

**BYLAWS**  
**of**  
**Council of Unit Owners**  
**of**  
**THE WILLOUGHBY OF CHEVY CHASE CONDOMINIUM**

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**ARTICLE I**

**PLAN OF UNIT OWNERSHIP**

**Section 1. Applicability.** These Bylaws provide for the governance of the condominium pursuant to the requirements of the Condominium Act. The property, located in Montgomery County, Maryland and more particularly described in the Declaration, has been submitted to the provisions of the Condominium Act by recordation simultaneously herewith of the Declaration among the land records of Montgomery County, Maryland. Capitalized terms used herewith without definition shall have the meanings specified for such terms in the Declaration, or if not defined therein, the meanings specified for such terms Section 11-101 of the Condominium Act.

**Section 2. Compliance.** Pursuant to the provisions of section 11-113 of the Condominium Act, every Unit Owner and all those entitled to occupy a Unit shall comply with these Bylaws.

**Section 3. Office.** The Office of the Condominium, the Council of Unit Owners, and the Board of Directors shall be located at the Property or at such other place as may be designated from time to time by the Board of Directors. The current mailing address of the Council of Unit Owners is 5500 Friendship Boulevard, Chevy Chase, Maryland.

**Section 4. Definitions.** Unless it is plainly evident from the context that a different meaning is intended, all terms used herein shall have the same meaning as they are defined to have in the Declaration of The Willoughby of Chevy Chase Condominium.

**ARTICLE II**

**COUNCIL OF UNIT OWNERS**

**Section 1. Composition.** The Council of Unit Owners shall consist of all of the Unit Owners acting as a group in accordance with the Condominium Act pursuant to the Declaration

and these Bylaws. The name of the Council of Unit Owners shall be "The Willoughby of Chevy Chase Condominium Council of Unit Owners". For all purposes the Council of Unit Owners shall act merely as an agent for the Unit Owners as a group. The Council of Unit Owners is not incorporated as of the date of the recording of these Bylaws, but may hereafter be incorporated as a Maryland nonstock corporation subject to the provisions of Title 5, Subtitle 2 of the Corporations and Associations Article of the Annotated Code of Maryland which are not inconsistent with the Condominium Act. The Council of Unit Owners shall have the responsibility of administering the Condominium, establishing the means and methods of collecting assessments and charges, arranging for the management of the Condominium and performing all of the other acts that may be required or permitted to be performed by the Council of Unit Owners by the Condominium Act and the Declaration. Except as to those matters which the Condominium Act specifically requires to be performed by the vote of the Council of Unit Owners, the foregoing responsibilities shall be performed by the Board of Directors or Managing Agent as more particularly set forth in Article III of these Bylaws.

**Section 2. Annual Meetings.** The first annual meeting of the Unit Owners shall be held at such time as the Board of Directors shall determine but, in any event, within ninety (90) days after fifty-one percent (51%) of the Condominium Units in the project have been sold and title to the same has been conveyed by the Declarant or within three (3) years following the recordation of the Declaration, whichever shall occur first. The period until the first annual meeting of the Unit Owners shall hereinafter be sometimes referred to as "the period of Developer control." Thereafter the annual meeting of the Unit Owners shall be held during the month of March of each succeeding year. At such meeting there shall be elected by ballot of the Unit Owners a Board of Directors in accordance with the requirements of Article IX Section 2 of these Bylaws. The Unit Owners may also transact such other business of the Council of Unit Owners as may properly come before them.

**Section 3. Place of Meetings.** Meetings of the Council of Unit owners shall be held at the principal office of the Council of Unit Owners or at such other suitable place convenient to the Unit Owners as may be designated by the Board of Directors.

**Section 4. Special Meetings.** The President shall call a special meeting of the Council of Unit Owners if so directed by the resolution of the Board of Directors or, after the termination of the period of Developer control, upon a petition

signed and presented to the Secretary by Unit Owners of not less than thirty-five percent (35%) of the aggregate Percentage Interests. The notice of any special meeting shall state the time, place and purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

**Section 5. Roster of Unit Owners.** The Council of Unit Owners shall maintain a current roster of the names and addresses of each Unit Owner to which written notice of meetings of the Council of Unit Owners shall be delivered or mailed. Each Unit Owner shall furnish the Council of Unit Owners with his name and current mailing address. A current Roster of Mortgagees shall also be maintained of the names and addresses of each mortgagee as required for purposes of notice under these Bylaws.

