

**Bylaws**  
**Chelsea Wood Condominium Council of Co-Owners**

BYLAWS OF  
CHELSEA WOOD CONDOMINIUM  
COUNCIL OF CO-OWNERS

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STATE OF MARYLAND

COUNTY OF PRINCE GEORGE'S

AMENDMENT TO THE BYLAWS  
OF  
CHELSEA WOOD CONDOMINIUM  
COUNCIL OF CO-OWNERS

WHEREAS, on May 4, 1973, Chelsea One Associates, a Maryland General Partnership, executed a Master Deed and Bylaws applicable to Chelsea Wood Condominium, recorded amongst the Land Records of Prince George's County, Maryland, at Liber 4218, Folio 597, et seq.; and

WHEREAS, under Section 11-109 of the Maryland Condominium Act (Annotated Code of Maryland, Real Property Article, Title 11, Supp. 1982), (hereinafter referred to as the "Act"), the affairs of the Condominium are governed by the Council of Co-Owners, which is comprised of all unit owners at Chelsea Wood Condominium; and

WHEREAS, under Article VII of the Bylaws (and in accordance with Section 11-104 of the Act), the Bylaws may be amended by the affirmative vote of unit owners representing sixty-six and two-thirds percent (66 2/3%) of the aggregate percentage interests of the Condominium at any regular or special meeting duly called for such purpose; and

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WHEREAS, owners of units representing at least sixty-six and two-thirds percent (66 2/3%) of the aggregate percentage interests of the Condominium have consented in writing, attached hereto, to this Amendment to the Bylaws of Chelsea Wood Condominium;

NOW, THEREFORE, pursuant to Section 11-104 of the Act and in accordance with the Bylaws of Chelsea Wood Condominium, the Bylaws of Chelsea Wood Condominium are amended by striking those Bylaws in their entirety and substituting therefor the following:

## TABLE OF CONTENTS

### PAGE

#### 1. GENERAL

1. 1. Applicability.....	1
1. 2. Name and Mailing Address.....	1
1. 3. Registered Agent.....	1
1. 4. Membership.....	2
1. 5. Voting.....	2
1. 6. Purpose.....	3

#### 2. DEFINITIONS

2. 1. Act.....	3
2. 2. Assessments.....	3
2. 3. Board or Board of Directors.....	3
2. 4. Bylaws.....	3
2. 5. Common Elements.....	3
2. 6. Condominium.....	4
2. 7. Council of Co-Owners.....	4
2. 8. Eligible Votes.....	4
2. 9. Governing Documents and/or Condominium Instruments.....	4
2. 10. Majority.....	4
2. 11. Master Deed.....	4
2. 12. Mortgage.....	4
2. 13. Officer.....	4
2. 14. Owner, Co-Owner or Unit Owner.....	4
2. 15. Person.....	5
2. 16. Unit.....	5

#### 3. MEETINGS OF MEMBERS

3. 1. Annual Meetings.....	5
3. 2. Special Meetings.....	5
3. 3. Notice of Meetings.....	5
3. 4. Waiver of Notice.....	6
3. 5. Quorum.....	6
3. 6. Order of Business.....	6
3. 7. Conduct of Meetings.....	7
3. 8. Adjournment.....	7
3. 9. Proxy.....	7
3. 10. Consents.....	7
3. 11. Roster of Co-Owners.....	7

## 4. BOARD OF DIRECTORS

A. Composition and Selection	8
4. 1. Composition.....	8
4. 2. Election Procedures.....	8
4. 3. Term of Office.....	8
4. 4. Nominations.....	8
4. 5. Removal of Members of the Board of Directors.....	9
4. 6. Vacancies.....	9
4. 7. Compensation.....	9
4. 8. Elections.....	9
B. Meetings.	10
4. 9. Organization Meeting.....	10
4.10. Regular Meetings.....	10
4.11. Special Meetings.....	10
4.12. Waiver of Notice.....	10
4.13. Conduct of Meetings.....	11
4.14. Quorum.....	11
4.15. Action Without a Meeting.....	11
C. Powers and Duties.	11
4.16. Powers and Duties.....	11
4.17. Management Agent (Manager).....	13
4.18. Borrowing.....	14
4.19. Council of Units Owners as Attorney-in-Fact.....	14
D. Committees.	15
4.20. Committees.....	15
4.21. Building Representatives.....	15

## 5. OFFICERS

5. 1. Designation.....	15
5. 2. Election of Officers.....	15
5. 3. Removal of Officers.....	16
5. 4. President.....	16
5. 5. Vice President.....	16
5. 6. Secretary.....	16
5. 7. Treasurer.....	16
5. 8. Agreements, Contracts, Deeds, Leases Checks, Etc.....	17
5. 9. Compensation for Officers.....	17

6. COUNCIL RESPONSIBILITIES

6. 1.	Liability and Indemnification of Officers and Directors.....	17
6. 2.	Insurance.....	17
6. 3.	Repair and Reconstruction.....	20
6. 4.	Architectural Standards.....	22

7. MANAGEMENT

7. 1.	Management and Common Expenses.....	22
7. 2.	Management Agent (Manager).....	24
7. 3.	Duty to Maintain.....	24
7. 4.	Additions, Alterations or Improvements by the Board of Directors.....	24
7. 5.	Access at Reasonable Times.....	25
7. 6.	Easements for Utilities and Related Purposes.....	25
7. 7.	Limitation of Liability.....	25

8. ASSESSMENTS

8. 1.	Purpose of Assessment.....	26
8. 2.	Creation of the Lien and Personal Obligation for Assessments.....	26
8. 3.	Acceleration.....	27
8. 4.	Computation of Operating Budget and Assessment.....	28
8. 5.	Special Assessments.....	28
8. 6.	Notice of Meetings.....	28
8. 7.	Reserves.....	28
8. 8.	Lien for Assessments.....	29

9. USE RESTRICTIONS AND RULE MAKING

9. 1.	Authority.....	29
9. 2.	Enforcement.....	29
9. 3.	Procedure.....	30
9. 4.	Prohibited Uses and Nuisances.....	31
9. 5.	Residential Use.....	33
9. 6.	Limitations On Number of Units Owned.....	33

10. SALES, LEASES, AND ALIENATION OF UNITS

10.1.	No Severance of Ownership.....	34
10.2.	Leases.....	34

11.	COMPLIANCE AND DEFAULT	
11. 1.	Relief.....	36
11. 2.	Supplemental Enforcement of the Lien.....	37
11. 3.	Subordination and Mortgage Protection.....	37
12.	CONDEMNATION	
12. 1.	Definition.....	38
12. 2.	When Repair and Reconstruction Required.....	38
12. 3.	When Reconstruction Not Required.....	38
12. 4.	Effect on Percentage Interests of Units.....	39
13.	FISCAL MANAGEMENT	
13. 1.	Fiscal Year.....	39
13. 2.	Books and Records.....	40
13. 3.	Auditing.....	40
13. 4.	Execution of Council Documents.....	40
14.	AMENDMENT	
14. 1.	Amendments.....	40
15.	MISCELLANEOUS	
15. 1.	Notices.....	40
15. 2.	Severability.....	41
15. 3.	Captions.....	41
15. 4.	Conflicts.....	41
15. 5.	Gender and Grammar.....	41
15. 6.	Waiver.....	41
15. 7.	Right of Access.....	41
15. 8.	Notice to Mortgagees and Veterans Administration.....	42
15. 9.	Washington Suburban Sanitary Commission.....	42
15.10.	Covenant Not to Merge.....	43
15.11.	Consent of First Mortgagees and Veterans Administration.....	43
15.12.	Easements.....	44



BYLAWS OF  
CHELSEA WOOD CONDOMINIUM  
COUNCIL OF CO-OWNERS

Article 1  
General

Section 1.1. Applicability. These Bylaws provide for the self-government of the Chelsea Wood Condominium Council of Co-Owners, in accordance with the Chelsea Wood Condominium Master Deed, recorded in Liber 4218, Folio 597, Prince George's County Land Records (said Master Deed being the Condominium Master Deed applicable to the Chelsea Wood Condominium, and hereinafter referred to as the "Master Deed"). Words used herein and defined in the Master Deed or the Maryland Condominium Act, Title 11, Real Property Article, Annotated Code of Maryland (1982 Supp.) (hereinafter referred to as the "Act"), shall have the meaning therein assigned.

Section 1.2. Name and Mailing Address. The name of the unincorporated Council is Chelsea Wood Condominium Council of Co-Owners (hereinafter referred to as the "Council"). The mailing address and principal office is 8445 Greenbelt Road, Greenbelt, Maryland 20770, or at such other place as may be designated from time to time by the Board of Directors. As long as required by the Condominium Act, the Council shall file with the Department of Assessments and Taxation the names and mailing addresses of the Council's officers and directors by April 15 of each year. The Council may be incorporated upon resolution of the Board of Directors.

Section 1.3. Registered Agent. The registered agent of the Council shall be that person whose name is on file with the Maryland Department of Assessments and Taxation as provided in Section 11-119 of the Act. The registered agent is a citizen and actual resident of the State of Maryland or a corporation duly registered or qualified to do business in the State. The name and address of the registered agent of the Council may be changed pursuant to the Act. As long as required by the Act, the Council shall file with the Department of Assessments and Taxation the names and mailing addresses of the resident agent and managing agent by April 15 of each year.

At the time of recording of this Amendment, the resident agent of the Council is:

P. Michael Nagle  
6184 Llanfair Drive  
Columbia, Maryland 21044

Section 1.4. Membership. An owner of a unit shall automatically become a member of the Council upon taking title to the unit and shall remain a member for the entire period of ownership. As may be more fully provided below, a spouse of a member may exercise the powers and privileges of the member. If title to a unit is held by more than one person, the membership shall be shared in the same proportion as the title, but there shall be only one (1) membership and one (1) vote per unit. Membership does not include persons who hold an interest merely as security for the performance of an obligation, and the giving of a security interest shall not terminate the owner's membership. Membership shall be appurtenant to the unit to which it appertains and shall be transferred automatically by conveyance of that unit and may be transferred only in connection with the transfer of title.

Section 1.5. Voting.

(a) Each unit shall be entitled to a percentage vote which may be cast by the owner, the owner's spouse, or by lawful proxy, as provided below. Each unit shall have allocated and is hereby allocated a vote equal to the percentage of undivided interest as set forth in Article III of the Master Deed and as shown on Exhibit "D" to the Master Deed. At every meeting of the members of the Council, each member shall have the right to cast his or her vote based on the percentages established in Exhibit "D" of the Master Deed for each membership he owns on each question. The vote of the members representing the majority of the eligible votes represented at such meetings, at which a quorum is present, in person or by proxy, shall decide any question brought before such meeting, unless the question is one upon which, by express provision of statute or the Master Deed or of these Bylaws, a different vote is required, in which case such express provision shall govern and control.

