the unit owners a Board of Directors in accordance with the requirements of Article V of these Bylaws. The unit owners may also transact such other business of the Council of Unit Owners as may properly come before them.

**Section 3. Special Meetings.** It shall be the duty of the President to call a special meeting of the unit owners as directed by resolution of the Board of Directors or upon a petition signed by unit owners representing at least twenty percent (20%) of the total votes of the unit owners having been presented to the Secretary. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as specifically stated in the notice.

**Section 4. Roster of Unit Owners.** The Council of Unit Owners shall maintain a current roster of the names and addresses of each unit owner to which written notice of its meetings shall be delivered, mailed, or emailed in accordance with the Maryland Condominium Act. Each unit owner is obligated to provide to the Council of Unit Owners their current mailing address if the owner does not reside at the property address.

**Section 5. Notice of Meetings.** It shall be the duty of the Secretary, or such person as designated by the Secretary, to mail, email (if approved by the unit owner in accordance with the Maryland Condominium Act), or otherwise deliver a notice of each annual and special meeting of the Council of Unit Owners, stating the purpose thereof as well as the time and place where it is to be held, to each unit owner at his/her address as it appears on the roster of unit owners maintained by the Council of Unit Owners, or if no such address appears, at his/her last known place of address or at his/her condominium unit, at least fifteen (15) but not more than ninety (90) days prior to such meeting. Notice by either such method shall be considered as notice served and proof of such notice shall be made by the affidavit of the person giving such notice. Attendance by a unit owner at any annual or special meeting shall be a waiver of notice by him/her of the time, place, and purpose thereof. Notice of any annual or special meetings of the unit owners may also be waived by any unit owner either prior to, at, or after any such meeting.

**Section 6. Quorum.** The presence, either in person or by proxy, of unit owners representing at least twenty-five percent (25%) of the total votes of the Council of Unit Owners shall be requisite for, and shall constitute, a quorum for the transaction of business at all meetings of members.

**Section 7. Adjourned Meetings.** If any meeting of unit owners cannot be organized because a quorum has not attended, the unit owners who are present, either in person or by proxy, may, vote to call an additional meeting of the Council of Unit Owners pursuant to the procedures stated in Section 11-109(c)(8) of the Maryland Condominium Act so long as the initial notice of the meeting stated that the procedure authorized by this section of the Act might be invoked.

**Section 8. Voting.** At every meeting of the Council of Unit Owners, the owner(s) shall have the right to cast one vote per unit on each question. The votes of the unit owners representing fifty-one percent (51%) of the votes, in person or by proxy, shall decide any question brought before such meeting unless the question is one upon which, by the expressed provision of the Condominium Act, or the Articles of Incorporation of the Council of Unit Owners, or of the Declaration or these Bylaws, a different vote is required, in which case such expressed provision shall govern. The vote for any condominium unit

which is owned by more than one person may be exercised by any of them present at any meeting unless any objection or protest by any other owner of such condominium unit is noted at such meeting. In the event all co-owners of such condominium unit who are present at any meeting of the unit owners are unable to agree on the vote, then such vote shall not be counted for purposes of deciding the question. In the event any condominium unit is owned by a corporation, then the vote appurtenant to such condominium 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 corporation 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 superseded 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. No unit owner shall be eligible to vote, either in person, by proxy or by electronic transmission, or to be elected to the Board of Directors who has recorded a statement of condominium lien on his/her unit and the amount necessary to release the lien has not been paid at the time of the meeting or who is in violation of any provisions of the Declaration, these Bylaws or the rules and regulations of the Council of Unit Owners beyond the applicable period to cure such default.

**Section 9. Proxies.** A unit owner may appoint any other unit owner, his/her tenant, his/her mortgagee, a member of the Board of Directors, or the Management Agent as his/her proxy. In no case may any unit owner or tenant cast more than one vote (1) by proxy, in addition to his/her own vote, but that limitation shall not apply to mortgagees or the Management Agent. Proxies must be in writing and must be filed with the Secretary in a form approved by the Board of Directors at or before the appointed time of each meeting. Unless limited by its terms, any proxy is effective for a maximum period of one hundred eighty (180) days following its issuance unless granted to a lessee or mortgagee of the condominium unit to which the votes are appurtenant. The proxy may be revoked at any time at the pleasure of the unit owner or owners who executed the proxy. Any proxy that is not appointed to vote as directed by a unit owner may only be appointed for the purposes of meeting quorum and to vote for matters of business before the Council of Unit Owners, other than an election of members of the Board of Directors.

**Section 10. Order of Business.** The order of business at all annual meetings of the Council of Unit Owners shall be as follows:

- (a) Roll call and certification of proxies.
- (b) Proof of notice of meeting or waiver of notice.
- (c) Reading and disposal of minutes of preceding meetings.
- (d) Reports of officers, if any.
- (e) Reports of committees, if any.
- (f) Election or appointment of inspectors of election.
- (g) Election of Directors.
- (h) Unit Owners forum.
- (i) Unfinished business.
- (j) New Business.
- (k) Adjournment.

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

**Section 11. Rules of Order and Procedure.** The rules of order and all other matters of procedure at all annual and special meetings of the unit owners shall be in accordance with the most recent edition of Roberts Rules of Order.

**Section 12. Inspectors of Election.** The Board of Directors may, in advance of any annual or special meetings of the unit owners, appoint an uneven number of one or more inspectors of election to act at the meeting and at any adjournment thereof. In the event inspectors are not so appointed, the Chair of any annual or special meetings of unit owners shall appoint such inspectors of election. No officer or director of the Council of Unit Owners, and no candidate for director of the Council of Unit Owners or their family members, shall act as an inspector of election at any meeting of the unit owners if one of the purposes of such meeting is to elect Directors.

### ARTICLE III – Directors

**Section 1. Number and Qualification.** The affairs of the Council of Unit Owners shall be governed by a Board of Directors composed of seven (7) members.

**Section 2. Powers and Duties.** The Board of Directors shall have all the powers and duties necessary for the administration of the affairs of the Council of Unit Owners and the condominium and may do all such acts and things as are not by law or by these Bylaws directed to be exercised and done by the unit owners. The powers and duties of the Board of Directors shall include, but not be limited to, the following:

To provide for the:

- (a) care, upkeep, and surveillance of the condominium and its common and limited common elements and services in a manner consistent with law and the provisions of these Bylaws and the Declaration; and
- (b) preparation of, adoption, and amendment of budgets for revenue, expenditures, and reserves; and
- (c) establishment, collection, use, and expenditure of assessments, and carrying charges from the unit owners; and
- (d) assessment, filing, and enforcement of Statement of Condominium Liens therefore in a manner consistent with law and the provisions of these Bylaws and the Declaration; and
- (e) designation, hiring, and dismissal of the outside personnel necessary for the good working order of the condominium for the proper care of the common and limited elements and to provide services for the project in a manner consistent with law and the provisions of these Bylaws and the Declaration; and
- (f) promulgation, amendment, and enforcement of such rules and regulations and such restrictions on or requirements as may be deemed proper respecting the use, occupancy, and maintenance of the condominium and the use of the common and limited common elements and as are designated to prevent unreasonable interference with the use and occupancy of the condominium and of the common and limited common elements by the unit owners and others, all of which shall be consistent with law and the provisions of these Bylaws, The Maryland Condominium Act and the Declaration. The Board of Directors shall deliver to all current and future unit owners a copy of all rules and require them to sign a document that certifies they have received the rules and that they will comply with them. If there are any changes to the rules document, the



- new rules are to be adopted and delivered to all residents consistent with Section 11-111 of the Maryland Condominium Act and new certification documents will be required; and
- (g) entering into agreements whereby the Council of Unit Owners acquires leaseholds, memberships and other possessory or use interests in real or personal property for the purpose of enjoyment, recreation, or welfare of the unit owners and to declare expenses incurred in connection therewith to be common expenses of the Council of Unit Owners; and
  - (h) purchase of insurance upon the condominium in the manner provided for in these Bylaws and pursuant to the Maryland Condominium Act; and
  - (i) repairing, restoring, or reconstructing of all or any part of the condominium after any casualty loss in a manner consistent with law and the provisions of these Bylaws and to otherwise improve the condominium; and
  - (j) leasing or granting licenses, easements, rights-of-way, and other rights of use in all or any part of the common elements of the condominium; and
  - (k) establishment of standing committees and ad hoc committees for any purpose and shall define the scope of the Committee's roles and responsibilities through the issuance of committee charters and appoint a minimum of three members to such committees, as the Board of Directors may from time to time designate. The Board of Directors shall disband Ad Hoc Committees when they no longer have a reason to exist; and
  - (l) purchase of condominium units in the condominium; and provide for the leasing, mortgaging, or conveying the same, subject to the provisions of these Bylaws and the Declaration; and
  - (m) suing and being sued, complaining and defending, or intervening in litigation or administrative proceedings and dispute resolution proceedings and to negotiate, compromise, settle, and release such claims on behalf of itself or two or more Unit Owners, but only with respect to matters affecting the Condominium i.e., the Common Elements and those components of Units (if any) for which the Council of Unit Owners has the responsibility to maintain, repair and replace pursuant to these Bylaws and the Declaration; and
  - (n) establishment of reserve funds for emergencies and unforeseen contingencies and for the repair and replacement of common and limited common elements and those components of the Unit, if any, for which the Council of Unit Owners has the responsibility to maintain, repair, and replace pursuant to these Bylaws or the Declaration; and
  - (o) exercising of the powers of the Council of Unit Owners as set forth in the Maryland Condominium Act, subject to the Declaration and these Bylaws, and to do every other act not inconsistent with the law, which may be appropriate to promote and attain the purposes set forth in the Maryland Condominium Act, the Declaration, and these Bylaws.