**Section 6. Notice of Meetings.** The Secretary shall mail to Unit Owners a notice of each meeting of the Council of Unit Owners at least fifteen days prior to such meeting, stating the time, place and purpose thereof. The mailing of a notice of meeting in the manner provided in this Section and Section 1 of Article XI of the Bylaws shall be considered service of notice.

**Section 7. Adjournment of Meetings.** If at any meeting of the Council of Unit Owners a quorum is not present, Unit Owners of a majority of the Percentage Interests who are present at such meeting in person or by proxy may adjourn the meeting to a time not less than forty-eight hours after the time the original meeting was called.

**Section 8. Order of Business.** The order of business at all meetings of the Council of Unit Owners shall be as follows:

- (a) Roll call and certification of proxies.
- (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.
- (k) Adjournment.

**Section 9. Title to Units.** Title to a Unit may be taken in the name of one or more persons, in any manner permitted by law. The Council of Unit Owners may acquire, hold and transfer full legal title to one or more Units in the Condominium in its own name.

**Section 10. Voting.** Voting at all meetings of the Council of Unit Owners shall be on a percentage basis and the percentage of the vote to which each Unit Owner is entitled shall be the Percentage Interest assigned to his Unit in the Declaration. Votes assigned to Condominium Units owned by the Council of Unit Owners shall be cast as determined by a majority vote of the Board of Directors. Cumulative voting shall be permitted and this provision permitting cumulative voting may not be amended except upon the affirmative vote of Unit Owners owning units to which more than ninety (90%) of the Percentage Interests appertain. Otherwise, where the ownership of a Unit is in more than one person, the person who shall be entitled to cast the vote of such Unit shall be the person named in a certificate executed by all of the owners of such Unit and filed with the Secretary or, in the absence of such named person from the meeting, the person who shall be entitled to cast the vote shall be the person owning such Unit who is present. If more than one person owning such Unit is present then such vote shall be cast only in accordance with their unanimous agreement. Such certificate shall be valid until revoked by a subsequent certificate similarly executed. Except where a greater number is required by the Condominium Act, the Declaration or these Bylaws, the owners of more than fifty percent (50%) of the aggregate Percentage Interest in the Condominium voting in person or by proxy at one time at a duly convened meeting at which a quorum is present ("Majority of the Unit Owners") is required to adopt decisions at any meeting of the Council of Unit Owners. Any specified percentage of the Unit Owners means the Unit Owners owning such Percentage Interest in the aggregate. If the Developer owns or holds title to one or more Units the Developer shall have the right at any meeting of the Council of Unit Owners to cast the votes to which such Unit or Units are entitled. No Unit Owner may vote at any meeting of

the Council of Unit Owners or be elected to or serve on the Board of Directors if the Council of Unit Owners has recorded a statement of condominium lien(s) against his Unit(s) and the amount necessary to release such lien has not been paid at the time of such meeting or election, or if such Unit Owner has not filed with the Council of Unit Owners the information required by Section 11-109(o)(2) of the Condominium Act.

**Section 11. Proxies.** A vote may be cast in person or by proxy. Such proxy may be granted by any Unit Owner in favor of only another Unit Owner, the Developer, a Mortgagee or, in the case of a non-resident Unit Owner, his lessee, attorney or management agent. Proxies shall be duly executed in writing, shall be valid only for the particular meeting designated therein and must be filed with the Secretary before the appointed time of the meeting. Such proxy shall be deemed revoked only upon actual receipt by the person presiding over the meeting of notice of revocation from any of the persons owning such Unit. Except with respect to proxies in favor of a Mortgagee, no proxy shall in any event be valid for a period in excess of ninety (90) days after the execution thereof.

**Section 12. Quorum.** Except as otherwise provided in these Bylaws, the presence in person or by proxy of Unit Owners of twenty-five percent (25%) or more of the aggregate Percentage Interests shall constitute a quorum at all meetings of the Council of Unit Owners.

**Section 13. Conduct of Meetings.** The President shall preside over all meetings of the Council of Unit Owners and the Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting as well as a record of all transactions occurring thereat. The President may appoint a person to serve as parliamentarian at any meeting of the Council of Unit Owners. All votes shall be tallied by tellers appointed by the President or other officer presiding over the meeting.