(b) When more than one person owns a unit, the vote for such unit shall be exercised as they between or among themselves determine, but in no event shall more than one vote be cast with respect to any unit. In the event of disagreement among such persons and an attempt by two or more of them to cast such vote or votes, such persons shall not be recognized and such vote or votes shall not be counted. In the absence of the Secretary, a chairperson appointed by the Board of Directors shall count votes.

(c) No owner shall be eligible to vote, either in person or by proxy, be elected to the Board of Directors or serve as a member of a committee if that owner is more than thirty (30) days delinquent in any payment due the Council or if a lien has been filed in accordance with the Act and the amount necessary to release the lien has not been paid by the time of the meeting.

Section 1.6. Purpose. The Council, through the Board of Directors, shall have the responsibility of administering the Condominium, establishing the means and methods of collecting the assessments of common expenses, arranging for the management of the Condominium and performing all of the other acts that may be required to be performed by the Council by the Act and the Master Deed. Except as to those matters which the Act or the Master Deed, as may be amended, specifically require to be performed by the vote of the Council, the administration of the foregoing responsibilities shall be performed by the Board of Directors, as more particularly set forth below.

## Article 2 Definitions

Unless the context, the Master Deed or the Act otherwise requires, the terms as used in these Bylaws and the Master Deed shall have the following meanings:

Section 2.1. Act shall mean the Maryland Condominium Act, Title 11, Real Property Article, Annotated Code of Maryland (1982 Supp.), as such Act may be amended.

Section 2.2. Assessments shall mean those levies, assessments or sums payable by the unit owners in the Condominium, from time to time upon notification, by the Council of Unit Owners, as provided herein; the obligation to pay such assessments shall be deemed a covenant running with the land.

Section 2.3. Board or Board of Directors shall mean the persons elected as such in accordance with these Bylaws.

Section 2.4. Bylaws shall mean such governing regulations as are adopted pursuant to the Maryland Condominium Act and the Master Deed for the regulation, administration and management of the property, including such amendments thereof as may be adopted from time to time.

Section 2.5. Common elements or common areas shall mean that area and property submitted to be part of the Condominium but not included within the boundaries of a unit, as defined in the Master Deed.

Section 2.6. Condominium shall mean all that property submitted to the Act as described in Exhibit "A" to the Master Deed.

Section 2.7. Council of Co-Owners shall mean Chelsea Wood Condominium Council of Co-Owners, an unincorporated Council, and its successors. The terms "Council of Unit Owners" and "Council" are deemed to be synonymous with the term "Council of Co-Owners."

Section 2.8. Eligible Votes shall mean those votes available to be cast on the issue at hand. A vote which is for any reason suspended is not available to be cast.

Section 2.9. Governing Documents and/or Condominium Instruments shall mean the Master Deed, Bylaws and/or rules and regulations as defined herein.

Section 2.10. Majority, as used in these Bylaws, shall mean those votes (as determined in accordance with the Percentage Interests), of owners, or other group, as the context may indicate, totalling more than fifty percent (50%) of the total number of eligible votes, owners eligible to vote, or other groups eligible to vote at a meeting at which a quorum is present. Unless otherwise specifically stated, the words "majority vote" mean more than fifty percent (50%) of those eligible voters voting in person or by proxy at a meeting at which a quorum is present. Unless otherwise provided in the Master Deed or these Bylaws, all decisions shall be by majority vote.

Section 2.11. Master Deed shall mean that document entitled "Chelsea Wood Condominium Master Deed," filed of record in the Prince George's County Land Records referenced in Article 1, Section 1, of these Bylaws.

Section 2.12. Mortgage shall refer to any mortgage, deed to secure debt, deed of trust, or other transfer or conveyance for the purpose of securing the performance of an obligation, including, but not limited to, a transfer or conveyance for such purpose of fee title through a deed of trust.

Section 2.13. Officer shall mean those individuals who are elected by the Board to serve as President, Vice President, Secretary, or Treasurer or such other subordinate offices as the Board may determine necessary.

Section 2.14. Owner, Co-Owner or Unit Owner shall mean the person or persons holding record title to a unit within the Condominium, but shall not mean a mortgage holder.

Section 2.15. Person shall mean any individual, corporation, firm, association, partnership, or other legal entity.

Section 2.16. Unit shall mean that portion of the Condominium intended for individual ownership and use as described in the Master Deed.

### Article 3 Meetings of Council Members (Co-Owners)

Section 3.1. Annual Meetings. Regular annual meetings of the Council shall be held during the month of April of each year on a day and at an hour as designated by the Board. Meetings shall be at the Condominium or other suitable place set by the Board in Prince George's County, Maryland.

Section 3.2. Special Meetings. It shall be the duty of the President to call a special meeting of the Council if so directed by resolution of the Board of Directors or upon a petition signed and presented to the Secretary by co-owners having votes totaling not less than twenty-five percent (25%) of the total number of votes in the Council. The purpose of this petition process is to provide co-owners with a method to initiate or modify an action within the Council. To provide a valid basis for inclusion as an agenda item at a special meeting, the copy of a petition signed by a co-owner must indicate a special meeting is being requested and must include the exact wording of the proposed motion to be acted upon. The co-owner signing a petition must also include his unit number (and address if a non-resident) and his telephone number on the petition so that contact can be made to confirm that he signed the petition as submitted. A petition calling for action must be consistent with the Maryland Condominium Act, the Master Deed, these Bylaws or a formal contract made by or on behalf of the Council.

Section 3.3. Notice of Meetings. It shall be the duty of the Board of Directors or its designee to mail by first class mail or cause to be delivered a notice of each annual or special meeting of co-owners, at least ten (10), but not more than ninety (90) days, prior to such meeting, stating the purpose thereof, as well as the time and place where it is to be held, to each co-owner of record, at such address as each co-owner shall have designated by notice in writing to the Board of Directors or its designee. The mailing of a notice of meeting in the manner provided in this Section shall be considered service of notice. The notice of any special meeting shall state the time and place of such meeting and the purpose

thereof. No business shall be transacted at a special meeting, except as stated in the notice, unless by consent of four-fifths (4/5) of the members present, either in person or by proxy.

Section 3.4. Waiver of Notice. Waiver of notice of a meeting of the owners shall be deemed the equivalent of proper notice. Any owner may file with the Board of Directors a written waiver of notice of any meeting of the owners, either before or after such meeting. Attendance at a meeting by an owner, whether in person or by proxy, shall be deemed waiver by such owner of notice of the time, date and place thereof unless such owner specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting shall also be deemed waiver of notice of all business transacted thereat unless objection to lack of notice is raised before the business, of which proper notice was not given, is put to a vote.

Section 3.5. Quorum.

(a) Except as may be provided elsewhere, the representation in person or by proxy of those co-owners holding the minimum percentage of the eligible votes allowable by the Maryland Condominium Act shall constitute a quorum; provided, however, the quorum shall not be less than twenty-five percent (25%) of the eligible votes, except as provided in part (b) hereof.

(b) The Board of Directors shall further have the power to adjourn meetings at which a quorum is not present in accordance with the procedures established in Title 5, Subtitle 2, of the Corporations and Associations Article of the Maryland Code Annotated.

Section 3.6. Order of Business. As far as practical, the order of business at all meetings of the Council of Co-Owners shall normally be as follows:

- (a) Roll call.
- (b) Proof of notice of meeting.
- (c) Reading of minutes of preceding meeting.
- (d) Reports of officers.
- (e) Report of Board of Directors.
- (f) Reports of committees.
- (g) Election or appointment of inspectors of election (when so required).
- (h) Election of members of the Board of Directors (when so required).
- (i) Unfinished business.
- (j) New business.

Section 3.7. Conduct of Meetings. The President shall preside over all meetings of the Council of Co-Owners and the Secretary will be responsible for assuring that minutes of the meeting are kept, and recording in a minute book all resolutions adopted at the meeting, as well as recording all transactions occurring thereat. The President may appoint a person to serve as parliamentarian at any meeting of the Council of Co-Owners.

Section 3.8. Adjournment. Any meeting of the Council may be adjourned from time to time for periods not less than twelve (12) hours by a ten percent (10%) vote of the co-owners entitled to vote thereat, present in person or by proxy, regardless of whether a quorum is present. This action may be taken without notice, other than announcement at the meeting. Any business which could be transacted properly at the original session of the meeting may be transacted at an adjourned session, at which a quorum is present, and no additional notice of such adjourned session shall be required.

Section 3.9. Proxy. Any member entitled to vote may appoint any other person as his or her proxy, provided, however, (a) that a person other than an officer, director, or official building representative of the Council may only vote up to four (4) proxies, (b) that an individual running for the Board may not vote proxies on their own behalf, and (c) that the provisions of the Act regarding proxies and the voting of proxies are otherwise observed. To be valid, a proxy must be in writing and filed with the Board of Directors prior to the opening of the meeting for which it is to be used and must be dated. Presence of the member at the meeting for which a proxy is given shall automatically revoke the proxy. No proxy shall be valid for more than one hundred eighty (180) days following its issuance, unless granted to the lessee of the unit.

Section 3.10. Consents. Any action which may be taken by a vote of the owners may also be taken by written consent of those owners who hold the requisite percentage of votes necessary to decide an issue pursuant to these Bylaws.

Section 3.11. Roster of Co-Owners. The Council shall maintain a current roster of names and addresses of each co-owner to which notice of meetings of the Council shall be sent. Each co-owner shall, within five (5) days after acquiring title to the unit, furnish the management agent (Manager) of the Council (or if no Manager is serving, such person as designated by the Board of Directors) with his or her name and current mailing address. No co-owner may vote at meetings of the Council until this information is furnished.

Article 4  
Board of Directors

Part A. Composition and Selection.

Section 4.1. Composition. The affairs of the Council and the Condominium shall be governed by a Board of Directors. The Board shall be composed of an odd number of directors between not less than five (5) and not more than nine (9) positions. At the time of the enactment of these Bylaws, the Board shall be composed of five (5) positions and shall remain at that number until a majority vote of co-owners present in person or by proxy at an annual meeting or special meeting, at which a quorum is present, vote to change that number. The directors shall be owners of units; provided, however, that no owner and his or her spouse or multiple owners of the same unit may serve on the Board at the same time and provided that a majority of the members of the Board shall be resident unit owners.

Section 4.2. Election Procedures. The President of the Board of Directors shall prepare and recommend election procedures to the Board (or designee). It shall be the responsibility of the Board to then adopt election procedures and to advise co-owners of such procedures at least thirty (30) days prior to an annual meeting at which an election is scheduled. The Board may ratify a previous years procedures, in which event no advance notice to co-owners shall be required. In the event a Board fails to adopt election procedures in a given year, the election procedures in effect for the previous year shall be applicable and no advance notice to co-owners shall be required.