**Section 3. Election and Term of Office.** At the expiration of the term of office of each respective Director, his/her successor shall be elected to serve a term of three (3) years. Directors shall hold office until their successors have been elected and hold their first regular meeting. The terms of the Directors shall be so that at no one time all the Directors are up for election at the same time.

**Section 4. Vacancies.** Vacancies on the Board of Directors caused by any reason other than the removal of a Director by a vote of the membership shall be filled as follows:

- (a) Unit owners shall be notified of the vacancy; and
- (b) Interested parties may notify the Secretary of the Board; and

- (c) The replacement will be selected by the Board by vote of a majority of the remaining Directors, even though they may constitute less than a quorum.

Each person so appointed by the Board shall serve as a Director until a successor is elected by the unit owners to serve out the unexpired portion of the term at the next annual meeting.

**Section 5. Removal of Directors.** At an annual meeting of unit owners, or at any special meeting duly called for such purpose, any Director may be removed with or without cause by the affirmative vote of the majority of the votes of the unit owners present and voting, in person, by electronic transmission or by proxy, and a successor may then and there be elected to fill the vacancy thus created to serve the remainder of the term. Any Director whose removal has been proposed by the unit owners shall be given an opportunity to be heard at the meeting. The term of any Director who becomes more than sixty (60) days delinquent in payment of any assessments or carrying charges due the Council of Unit Owners may be terminated by resolution of the remaining Directors and the remaining Directors shall appoint his/her successor as provided in this Article.

**Section 6. Compensation.** No compensation shall be paid to Directors for their services as Directors. No remuneration shall be paid to any Director who is also a unit owner for services performed by him/her for the Council of Unit Owners in any other capacity unless a resolution authorizing such remuneration shall have been adopted by the Board of Directors before such services are undertaken. Directors may be reimbursed for their actual out-of-pocket expenses necessarily incurred in connection with their services as Directors.

**Section 7. Organization Meeting.** The first meeting of a newly elected Board of Directors shall be held within ten (10) days of election at such place as shall be fixed by the Directors at the meeting at which such Directors were elected, and no notice shall be necessary to the newly elected Directors in order legally to constitute such meeting, provided that a majority of the whole Board of Directors shall be present at such meeting.

**Section 8. Regular Meetings.** Regular meetings of the Board of Directors shall be held at such time and place as shall be determined from time to time, by a majority of the Directors. Notice of regular meetings of the Board of Directors shall be given to each Director, personally or by mail, telephone, electronic transmission, or email, at least six (6) days prior to the day named for such meeting. Notice of the time and place of regular meetings shall be given to unit owners at least once per year or when the regular meeting time or place is changed.

**Section 9. Special Meetings.** Special meetings may be called by the President on three (3) days' notice to each Director and all unit owners, given personally by mail, telephone, or electronic transmission. Such 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 Secretary in like manner and on like notice on the written request of at least one-third (1/3) of the Directors.

**Section 10. Waiver of Notice.** Before, at, or after any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board of Directors shall be a waiver of notice by him/her of the time, place, and purpose thereof. If all the 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 11. Quorum.** At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at any meeting at which a quorum is present shall be the acts of the Board of Directors.

**Section 12. Action Without Meeting.** Any action by the Board of Directors required or permitted to be taken at any meeting may be taken without a meeting if all the members of the Board of Directors shall individually or collectively consent in writing to such action. Such written consent shall be filed with the minutes of the proceedings of the Board of Directors.

#### **ARTICLE IV – Officers**

**Section 1. Designation.** The principal officers of the Council of Unit Owners shall be a President, a Vice President, a Secretary, and a Treasurer, all of whom shall be elected by the Board of Directors. The President and Vice President must be members of the Board.

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

**Section 3. Removal of Officers.** Upon an affirmative vote of a majority of the members of the Board of Directors, any officer may be removed from their office either with or without cause, and his/her successor elected from within the Board at any regular meeting of the Board of Directors, or at any special meeting of the Board of Directors called for such purpose.

**Section 4. President.** The President shall be the chief executive officer of the Council of Unit Owners. The President shall preside at all meetings of the unit owners and of the Board of Directors and have all the general powers and duties which are usually vested in the office of president of a corporation.

**Section 5. Vice President.** The Vice President shall take the place of the President and perform his/her duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President can act, the Board shall appoint some other member of the Board to do so on an interim basis. The Vice President shall also assist the President generally and shall perform such other duties as shall from time to time be delegated to him/her by the Board of Directors.

**Section 6. Secretary.** The Secretary shall keep, or cause to be kept, the minutes of all meetings of the Board of Directors and the minutes of all meetings of the unit owners for the recording of the resolutions of the Council of Unit Owners. The Secretary shall give, or cause to be given, notice of all annual and special meetings of the unit owners in conformity with the requirements of these Bylaws and the Maryland Condominium Act. The Secretary shall have charge of such other books and papers as the Board of Directors may direct and he/she shall, in general, perform all of the duties incident to the office of Secretary.

**Section 7. Treasurer.** The Treasurer shall have responsibility for funds and securities of the Council of Unit Owners and shall be responsible for keeping, or causing to be kept, full and accurate accounts of all receipts and disbursements in books belonging to the Council of Unit Owners. He/she shall be

responsible for causing the deposit of all monies and other valuable effects in the name and to the credit, of the Council of Unit Owners in such depositories as may from time to time be designated by the Board of Directors.

## **ARTICLE V – Liability and Indemnification**

**Section 1. Liability and Indemnification of Officers, Directors, Committee Members and Other Volunteers.** In accordance with the Leisure World Community Corporation guidelines for the indemnification of Council of Unit Owners, officers, Directors, committee members and other volunteers, the Council of Unit Owners shall indemnify every officer, Director, committee member and other volunteers of the Council of Unit Owners against any and all expenses, including counsel fees, reasonably incurred by or imposed upon any officer, Director, committee member or other volunteer in connection with any action, suit or other proceeding (including the settlement of any such suit or proceeding if approved by the then Board of Directors of the Council of Unit Owners) to which he/she may be made a party by reason of being or having been an officer, Director, committee member or other volunteer of the Council of Unit Owners, whether or not such person is an officer, Director, committee member or other volunteer of the Council of Unit Owners at the time such expenses are incurred. The officers, Directors, committee members, and other volunteers of the Council of Unit Owners shall not be liable to the unit owners for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The officers, Directors, committee members, and other 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 or the condominium (except to the extent that such officers, Directors, committee members or other volunteers may also be owners of condominium units) and the Council of Unit Owners shall indemnify and forever hold each such officer, Director, committee member and other volunteers 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 be in addition to and not exclusive of any other rights to which any officer, Director, committee member, or other volunteer of the Council of Unit Owners, or former officer, Director, committee member, or other volunteer of the Council of Unit Owners may be entitled.

**Section 2. Common or Interested Directors.** The Directors shall exercise their powers and duties in good faith and with a view to the interests 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 corporation, firm, or association in which one or more of the Directors of the Council of Unit Owners 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 recommends the approval of the contract or transaction, or because his/her or their votes are counted for such purpose, if any of the conditions specified in any of the following subparagraphs exist:

- (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; or
- (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.

Common or interested Directors may be counted in determining the presence of a quorum of any meeting of the Board of Directors 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/she were not such Director or officer of such other corporation or not so interested.

## **ARTICLE VI – Assessments and Carrying Charges for Common Expenses**

**Section 1. Annual Assessments for Expenses.** Each unit owner shall pay to the Council of Unit Owners, in advance, a monthly sum (herein elsewhere sometimes referred to as “assessments” or “carrying charges” or “condo fee”) equal to one-twelfth (1/12) of the unit owner's proportionate share (determined in accordance with the percentage interests in common expenses and common profits of the condominium as shown in Exhibit C (Appendix) and modified by Leisure World accounting based on changes to the unit and filed as part of the treasurer’s documents) of the sum required by the Council of Unit Owners, as estimated by its Board of Directors, to meet its annual expenses, including, but in no way limited to, the following:

- (a) the cost of necessary management and administration; and
- (b) the amount of all taxes and assessments levied against the Council of Unit Owners or upon any property which it may own or which it is otherwise required to pay; and
- (c) the cost of fire and extended liability insurance on the project and the cost of such other insurance as the Council of Unit Owners may secure or is required to secure by law; and
- (d) the cost of furnishing or securing water and sewer service, and other services or utilities not separately metered or billed directly to the unit by the utility or other company; and
- (e) the cost of funding contributions to the “Paid-in Surplus” account of the Council of Unit Owners and the cost of funding all reserves established by the Council of Unit Owners, or under such Trust Agreement of March 9, 1966, including, when appropriate, a general operating reserve and a reserve for replacements in accordance with the Maryland Condominium Act; and
- (f) the estimated cost of repair, maintenance, and replacement of the common elements of the condominium to be made by the Council of Unit Owners; and
- (g) the cost of all other operating expenses of the condominium and of other facilities and services furnished or secured by it.

**Section 2. Electric Vehicle Charging Assessment.** A unit owner shall pay to the Council of Unit Owners as part of the unit’s annual assessment an amount to cover the additional cost of electricity furnished for that year to the unit which has an electric vehicle charging outlet. The amount shall be established by the Board and reviewed on a yearly basis.