### ARTICLE III

#### BOARD OF DIRECTORS

**Section 1. Number and Qualification.** The affairs of the Council of Unit Owners shall be governed by a Board of Directors composed of an uneven number of at least three (3) natural-persons and not more than nine (9) natural persons, a majority of whom (after the first annual meeting of Unit Owners



hereinabove provided for) shall be Unit Owners. Prior to the first annual meeting of Unit Owners, the number of Directors shall be determined, from time to time, by a vote of the initial Directors hereinafter named. Thereafter, the number of Directors shall be determined by a vote of the Unit Owners at the first annual meeting of Unit Owners and the number of Directors may be changed by a meeting of the Unit Owners, provided, however, that (a) the limitations of this Section shall continue to apply and (b) no such change shall operate to curtail or extend the term of any incumbent Director.

**Section 2. Initial Directors.** The initial Directors shall be five (5) and shall be selected by the Declarant and need not be Unit Owners and shall serve at the pleasure of the Declarant until the first annual meeting of the Unit Owners as herein elsewhere provided.

**Section 3. Powers and Duties.** The Board of Directors shall have all of the powers and duties necessary for the administration of the affairs of the Council of Unit Owners and may do all such acts and things as are not prohibited by the Condominium Act, the Declaration or by these Bylaws required to be exercised and done by the Council of Unit Owners. The Board of Directors shall have the power from time to time to adopt any Rules and Regulations deemed necessary for the benefit and enjoyment of the Condominium; provided, however, that such Rules and Regulations shall not be in conflict with the Condominium Act, the Declaration or these Bylaws. The Board of Directors shall delegate to one of its members or to a person employed for such purpose the authority to act on behalf of the Board of Directors on such matters relating to the duties of the Managing Agent (as defined in Section 4 of this Article), if any, which may arise between meetings of the Board of Directors as the Board of Directors deems appropriate. In addition to the duties imposed by these Bylaws or by any resolution of the Council of Unit Owners that may hereafter be adopted, the Board of Directors shall on behalf of the Council of Unit Owners:

(a) Prepare and adopt an annual budget, in which there shall be established the assessments of each Unit Owner for the Common Expenses.

(b) Make assessments against Unit Owners to defray the costs and expenses of the Condominium, establish the means and methods of collecting such assessments from the Unit Owners and establish the period of the installment payment of the annual assessment for Common Expenses.

(c) Provide for the operation, care, upkeep and maintenance of all the Property and services of the Condominium.

(d) Designate, hire and dismiss the personnel necessary for the maintenance, operation, repair and replacement of the Common Elements and provide services for the Property and, where appropriate, provide 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 part of the Property.

(e) Collect the assessments against the Unit Owners, deposit the proceeds thereof in bank depositories designated by the Board of Directors, use the proceeds to carry out the administration of the Property.

(f) Make and amend the Rules and Regulations governing use of the Property and the Common Elements, including the recreational facilities and Parking Area provided that no fees shall be charged to Unit Owners for use of any of the recreational facilities during "the period of Developer control."

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

(h) Make, or contract for the making of, repairs, additions and improvements to or alterations of the Property, and repairs to and restoration of the Property, in accordance with these Bylaws, after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings.

(i) Enforce by legal means the provisions of the Declaration, these Bylaws and the Rules and Regulations, act on behalf of the Unit Owners with respect to all matters arising out of any eminent domain proceeding and notify the Unit Owners of any litigation against the Council of Unit Owners involving a claim in excess of ten percent (10%) of the amount of the annual budget.

(j) Obtain and carry insurance against casualties and liabilities, as provided in Article VI of these Bylaws, pay the premiums therefor and adjust and settle any claims thereunder.

(k) Pay the cost of all authorized services rendered to the Council of Unit Owners and not billed Unit Owners of individual Units or otherwise provided for in Article V, Sections 1 and 2 of these Bylaws.

(l) Keep books with detailed accounts in chronological order of the receipts and expenditures affecting the Property and the administration of the Condominium specifying the expenses of maintenance and repair of the Common Elements and any other expenses incurred. Such books and vouchers accrediting the entries thereupon shall be available for examination by the Unit Owners, their duly authorized agents or attorneys, during general business hours on working days at the times and in the manner set and announced by the Board of Directors for the general knowledge of the Unit Owners. All books and records shall be kept in accordance with good and accepted accounting practices and the same shall be audited at least once each year by an independent certified public accountant retained by the Board of Directors who shall not be a resident of the Condominium or a Unit Owner. The cost of such audit shall be a Common Expense.