Section 4.3. Term of Office. As of the date of the adoption of these Bylaws, directors have been elected and are serving in office. The directors, who serve staggered terms, shall continue to serve the remainder of their term despite the adoption of these Bylaws. The intention of these Bylaws is to continue staggered terms. As such, upon the expiration each director's term, a successor shall be elected for three (3) years and thereafter each director shall be elected for three (3) years. The directors shall hold office until their respective successors have been elected and hold their first meeting.

Section 4.4. Nominations. Persons qualified to be members of the Board of Directors may be nominated for election only as follows:

(a) Any co-owner may submit to the Secretary not less than fifteen (15) days before notice of an election is sent, a statement that the person nominated is willing to serve on the



Board of Directors and a biographical sketch of the nominee. The Secretary shall mail or hand deliver the submitted items to every co-owner along with the notice of such meeting; or

(b) Nominations may be submitted from the floor at the meeting at which the election is held for each vacancy on the Board of Directors provided nominations from the floor are supported by at least five (5) second motions.

Section 4.5. Removal of Members of the Board of Directors. At any duly called regular or special meeting of the Council, any one or more of the members of the Board of Directors may be removed with or without cause by a majority of the total number of owners and a successor may then and there be elected to fill the vacancy thus created. Any director whose removal has been proposed by the members shall be given at least ten (10) days notice of the calling of the meeting and the purpose thereof and shall be given an opportunity to be heard at the meeting.

Section 4.6. Vacancies. Vacancies in the Board of Directors caused by any reason, including the addition of a new director or directors, other than the removal of a director by vote of the Council, shall be filled by a vote of the majority of the remaining directors, even though those directors constitute less than a quorum, at any meeting of the Board of Directors. The director selected by the Board shall serve until a successor shall be elected at the next annual meeting of the Council to fill the unexpired portion of the term, unless and until removed, as provided in Section 4.5.

Section 4.7. Compensation. Directors shall not be compensated for acting as such unless and to the extent the members of the Council authorized compensation by majority vote at any meeting duly called for that purpose. Notwithstanding the foregoing, directors may be reimbursed for reasonable expenses incurred on behalf of the Council as shall be determined by the Board of Directors.

Section 4.8. Elections. Directors shall be elected by the Council of Co-Owners, from among those nominated, by a vote by secret ballot of the eligible voters at the annual meeting, a quorum being present. In the event that there are more nominees than positions to be filled, those person(s) receiving the greatest percentage vote, even if said percentage does not equal a majority of that percentage represented by those present and voting, shall be elected. For example, should there be five (5) nominees for three (3) positions, the three (3) persons receiving the greatest percentage vote shall be elected. Cumulative voting shall not apply.

Part B. Board of Directors Meetings.

Section 4.9. Organization Meeting. The first meeting of a newly elected Board of Directors shall be held within ten (10) days of an election, at such time and place as shall be fixed by the directors at the time of the meeting of the Council at which such directors were elected, and no further notice shall be necessary to the newly elected directors in order legally to constitute such meeting, providing a majority of the Board shall be present.

Section 4.10. Regular Meetings.

(a) Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by the Board, but such meetings shall be held at least four times during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director, personally or by mail, telephone or telegraph, at least three (3) days prior to the day named for such meeting. The date of the next regular meeting may be set at a meeting and such action shall constitute notice of the next meeting to all directors present at the prior meeting.

(b) Except as authorized by the Act, regular meetings of the Board of Directors shall normally be open to all co-owners. Notice to co-owners of regular meetings of the Board of Directors shall be given in a manner determined by the Board of Directors.

Section 4.11. Special Meetings. Special meetings of the Board of Directors may be called by the President on three (3) days notice to each director given by mail, in person or by telephone, which notice shall state the time, place, and purpose of the meeting. Upon the written request of at least two (2) directors, special meetings of the Board of Directors shall be called by the President, Vice President, Secretary, or Treasurer in like manner and on like notice. Notice to co-owners of special meetings of the Board of Directors shall be given in a manner determined by the Board of Directors.

Section 4.12. Waiver of Notice. Any director may, at any time, in writing, waive notice of any meeting of the Board of Directors, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board of Directors shall also constitute a waiver of notice by him or her of the time and place of such meeting. If all directors are present at any meeting of the Board of Directors, no notice shall be required and any business may be transacted at such meeting.

Section 4.13. Conduct of Meetings. The President shall preside over meetings of the Board of Directors and the Secretary shall keep a minute book recording therein all resolutions adopted by the Board of Directors and a record of all transactions and proceedings occurring at such meeting.

Section 4.14. Quorum. A majority of directors shall constitute a quorum for the transaction of business, and the acts of the majority of the directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors.

Section 4.15. Action Without a Meeting. Any action by the Board of Directors required or permitted to be taken at any meeting may be taken without a regular or special meeting (i) following a telephone poll of all of the members of the Board or (ii) if all of the members of the Board of Directors shall individually or collectively consent in writing to such action. The result, time and date of each telephone poll or such written consent or consents shall be filed with the minutes of the proceedings of the Board of Directors.

#### Part C. Powers and Duties.

Section 4.16. Powers and Duties. The Board of Directors shall manage the affairs of the Council and shall have all the powers and duties necessary for the administration of the Condominium and may do all such acts and things as are not by the Master Deed or these Bylaws specifically directed to be done and exercised exclusively by the members. The Board shall have the power to adopt such rules and regulations as it deems necessary and appropriate and to impose reasonable sanctions for violations thereof, including, among other things, monetary fines.

The Board of Directors may delegate to one of its members the authority to act on behalf of the Board of Directors on all matters relating to the duties of the Managing Agent or Manager, if any, which might arise between meetings of the Board of Directors. In addition to the duties imposed by these Bylaws or by any resolution of the Council that may hereafter be adopted, the Board of Directors shall have the power to, and be responsible for, the following in way of explanation, but not limitation:

- (a) Preparation of an annual proposed budget which shall be submitted to the co-owners at least thirty (30) days prior to its adoption, and adoption of an annual budget which shall provide for at least the following items:

- (1) Income;
- (2) Administration;
- (3) Maintenance;
- (4) Utilities;
- (5) General Expenses;
- (6) Reserves; and
- (7) Capital items.

(b) Making assessments against the co-owners to defray the common expenses, establishing the means and methods of collecting such assessments from the co-owners, and establishing the period of the installment payments of the annual assessment. Unless otherwise determined by the Board of Directors, the annual assessment against each co-owner for his or her proportionate share of the common expenses shall be payable in equal monthly installments, each such installment to be due and payable in advance on the first day of each month for said month.

(c) Providing for the operation, care, upkeep, and maintenance of all of the common elements and services to the Condominium.

(d) With the approval by a majority vote of the co-owners, the Board of Directors may cause a particular utility service to be individually metered and specifically assess on a per unit basis each co-owner for the cost for the gas, electricity or water consumed or used by such unit. The cost of individually metered utilities shall be a specific assessment under Article 8, Section 8.2(a).

(e) Designating, hiring, and dismissing the personnel necessary for the maintenance, operation, repair, and replacement of the common elements, and providing services for the Condominium, and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and material to be used by such personnel in the performance of their duties, which supplies and equipment shall be deemed to be owned as common elements.

(f) Collecting the assessments against the co-owners, depositing the proceeds thereof in a bank depository which it shall approve, and using the proceeds to administer the Condominium.

(g) Making and amending rules and regulations respecting the use of the Condominium.

(h) Opening of bank accounts and investing funds on behalf of the Council and designating the signatories required.

(i) Making, or contracting for the making of, repairs, additions, and improvements to, or alterations of, the Condominium, and repairs to, and restorations of, the Condominium, in accordance with the other provisions of these Bylaws, after damage or destruction by fire or other casualty.

(j) Enforcing by legal means the provisions of the Master Deed, these Bylaws, and the rules and regulations for the use of the Condominium adopted by it, and bringing any proceedings which may be instituted on behalf of the co-owners.

(k) Obtaining and carrying insurance against casualties and liabilities, as provided in these Bylaws, and paying the premium cost thereof.

(l) Paying the costs of all services rendered to the Council or its members and not chargeable to co-owners of individual units.

(m) Keeping books with detailed accounts of the receipts and expenditures affecting the Condominium, and the administration of the Council, specifying the maintenance and repair expenses of the common elements and any other expenses incurred. The said books and vouchers accrediting the entries thereupon shall be available for examination by the co-owners, their duly authorized agents, accountants, or attorneys, during general business hours on working days at the times and in the manner that shall be set and announced by the Board of Directors for the general knowledge of the co-owners. All books and records shall be kept in accordance with generally accepted accounting practices and shall be audited at least once a year by an outside auditor employed by the Board of Directors who shall not be a resident of the Condominium or a co-owner therein. The cost of such audit shall be a common expense.

(n) Determining how common profits or surplus, if any, shall be used.

(o) Perform such other acts as it deems necessary in its discretion for the benefit of the Condominium and which are not inconsistent with the Act or Governing Documents or required to be done by the Council.

**Section 4.17. Management Agent (Manager).** Only the Board of Directors may employ for the Council a professional management agent (manager), at a compensation established by the Board, to perform such duties and services as the Board of Directors shall authorize. Any management contract shall contain a termination clause permitting termination, for cause,

upon no more than fifteen (15) days written notice by either party and without cause upon no more than ninety (90) days written notice by either party. The Board of Directors may delegate to the managing agent (manager), subject to the Board's supervision, the powers granted to the Board of Directors by these Bylaws. If a management contract is terminated at any time, the Board of Directors may employ another professional management agent (manager), it being the intention of this Section that the Condominium be managed at all times by a qualified professional management agent (manager). At any duly called regular or special meeting of the Council, the management agent (manager) of the Council may be removed for cause by a majority of the total number of owners. Prior to such a vote, the management agent (manager) must be provided with a statement presenting the causes upon which action is being considered and be given an opportunity to respond. If the motion to remove is passed, that action will serve as a sixty (60) day notice of termination. This course of action may not be taken to remove any other employee.

Section 4.18. Borrowing. The Board of Directors shall have the power, if necessary and in emergencies, to borrow money for the purpose of repair or restoration of common areas and facilities without the approval of the members of the Council in accordance with the Act. The Board shall have a like power, if necessary, to borrow money for the purpose of altering, improving or adding amenities to the Condominium so long as the amount necessary to make a particular alteration, improvement or addition does not exceed a resulting increase in assessments of over fifteen percent (15%) of the Council's annual operating income. Other than in an emergency, and if in excess of fifteen percent (15%), prior to borrowing under this provision of the Bylaws, the Board is required to notify the co-owners of such action at least ten (10) days prior to a special meeting of the Council of Co-Owners to approve the amendment.