**Section 3. Assessment Installments.** The Board of Directors shall determine the amount of the assessments at least annually but may do so at more frequent intervals should circumstances so require. Upon resolution of both the Board of Directors and the unit owners representing at least fifty-one percent (51%) of the total votes of the unit owners, installments of annual assessments may be levied and collected on a quarterly, semiannual, or annual basis rather than on the monthly basis hereinabove provided for.

**Section 4. Assessment Roster.** The Board of Directors of the Council of Unit Owners shall make reasonable efforts to fix the amount of the assessment against each condominium unit for each annual assessment period at least thirty (30) days in advance of the commencement of such period and shall, at that time, prepare a roster of the condominium units and assessments applicable thereto which shall be kept in the office of the Council of Unit Owners and shall be open to inspection by the owner or mortgagee of any condominium unit, and by their respective duly authorized agents and attorneys, upon reasonable notice to the Board of Directors. Written notice of the assessments shall thereupon be sent to the unit owners. The omission of the Board of Directors, before the expiration of any annual assessment period, to fix assessments for that or the next such period shall not be deemed a waiver or modification in any respect of the provisions of this Article, or a release of any unit owner from the obligation to pay the assessment, or any installment thereof, for that or any subsequent assessment period; but the assessment fixed for the preceding period shall continue until a new assessment is fixed. No unit owner may exempt him/herself from liability for assessments or carrying charges by a waiver of the use or enjoyment of any of the common elements or by the abandonment of any condominium unit belonging to him/her.

**Section 5. Budget.** The Board of Directors shall prepare and adopt a budget for each annual assessment period which shall include estimates of the funds required by the Council of Unit Owners to meet its annual expenses and other amounts referred to in Section 1 of this Article for that period in accordance with the requirements in the Maryland Condominium Act. The budget herein required to be prepared and adopted by the Board of Directors shall be in a format consistent with the classification of the accounts of the Council of Unit Owners, as hereinafter in these Bylaws provided for, and shall provide for sufficient estimates on a monthly basis, 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, on both a current basis and for the prior corresponding period all in accordance with generally accepted accounting practices, consistently applied. Copies of the budget shall be available for examination by the unit owners and by their duly authorized agents and attorneys, and to the institutional holder of any first mortgage on any condominium unit in the condominium and by their duly authorized agents and attorneys during normal business hours for purposes reasonably related to their respective interests.

**Section 6. Special Assessments.** In addition to the regular assessments authorized by this Article, the Council of Unit Owners may levy in any assessment year a special assessment or assessments for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, unexpected repair or replacement of a described capital improvement located upon the condominium, including the necessary fixtures and personal property related thereto, or for such other purpose as the Board of Directors may consider appropriate; provided, however, that any such special assessment shall have the assent of twenty-five percent (25%) of the unit owners present at the meeting. A special meeting of the unit owners shall be duly called for this purpose.

**Section 7. Reserve for Replacements.** The Council of Unit Owners shall establish and maintain a reserve fund for replacements by the allocation and payment monthly to such reserve fund of an amount to be designated from time to time by the Board of Directors which is in accordance with the requirements in the Maryland Condominium Act. Such fund shall be conclusively deemed to be a common expense. Such fund shall be deposited in a special account with a lending institution the accounts of which are insured by an agency of any state or an agency of the United States of America or may, at the discretion of the Board of Directors, be invested in obligations of, or fully guaranteed as to

principal by, any state or the United States of America. The reserve for replacements may be expended only for the purpose of effecting the replacement of the common elements and equipment of the condominium and for startup costs and operating contingencies of a nonrecurring nature. The proportionate interest of any unit owner in any reserve for replacements and any other reserves established by the Council of Unit Owners shall be considered an appurtenance of his/her condominium unit and shall not be separately withdrawn, assigned, transferred, or otherwise separated from the condominium unit to which it appertains and shall be deemed to be transferred with such condominium unit.

**Section 8. Non-Payment of Assessments – Statement of Condominium Lien.** Any assessment levied pursuant to the Declaration or these Bylaws, and any installment thereof, which is not paid on the date when due shall be delinquent and shall entitle the Council of Unit Owners to claim the amount of such assessment, together with a late fee, interest thereon, the actual costs of collection, and attorney fees thereof, as a lien on the condominium unit against which it is assessed; provided, however, that such lien shall be effective only after due notice given in accordance with Section 14-203 of the Real Property Article of the Maryland Annotated Code and a Statement of Condominium Lien is recorded among the Land Records for Montgomery County, Maryland, stating the description of the condominium unit, the name of the unit owner of record, the amount due and the period for which the assessment is due. Any such Statement of Condominium Lien shall be in the form as may be required by the Maryland Contract Lien Act.

The Statement of Condominium Lien shall be signed and verified as required in the Condominium Act by any officer of the Council of Unit Owners, or by the Management Agent or any duly authorized representative thereof, or by any agent, attorney or other people duly authorized by the Board of Directors of the Council of Unit Owners for such purposes.

Upon recordation of the Statement of Condominium Lien as aforesaid, the lien shall bind the condominium unit described in the Statement of Condominium Lien in the hands of the unit owner, his/her heirs, successors, devisees, personal representatives, and assigns. The personal obligation of the unit owner to pay the assessment shall, however, remain his/her personal obligation for the statutory period and a suit to recover a monetary judgment for non-payment of any assessment levied pursuant to the Declaration or these Bylaws, or any installment thereof, may be maintained without foreclosing or waiving the lien established by the Statement of Condominium Lien to secure payment of such assessment. Upon full payment of the amount for which the lien is claimed the unit owner shall be entitled to a recordable satisfaction of the lien.

Any assessment levied pursuant to the Declaration or these Bylaws, and any installment thereof, which is not paid when due may, upon resolution of the Board of Directors, subject the unit owner obligated to pay the same to the payment of such penalty or “late charge” as the Board of Directors may fix and the Council of Unit Owners may bring an action at law against the unit owner personally obligated to pay the same or may, after the recordation of the Statement of Condominium Lien provided for in this Article and in the Condominium Act, foreclose the lien against the condominium unit or units then belonging to said unit owner in the same manner, and subject to the same requirements, now or hereafter provided for the foreclosure of mortgages or deeds of trust in the State of Maryland containing a power of sale or an assent to a decree; in either of which events interest at the rate of eighteen percent (18%) per annum, actual costs for collection and actual attorneys’ fees shall be added to the amount of each assessment. Suit for any deficiency following foreclosure may be maintained in the same proceeding.

No suit may be brought to foreclose the lien except after written notice to the unit owner given by registered mail – return receipt requested to the address of the unit owner shown on the roster of unit owners maintained by the Council of Unit Owners.

In the event any proceeding to foreclose the lien for any assessment due the Council of Unit Owners pursuant to this Article is commenced with respect to any condominium unit or units in the condominium, then the owner of such condominium unit or units, in the condominium, upon resolution of the Board of Directors, may be required to pay a reasonable rental for such unit or units and the Council of Unit Owners shall be entitled to the appointment of a receiver to collect the same.

**Section 6. Priority of Lien.** The lien established by the recordation of a Statement of Condominium Lien, as in this Article provided, shall have preference over any subsequently filed liens, judgments, or encumbrances, except the following:

- (a) general and special assessments for ad valorem real estate taxes on the condominium unit; and
- (b) the lien of any bona fide deed of trust, mortgage, or other encumbrance duly recorded on the condominium unit prior to the recordation of the Statement of Condominium Lien, or duly recorded on the condominium unit after receipt by the holder of any such mortgage (or the holder of the indebtedness or note secured thereby) of a certificate or statement in writing signed by an officer or agent of the Council of Unit Owners stating the payments on account of all assessments levied by the Council of Unit Owners against the condominium unit were current as of the date of recordation of such deed of trust, mortgage instrument or other encumbrance.

The lien established by the recordation of a Statement of Condominium Lien, as in this Article provided, shall be subordinate to the lien of any deed of trust, mortgage or other encumbrance duly recorded on the condominium unit and made in good faith and for value received; provided, however, that such subordination shall apply only to assessments, and installments thereof, which have become due and payable prior to a sale or transfer of the condominium unit pursuant to a foreclosure or any deed, assignment or other proceeding or arrangement in lieu of foreclosure that is in excess of the priority lien established by the Maryland Condominium Act. Any holder of any deed of trust, mortgage or other encumbrance duly recorded on the condominium unit and made in good faith and for value received who comes into possession of the condominium unit pursuant to a foreclosure or any deed, assignment or other proceeding or arrangement in lieu of foreclosure, and any other purchaser at a foreclosure sale, shall take the condominium unit, subject to the priority lien established in the Maryland Condominium Act, free of any additional claims for unpaid common expense assessments and carrying charges levied against the condominium unit which accrue prior to the time such holder comes into possession of the condominium unit or prior to the foreclosure sale, except for claims for a proportionate share of such unpaid common expense assessments and carrying charges resulting from a reallocation of such unpaid common expense assessments or carrying charges among all of the condominium units in the condominium. Such foreclosure, deed, assignment, or other proceeding or arrangement in lieu of foreclosure shall not relieve the mortgagee in possession or the purchaser at any foreclosure sale from any liability for any common expense assessments and carrying charges thereafter becoming due, or from the lien established by the recordation of a Statement of Condominium Lien with respect to any common expense assessments and carrying charges thereafter becoming due.



No amendment to this Section shall affect the rights of the holder of any such deed of trust, mortgage, or other encumbrance recorded prior to the recordation of such amendment unless the holder of such deed of trust, mortgage, or other encumbrance shall join in the execution of such amendment.