(m) Notify a Mortgagee of any default hereunder by the Unit Owner of the Unit subject to such Mortgage, in the event such default continues for a period exceeding thirty days.

(n) Borrow money on behalf of the Condominium when required in connection with any instance relating to the operation, care, upkeep and maintenance of the Common Element; provided, however, that the consent of at least two-thirds in number and in Percentage Interest of all Unit Owners, obtained at a meeting duly called and held for such purpose in accordance with the provisions of these Bylaws, shall be required to borrow any sum in excess of Ten Thousand Dollars (\$10,000.00). If any sum borrowed by the Board of Directors on behalf of the Condominium pursuant to the authority contained in this paragraph (n) is not repaid by the Council of Unit Owners, a Unit Owner who pays to the creditor a percentage of the total amount due equal to this Percentage Interest in the Condominium shall be entitled to obtain from the creditor a release of any judgment or other lien which such creditor shall have filed or shall have the right to file against such Unit Owner's Unit, and the Council of Unit Owners shall not be entitled to assess his Unit for payment of the remaining amount due such creditor.

(o) Acquire, hold and dispose of Units and mortgage the same if such expenditures and hypothecations are included in the budget adopted by the Council of Unit Owners.

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

**Section 4. Managing Agent.** The Board of Directors shall employ for the Condominium a "Managing Agent" at a compensation to be established by the Board of Directors.

**(a) Requirements.** The Managing Agent shall be a bona fide business enterprise which manages common interest residential communities. Such firm shall have a minimum of two years experience in real estate community management and shall employ persons possessing a high level of competence in the technical skills necessary for the proper management of the Condominium. The Managing Agent must be able to advise the Board of Directors regarding the administrative operation of the Condominium and shall employ personnel expert in the areas of condominium insurance, accounting, contract negotiation, labor relations and condominium regulations.

**(b) Duties.** The Managing Agent shall perform such duties and services as the Board of Directors shall authorize, including but not limited to the duties listed in paragraphs (a), (c) (d), (e), (h), (i), (j), (k), (l), (m), and (p) of Section 3 of this Article III. The Board of Directors may delegate to the Managing Agent all of the powers granted to the Board of Directors by these Bylaws other than the powers set forth in paragraphs (b), (f), (g), (n), and (o), of Section 3 of this Article III. The Managing Agent shall perform the obligations, duties and services relating to management of the Property, the rights of Mortgagees and the maintenance of reserve funds in compliance with the provisions of these Bylaws.

**(c) Standards.** The Board of Directors shall impose appropriate standards of performance upon the Managing Agent. Unless the Managing Agent is instructed otherwise by the Board of Directors:

(1) The accrual method of accounting shall be employed;

(2) two or more persons shall be responsible for handling cash to maintain adequate financial control procedures;

(3) cash accounts of the Council of Unit Owners shall not be commingled with any other accounts;

(4) no remuneration shall be accepted by the Managing Agent from vendors, independent contractors or others providing goods or services to the Council of Unit Owners without the written consent of the Council whether in the form of commissions, finders fees, service fees or otherwise; any discounts received shall otherwise benefit the Council of Unit Owners;

(5) any financial or other interest which the Managing Agent may have in any firm providing goods or services to the Council of Unit Owners shall be disclosed promptly to the Board of Directors; and

(6) a monthly financial report shall be prepared for the Council of Unit Owners containing:

(A) an Income Statement reflecting all income and expense activity for the preceding month on an accrual basis;

(B) an Account Activity Statement reflecting all receipt and disbursement activity for the preceding month on a cash basis;

(C) an Account Status Report reflecting the status of all accounts in an "actual" versus "projected" (budget) format;

(D) a Balance Sheet reflecting the financial condition of the Council of Unit Owners on an unaudited basis;

(E) a Budget Report reflecting any actual or pending obligations which are in excess of budgeted amounts by an amount exceeding the operating reserves or ten percent of a major budget category (as distinct from a specific line item in an expanded chart of accounts); and

(F) a Delinquency Report listing all Unit Owners who are delinquent in paying condominium assessments and describing the status of any actions to collect such assessments.

**(d) Limitations.** During the period prior to the first annual meeting the Board of Directors may employ a

Managing Agent for a term not to exceed three years. Thereafter, the Council of Unit Owners and the Board of Directors shall not undertake "self-management" or fail to employ a managing Agent without the consent of a Majority of the Unit Owners and the consent of Mortgagees together holding seventy-five percent (75%) of the mortgages on Condominium Units.