In the event that the cost of a particular alteration, improvement, or addition exceeds fifteen percent (15%) of the Council's annual operating income during any period of twelve (12) consecutive months, the Board shall obtain membership approval in the same manner as set forth in Article 7, Section 7.4, of these Bylaws.

Section 4.19. Council of Unit Owners as Attorney-in-Fact. The Council of Unit Owners acting through the Board of Directors 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 Act, the Master Deed 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 hereinelsewhere 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 through the Board of Directors as attorney-in-fact as aforesaid.

#### Part D. Committees.

Section 4.20. Committees. There shall be such committees as the Board shall determine from time to time with the powers and duties that the Board shall authorize. Committee members shall be appointed by and shall serve at the pleasure of the Board of Directors.

Section 4.21. Building Representatives. The Board of Directors may designate a representative from each building to serve in an advisory capacity to the Board. Such representatives shall serve for terms as prescribed by the Board, be removable from office at the discretion of the Board, and have such responsibilities as the Board may deem necessary or desirable.

### Article 5 Officers

Section 5.1. Designation. The principal officers of the Council shall be the President, Vice President, Secretary, and Treasurer, all of whom shall be elected by the Board of Directors. The President and Vice President shall be elected from among the members of the Board and must be resident owners. All other officers shall be elected from among owners of units and may be Board of Director members. The Board of Directors may appoint an Assistant Treasurer, an Assistant Secretary, and such other subordinate officers as in its judgment may be necessary. Except for the offices of Secretary and Treasurer, which may be held by the same person, no person may hold more than one office simultaneously.

Section 5.2. Election of Officers. The officers of the Council shall be elected annually by the Board of Directors, at the first meeting of the Board following each annual meeting of the members, and shall hold office at the pleasure of the Board of Directors and until a successor is elected.

Section 5.3. Removal of Officers. Upon the affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and a successor may be elected.

Section 5.4. President. The President shall be the chief executive officer of the Council and shall preside at all meetings of the members and of the Board of Directors. The President shall have all the general powers and duties which are incident to the office of the president of a corporation organized under Maryland law, including but not limited to, the power to appoint committees from among the co-owners from time to time as he may, in his discretion, decide is appropriate to assist in the conduct of the affairs of the Council.

Section 5.5. Vice President. The Vice President shall act in the President's absence and shall have all powers, duties, and responsibilities provided for the President when so acting. In the event neither the President nor the Vice President is able to act, the Board shall appoint some other member of the Board to do so on an interim basis. The Vice President shall also perform such other duties as the Board of Directors or the President shall prescribe.

Section 5.6. Secretary. The Secretary shall keep the minutes of all meetings of the Council and of the Board of Directors and shall have charge of such books and papers as the Board of Directors may direct, and shall, in general, perform all duties incident to the office of the secretary of a corporation organized in accordance with Maryland law. Except when the Secretary is a candidate for election, the Secretary shall be responsible for counting votes and maintaining records thereof. When the Secretary is a candidate for election, the Board of Directors shall appoint a Board member who is not a candidate to count the votes. The above tasks may be performed by assistants or clerks under the Secretary's supervision.

Section 5.7. Treasurer. The Treasurer shall have the responsibility for the Council's funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, for preparing all required financial statements and tax returns, and for the deposit of all monies and other valuable effects in the name of the Council or the management agent in such depositories as may from time to time be designated by the Board of Directors. The Treasurer shall be bonded under a fidelity bond in such amounts as may be determined by the Board of Directors. The duties of the Treasurer may be delegated to the management



agent (manager). In such case, the duties shall be performed by the management agent (manager) under the supervision of the Treasurer.

Section 5.8. Agreements, Contracts, Deeds, Leases, Checks, Etc. All agreements, contracts, deeds, leases, checks, and other instruments of the Council for expenditures or obligations shall, at the direction of the Board, be executed by a minimum of two (2) Board members and/or officers or the management agent (manager) as the Board's designee.

Section 5.9. Compensation for Officers. The Board of Directors may establish such compensation for officers who are not directors as it deems reasonable.

## Article 6 Council Responsibilities

Section 6.1. Liability and Indemnification of Officers and Directors. The Council shall indemnify every officer and director against any and all expenses, including counsel fees, reasonably incurred by or imposed upon such officer or director in connection with any action, suit, or other proceedings (including settlement of any such action, suit, or proceeding, if approved by the then Board of Directors) to which he may be made a party by reason of being or having been an officer or director, except for their own willful misfeasance or malfeasance or fraud, whether or not such person is an officer or director at the time such expenses are incurred. The officers and directors shall not be liable for any mistake of judgment, negligence, or otherwise, except for their own individual willful misfeasance or malfeasance. The officers and directors shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Council (except to the extent that such officers or directors may also be members of the Council) and the Council shall indemnify and forever hold each such officer and director free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer or director, or former officer or director, may be entitled. The Council shall as a common expense maintain adequate general liability and, if obtainable, officers' and directors' liability insurance to fund this obligation and the insurance shall be written as provided in Section 6.2 of this Article 6.

Section 6.2. Insurance. The Council shall obtain and maintain at all times, as a common expense, insurance, including a casualty insurance policy or policies affording

fire and extended coverage, as well as all risk perils, for and in an amount consonant with the full replacement cost (i.e., one hundred percent (100%) of current "replacement cost," excluding land, foundation, excavation, and other items normally excluded from coverage) of all structures comprising the Condominium, and a liability insurance policy or policies in amounts not less than Five Hundred Thousand Dollars (\$500,000.00) for injury, including death, to a single person, One Million Dollars (\$1,000,000.00) per injury or injuries, including death, arising out of a single occurrence, and Fifty Thousand Dollars (\$50,000.00) property damage, covering the Council, the Board of Directors, officers, and all agents and employees of the Council, and all co-owners and other persons entitled to occupy any unit or other portion of the Condominium property. All such insurance coverage shall be written in the name of the Council as trustee for each of the owners; provided, however, that the casualty insurance policy or policies shall contain a standard payee mortgagee clause in favor of each mortgagee of a unit to the extent of the portion of the coverage of the policy or policies allocated to such unit, which shall provide that the loss, if any, thereunder shall be (in addition to the Council) payable to such mortgagee as its interest may appear. It shall be the duty of the Board of Directors annually to conduct an insurance review to determine if the policy in force is adequate to meet the needs of the Council and to satisfy the requirements of this section. Such insurance shall run to the benefit of the Council, the respective co-owners, and their respective mortgagees, as their interests may appear. The improvements and betterments made or acquired by the individual co-owners shall be excluded from this required coverage, and each owner shall have the right to obtain additional coverage for such improvements, betterments, or personal property at his or her own expense. The "structure," as insured by the master policy, shall be the buildings and units therein as depicted on the plats and plans filed and recorded in accordance with the Act. Each of the policies of insurance obtained by the Council shall contain provisions (1) that they shall not be prejudiced by any act or neglect of any occupants or co-owners of the Condominium when such act or neglect is not within the control of the insured, or co-owners collectively, or (2) that they shall not be prejudiced by failure of the insured, or co-owners collectively, to comply with any warranty or condition with regard to any portion of the Condominium over which the insured, or co-owners collectively, have no control.

(a) The Board of Directors shall utilize every reasonable effort to secure a master policy covering physical damage that will provide the following:

(1) That the insurer waives its rights of subrogation of any claims against directors, officers, the managing agent, employees, the individual owners and their respective household members and waives any defenses based on co-insurance or invalidity arising from the acts of the insured.

(2) That the master policy on the Condominium cannot be cancelled, invalidated, or suspended on account of the conduct of any director, officer, or employee of the Council or the managing agent without a prior demand in writing delivered to the Council to cure the defect and the allowance of a reasonable time thereafter within which the defect may be cured.

(3) That any "no other insurance" clause contained in the master policy shall expressly exclude individual co-owners' policies from its operation.

(4) That the master policy may not be cancelled or substantially modified without at least sixty (60) days prior notice in writing to the Board of Directors.

(5) An agreed value or amount endorsement and waiver of co-insurance.

(b) All policies of insurance shall be written with a company licensed to do business in the State of Maryland and holding a rating of XI or better in the Financial Category as established by A. M. Best Company, Inc., if available, or, if not available, the best rating available. The company shall provide insurance certificates to each owner and each mortgagee, upon request.

(c) In no event shall the insurance coverage obtained and maintained by the Council hereunder be brought into contribution with insurance purchased by individual co-owners or their mortgagees.

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

(e) In addition to the insurance required herein and to the extent reasonably available, the Board shall obtain as a common expense:

(1) Workmen's Compensation Insurance if and to the extent necessary to meet the requirements of law.

(2) Public liability and officers' and directors' liability insurance in such amounts as the Board may determine, but in no event less than that set out above. Such insurance shall contain a cross liability endorsement.

(3) Fidelity bonds or insurance coverage providing the same type of protection covering officers, directors, employees, and other persons, including the manager or its employees, which shall be separately bonded, who handle or are responsible for handling Council funds. Such bonds, or insurance coverage providing the same type of protection, shall be written in amounts meeting FNMA requirements or in such amounts as shall be deemed adequate by the Board of Directors to protect the Association's funds from theft or dishonesty. Such bonds or insurance coverage shall contain waivers of any defense based upon the exclusion of persons serving without compensation.

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

(f) Insurance carried by the Council as a common expense shall not include any part of a unit neither depicted on the original plats and plans nor included in the original mortgage, nor shall the Council include public liability insurance for individual owners or occupants for liability arising within the unit.

Section 6.3. Repair and Reconstruction. In the event of damage to or destruction of all or any part of the Condominium as a result of fire or other casualty, and subject to the terms of the Act, the Board of Directors or its duly authorized agent shall arrange for and supervise the prompt repair and restoration of the structure in accordance with the original plats and plans. In the event of substantial damage or destruction, each institutional holder of a first mortgage shall be entitled to written notice of the damage, and nothing in these documents shall be construed to afford a priority to any co-owner with respect to the distribution of proceeds to any such unit.

The procedure for repair and reconstruction shall be:

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

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

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

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

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

(f) Method of Disbursement. The construction fund shall be paid by the Council in appropriate progress payments to such contractor(s), supplier(s), and personnel performing the work or supplying materials or services for the repair and reconstruction of the buildings as are designated by the Board of Directors.

(g) Insurance Deductibles. If repair is required as a result of an insured loss, the amount of the deductible shall be treated as if it were a maintenance expense and shall be paid by the person or persons (either individual co-owners or the Council) who would be responsible for such repair in the absence of insurance as set forth in Article 7, Section 7.3, Maintenance Responsibility, hereinafter set forth. If the maintenance responsibility cannot be determined by the Board and if the loss affects more than one unit or a unit and the

common area, the cost of the deductible may be apportioned equitably by the Board among the parties suffering loss in accordance with the total cost of repair.