**Section 9. Additional Rights of Mortgagees – Notice.** The Council of Unit Owners may notify the holder of the first mortgage on any condominium unit for which any assessment levied pursuant to the Declaration or these Bylaws, or any installment thereof, becomes delinquent for a period in excess of thirty (30) days and the Council of Unit Owners may notify the holder of the first mortgage on any condominium unit with respect to which any default in any provision of the Declaration or these Bylaws remains uncured for a period in excess of thirty (30) days following the date of such default. Any failure to give any such notice shall not affect the priorities established by this Article, the validity of any assessment levied pursuant to the Declaration or these Bylaws, or the validity of any lien to secure the same. No proceeding may be brought to foreclose the lien for any assessment levied pursuant to the Declaration or these Bylaws except after ten (10) days' written notice to the holder of the first mortgage on the condominium unit which is the subject matter of such proceeding.

**Section 10. Acceleration of Installments.** Upon default in the payment of any one or more monthly installments of any assessment levied pursuant to the Declaration or these Bylaws, or any other installment thereof, the entire balance of said annual assessment may be accelerated at the option of the Board of Directors and be declared due and payable in full.

**Section 11. Assessment Certificates.** The Council of Unit Owners shall, upon demand at any time, furnish to any unit owner liable for any assessment levied pursuant to the Declaration or these Bylaws (or any other party who has written authorization from the unit owner) a certificate in writing signed by an officer or agent of the Council of Unit Owners, setting forth the status of said assessment, i.e., whether the same is paid or unpaid. Such certificate shall be conclusive evidence of the payment of any installment of any assessment therein stated to have been paid. A charge may be levied in advance by the Council of Unit Owners for each certificate so delivered, except that no charge shall be levied against any institutional mortgagee of any condominium unit in the condominium who requests such a certificate.

**Section 12. Additional Default.** Any recorded first mortgage secured on a condominium unit in the condominium shall provide that any default by the mortgagor in the payment of any assessment levied pursuant to the Declaration or these Bylaws, or any installment thereof, shall likewise be a default in such mortgage (or the indebtedness or note secured thereby). Such mortgages shall also provide that, in the event of any default thereunder, the mortgagee shall have the right, at its option exercised by notice in writing to the mortgagor and the secretary of the Council of Unit Owners, to cast the votes appurtenant to the condominium unit which is security for the repayment of the mortgage debt at all meetings of the unit owners. Failure to include such provisions in any such mortgage shall not affect the validity or priority thereof and the protection extended to the holder of such mortgage (or the holder of the indebtedness or note secured thereby) by reason of the provisions of this Article shall not be altered, modified, or diminished by reason of any such failure.

## ARTICLE VII – Use Restrictions

**Section 1. Residential Use – Age Limitations, etc.** All residential condominium units shall be used exclusively for private residential purposes. It is the policy of this Mutual to provide housing for older

persons in accordance with Federal and State laws and regulations. Implementation of this policy and other reasonable restrictions on occupancy or residents under 55 years of age in the units of this Mutual shall be governed by rules established by the Board of Directors.

**Section 2. Number of Residents Per Unit.** No more than three (3) persons may permanently reside in any two-bedroom condominium unit and four (4) persons in a three-bedroom condominium unit.

**Section 3. Leasing.** No more than five full units are to be leased in the Mutual at any time. No portion of any condominium unit (other than the entire unit) shall be leased for any period. Any unit owner who shall lease such unit shall promptly following the execution of any such lease, forward a conformed copy thereof to the Board of Directors. All leases shall be in writing and shall be for a period of at least one (1) year in duration. Any such lease shall contain a provision to the effect that the rights of the tenant to use and occupy the condominium unit shall be subject and subordinate in all respects to the provisions of the Declaration and these Bylaws and to such other reasonable rules and regulations relating to the use of the common elements, as the Board of Directors may from time to time promulgate and shall provide, further, that any failure by the tenant to comply with the provisions of such documents shall be a default under the lease. The provisions of this subsection shall not apply to any institutional first mortgagee of any condominium unit who comes into possession of the unit by reason of any remedies provided by law or in such mortgage or because of a foreclosure sale or other judicial sale or as a result of any proceeding, arrangement, assignment or deed in lieu of foreclosure. No condominium unit within the condominium shall be rented for transient or hotel purposes including short-term rentals of any kind.

**Section 4. Additional Use Restrictions.** Except as may be reasonable and necessary in connection with the maintenance, improvement, repair, or reconstruction of any portion of the condominium by the Council of Unit Owners:

- (a) No nuisance, noxious or offensive trade or activity shall be carried on within the condominium or within any condominium unit, nor shall anything be done therein or thereon which may be or become an annoyance to the neighborhood or the other unit owners. No nuisances shall be permitted within the condominium, nor shall any use or practice be permitted which is or becomes a source of annoyance to the unit owners or which interferes with the peaceful use and possession thereof by the unit owners.
- (b) There shall be no obstruction of any of the common elements. Nothing shall be stored upon any of the common elements without permission of the Mutual 16 Board and if approved by the Board, for no more than a maximum period of one (1) week.
- (c) Nothing shall be done or maintained in any condominium unit or upon any of the common or limited common elements which will increase the rate of insurance on any condominium unit or the common or limited common elements, or result in the cancellation thereof, without the prior written approval of the Board of Directors. Nothing shall be done or maintained in any condominium unit or upon the common and limited elements which would be in violation of any law. No waste shall be committed upon any of the common or limited elements.
- (d) No structural alteration, construction, addition, or removal of any condominium unit or of the common or limited common elements shall be commenced or conducted except in strict accordance with the provisions of these Bylaws.
- (e) The keeping of a dog, cat, or caged birds as domestic pets, provided that they are not kept or maintained for commercial purposes or for breeding, is permitted. However, the maintenance, keeping, breeding, boarding and/or raising of other animals, regardless of number, is prohibited

within any condominium unit or upon any of the common elements. Pets shall not be permitted upon the common elements of the condominium unless accompanied by an adult and unless they are carried or leashed. Any unit owner who keeps or maintains any pet upon any portion of the condominium shall be deemed to have indemnified and agreed to hold the Council of Unit Owners, each of the unit owners and Management Agent free and harmless from any loss, claim or liability of any kind or character whatever arising by reason of keeping or maintaining such pet within the condominium. All pets shall 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 premises and the Board of Directors, after affording the right to a hearing to the unit owner affected, shall have the exclusive authority to declare any pet a nuisance.

- (f) Except for such signs as may be posted by the Council of Unit Owners for traffic control or the like, no signs of any character shall be erected, posted, or displayed upon, from, or about any condominium unit or the common and limited common elements. The provisions of this subsection shall not be applicable to the institutional holder of any first mortgage which comes into possession of any condominium unit by reason of any remedies provided by law or in such mortgage or because of a foreclosure sale or other judicial sale or other proceeding, arrangement, assignment, or deed in lieu of foreclosure. A resident may display within a condominium unit, a candidate sign or a sign that advertises the support or defeat of any question submitted to voters in accordance with the Election Law Article of the Maryland Annotated Code and the period of time as specified by Montgomery County.
- (g) Current registration plates must be displayed on any vehicle kept on common or limited common elements. No trailer, camper, camp truck, house trailer, boat, recreational vehicle, golf cart or the like shall be kept upon any of the common or limited elements. No repair or extraordinary maintenance of any vehicles be carried out on any of the common elements or limited common elements or within or upon any condominium unit. Only a vehicle owned or leased by a resident of the Mutual may be washed in the Mutual. Golf carts may not be parked on any common and limited common elements or in front of residence units except for brief periods. Golf carts owned by residents may be parked in the owners' driveways. Golf carts may not be driven on any unpaved areas within the Mutual except when conducting official Mutual 16 business.
- (h) Except as herein elsewhere provided, no part of the common or limited elements shall be used for commercial activities of any character.
- (i) No burning of any trash and no unreasonable or unsightly accumulation or storage of litter, new or used building materials, or trash of any other kind shall be permitted within any condominium unit or upon any of the common or limited common elements. Trash and garbage containers shall not be permitted to remain in public view, except on days of collection. All refuse shall be deposited with care in containers designated for such purpose during such hours as may from time to time be designated by the Board of Directors.
- (j) No structure of a temporary character, trailer, tent, shack, barn, moving or storage pod, or other outbuilding shall be maintained upon any common or limited elements at any time. Outdoor clotheslines may be maintained upon any condominium unit in accordance with reasonable rules and regulations adopted by the Board of Directors. No clothing, laundry, or the like shall be hung from any part of any of the common or limited common elements.
- (k) No outside television or radio aerial or antenna, dish or other aerial or antenna, for reception or transmission, shall be maintained upon any condominium unit unless it complies with the regulations adopted by the Federal Communications Commission and any reasonable rules and regulations adopted by the Board of Directors.