**Section 5. Election and Term of Office.**

(a) At the first annual meeting of the Council of Unit Owners occurring on or after January 1, 1987, the Unit Owners shall elect all members of the Board of Directors in a single election. At such meeting, the three (3) nominees receiving the largest shares of the Percentage Interests voting shall serve two (2) year terms and the remaining members elected shall serve one (1) year terms. Thereafter, subject to the provisions of Section 7 of this Article III, all Directors shall be elected in a single election to two (2) year terms to replace Directors whose terms are expiring, with the nominees receiving the largest shares of the Percentage Interests voting being elected. Subject to the provisions of Section 7 of this Article III, the members of the Board of Directors shall hold office until their respective successors shall have been elected by the Council of Unit Owners.

(b) Persons qualified to be members of the Board of Directors may be nominated for election only as follows:

(1) Any Unit Owner may submit to the Secretary at least thirty days before the meeting at which the election is to be held a nominating petition signed by Unit Owners representing at least twenty Units together with 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 Unit Owner along with the notice of such meeting; or

(2) Nominations may be submitted from the floor at the meeting at which the election is held.

**Section 6. Removal or Resignation of Members of the Board of Directors.** Except with respect to Directors designated by the Developer, at any regular or special meeting duly called, any one or more of the members of the Board of Directors may be removed with or without cause by a Majority of the Unit Owners and a successor may then and there be elected to fill the vacancy thus created. Any director whose removal has been

proposed by the Unit Owners shall be given at least fifteen days notice of the time, place and purpose of the meeting and shall be given an opportunity to be heard at the meeting. A member of the Board of Directors may resign at any time and, except for directors designated by the Developer, shall be deemed to have resigned if not in attendance at three consecutive regular meetings of the Board, unless the minutes reflect consent to such absence.

**Section 7. Vacancies.** Vacancies in the Board of Directors caused by any reason other than the removal of a Director by a vote of the Council of Unit Owners shall be filled by a vote of a majority of the remaining Directors at a special meeting of the Board of Directors held for such purpose promptly after the occurrence of any such vacancy, even though the Directors present at such meeting may constitute less than a quorum. Each person so elected shall be a member of the Board of Directors until the next annual meeting of the Council of Unit Owners. If, at that next annual meeting, the term of the member of the Board of Directors creating the vacancy has not expired, an election shall be held to elect a Board member to serve for the unexpired term of the member previously elected by the Unit Owners. If, as a result, one or more Director(s) are to be elected for less than full two (2) year terms at the next annual meeting of the Council of Unit Owners, all Directors to be elected, whether or not for full two (2) year terms, shall be elected in a single election, with the nominee(s) receiving the largest shares of the Percentage Interests voting serving for the full two (2) year terms and with the remaining nominee(s) receiving the next largest share(s) of the Percentage Interests voting filling any vacancies.

**Section 8. Organization Meeting.** The first meeting of the Board of Directors following the annual meeting of the Council of Unit Owners shall be held within thirty days thereafter at such time and place as shall be fixed by the Council of Unit Owners at the meeting at which such Board of Directors shall have been elected and no notice shall be necessary to the newly-elected Directors to legally constitute such meeting, providing a majority of the whole Board of Directors shall be present thereat.

**Section 9. Regular Meetings.** Regular meetings of the Board Directors may be held at such time and place as shall be determined from time to time by a majority of the directors, but such meetings shall be held at least once every four months during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director, by mail or

telegraph, at least three business days prior to the day named for such meeting.

**Section 10. Special Meetings.** Special meetings of the Board of Directors may be called by the President on three business days notice to each Director, given by mail or telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least two Directors.

**Section 11. 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, in person or by telephone communication, at any meeting of the Board of Directors shall constitute a waiver of notice by him of the time, place and purpose of such meeting. If all Directors are present at any meeting of the Board of Directors, no notice shall be required and any business may be transacted at such meeting.

**Section 12. Quorum of Board of Directors.** At all meetings of the Board of Directors a majority of the Directors shall constitute a quorum for the transaction of business, and the votes of a majority of the Directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors. If at any meeting of the Board of Directors there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice. A member of the Board of Directors who participates in a meeting by means of telephone communication shall be deemed present at the meeting for all purposes.