Section 6.4. Architectural Standards. No owner, occupant, lessee or lessor, or any other person may make any exterior change, alteration, or construction, nor erect, place, or post any sign, object, light, or thing on the exterior of the buildings or any other common element without first obtaining the written approval of the Board or its delegate. Application shall be in writing and shall be mailed or delivered to the Board or its delegate, and shall provide such information as the Board may reasonably require. The Board or its delegate may publish written architectural standards for exterior alterations or additions and any request in substantial compliance therewith shall be approved. In the event that the Board or its delegate fails to approve or to disapprove such application within sixty (60) days after it shall have been submitted, such application shall be deemed approved. The Board may delegate to the Management Agent the authority to grant approval of routine variance requests in accordance with specific guidelines established by the Board of Directors.

## Article 7 Management

Section 7.1. Management and Common Expenses. The Council shall manage, operate and maintain the condominium project and, for the benefit of the Condominium units and the owners thereof, shall enforce the provisions hereof and may pay out of the common expense fund the following:

(a) The cost of providing water, sewer, garbage and trash collection, electrical, gas and other necessary utility services for the common elements, including any swimming pool or other recreational facilities used by the Condominium project and for the Condominium units.

(b) The cost of providing gas, electricity, water and sewer services to each unit, except to the extent gas, electricity, water, or sewer services shall be supplied to each unit through individual meters pursuant to Article 4, Section 4.16(d).

(c) The cost of fire and extended liability insurance on the project, the cost of such other insurance as the Council may effect and the cost of the Treasurer's fidelity bond.

(d) The cost of the services of a person or firm to manage the project to the extent deemed advisable by the Council together with the services of such other personnel as the Board of Directors of the Council shall consider necessary for the operation of the project.

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

(f) The cost of painting, maintaining, repairing and removing snow from the common elements and such furnishings and equipment for the common elements as the Board of Directors shall determine are necessary and proper, and the Board of Directors shall have the exclusive right and duty to acquire the same; provided, however, that nothing herein contained shall require the Council to paint, repair or otherwise maintain any Condominium unit or any fixtures or equipment located therein unless owned by the Council.

(g) The cost of any and all other materials, supplies, labor, services, maintenance, repairs, taxes, assessments or the like which the Council is required to secure or 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 common elements; provided, however, that if any of the aforementioned are provided or paid for the benefit of a particular Condominium unit or units, the cost thereof may be specially assessed to the owner or owners thereof.

(h) 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 project or is otherwise in the interest of the general welfare of all owners of the Condominium units; provided, however, that except in emergency situations, in which case the Board may immediately proceed without notice, no such maintenance or repair shall be undertaken without a resolution by the Board of Directors and not without reasonable written notice to the owner of the Condominium unit proposed to be maintained, which notice states the Board's intent to provide such necessary maintenance, repair, or replacement, at the owner's sole cost and expense, and setting forth with reasonable particularity the maintenance, repairs, or replacement deemed necessary. The owner shall have fifteen (15) days within which to complete said maintenance, repair, or replacement, or if such maintenance, repair or replacement is not capable of completion within said fifteen (15) day period, to commence said maintenance, repair, or

replacement. If any owner does not comply with the provisions hereof, the Board may provide any such maintenance, repair, or replacement at the owner's sole cost and expense, and the cost thereof shall be assessed against the Condominium unit on which such maintenance or repair is performed and, when so assessed, a statement for the amount thereof shall be rendered to the then owner of said Condominium unit, at which time the assessment shall become due and payable and a continuing lien and obligation of said owner in all respects as provided in Article 8 of these Bylaws.

(i) Any amount necessary to discharge any lien or encumbrance levied against the project, 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 an individual Condominium unit.

Section 7.2. Management Agent (Manager). The Council may delegate any of its duties, powers or functions to the management agent (manager). The Council and the Board of Directors shall not be liable for any omission or improper exercise by the management agent (manager) of any such duty, power or function so delegated.

Section 7.3. Duty to Maintain. Except for those specific requirements imposed upon the Council, the owner of any Condominium unit shall, at his own expense, maintain his Condominium unit and any and all equipment therein situate, and its other appurtenances in good order, condition and repair and in a clean and sanitary condition, and shall do all redecorating, painting and the like which may at any time be necessary to maintain the good appearance of his Condominium unit. In addition to the foregoing, the owner of any Condominium shall, at his own expense, maintain, repair or replace any plumbing fixtures, water heaters, heating and air-conditioning equipment, lighting fixtures, refrigerators, freezers, dishwashers, clothes washers, clothes dryers, disposals, ranges, windows, blinds, window screens, doors, locks and hardware, plumbing and components that serve one unit, exclusively and/or other equipment that may be situate within such Condominium unit. The owner of any Condominium unit shall also, at his own expense, maintain any limited common elements which may be appurtenant to such Condominium unit in a clean, orderly and sanitary condition.

Section 7.4. Additions, Alterations or Improvements by the Board of Directors. Whenever in the judgment of the Board of Directors the common elements shall require additions, alterations or improvements costing in excess of fifteen percent (15%) of the Council's annual operating income, the making of



such additions, alterations or improvements; if such is not previously included in the annual budget, shall be approved at a special meeting of the Council, by a majority of those present, and the Board of Directors shall proceed with such additions, alterations or improvements and may assess all co-owners for the cost thereof as a common expense. Any additions, alterations or improvements costing less than fifteen percent (15%) of the Council's annual operating income, may be made by the Board of Directors without approval of the co-owners and the cost thereof may be assessed as a common expense.

Section 7.5. Access at Reasonable Times. For the purpose solely of performing any of the repairs or maintenance required or authorized by these Bylaws, or in the event of a bona fide emergency involving illness or potential danger to life or damage to property, the Council, through its duly authorized agents or employees, shall have the right, after reasonable notice to the owner, to enter any Condominium unit at any hour considered to be reasonable under the circumstances.

Section 7.6. Easements for Utilities and Related Purposes. The Council through the Board of Directors is authorized and empowered to grant such licenses, easements and/or rights of way for sewer lines, water lines, electrical cables, telephone and television cables, gas lines, storm drains, underground conduits and/or such other purposes related to the provision of public utilities to the project or other similar projects as may be considered necessary and appropriate by the Board of Directors for the orderly maintenance, preservation of the health, safety, convenience and/or welfare of the owners of the Condominium units in accordance with the Act.

Section 7.7. Limitation of Liability. The Council shall not be liable for any failure of water supply or other services to be obtained by the Council or paid for out of the common expense funds, or for injury or damage to person or property caused by the elements or for water, ice or other fluids or currents which may flow or emanate from any pipe, drain, conduit, appliance, or equipment on the common elements or in any unit. The Council shall not be liable to the owner of any Condominium unit for loss or damage, by theft or otherwise, of articles which may be stored upon any of the common elements. No diminution or abatement of common expense assessments, as hereinelsewhere provided, shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the common elements or from any action taken by the Council to comply with any law, ordinance or with the order or directive of any municipal or other governmental authority.

Article 8  
Assessments

Section 8.1. Purpose of Assessment. The assessments for common expenses provided for herein shall be used for the general purposes of promoting the recreation, health, safety, welfare, common benefit, and enjoyment of the owners and occupants of units in the Condominium as may be more specifically authorized from time to time by the Board.

Section 8.2. Creation of the Lien and Personal Obligation for Assessments.

(a) Each owner of any unit, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Council: (1) annual assessments or charges, (2) special assessments to be established and collected as hereinafter provided, and (3) specific assessments against any particular unit which are established pursuant to the terms of these Bylaws. Any assessment levied pursuant to these Bylaws, or any installment thereof, which is not paid within fifteen (15) days after it is due shall bear interest at the maximum rate allowed by the Act. All such assessments together with management charges, interest, costs, the maximum late charge permitted by the Act, and reasonable attorney's fees actually incurred, which shall in no event be less than twenty-five percent (25%) of the unpaid assessment, plus interest, costs, and late charges, in the maximum amount permitted by law, shall be a charge on the unit and shall be a continuing lien upon the unit against which each such assessment is made. Such amounts shall also be the personal obligation of the person who was the owner of such unit at the time when the assessment fell due. Each owner shall be liable for his or her portion of each assessment coming due while he or she is the owner of a unit and his or her grantee shall be jointly and severally liable for such portion thereof as may be due and payable at the time of conveyance. Assessments shall be paid in such manner and on such dates as may be fixed by the Board of Directors; unless otherwise provided, the assessments shall be paid in monthly installments. However, if a mortgagee of a first mortgage of record obtains title to the unit as a result of foreclosure of a first mortgage or through the enforcement of any other remedies provided for in such a mortgage, such mortgagee, its successors, and assigns shall not be liable for, and such unit shall not be subject to, a lien for the payment of common expenses assessed prior to the acquisition of title to such unit by such mortgagee or purchaser pursuant to the foreclosure sale. Such unpaid share of common expenses assessed prior to the acquisition of title to such unit by such mortgagee or

purchaser pursuant to the foreclosure sale shall be collectible from all co-owners, including the purchaser at such foreclosure sale, in proportion to their unit's respective percentage interest.

(b) Late charges for unpaid assessments may not be imposed more than once for the same delinquent payment and may only be imposed if the delinquency has continued for at least fifteen (15) days.

(c) Each owner is allocated a liability for common expenses in a percentage amount equal to the percentage of undivided interest set out in Exhibit "D" to the Master Deed.

(d) Upon written request to the Board by an owner or prospective purchaser, the Board or the duly designated agent shall furnish, within a reasonable time as prescribed by the Act, a recordable statement setting forth the amount of unpaid assessments levied against the unit. The Board may impose a reasonable fee for each such statement, and payment of the established fees shall be a prerequisite to the issuance of any statement.

(e) Any first mortgagee, at its request, is entitled to written notification from the Board of Directors of any default by the mortgagor of such unit in the performance of the mortgagor's obligations under the Condominium documents which is not cured within thirty (30) days.

(f) The lien for unpaid assessments may be enforced and foreclosed in the manner provided by the Act, and the Maryland Contract Lien Act or by suit brought in the name of the Council or the Board of Directors, acting on behalf of the Council. During the pendency of such suit, the co-owner shall be required to pay a reasonable rental for the unit for any period prior to sale pursuant to any judgment or order of any court having jurisdiction over such sale. The plaintiff in such proceeding shall have the right to the appointment of a receiver, if available under the then laws of the State of Maryland.

(g) Suit to recover a money judgment for unpaid assessments shall be maintainable without foreclosing or waiving the lien securing the same, and foreclosure shall be maintainable notwithstanding the pendency of any suit to recover a money judgment.

Section 8.3. Acceleration. If a co-owner fails to pay a monthly installment when due, the Council may demand payment of the remaining annual assessment coming due within that fiscal

year. The Board of Directors may accelerate the remaining installments if within fifteen (15) days of a co-owner's failure to pay a monthly installment, the Board of Directors notifies the co-owner that if the co-owner fails to pay the monthly installment within fifteen (15) days of the notice, full payment of the remaining annual assessment will then be due and shall constitute a lien on the unit as provided in this Article 8.