- (l) Outdoor cooking using gas or electric grills is permitted on the unit's limited common elements as well as the grass areas of the common elements adjacent to the resident's unit. No charcoal grilling is permitted in the Mutual.
- (m) No unlawful use shall be made of any condominium unit or any portion of the common or limited common elements and all laws, zoning and other ordinances, regulations of governmental and other municipal bodies and the like shall be always observed.
- (n) All Units shall contain garage space to accommodate at least one car.
- (o) The non-paved areas immediately around the unit are intended for plantings and hardscape materials. These must be kept in harmony with the esthetics of the Mutual.
- (p) The areas from two (2) to five (5) feet that abut the outer wall of the unit are the unit owner's responsibility to maintain. These areas must be maintained free from weeds and dead plant materials. Nothing in the unit owner's area of responsibility may touch the soffits, overhang onto the common elements, or impede mowing, snow removal, or reasonable maintenance of the common elements. If anything touches the soffits, overhangs onto common elements, or impedes mowing, snow removal, or reasonable maintenance, it can be removed at the unit owner's expense. Ivy or any plants that adhere to bricks, stone, siding, and mortar are prohibited.
- (q) No flag of any character may be erected, posted, or displayed, from any unit or in the common or limited common elements except for the American flag, a U.S. state flag, or a current U.S. service flag.
- (r) Generators and propane tanks must be stored outside of the unit and out of sight of the front of the home. Generators and propane tanks must be used according to manufacturer's specifications.
- (s) Mutual residents or heirs desiring to conduct open houses, estate sales, or garage sales must submit a written request to the Security Office of Leisure World of Maryland Corporation using the Leisure World approved form. Upon approval by the Security and notification of the Mutual, the open house or sale may be advertised and held either by the resident or an established broker. It is the responsibility of the resident or their heirs to assure that the property involved in garage or estate sales is restricted to that owned by the resident or other Leisure World residents. Any heirs, residents, or brokers who do not comply with these conditions will not be permitted to conduct future open houses or sales in the Mutual.
- (t) No unit owner shall engage or direct any employee of the Council of Unit Owners or the Management Agent on any private business of the unit owner during the hours such employee is employed by the Council of Unit Owners or the Management Agent nor shall any member direct, supervise or in any manner attempt to assert control over any such employee.
- (u) No awnings are permitted in the Mutual.

## **ARTICLE VIII – Architectural Control**

**Section 1. Changes.** Except for purposes of proper maintenance and repair or as otherwise in the Condominium Act or these Bylaws provided, it shall be prohibited for any unit owner to install, erect, attach, apply, paste, hinge, screw, nail, build, alter, remove or construct any lighting, shades, screens, awnings, patio covers, decorations, fences, walls, aerials, antennas, radio or television broadcasting or receiving devices, slabs, sidewalks, curbs, gutters, patios, porches, driveways, walls or to make any change or otherwise alter (including any alteration in color) the exterior of any condominium unit or upon any of the common or limited 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 any building or otherwise affect the property, interest or welfare of any other unit owner, 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) shall have been submitted to and approved in writing as to safety, the effect of any such alteration on the costs of maintaining and insuring the condominium and harmony of design, color and location in relation to surrounding structures and topography, by the Board of Directors of the Council of Unit Owners,

**Section 2. Approvals.** Upon approval of the Board of Directors of any Plans and specification submitted pursuant to the provisions of this Article, a copy of such plans and specifications, as approved, shall be deposited among the permanent records of the Council of unit owners and a copy of such plans and specifications bearing such approval, in writing, shall be returned to the applicant submitting the same. In the event the Board of Directors fails to approve or disapprove any plans and specifications which may be submitted to it pursuant to the provisions of this Article within sixty (60) days after such plans and specifications (and all other materials and information required) have been submitted to it in writing, then approval will not be required and this Article will be deemed to have been fully complied with.

**Section 3. Limitations.** Construction or alterations in accordance with plans and specifications approved by the Board of Directors pursuant to the provisions of this Article shall be commenced within six (6) months following the date upon which the same are approved by the Board of Directors (whether by affirmative action or by forbearance from action, as in Section 3 of this Article provided), and shall be substantially completed within twelve (12) months following the date of commencement, or within such longer period as the Board of Directors shall specify in its approval. In the event construction is not commenced within the period aforesaid, then approval of the plans and specifications by the Board of Directors shall be conclusively deemed to have lapsed and compliance with the provisions of this Article shall again be required. There shall be no deviations from plans and specifications approved by the Board of Directors without the prior consent in writing of the Board of Directors. Approval of any particular plans and specifications or design shall not be construed as a waiver of the right of the Board of Directors to disapprove such plans and specifications, or any elements or features thereof, in the event such plans and specifications are subsequently submitted for use in any other instance.

**Section 4. Certificate of Compliance.** Upon the completion of any construction or alteration or other improvements or structure in accordance with plans and specifications approved by the Board of Directors in accordance with the provisions of this Article, the Board of Directors shall, at the request of the owner thereof, issue a certificate of compliance which shall be prima facie evidence that such construction, alteration or other improvements referenced in such certificate have been approved by the Board of Directors and constructed or installed in full compliance with the provisions of this Article and with such other provisions and requirements of these Bylaws as may be applicable.

**Section 5. Rules and Regulations.** The Board of Directors may from time to time adopt and promulgate such rules and regulations regarding the form and content of plans and specifications to be submitted for approval and may publish such statements of policy, standards, guidelines and establish such criteria relative to architectural styles or details, or other related matters, as it may consider necessary or appropriate in accordance with the Maryland Condominium Act. No such rules, regulations, statements, criteria, or the like shall be construed as a waiver of the provisions of this Article or any other provision

or requirement of these Bylaws. The Council of Unit Owners or Board of Directors may charge and collect a reasonable fee for the examination of any plans and specifications submitted for approval pursuant to the provisions of this Article. The decisions of the Board of Directors shall be final except that any unit owner who is aggrieved by any action or forbearance from action by the Board of Directors, upon the request of such unit owner, shall be entitled to a hearing before the Board of Directors.

**Section 6. Additions, Alterations, or Improvements by Board of Directors.** Except in cases of bona fide emergencies involving manifest danger to life, safety, or property, or the interruption of essential services to the condominium, whenever in the judgment of the Board of Directors the common elements of the condominium shall require additions, alterations, or improvements requiring the expenditure of funds of the Council of Unit Owners in excess of fifteen percent (15%) of the current annual budget. Such additions, alterations, or improvements shall not be made until the same shall have been approved by unit owners representing a majority of the total votes of the Council of Unit Owners at a meeting of the unit owners duly called for such purpose. In addition, the institutional holder of any mortgages or other obligations secured by any condominium unit or units in the aggregate principal sum of more than five hundred thousand and no/100 Dollars (\$500,000.00), which approval shall be in writing.

## **ARTICLE IX – Insurance**

**Section 1. Insurance** The Board of Directors of the Council of Unit Owners, in accordance with the Maryland Condominium Act shall obtain and maintain to the extent reasonably available, at least the following:

- (a) Casualty or physical damage insurance in an amount equal to the full replacement value exclusive of improvements and betterments installed in units by unit owners other than the developer (i.e., 100% of “replacement cost” exclusive of land, foundation, excavation and improvements and betterments installed in units by unit owners other than the developer) of the condominium (including all building service equipment and the like) with an “Agreed Amount Endorsement” or its equivalent, a “Demolition Endorsement” or its equivalent, an “Increased Cost of Construction Endorsement” or its equivalent, a “Condominium Replacement Cost Endorsement” or its equivalent, and a “Contingent Liability from Operation of Building Laws Endorsement” or its equivalent, without deduction or allowance for depreciation, as determined annually by the Board of Directors with the assistance of the insurance company affording such coverage, such coverage to afford protection against at least:
  - (i) loss or damage by fire and other hazards covered by the standard extended coverage endorsement; and
  - (ii) such other risks as shall customarily be covered with respect to project similar in construction, location, and use, including, but not limited to, sprinkler leakage, debris removal, cost of demolition, vandalism, malicious mischief, windstorm, water damage, boiler and machinery explosion or damage, and such other insurance as the Board of Directors may from time to time determine.
- (b) Public liability insurance with a “Severability of Interest Endorsement” or its equivalent in such amounts and in such forms as may be considered appropriate by the Board of Directors (but not less than one million dollars (\$1,000,000.00) covering all claims for bodily injuries and/or property damage arising out of a single occurrence) including, but not limited to, water damage liability, legal liability, hired automobile liability, non-owned automobile liability, liability for

property of others, elevator collision, garage keeper's liability, and such other risks as shall customarily be covered with respect to projects similar in construction, location and use, including any and all other liability incident to the ownership and use of the condominium or any portion thereof.

- (c) Workmen's compensation insurance to the extent necessary to comply with any applicable law; and
- (d) A "Legal Expense Indemnity Endorsement", or its equivalent, affording protection for the officers and Directors of the Council of Unit Owners for expenses and fees incurred by any of them in defending any suit or settling any claim, judgment or cause of action to which any such officer or Director shall have been made a party by reason of his or her services as such; and
- (e) Such other policies of insurance, including insurance for other risks of a similar or dissimilar nature and fidelity coverage as required by Section 1 of Article V of these Bylaws and the Maryland Condominium Act, as are or shall hereafter be considered appropriate by the Board of Directors. The Board of Directors shall maintain adequate fidelity coverage to protect against dishonest acts on the part of officers and Directors of the Council of Unit Owners, trustees for the Council of Unit Owners and such employees and agents of the Council of Unit Owners who handle or are responsible for the handling of funds of the Council of Unit Owners. Such fidelity coverage shall meet the following requirements:
  - (i) all such fidelity bonds and policies of insurance shall name the Council of Unit Owners as obligee or named insured, as the circumstances may require; and
  - (ii) all such fidelity bonds and policies of insurance shall be written in an amount equal to at least 3 months' worth of gross annual assessments and the total amount held in all investment accounts at the time the fidelity insurance is issued; and
  - (iii) all such fidelity bonds and policies of insurance shall contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression; and
  - (iv) all such fidelity bonds and insurance shall provide that they may not be canceled or substantially modified (including cancellation for non-payment of premium) without at least thirty (30) days prior written notice, to any and all obligees, and insureds named thereon and to any mortgagee of any condominium unit who requests such notice in writing.