**Section 13. Fidelity Bonds.** As required by Article VI, Section 4(a), hereof, there shall be obtained fidelity bonds in an amount not less than one-half the total annual condominium assessments for the year (in such form and such greater amounts as may be required by the Mortgagees) for all officers, directors and employees of the Council of Unit Owners, including without limitation the Managing Agent, handling or responsible for Condominium funds. The premiums on such bonds shall constitute a Common Expense.

**Section 14. Compensation.** No Director shall receive any compensation from the Condo-minium for acting as such.



**Section 15. Conduct of Meetings.** The President shall preside over all meetings of the Board of Directors and the Secretary shall keep a minute book of the Board of Directors recording therein all resolutions adopted by the Board of Directors and recording all transactions and proceedings occurring at such meetings.

**Section 16. Action Without Meeting.** Any action by the Board of Directors required or permitted to be taken at any meeting may be taken without a meeting if all of the members of the Board of Directors shall individually or collectively consent in writing to such action. Any such written consent shall be filed with the minutes of the proceedings of the Board of Directors.

**Section 17. Liability of the Board of Directors, Officers, Unit Owners, and Council of Unit Owners.**

(a) The officers, members of the Board of Directors and members of the Covenants Committee shall not be liable to the Council of Unit Owners or any Unit Owner for any mistake of judgment, negligence or otherwise, except for their own individual willful misconduct or bad faith. The Council of Unit owners shall indemnify and hold harmless each of the officers and Directors from and against all contractual liability to others, arising out of contracts made by the officers or the Board of Directors on behalf of the Council of Unit Owners unless any such contract shall have been made in bad faith except to the extent that such liability is satisfied by Directors or officers liability insurance. Officers and members of the Board of Directors shall have no personal liability with respect to any contract approved by the Board of Directors on behalf of the Council of Unit Owners. The liability of any Unit Owner arising out of any contract made by the officers or Board of Directors, or out of the aforesaid indemnity in favor of the officers and Board of Directors as a result of injuries arising in connection with the Common Elements solely by virtue of his ownership of a Percentage Interest therein or for liabilities incurred by the Council of Unit Owners, shall be limited to the total liability multiplied by his Percentage Interest. Every agreement made by the officers, the Board of Directors or the Managing Agent on behalf of the Council of Unit Owners shall, if obtainable, provide that the officers, the members of the Board of Directors or the Managing Agent, as the case may be, are acting only as agents for the Council of Unit Owners and shall have no personal liability thereunder (except as Unit Owners), and that each Unit Owner's liability thereunder shall be limited to the total liability thereunder multiplied by his Percentage

Interest. The Council of Unit Owners shall indemnify and hold harmless each of the members of the Covenants Committee from and against all liability to others arising out of the due exercise of their responsibilities unless their action shall have been taken in bad faith.

(b) The Council of Unit Owners shall not be liable for any failure to supply water or other services to be obtained by the Council of Unit Owners or paid for as a Common Expense, or for injury or damage to person or property caused by the elements or by the Unit Owner of any Unit, or any other person, or resulting from electricity, water, snow or ice which may leak or flow from or over any portion of the Common Elements or from any pipe, drain, conduit, appliance or equipment. The Council of Unit Owners shall not be liable to any Unit Owner for loss or damage, by theft or otherwise, of articles which may be stored upon any of the Common Elements. No diminution or abatement of any assessments, as herein elsewhere provided, shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the Common Elements or from any action taken by the Council of Unit Owners to comply with any law, ordinance or with the order or directive of any municipal or other governmental authority.

**Section 18. Common or Interested Directors.** Each member of the Board of Directors shall exercise his powers and duties in good faith and with a view to the interest of the Condominium. No contract or other transaction between the Council of Unit Owners and any of its Directors, or between the Council of Unit Owners and any corporation, firm or association (including the Developer) in which any of the Directors of the Council of Unit Owners are directors or officers or are pecuniarily or otherwise interested, is either void or voidable because any such Director is present at the meeting of the Board of Directors or any committee thereof which authorizes or approves the contract or transaction, or because his vote is counted for such purpose if any of the conditions specified in any of the following subparagraphs exists:

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

(b) The fact of the common directorate or interest is disclosed or known to at least a Majority of the Unit Owners (Percentage Interest) and the Council of Unit Owners approves or

ratifies the contract or transaction in good faith by a vote sufficient for the purpose; or

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

Any common or interested Directors may be counted in determining the presence of a quorum of any meeting of the Board of Directors or committee thereof which authorizes, approves or ratifies any contract or transaction, and may vote thereat to authorize any contract or transaction with like force and effect as if such Director were not such Director or officer of the council of Unit Owners or not so interested; provided such action is in compliance with Section 2-419 of the Corporation and Associations Article of the Annotated Code of Maryland.