Section 8.4. Computation of Operating Budget and Assessment. It shall be the duty of the Board to annually prepare and adopt a budget covering the estimated costs of operating the Condominium during the coming year. The Board shall cause the budget and the assessments to be levied against each unit therefrom for the following year to be delivered to each member at least thirty (30) days prior to the beginning of the new fiscal year, and each owner shall be obligated to pay the Council such assessments against his or her unit as established on the basis of the budget. Notwithstanding the foregoing, however, in the event the Board fails for any reason so to determine the budget for the succeeding year, then and until such time as a budget shall have been determined, as provided herein, the budget and assessments in effect for the current year shall continue for the succeeding year.

Section 8.5. Special Assessments. If the budgeted assessment proves inadequate for any year, the Board may, without a membership vote, at any time levy a special assessment against the co-owners in accordance with their percentage interests and such special assessment shall be payable either: (1) in full with payment of the next monthly assessment due; or (2) in not more than twelve (12) equal monthly installments, as the Board of Directors may determine.

Section 8.6. Notice of Meetings. Written notice of any meeting called for the purpose of taking any action authorized under Section 8.4 or Section 8.5 of this Article 8 shall be sent to all members not less than ten (10) nor more than sixty (60) days in advance of the meeting. Upon written request of any institutional holder of a first mortgage, that holder shall be entitled to written notice of any such meeting and shall be permitted to designate a representative to attend and observe the meeting.

Section 8.7. Reserves. The Board of Directors shall build up and maintain reasonable reserves for working capital, operations, contingencies and replacements. Extraordinary expenditures not originally included in the annual budget which may become necessary during the year may be charged first against such reserves. If the reserves are inadequate for any reason,

including nonpayment of any co-owner's assessment, the Board of Directors may at any time levy a further assessment, which shall be assessed against the co-owners according to their respective percentage interests, and which may be payable in a lump sum or in installments as the Board of Directors may determine. The Board of Directors shall serve notice of any such further assessment on all co-owners by a statement in writing giving the amount and reasons therefor, and such further assessment shall, unless otherwise specified in the notice, become effective with the next monthly payment which is due more than ten (10) days after the delivery of such notice of further assessment. All co-owners shall be obligated to pay the adjusted monthly amounts or, if such further assessment is not payable in installments, the amount of such assessment. Such assessment shall be a lien as of the effective date as set forth in Section 8.2 of this Article 8.

Section 8.8. Lien for Assessments. The Council shall have full and complete lien rights as provided or permitted by the Act. The statement of Condominium lien shall be signed and verified by the Treasurer of the Council, or any other officer or agent of the Council designated by resolution of the Board of Directors.

## Article 9

### Use Restrictions and Rule Making

Section 9.1. Authority. The Condominium shall be used only for those uses and purposes set out in the Master Deed. The Board of Directors shall have the authority to make and to enforce reasonable rules and regulations governing the conduct, use, and enjoyment of units and the common elements, provided that a copy of the proposed rule is mailed or delivered to all co-owners along with notice indicating the proposed effective date of the proposed rule and that co-owners are permitted to submit written comments on the proposed rule. Additionally, before the Board may vote on a proposed rule, a meeting of the co-owners must be held at which co-owners are allowed to comment on the proposed rule. The meeting held under this Section cannot be held unless each co-owner receives written notice of such meeting at least fifteen (15) days prior to such meeting and a quorum of the Board of Directors is present. The proposed rule shall be passed at a regular or special meeting by a majority vote of the Board of Directors. Once adopted, copies of all such rules and regulations shall be furnished to all co-owners.

Section 9.2. Enforcement. For violation of any duty imposed under the Master Deed, these Bylaws, or any rules and regulations duly adopted hereunder, the Board shall have the

power to impose reasonable fines which shall constitute a lien upon the property, and to suspend an owner's rights to use the common elements and to vote. The Board shall have the discretion to delegate such powers to a dispute settlement committee established by the Board. Any such committee shall have a Board member appointed as chairman. Each day of a continuing violation may be considered a separate violation. When establishing the amount of the fine for a particular violation, the Board is also expected to set and, therefore, limit the cumulative total which can result from continued noncompliance. Nothing herein contained shall be construed to limit the Council's right to any other additional remedies at law or equity available to it to enforce the Master Deed, the Bylaws, or the rules and regulations of the Council. The remedy contained herein shall be construed as cumulative of the Council's other rights of enforcement at law or in equity or any other remedies available to the Council.

Section 9.3. Procedure. The Board or dispute settlement committee shall not impose a fine, suspend voting, or infringe upon any other rights of a member or other occupant for violation of the Master Deed, these Bylaws or rules and regulations unless and until the following procedures are followed:

(a) Demand. Written demand to cease and desist from an alleged violation shall be served upon the alleged violator specifying: (1) the alleged violation; (2) the action required to abate the violation; and (3) a time period, not less than ten (10) days, during which the violation may be abated without further sanctions, if such violation is a continuing one or a statement that any further violation of the same rules may result in the imposition of sanctions after notice and hearing, if the violation is not continuing.

(b) Notice. Within twelve (12) months of such demand, if the violation continues past the period allowed in the demand for abatement without penalty, or if the same rule is subsequently violated, the Board or dispute settlement committee shall serve the violator with written notice of a hearing to be held by the Board or dispute settlement committee. The notice shall contain: (1) the nature of the alleged violation; (2) the time and place of the hearing, which time shall be not less than ten (10) days from the giving of the notice; (3) an invitation to attend the hearing and produce any statement, evidence, and witnesses on his or her behalf; and (4) the proposed sanction to be imposed.

(c) Hearing. The hearing shall be held in executive (not public) session pursuant to this notice affording the member a reasonable opportunity to be heard, and may, at the

option of the Board, be held by a dispute settlement committee appointed for that purpose pursuant to the provisions of these Bylaws. Prior to the effectiveness of any sanction hereunder, proof of notice and the invitation to be heard shall be placed in the minutes of the hearing. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery is entered by the person who delivered such notice. The notice requirement shall be deemed satisfied if a violator appears at the hearing. The minutes of the hearing shall contain a written statement of the results of the hearing and the sanction, if any, imposed. In the event that the hearing is conducted by a committee, the Board may elect, upon application of the violator, to review the decision of the hearing panel and affirm, amend or reverse as the Board, in its sole discretion, deems appropriate and proper. Any such action by the Board shall be entered in the minutes of the meeting at which the action was taken.

(d) Effect of Failure to Enforce Provision. The failure of the Council to enforce a provision of this Section, the Master Deed, or Bylaws on any occasion is not a waiver of the right to enforce the provision on any other occasion.

#### Section 9.4. Prohibited Uses and Nuisances.

(a) No animals, other than a reasonable number of common household pets, as may be determined by the Board of Directors and set forth in the rules and regulations, shall be kept or maintained on the Condominium, nor shall any pets be kept, bred, or maintained for commercial purposes. Any co-owner who keeps or maintains any pet in the Condominium shall be responsible and may be specifically assessed (as provided by these Bylaws) by the Board of Directors for any costs incurred by the Council in enforcing this subsection or in cleaning, repairing, or replacing property soiled or damaged by that pet. Unit owners are similarly responsible for the pets of lessees, occupants, guests, or employees of the owner. The keeping of pets and their ingress, egress, and travel upon the common elements shall be subject to such rules and regulations as may be issued by the Board of Directors. If an owner or occupant fails to abide by the rules and regulations and/or covenants applicable to pets, the Board of Directors may bar such pet from use or travel upon the common area, or subject such use or travel to a user fee.

(b) No noxious or offensive trade or activity shall be carried on within the project or within any Condominium unit situate thereon, nor shall anything be done therein or thereon which may be or become an annoyance to the neighborhood or the other owners.

(c) There shall be no obstruction of any common elements. Nothing shall be stored upon any common elements without the approval of the Board of Directors. Vehicular parking upon common elements shall be regulated by the Board of Directors.

(d) It is intended that portions of the common elements are to be used for parking of passenger vehicles by owners, their guests, tenants, families, lessees, and other persons authorized to be on the premises. Those portions of the common elements to be used for parking of passenger vehicles are intended to be equitably used by all owners in the Condominium such that one owner's use of the common elements for parking does not interfere with the collective use of the common elements for parking by all owners. To this end, the Board of Directors is hereby authorized to adopt rules and regulations governing parking of vehicles on the common elements, including, but not limited to, designation of areas to be used for parking, limitation of the number of vehicles any one owner may park on the common elements, and designation of specific areas for particular owners to park and designation of handicapped parking areas.

(e) Except as hereinelsewhere provided, no junk, inoperable or partially dismantled vehicle or other vehicle on which current registration plates are not displayed, shall be kept on any common element nor shall any trailer, truck, camper, camper truck, house trailer, boat or the like be kept upon any common elements without written permission of the Board of Directors. A vehicle shall be considered a truck if not generally used principally for passenger use and if the vehicle has a manufacturer's total load capacity designation greater than three-fourths ( $3/4$ ) of a ton. Vans used generally for personal passenger use shall not be considered trucks. However, vans and other vehicles used for commercial purposes shall be considered trucks and shall not be permitted to be kept upon any common element without the written permission of the Board. Additionally, with the exception of minor maintenance such as oil changes or tune-ups, no repair or extraordinary maintenance of automobiles or other vehicles shall be carried out upon any common element.

(f) Nothing shall be done or maintained in any condominium unit or upon any common elements which will increase the rate of insurance on any Condominium unit or common elements, or result in the cancellation thereof. Nothing shall be done or maintained in any Condominium unit or upon common elements which would be in violation of any law. No waste shall be committed upon any common elements.



(g) No structural alteration, construction, addition or removal of any Condominium unit or common elements shall be commenced or conducted except in strict accordance with the provisions of these Bylaws or Master Deed.

(h) No signs of any character shall be erected, posted or displayed upon, in, from or about any Condominium unit or common elements, provided, however, that one temporary real estate sign of customary and reasonable dimensions may be displayed from within any Condominium unit placed upon the market for sale, and "open house" signs may be permitted at the discretion of the Board of Directors.

(i) No part of the common elements shall be used for commercial activities of any character (except as provided in (h) above).

(j) No burning of any trash and no unreasonable or unsightly accumulation or storage of litter, new or used building materials, or materials or trash of any other kind shall be permitted within any Condominium unit (including balconies and terraces) or upon any common elements. Trash and garbage containers shall not be permitted to remain in public view except on days of collection, when necessary.

(k) No structure of a temporary character, trailer, tent, shack, barn or other outbuilding shall be maintained upon any common elements at any time. Outdoor clothes dryers and clothes lines shall not be maintained upon any common elements at any time.