**Section 2. Limitations.** Any insurance obtained pursuant to the requirements of this Article shall be subject to the following provisions:

- a) All policies shall be written or reinsured with a company or companies licensed to do business in Maryland and holding a Financial Strength rating of "A" or better in the current edition of Best's Insurance Guide,
- b) exclusive authority to negotiate losses under said policies shall be vested in the Board of Directors of the Council of Unit Owners, as a trustee for the owners of the condominium units, or its authorized representative, including any trustee with which the Council of Unit Owners may enter into any Insurance Trust Agreement, or any successor trustee, each of which shall be referred to as the "Insurance Trustee".
- c) In no event shall the insurance coverage obtained and maintained pursuant to the requirements of this Article be brought into contribution with insurance purchased by the owners of the condominium units or their mortgagees, as herein permitted, and any "no other insurance" or similar clause in any policy obtained by the Council of Unit Owners pursuant to the requirements of this Article shall exclude such policies from consideration.

- d) All such policies shall contain no provision relieving the insurer from liability because of loss occurring while the hazard is increased in the building, whether or not within the control or knowledge of the Board of Directors or any owner of any condominium unit, or their respective agents, employees, tenants, mortgagees, or invites or by reason of any act of neglect or negligence on the part of any of them.
- e) All policies shall not be canceled or substantially modified (including cancellation for non-payment of premium) without at least thirty (30) days prior written notice to all insureds named thereon, including any and all mortgagees of the condominium units.
- f) All policies of casualty insurance shall provide that, notwithstanding any provisions thereof which give the carrier the right to elect to restore damage in lieu of making a cash settlement, such option shall not be exercisable without the prior written approval of the Board of Directors or when in conflict with the provisions of any Insurance Trust Agreement to which the Council of Unit Owners may be a party, these Bylaws or the provisions of the Condominium Act.
- g) All policies shall contain a waiver of subrogation by the insurer as to all claims against the Council of Unit Owners, the Board of Directors, the owner of any condominium unit and their respective agent, employees, or tenants, and of defenses based upon co-insurance or invalidity arising from the acts of the insured.

**Section 3. Individual HO6 Policies.** The owner of any condominium unit (including the holder of any mortgage thereon) must obtain additional insurance including a “Condominium Unit-Owner’s Endorsement” or its equivalent, for improvements and betterments to the condominium unit installed in the unit by an owner at his/her own expense. Such insurance shall contain, the same waiver of subrogation provision as that set forth in Section 2(g) of this Article. The Council of Unit Owners recommends that each owner of a condominium unit in the condominium obtain, in addition to the insurance hereinabove provided to be obtained by the Board of Directors, a plate glass damage policy and a “Tenant’s Homeowners Policy” or its equivalent, to insure against loss or damage to personal property used or incidental to the occupancy of the condominium unit, additional living expense, vandalism or malicious mischief, theft, personal liability and the like. Such later policy should include a “Condominium Unit-Owner’s Endorsement,” or its equivalent, covering losses to improvements and betterments to the condominium unit made or acquired at the expense of the unit owner. Copies of all such policies shall be filed with the Secretary.

**Section 4. Endorsements.** The Board of Directors, at the request of any owner of any condominium unit in the condominium or at the request of the mortgagee of any such condominium unit, shall promptly obtain and forward to such owner or mortgagee an endorsement to any of the policies mentioned in this Article showing the interest of such unit owner or mortgagee as it may appear; and certificates of insurance relating to any of such policies; and copies of any such policies, duly certified by the insurer or its duly authorized agent.

**Section 5. Insurance Deductibles.** If the cause of any damage to or destruction of any portion of the condominium originates from the common elements, the Council of Unit Owners’ property insurance deductible is a common expense. However, if the cause of any casualty damage originates from a unit, whether or not as a result of the fault or negligence of the owner of the unit, the owner of the unit shall be responsible for paying the deductible amount with respect to any claim made under the Leisure World master property damage insurance policy, up to the maximum amount permitted by the Maryland Condominium Act, and such amount may be assessed against the unit as part of the lien for assessments. Any portion of the deductible amount in excess of the maximum permitted by the Maryland



Condominium Act to be charged to the unit owner shall be a common expense. The provisions of this Section shall not be construed to limit any party's liability to the Association or to any unit owner for such party's wrongful or negligent acts or omissions, nor to limit any right of the Association or of any unit owners to seek reimbursement of any deductible amount paid under this Section from a party whose wrongful or negligent acts or omissions caused the damage for which the insurance claim was submitted as permitted in these Bylaws or otherwise.

## **ARTICLE X – Casualty Damage, Reconstruction or Repair**

**Section 1. Use of Insurance Proceeds.** In the event of damage or destruction of the condominium and/or units by fire or other destruction to the condominium by fire or other casualty, the same shall be promptly repaired or reconstructed in substantial conformity with the original plans and specifications for the condominium and exclusive of improvements and betterments installed in units by unit owners other than the developer, with the proceeds of insurance available for that purpose, if any.

**Section 2. Proceeds Insufficient.** In the event that the proceeds of insurance are not sufficient to repair damage or destruction by fire or other casualty, or in the event such damage or destruction is caused by any casualty not insured against, then the repair or reconstruction of the damage shall be accomplished promptly by the Council of Unit Owners at its common expense, pursuant and subject to such conditions and subject to such controls as the mortgagee, as defined in Section 4 of this Article may require. The ratable share of the expense of such repairs or reconstruction may be assessed and, in the event any Statement of Condominium Lien is recorded with respect to any such assessments, then the lien shall have all the priorities provided for in Article VIII of these Bylaws. In the event that the proceeds of casualty insurance are paid to any Insurance Trustee pursuant to the requirements of Section 4 of this Article, then all funds collected from the unit owners of the condominium units pursuant to this Section 2 shall likewise be paid over to such Insurance Trustee and shall be disbursed by such Insurance Trustee in accordance with the provisions of Section 4 of this Article.

**Section 3. Restoration Not Required.** In the event the condominium is damaged or destroyed by fire or other casualty to the extent of two-thirds (2/3) of the full replacement value of the condominium, as estimated by the Board of Directors and the insurer pursuant to the requirements of Section 1(a) of Article XII of these Bylaws for the period during which such loss was sustained, and the unit owners do not promptly and unanimously resolve to proceed with repair or reconstruction, then and in that event the condominium shall be deemed to be owned in common by the owners of all of the condominium units in the same proportion as that established in the Declaration for ownership of appurtenant undivided interests in the common elements and the condominium shall be subject to an action for partition at the suit of the owner of any condominium unit, in which event the net proceeds of sale, together with the net proceeds of any insurance paid to the Council of Unit Owners or the unit owners in common, shall be considered as one fund and shall be divided among the owners of all of the condominium units in the same proportion as that established in the Declaration for ownership of appurtenant undivided interests in the common elements, after first paying out of the share of the owner of any condominium unit, to the extent such payment is required by any lienor and to the extent such share is sufficient for the purpose, all liens upon said condominium unit in accordance with the priority of interests in each unit.

**Section 4. Insurance Trustee.** In the event the cost of reconstruction or repair (as estimated by the Board of Directors) shall exceed an amount equal to two and one-half percent (2-1/2%) of the full

replacement value of the condominium, as estimated by the Board of Directors and the insurer pursuant to the requirement of Section 1(a) of Article XII of these Bylaws for the period during which such loss was sustained, and the institutional holder or holders of any mortgages or other obligations secured by any condominium unit or units in the aggregate principal sum of more than one hundred fifty thousand dollars (\$150,000.00) (hereinafter in this Section 4 called the “mortgagee”) shall so require, all proceeds of insurance shall be paid over to a trust company or bank (the “Insurance Trustee”) having trust powers and authorized to engage in trust business in the jurisdiction wherein the condominium is located, selected by the Board of Directors with the approval of the mortgagee, and shall be paid out from time to time as the reconstruction or repair progresses in accordance with the provisions of an Insurance Trust Agreement satisfactory in form and substance to the mortgagee and which shall contain, inter alia, the following provisions:

- (a) The reconstruction or repair shall be in the charge of an architect or engineer, who may be an employee of the Council of Unit Owners, satisfactory to the mortgagee, and hereinafter in this Section 4 called the “architect.”
- (b) Prior to the commencement of the reconstruction or repair, other than such work as may be necessary to protect the condominium from further damage, the mortgagee shall have approved the plans and specifications for such reconstruction or repair, which approval shall not be unreasonably withheld or delayed.
- (c) Unless otherwise required by the mortgagee, each request for an advance of the proceeds of insurance shall be made to the mortgagee at least ten (10) days prior to delivery to the Insurance Trustee and shall be accompanied by a certificate from the architect to the effect that:
  - (i) all work then completed has been performed in accordance with the plans and specifications and all building codes or similar governmental requirements; and
  - (ii) the amount requested to be advanced is required to reimburse the Council of Unit Owners for payments previously made by the Council of Unit Owners or is due to the contractor responsible for the restoration or repair, or to subcontractors, materialmen, laborers engineers, architects or to other persons responsible for services or materials in connection with such restoration or repair, or for fees or the like necessarily incurred in connection with the same; and
  - (iii) when added to amounts previously advanced by the Insurance Trustee, the amount requested to be advanced does not unreasonably exceed the value of the work done and materials delivered to the date of such request; and
  - (iv) funds remaining available to the Insurance Trustee for the purpose are sufficient to complete the reconstruction or repair.
- (d) Each request for an advance of the proceeds of insurance shall, if required by the mortgagee, be accompanied by satisfactory waivers of liens covering that portion of the repair or reconstruction for which payment or reimbursement is being requested, together with appropriate evidence from a title insurance company or the like to the effect that there has not been filed with respect to the condominium any mechanic’s or other lien, or notice of intention to file the same, which has not been dismissed or satisfied of record.
- (e) The fees and expenses of the Insurance Trustee, as agreed upon by the Board of Directors and the Insurance Trustee, shall be paid by the Council of Unit Owners as a common expense, and such fees and expenses may be deducted from any insurance proceeds in the hands of the Insurance Trustee, pro rata as the reconstruction or repair progresses.
- (f) Such other provisions not inconsistent with the provisions hereof as the Board of Directors, the Insurance Trustee or the mortgagee may reasonably require.