(l) No outside television or radio aerial or antenna, or other aerial or antenna, for reception or transmission, shall be maintained upon any Condominium unit or upon any common elements, except by written permission of the Board of Directors.

Section 9.5. Residential Use. Except as provided in Section 9.4 above, all Condominium units shall be and are restricted exclusively to residential use and no business or commercial use may be conducted upon the Condominium property. The Board of Directors may permit and periodically review temporary nonresidential uses from time to time.

Section 9.6. Limitations On Number of Units Owned. No co-owner may own more than one unit unless he/she is a resident owner living within a unit of Chelsea Wood and in no event shall any owners own more than two units.

Article 10  
Sales, Leases, and Alienation of Units

Section 10.1. No Severance of Ownership. No co-owner shall execute any deed, lease, mortgage, or instrument conveying or mortgaging the title to his or her unit without including therein the undivided interest of such unit in the common elements, it being the intention hereof to prevent any severance of such combined ownership. Any such deed, lease, mortgage, or other instrument purporting to affect one or more of such interests, without including all such interests, shall be deemed and taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or described therein. No part of the interests in the common elements of any unit may be sold, leased, transferred, given, devised, or otherwise disposed of, except as part of a sale, lease, transfer, gift, devise, or other disposition of the unit to which such interests are appurtenant, or as part of the sale, lease, transfer, gift, devise, or other disposition of such part of the interests in the common elements of all units. Units may only be used in accordance with the generally understood purposes for which the housing units were designed and constructed.

Section 10.2. Leases. Units may be rented only in their entirety; no fraction or portion may be rented. No transient tenants may be accommodated therein. Units will in no way be used as a hotel, motel, boarding house, or for any other form of short-term transient use. All leases shall be in writing and in a form approved by the Board. All leases and lessees are subject to the provisions of these Bylaws, and shall contain the following provisions:

(a) All provisions of the Governing Documents (Master Deed, Bylaws, and rules and regulations) for Chelsea Wood Condominium which govern the conduct of owners and which provide for sanctions against owners shall apply to tenant. Tenant agrees to abide by and comply with all provisions of the Governing Documents. Owner agrees to cause all occupants of his or her unit to comply with the Governing Documents, and is responsible for all violations and losses caused by such occupants, notwithstanding the fact that such occupants of the unit are fully liable and may be sanctioned for any violation of the Governing Documents in the same manner as an owner. In the event that the tenant, or a person living with the tenant, violates the Governing Documents and a fine is imposed, such fine may be assessed against the owner or tenant; provided, however, if the fine is not paid by the tenant within the time period set by the Board of Directors or dispute settlement committee, the owner shall pay the fine upon notice from the

Council of the tenant's failure to pay the fine. Unpaid fines constitute a lien against the unit. Any tenant charged with a violation of the Governing Documents is entitled to the same procedure to which an owner is entitled prior to the imposition of a fine or other sanction.

(b) Any violation of the Governing Documents is deemed to be a violation of the terms of the lease and authorizes the owner to terminate the lease without liability and to evict the tenant in accordance with Maryland law. The owner hereby delegates and assigns to the Council, acting through the Board, the power and authority of enforcement against the tenant for breaches resulting from the violation of the Governing Documents, including the power and authority to evict the tenant on behalf of the owner, in accordance with the terms hereof. In the event the Council proceeds to evict the tenant, any costs, including attorney's fees and court costs, associated with the eviction shall be specially assessed against the unit and the owner thereof, such being deemed hereby as an expense which benefits the leased unit and the owner thereof.

(c) Tenant agrees to be personally obligated for the payment of all assessments against the owner which are owed during tenant's occupancy or which become due as a consequence of tenant's activities, including, but not limited to, activities which violate provisions of the Governing Documents. The above provision shall not be construed to release the owner from an obligation, including the obligation for assessments, for which he or she would otherwise be responsible.

Upon request by the Council, tenant shall pay to the Council all unpaid installments of annual assessments and special assessments; provided, however, tenant need not make such payments to the Council in excess of or prior to the due dates for monthly rental payments unpaid at the time of the Council's request. All such payments made by tenant shall reduce, by the same amount, tenant's obligation to make monthly rental payments to owner-lessor.

All rentals must be for a term of no less than six (6) months. Any co-owner who leases his or her unit must, no later than five (5) business days after the signing of the lease, give written notice of such lease and supply a copy of such executed lease to the Board or its designee, and provide the Board with such general information about the lessee as the Board may reasonably require. The co-owner must make available to the tenant copies of the Condominium Instruments, including the Master Deed, Bylaws, and rules and regulations and handbook.

Article 11  
Compliance and Default

Section 11.1. Relief. Each co-owner shall be governed by, and shall comply with, all of the terms of the Condominium Instruments and the Act as any of the same may be amended from time to time. A default by a co-owner shall entitle the Council of Co-Owners, acting through its Board of Directors or through the managing agent, to the following relief:

(a) Additional Liability. Each co-owner shall be liable for the expense of all maintenance, repair or replacement rendered necessary by his act, neglect or carelessness or the act, neglect or carelessness of any member of his family or his employees, agents, licensees or tenants, but only to the extent that such expense is not covered by the proceeds of insurance carried by the Board of Directors. Such liability shall include any increase in casualty insurance rates occasioned by use, misuse, occupancy or abandonment of any unit or its appurtenances. Nothing contained herein, however, shall be construed as modifying any waiver by any insurance company of its rights of subrogation.

(b) Costs and Attorney's Fees. In any proceedings arising out of any alleged default by a co-owner, the prevailing party shall be entitled to recover the costs of such proceeding and such reasonable attorney's fees as may be determined by the court.

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

(d) Interest. In the event of a default by any co-owner in paying any sum assessed against his Condominium unit other than for common expenses which continues for a period in excess of fifteen (15) days, the highest interest

rate allowable by the Act may be imposed in the discretion of the Board of Directors upon the principal amount unpaid from the date due until paid.

(e) Abating and Enjoining Violations by Co-Owners.

The violation of any of the rules and regulations adopted by the Board of Directors, the breach of any Bylaw contained herein or the breach of any provision of the Master Deed or the Act shall give the Board of Directors the right, in addition to any other rights set forth in these Bylaws: (1) to enter the unit in which, or as to which, such violation or breach exists and summarily to abate and remove, at the expense of the defaulting co-owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Board of Directors shall not thereby be deemed guilty in any manner of trespass; or (2) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach.

(f) Legal Proceedings. Failure to comply with any of the terms of the Master Deed, these Bylaws and the rules and regulations shall be grounds for relief, including without limitation, an action to recover any sums due for money damages, injunctive relief, foreclosure of the lien for payment of all assessments, any other relief provided for in these Bylaws or any combination thereof and any other relief afforded by a court of competent jurisdiction, all of which relief may be sought by the Council of Co-Owners, the Board of Directors, the managing agent (manager) or, if appropriate, by any aggrieved co-owner and shall not constitute an election of remedies.

Section 11.2. Supplemental Enforcement of the Lien. In addition to the proceedings at law or in equity for the enforcement of the lien established by the Master Deed, these Bylaws or the Act, all of the co-owners may be required by the Board of Directors to execute bonds conditioned upon the faithful performance and payment of the installments of the lien established thereby. In the event any such bonds have been executed, then any subsequent purchaser of a unit shall take title subject thereto and shall assume the obligations therein provided for.

Section 11.3. Subordination and Mortgage Protection. Notwithstanding any other provisions of these Bylaws to the contrary, the lien of any assessment levied pursuant to these Bylaws upon any unit (and any penalties, interest on assessments, late charges or the like) shall be subordinate to, and shall in no way affect the rights of a mortgagee holding a prior recorded mortgage made in good faith for value received; provided, however, that such subordination shall apply only to

assessments which have become due and payable prior to a sale or transfer of such unit pursuant to a decree of foreclosure, or any proceeding in lieu of foreclosure. Such sale or transfer shall not relieve the purchaser of the unit at such sale from liability for any assessments thereafter becoming due, nor from the lien of any such subsequent assessment, which lien shall have the same effect and be enforced in the same manner as provided herein.

## Article 12 Condemnation

Section 12.1. Definition. The terms "taking in condemnation" or "taking," as used in this Article, shall mean a taking in condemnation or by right of eminent domain and shall include any sale made in settlement of any pending or threatened condemnation proceeding.

Section 12.2. When Repair and Reconstruction Required. Except as otherwise provided in Section 12.3 of this Article 12, in the event of a taking in condemnation of a part of the Condominium, the Board of Directors shall arrange for and supervise the prompt repair and restoration of the property in the same manner as set forth in Article 6. The provisions of Section 6.3 of Article 6 shall apply to the repair and restoration of the Condominium in the same manner as if the property had been damaged by fire or other casualty. The award made for the taking shall be payable to the Board of Directors and shall be disbursed in the same manner as insurance proceeds.

Section 12.3. When Reconstruction Not Required. If (1) sixty-six and two-thirds percent ( $66 \frac{2}{3}\%$ ) or more of the entire project shall be rendered untenable by a taking, and (2) members representing eighty percent (80%) or more of the total value of the project shall fail to vote in favor of reconstruction and repair at a meeting called within ninety (90) days after the taking, then, with the approval in writing within such ninety (90) day period by the mortgagee or mortgagees holding mortgages constituting first liens on sixty-six and two-thirds percent ( $66 \frac{2}{3}\%$ ) of the units subject to mortgages, the Condominium shall be subject to an action for partition at the suit of any co-owner or the mortgagee of any unit, as if the Condominium were owned in common, in which event the net proceeds of sale shall be added to the award and the total shall be considered as one fund which shall be distributed by the Board of Directors among all co-owners in proportion to the respective percentage interests of their units, after first paying out of the share of each co-owner, to

the extent sufficient for this purpose, the amount of any unpaid liens on his or her unit, in the order of the priority of such liens.

Section 12.4. Effect on Percentage Interests of Units. If there is a taking in condemnation of part of the Condominium, if the Condominium is restored pursuant to the provisions of Section 12.2 of this Article, and if, as a result of the taking, the condemnor is not obligated to pay assessments for common expenses attributable to the unit(s), or part(s) thereof so taken, then, effective as of the date of the taking, the percentage interests of all units remaining after the taking shall be adjusted in the following manner:

(a) If the taking involves all of one or more units, the percentage interests of those units shall be reallocated among the remaining units not taken in proportion to the respective percentage interests of such units immediately prior to the taking.