Upon completion of the reconstruction or repair and payment in full of all amounts due on account thereof, any proceeds of insurance then in the hands of the Insurance Trustee shall be paid to the Council of Unit Owners and shall be considered as one fund and shall be divided among the owners of all of the condominium units in the same proportion as that established in the Declaration for ownership of appurtenant undivided interests in the common elements, after first paying out of the share of the owner of any condominium unit, to the extent such payment is required by any lienor and to the extent the same is sufficient for the purpose, all liens upon said condominium unit in accordance with the priority of interest in each unit.

## **ARTICLE XI – Fiscal Management**

**Section 1. Fiscal Year.** The fiscal year of the Council of Unit Owners shall begin on the first day of January every year. The commencement date of the fiscal year herein established shall be subject to change by the Board of Directors should the practice of the Council of Unit Owners subsequently dictate.

**Section 2. Principal Office – Change of Same.** The principal office of Unit Owners shall be as set forth in Article 1 of these Bylaws. The Board of Directors, by appropriate resolution, shall have the authority to change the location of the principal office of the Council of Unit Owners from time to time; provided, however, that no such change shall become effective until a certificate evidencing such change shall have been made by the secretary or any Assistant secretary of the Council of Unit Owners and recorded, in the name of the Council of Unit Owners, with the Maryland Department of Assessments and Taxation.

**Section 3. Books and Accounts.** Books and accounts of the Council of Unit Owners shall be kept under the direction of the Treasurer in accordance with generally accepted accounting practices, consistently applied. The same shall include books with detailed accounts, in chronological order, of receipts and of the expenditures and other transactions of the Council of Unit Owners and its administration and shall specify the maintenance and repair expenses of the common and limited common elements of the condominium, services provided with respect to the same and any other expenses incurred by the Council of Unit Owners. The amount of any assessment required for payment of any capital expenditures or reserves of the Council of Unit Owners shall be credited upon the books of the Council of Unit Owners to the “Paid-in-Surplus” account as a capital contribution by the members. The receipts and expenditures of the Council of Unit Owners shall be credited and charged to other accounts under at least the following classifications:

- (a) “Current Operations” which shall involve the control of actual expenses of the Council of Unit Owners, including reasonable allowances for necessary contingencies and working capital funds in relation to the assessments and expenses herein elsewhere provided for; and
- (b) “Reserves for Deferred Maintenance” which shall involve the control of monthly funding and maintenance of such deferred maintenance costs and reserves as are approved by the Board of Directors from time to time; and
- (c) “Reserves for Replacement” which shall involve the control of such reserves for replacement as are provided for in these Bylaws in accordance with the Maryland Condominium Act and as may from time to time be approved by the Board of Directors; and
- (d) “Other Reserves” which shall involve the control over funding and charges against any other reserve funds which may from time to time be approved by the Board of Directors; and

- (e) “Investments” which shall involve the control over investment of reserve funds and such other funds as may be deemed suitable for investment on a temporary basis by the Board of Directors; and
- (f) “Betterments” which shall involve the control over funds to be used for the purpose of defraying the cost of any construction or reconstruction, unanticipated repair or replacement of a described capital improvement, and for expenditures for additional capital improvements or personal property made or acquired by the Council of Unit Owners with the approval of the Board of Directors.

**Section 4. Auditing.** At the close of each fiscal year, the books and records of the Council of Unit Owners shall be audited by an independent Certified Public Accountant whose report shall be prepared and certified in accordance with generally accepted auditing standards, consistently applied. Based upon such report, the Council of Unit Owners shall furnish the unit owners and any mortgagee requesting the same with an annual financial statement, including the income and disbursements of the Council of Unit Owners, within ninety (90) days following the end of each fiscal year.

**Section 5. Inspection of Books.** The books and accounts of the Council of Unit Owners, vouchers accrediting the entries made thereupon and all other records maintained by the Council of Unit Owners shall be available for examination by the unit owners and their duly authorized agents or attorneys, and to the institutional holder of any first mortgage on any condominium unit and its duly authorized agents or attorneys, during normal business hours and for purposes reasonably related to their respective interests and after reasonable notice.

**Section 6. Execution of Corporate Documents.** With the prior authorization of the Board of Directors, all notes and contracts shall be executed on behalf of the Council of Unit Owners by either the President or the Vice President, and all checks shall be executed on behalf of the Council of Unit Owners by such officers, agents or other persons as are from time to time so authorized by the Board of Directors.

## **ARTICLE XII – Physical Management**

**Section 1. Management and Common Expenses.** The Council of Unit Owners, acting by and through its Board of Directors, shall manage, operate, and maintain the condominium and, for the benefit of the condominium units and the unit owners, shall enforce the provisions hereof and shall pay out of the common expense fund herein elsewhere provided for the cost of managing, operating, and maintaining the condominium, including, without limitation, the following:

- (a) The cost of providing water, sewer, garbage, and trash collection, and electrical, gas, and other necessary utility services for the common elements and, to the extent that the same are not separately metered or billed to each condominium unit, for the condominium units.
- (b) The cost of fire and extended liability insurance on the condominium and the cost of such other insurance as the Council of Unit Owners may affect.
- (c) The cost of the services of a person or firm to manage the project to the extent deemed advisable by the Council of Unit Owners consistent with the provisions of these Bylaws, together with the services of such other personnel as the Board of Directors of the Council of Unit Owners shall consider necessary for the operation of the condominium.
- (d) The cost of providing such legal and accounting services as may be considered necessary by the Board of Directors for the operation of the condominium.

- (e) The cost of repairs, maintenance, service and replacement of the common elements of the condominium, including, without limitation, the cost of painting, maintaining, replacing, repairing and landscaping the common elements and such furnishings and equipment for the common elements as the Board of Directors shall determine are necessary and proper; provided, however, that nothing herein contained shall require the Council of Unit Owners to repair, replace, or otherwise maintain the interior of any condominium unit, or any fixtures, appliances, equipment, unit component or the like located therein that solely services one unit.
- (f) 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 shall be necessary or proper for the operation of the condominium; provided, however, that if any of the aforementioned are provided or paid for the specific benefit of a particular condominium unit or units, the cost thereof shall be specially assessed to the owner or owners thereof in the manner provided in this Article.
- (g) The cost of the maintenance or repair of any condominium unit in the event such maintenance or repair is reasonably necessary in the discretion of the Board of Directors to protect the common elements or to preserve the appearance or value of the condominium, or is otherwise in the interest of the general welfare of all of the unit owners; provided, however, that, except in cases involving emergencies or manifest danger to safety of person or property, 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 condominium unit proposed to be maintained and, provided further, that the cost thereof shall be assessed against the condominium unit for which such maintenance or repair is performed and, when so assessed, a statement for the amount thereof shall be rendered promptly to the then owner of said condominium unit at which time the assessment shall become due and payable and a continuing obligation of said unit owner in all respects as provided in Article VI of these Bylaws.
- (h) Any amounts necessary to discharge any lien or encumbrance levied against the condominium, or any portion thereof, which may, in the opinion of the Board of Directors, constitute a lien against any of the common elements rather than the interest of the owner of any individual condominium unit.

**Section 2. Council of Unit Owners as Attorney-in-Fact.** The Council of Unit Owners is hereby irrevocably appointed as attorney-in-fact for the owners of all of the condominium units in the condominium, and for each of them, to manage, control and deal with the interests of such unit owners in the common elements of the condominium so as to permit the Council of Unit Owners to fulfill all of its powers, functions, and duties under the provisions of the Condominium Act, the Declaration and the Bylaws, and to exercise all of its rights thereunder and to deal with the condominium upon its destruction and the proceeds of any insurance indemnity, as herein elsewhere provided. The foregoing shall be deemed to be a power of attorney coupled with an interest and the acceptance by any person or entity of any interest in any condominium unit shall constitute an irrevocable appointment of the Council of Unit Owners as attorney-in-fact as aforesaid.

**Section 3. Management Agent.** The Council of Unit Owners may by contract in writing delegate any of its ministerial duties, powers, or functions to the Management Agent. The Council of Unit Owners and the Board of Directors shall not be liable for any omission or improper exercise by the Management Agent of any such duty, power, or function so delegated. Any management agreement entered into by the Council of Unit Owners shall provide that such agreement may be terminated upon thirty (30) days

written notice. The term of any such management agreement shall not exceed one (1) year; provided, however, that the term of any such management agreement may be renewable by mutual agreement of the parties for successive one-year periods.

**Section 4. Duty to Maintain.** Except for maintenance requirements herein imposed upon the Council of Unit Owners, the owner of any condominium unit shall, at his/her own expense, maintain the interior of his/her condominium unit and any and all equipment, appliances or fixtures therein situated, and its other appurtenances and designated herein or in the Declaration or the Condominium Plat as a limited common element reserved for the exclusive use by the owner of that particular condominium unit and appurtenances located outside such unit which are designed, designated or installed to serve only that unit in good order, condition and repair, free and clear of ice and snow, and in a clean and condition. The Board of Directors shall create rules necessary to detail any specifics they deem required.