(b) If the taking involves a part, but not all, of one or more units, (1) the percentage interests of each unit which is involved in the taking shall be reduced to a percentage which bears the same ratio to the percentage interest of the unit immediately prior to the taking as the ratio which the floor area of the unit immediately after the taking bears to the floor area of the unit immediately prior to the taking, and (2) the aggregate reduction in the percentage interest(s) of the unit(s) referred to in clause (1) shall be reallocated among the remaining units not taken (including the unit(s) referred to in clause (1)) in proportion to the respective percentage interests of such units immediately prior to the taking, except that in the case of the unit(s) referred to in clause (1), the percentage interest used in this computation shall be the percentage interest of the unit adjusted in the manner provided in clause (1). Promptly after the adjustments required by this Section have been determined, an amendment to the Declaration reflecting the adjustments shall be executed and acknowledged (in the manner required by law for the execution and acknowledgment of deeds) by the President and the Secretary and shall be recorded among the Land Records of Prince George's County.

### Article 13 Fiscal Management

Section 13.1. Fiscal Year. The fiscal year of the Council shall begin on May 1 of each year. The commencement date of the fiscal year herein established shall be subject to change by resolution of the Board of Directors should the Board deem such change necessary.

Section 13.2. Books and Records. All members of the Council and any institutional holder of a first mortgage shall, upon written request, be entitled to inspect, in accordance with the Act, all books and records of the Council during normal business hours at the office of the Council or other place designated reasonably by the Board of Directors as the depository of such books and records. Books and records of the Council are to be kept in a location as may be prescribed by the Act.

Section 13.3. Auditing. At the close of each fiscal year, the books and records of the Council shall be audited by an independent certified public account, who is not an owner or resident of the Condominium, and whose report shall be prepared in accordance with generally accepted auditing standards. Based upon such report, the Council shall furnish its members with an annual financial statement including the income and disbursements of the Council.

Section 13.4. Execution of Council Documents. With the prior authorization of the Board of Directors, all contracts shall be executed on behalf of the Council by either the President or Vice President, and all checks and notes shall be executed on behalf of the Council by such officers, agents or other persons as are from time to time so authorized by the Board of Directors.

#### Article 14 Amendment

Section 14.1. Amendments. Except as otherwise provided or as otherwise may be specified in the Act, these Bylaws may be modified or amended either (1) by a vote by the co-owners of at least sixty-six and two-thirds percent (66 2/3%) of the votes appertaining to all of the units, present in person or by proxy, at any regular or special meeting of the Council, or (2) pursuant to a written instrument or consent duly executed by the co-owners having at least sixty-six and two-thirds percent (66 2/3%) of the votes appertaining to all of the units. No amendment shall become effective until it is recorded in the Land Records for Prince George's County, Maryland.

#### Article 15 Miscellaneous

Section 15.1. Notices. Unless otherwise provided in these Bylaws all notices, demands, bills, statements, or other communications under these Bylaws shall be in writing and shall



be deemed to have been duly given if delivered personally or if deposited in the U.S. Mail with sufficient first class postage prepaid:

(a) If to a co-owner, at the address of the unit of such owner or, if other than the unit, at the address which the co-owner has designated in writing and filed with the Secretary;

(b) If to the Council, the Board of Directors, or the management agent (manager), at the principal office of the Council or the management agent (manager), if any, or at such other address as shall be designated by the notice in writing to the owners pursuant to this Section;

(c) Notices of regular or special meetings of the Board of Directors may be given in any manner determined by the Board of Directors.

Section 15.2. Severability. The invalidity of any part of these Bylaws shall not impair or affect in any manner the validity, enforceability, or effect of the balance of these Bylaws.

Section 15.3. Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit, or describe the scope of these Bylaws or the intent of any provision thereof.

Section 15.4. Conflicts. In the event of conflicts between the Act, the Master Deed, and these Bylaws, the Act and the Master Deed shall control, in that order. All the terms hereof, except where clearly repugnant to the context, shall have the same meaning as in the Master Deed or the Act.

Section 15.5. Gender and Grammar. In designation hereunder, reference to the masculine gender shall be deemed to include the feminine gender, wherever same may be appropriate, and the plural shall be substituted for the singular or the singular substituted for the plural in any place herein in which the context may require substitution.

Section 15.6. Waiver. No restriction, condition, obligation, or provision of these Bylaws shall be deemed to have been abrogated or waived by reason of any failure or failures to enforce the same.

Section 15.7. Right of Access. A co-owner shall grant a right of access to his or her unit to the Board of Directors or its authorized agent for the purpose of making inspections, for correcting any condition originating in his unit and threatening

another unit or a common element, for performing installations, alterations, or repairs to the mechanical or electrical services or any of the common elements in his or her unit or elsewhere in the buildings for performing its responsibilities as hereunder and in the Master Deed may be specified, or for correcting any condition which violates the provisions of any mortgage covering another unit; provided that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the co-owner. In case of any emergency, such right of entry shall be immediate, whether the co-owner is present at the time or not. Any resulting damages from emergency access shall be at the expense of the co-owner.

Section 15.8. Notice to Mortgagees and Veterans Administration. A co-owner who mortgages his or her unit shall notify in writing the Board or the management agent of the name and address of his mortgagee. Thereafter, the Board shall give written notice to a co-owner of any default by the co-owner in the performance of any obligations under the Act, Master Deed, or Bylaws, and, if such default is not cured within thirty (30) days, shall send a copy of such notice to each holder of a mortgage covering such unit who requests such notice. The Board, whenever so requested in writing by a mortgagee of a unit or the Veterans Administration, shall promptly report any then unpaid assessments for common expenses due from, or any other default by, the co-owner of the mortgaged unit. After supplied with the name and address of a mortgagee of a unit, the Board shall notify: (1) the mortgagee of a unit and the Veterans Administration whenever damage to the unit covered by the mortgage exceeds One Thousand Dollars (\$1,000.00); (2) all mortgagees and the Veterans Administration whenever damage to the common elements exceeds Ten Thousand Dollars (\$10,000.00); and (3) all mortgagees and the Veterans Administration of any condemnation or similar proceeding which affects any mortgagee.

Section 15.9. Washington Suburban Sanitary Commission. Each present owner and tenant shall grant a right of access to his or her unit to the managing agent employed by the Condominium and/or any other person authorized by the Board of Directors for the purpose of making inspections of the plumbing system or for the purpose of correcting any plumbing problems in any unit which might affect that unit, any other unit, the common elements, or the Commission's water and sewer system. In case of emergency, such entry shall be immediate, whether the owner is present at the time or not. The managing agent or other person authorized by the Board of Directors may be accompanied by such maintenance personnel or employees of the Commission as are deemed by such person necessary or appropriate.

Section 15.10. Covenant Not to Merge. The Condominium regime may not be merged with a successor Condominium regime without the prior written approval of the Veterans Administration. This provision of these Bylaws may not be amended without the prior written consent of the Veterans Administration.

Section 15.11. Consent of First Mortgagees and Veterans Administration. Notwithstanding any other provision of the Master Deed, these Bylaws, or the rules and regulations, unless at least seventy-five percent (75%) of the mortgagees holding mortgages constituting first liens on units subject to such mortgages (based upon one (1) vote for each mortgage owned) and the Administrator of the Veterans Administration have given their prior written approval, the Council of Co-Owners and Board of Directors shall not be entitled to:

(a) by act or omission seek to abandon or terminate the Condominium regime;

(b) change the pro rata interest or obligations of any unit for:

(1) purposes of levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards; and for

(2) determining the pro rata share of ownership of each unit in the common elements;

(c) partition or subdivide any unit;

(d) by act or omission seek to abandon, partition, subdivide, encumber, sell, or transfer the common elements (the granting of easements for public utilities or for other purposes consistent with the intended use of the common elements by the Condominium shall not be deemed a transfer within the meaning of this clause);

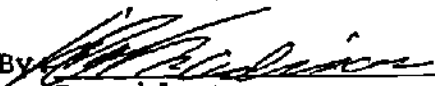
(e) use hazard insurance proceeds for losses to the Condominium (whether to units or to common elements) for other than the repair, replacement, or reconstruction of such improvements, except as provided by statute in case of substantial loss to the units and/or common elements of the Condominium; or

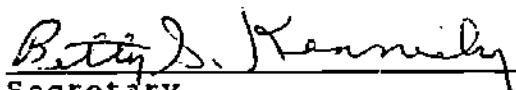
(f) annex additional properties to the Condominium regime.

Section 15.12. Easements. The Council of Co-Owners, acting through its Board of Directors, may grant specific easements, rights-of-way, licenses, concessions, and similar interests affecting the common elements of the Condominium.

IN WITNESS WHEREOF, the undersigned officers of the Chelsea Wood Condominium Council of Co-Owners and the below signed co-owners in the Chelsea Wood Condominium hereby consent to and approve the above Amendment to the Bylaws of the Chelsea Wood Condominium Council of Co-Owners and hereby certify that the Amendment was duly adopted by the Council and its members pursuant to the terms of the Bylaws and the Maryland Condominium Act.

CHELSEA WOOD CONDOMINIUM  
COUNCIL OF CO-OWNERS

By   
President

Attest:   
Secretary

STATE OF MARYLAND

COUNTY OF ANNE ARUNDEL

I, LAURIE MOTT, a Notary Public in and for the State of Maryland, do hereby certify that W. G. MADISON, who is personally known to me as the person named as the President of Chelsea Wood Condominium Council of Co-Owners in the foregoing Amendment to the Bylaws, personally appeared before me in GREENBELT, MD and as President, as aforesaid, and by virtue of the authority vested in him, acknowledged the Amendment to be the act and deed of said Council of Co-Owners.

GIVEN under my hand and seal this 8TH day of MARCH,  
A.D., 1991.

Laurie Mott  
NOTARY PUBLIC

MY COMMISSION EXPIRES 8-20-94

CERTIFICATE OF CHELSEA WOOD CONDOMINIUM  
COUNCIL OF CO-OWNERS' SECRETARY

In accordance with Section 11-104 of the Maryland Condominium Act (Annotated Code of Maryland, Real Property Title 11) and in accordance with Article VII, Section 7.1, of the Chelsea Wood Condominium Bylaws, the Secretary, as the person authorized to count votes of the owners, hereby certifies that the Amendment to which this certificate is attached was approved by co-owners having at least sixty-six and two-thirds percent (66 2/3%) of the votes of the Council. This certificate is recorded for the purpose of conforming to Section 11-104 of the aforementioned Act and hereby accompanies the amendments to the Bylaws for the Chelsea Wood Condominium.

Betty D. Kennedy  
Secretary of the Chelsea Wood  
Condominium Council of  
Co-Owners

Attest:

[Signature]  
President

TO WIT:

On this 8TH day of MARCH, 1991, before  
me, LAURIE MOTT, the undersigned, personally  
appeared the President of the Chelsea Wood Condominium Council  
of Co-Owners, BETTY D. KENNEDY<sup>S.M.</sup>, known to me  
(or satisfactorily proven) to be the person whose name is  
subscribed to the within instrument and acknowledged that he  
executed the same for the purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and  
official seal.

Laurie Mott  
NOTARY PUBLIC  
My Commission Expires: 8-20-94