**Section 5. Access at Reasonable Times.** The Council of Unit Owners shall have an irrevocable right and an easement to enter condominium units for the purpose of inspections or for the purpose of making repairs when the repairs reasonably appear necessary for public safety or to prevent damage to other portions of the condominium. Except in cases involving manifest damage to public safety or property, the Council of Unit Owners shall make a reasonable effort to give notice to the owner of any condominium unit to be entered for the purpose of such inspection and repairs. No entry by the Council of Unit Owners for the purpose specified in this Section may be considered a trespass.

**Section 6. Easement for Utilities and Related Purposes.** The Council of Unit Owners is authorized and empowered to grant (and shall from time to time grant) such licenses, easements, and rights-of-way for sewer lines, water lines, electrical cables, telephone cables, gas lines, storm drains, overhead or underground conduits, and such other purposes related to the provision of public utilities to the condominium as may be considered necessary and appropriate by the Board of Directors for the orderly maintenance, preservation, and enjoyment of the common elements or for the preservation of the health, safety, convenience, and welfare of the owners of the condominium units.

**Section 7. Limitation of Liability.** The Council of Unit Owners shall not be liable for any failure of water supply or other services to be obtained by the Council of Unit Owners or paid for out of the common expense funds, or for injury or damage to person or property caused by the elements or resulting from electricity, water, snow or ice which may leak or flow from any portion of the common elements, or from any wire, pipe, drain, conduit, appliance or equipment. The Council of Unit Owners shall not be liable to the owner of any condominium unit for loss or damage, by theft or otherwise, of articles which may be stored upon any of the common or limited common elements. No diminution or abatement of common expense assessments, as herein elsewhere provided, shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the common or limited common elements, or to any condominium unit, 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.

### **ARTICLE XIII – Amendment and Rules**

**Section 1. Bylaw Amendments.** These Bylaws may be amended by the affirmative vote of unit owners in good standing representing at least sixty percent (60%) of the total votes of the Council of Unit Owners, at any meeting of the unit owners duly called for such purpose, in accordance with the

provisions and requirements of these Bylaws and Title 11, Real Property Article, of the Annotated Code of Maryland (1974 Repl. Vol.), as amended. Any amendment to these Bylaws shall be effective only upon the recordation of such amendment among the Land Records for Montgomery County, Maryland together with a certificate in writing of the President of the Council of Unit Owners stating that the amendment was approved as aforesaid.

**Section 2. Proposal of Amendments.** Amendments to these Bylaws may be proposed by the Board of Directors of the Council of Unit Owners or by a petition signed by unit owners representing at least twenty-five percent (25%) of the total votes of the Council of Unit Owners, which petition shall be delivered to the Secretary. A description of any proposed amendment shall accompany the notice of any annual or special meetings of the unit owners at which such proposed amendment is to be considered and voted upon.

**Section 3. Creating or Amending Rules.** To adopt, repeal or amend the rules for the condominium association, the Board of Directors shall:

- (a) Mail, deliver, or email to each unit owner a copy of any proposal for the adoption, repeal, or amendment of any rule. The proposal shall include:
  - (i) the effective date of the proposed rule; and
  - (ii) indication that unit owners are permitted to submit written comments on the proposed rule; and
  - (iii) the date of an open meeting of the Board of Directors, at which a vote will be taken on the proposed rule. Such a meeting may not be less than fifteen (15) days after the date of the notice sent.
- (b) At the open meeting of the Board of Directors, at which a quorum of the board must be present, following consideration of all comments which shall be given at the open meeting by any unit owner or tenant on the proposed rule, the board will vote to adopt the proposal with any modifications it may determine, or to withdraw it.
- (c) Each rule adopted under this section shall be created in accordance with the provisions of Section 11-111 of the Maryland Condominium Act.
- (d) The board shall send to all unit owners and lessees a report of its action (except withdrawal), the text of the rule or a summary thereof, and the effective date of the rule.

#### **ARTICLE XIV – Mortgages – Notice – Other Rights of Mortgagees**

**Section 1. Notice to the Board of Directors.** Any owner of any condominium unit in the condominium who mortgages such unit shall promptly notify the Board of Directors of the name and address of his or her mortgagee. The Board of Directors shall maintain suitable records pertaining to such mortgages.

**Section 2. Consents.** Any other provision of these Bylaws or of the Declaration 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 the prior written consent and approval of 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 of the condominium 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 interests of the unit owners in the common elements of the condominium, the percentage interests of the unit owners in the common expenses and common profits of the condominium or the voting rights of the unit owners; or
- (c) modify the method of determining and collecting common expense assessments or other assessments as provided in Article VI of these Bylaws; or
- (d) partition, subdivide, transfer, or otherwise dispose of any of the common elements of the condominium project; or
- (e) resolve to use the proceeds of casualty insurance for any purpose other than the repair or restoration of the condominium.

**Section 2. Subdivision or Partition.** 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.

**Section 3. Casualty Losses.** In the event of damage or destruction of any condominium unit or any part of the common or limited 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/her condominium unit with respect to the distribution to such unit owner of any insurance proceeds.

**Section 4. Condemnation or Eminent Domain.** In the event any condominium unit or any part of the common and limited common elements of the condominium is made the subject matter of any 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/her condominium unit with respect to the distribution to such unit owner of the proceeds of any condemnation award or settlement.

## **ARTICLE XV – Compliance – Interpretation – Miscellaneous**

**Section 1. Compliance.** These Bylaws are set forth in compliance with the requirements of Title 11, Real Property Article Annotated Code of Maryland (1974 Repl. Vol.), as amended.

**Section 2. Conflict.** These Bylaws are subordinate and subject to all provisions of the Declaration and to the provisions of Title 11, Real Property Article, Annotated Code of Maryland (1974 Repl. Vol.), as amended. All the terms hereof, except where clearly repugnant to the context, shall have the same meaning as in the Declaration or the aforesaid statute. In the event of any conflict between these Bylaws and the Declaration, the provisions of the Declaration shall control; and in the event of any conflict between the aforesaid Declaration and Title 11, Real Property Article, Annotated Code of Maryland (1974 Repl. Vol.) as amended, the provisions of the statute shall control.

**Section 3. Notices.** Unless another type of notice is herein elsewhere specifically provided for, any and all notices called for in the Declaration and in these Bylaws shall be given in writing.



**Section 4. Severability.** In the event any provision or provisions of these Bylaws shall be determined to be invalid, void, or unenforceable, such determination shall not render invalid, void, or unenforceable any other provisions hereof which can be given effect.

**Section 5. Waiver.** No restriction, condition, obligation, or provisions of these Bylaws shall be deemed to have been abrogated or waived by reason of any failure or failures to enforce the same.

**Section 6. Captions.** The captions contained in these Bylaws are for convenience only and are not a part of these Bylaws and are not intended in any way to limit or enlarge the terms and provisions of these Bylaws.

**Section 7. Gender, etc.** Whenever in these Bylaws the context so requires, the singular number shall include the plural and the converse; and the use of any gender shall be deemed to include all genders.

**Appendix – Exhibit C**  
**In table, columns with % indicate Percentage Interest in Common Elements,**  
**Common Expenses, and Common Profits**

<b>Unit</b>	<b>%</b>	<b>Unit</b>	<b>%</b>	<b>Unit</b>	<b>%</b>
95-A	.0112269	108-A	0104250	121-A	.0097034
95-B	.0104250	108-B	0112269	122-A	.0112269
96-A	.0104250	108-C	0104250	122-B	0097034
96-B	0097034	109-A	.0104250	122-C	.0104250
97-A	.0112269	109-B	.0097034	123-A	.0104250
97-B	.0097034	109-C	.0112269	123-B	.0097034
98-A	.0104250	110-A	0104250	123-C	.0112269
98-B	.0112269	110-B	.0112269	124-A	.0112269
98-C	.0104250	110-C	.0104250	124-B	.0104250
99-A	.0104250	111-A	0104250	125-A	.0097034
99-B	0097034	111-B	.0112269	125-B	.0104250
100-A	0104250	112-A	.0112269	126-A	0112269
100-B	.0097034	112-B	.0097034	126-B	.0104250
101-A	.0104250	112-C	.0104250	127-A	.0104250
101-B	0112269	113-A	.0104250	127-B	.0112269
101-C	0104250	113-B	.0097034	127-C	.0104250
102-A	.0112269	114-A	0104250	128-A	.0112269
102-B	0097034	114-B	.0097034	128-B	.0097034
102-C	0104250	114-C	.0112269	128-C	.0104250
103-A	.0104250	115-A	0112269	129-A	.0112269
103-B	.0097034	115-B	.0104250	129-B	0104250
104-A	0104250	116-A	.0104250	130-A	.0112269
104-B	.0112269	116-B	.0112269	130-B	0104250
104-C	0104250	116-C	0104250	131-A	.0104250
105-A	0112269	117-A	.0104250	131-B	.0112269
105-B	.0097034	117-B	.0112269	131-C	.0104250
105-C	.0104250	118-A	.0112269	132-A	.0112269
106-A	.0104250	118-B	.0097034	132-B	.0097034
106-B	0112269	118-C	0104250	132-C	0104250
106-C	.0104250	119-A	0097034		
107-A	.0112269	120-A	.0104250		
107-B	.0097034	120-B	.0112269		
107-C	.0104250	120-C	0104250		