#### **Section 19. Covenants Committee.**

(a) **Purpose.** The Board of Directors shall establish a Covenants committee, consisting of no less than three or no more than seven members appointed by the Board of Directors, each to serve for a term of one year, in order to assure that the Condominium shall always be maintained in a manner:

(1) providing for visual harmony and soundness of repair;

(2) avoiding activities deleterious to the esthetic or property values of the Condominium;

(3) furthering the comfort of the Unit Owners, their guests and tenants; and

(4) promoting the general welfare and safety of the Condominium community.

(b) **Powers.** The Covenants Committee shall regulate the external design appearance, use and maintenance of the Common Elements in accordance with standards and guidelines adopted by the Board of Directors. The Covenants committee shall have the power to issue a cease and desist order to a Unit Owner, his guests, invitees, or lessees whose actions are inconsistent with the provisions of the Condominium Act, the Condominium Instruments, the Rules and Regulations or resolutions of the Board of Directors (upon petition of any Unit Owner or upon its own motion). The Covenants Committee shall,

from time to time, as required, provide interpretations of the Condominium Instruments (including adjudications regarding compliance with Article V, Section 14 of these Bylaws), Rules and Regulations and resolutions pursuant to the intents, provisions and qualifications thereof when requested to do so by a Unit Owner or the Board of Directors. Any action, ruling or decision of the Covenants Committee may be appealed to the Board of Directors by any party deemed by the Board of Directors to have standing as an aggrieved party and a vote of a quorum thereof. The Covenants Committee shall carry out its duties and exercise its powers and authority in the manner provided for in the Rules and Regulations or by resolution of the Board of Directors.

## **ARTICLE IV**

### **OFFICERS**

**Section 1. Designation.** The principal officers of the Council of Unit Owners shall be the President, the Vice President, the Secretary and the Treasurer, all of whom shall be elected by the Board of Directors. The Board of Directors may appoint an assistant treasurer, an assistant secretary and officers as in its judgment may be necessary. Subsequent to the first annual meeting, the President and Vice President shall be residents of the Condominium and members of the Board of Directors.

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

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

**Section 4. President.** The President shall be the chief executive officer of the Council of Unit Owners; preside at all meetings of the Council of Unit Owners and of the Board of the Directors; and have all of the general powers and duties which are incident to the Office of president of a non-stock corporation organized under Title 5, Subtitle 2 of the

Corporations and Associations Article of the Annotated Code of Maryland, including without limitation the power to appoint committees from among the Unit Owners from time to time as the President may, in his discretion, decide is appropriate to assist in the conduct of the affairs of the Council of Unit Owners.

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

**Section 6. Secretary.** The Secretary shall keep the minutes of all meetings of the Council of Unit Owners and of the Board of Directors; have charge of such books and papers as the Board of Directors may direct; maintain the roster of Unit Owners and Mortgagees setting forth the place to which all notices to Unit Owners and Mortgagees hereunder shall be delivered; and in general, perform all the duties incident to the office of secretary of a non-stock corporation organized under Title 5, Subtitle 2 of the Corporations and Associations Article of the Annotated Code of Maryland.

**Section 7. Treasurer.** The Treasurer shall have the responsibility for the funds and securities of the Council of Unit Owners; be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements and for the preparation of all required financial data; be responsible for the deposit of all monies and other valuable effects in the name of the Board of Directors, the Council of Unit Owners or the Managing Agent, in such depositories as may from time to time be designated by the Board of Directors; and, in general, perform all the duties incident to the office of treasurer of a non-stock corporation organized under Title 5, Subtitle 2 of the Corporations and Associations Article of the Annotated Code of Maryland.

**Section 8. Execution of Documents.** All agreements, contracts, deeds, leases, checks and other instruments of the Council of Unit Owners for expenditures or obligations in excess of Two Thousand Dollars (\$2,000.00), and all checks drawn upon reserve accounts, shall be executed by and two persons designated by the Board of Directors. All such instruments for expenditures of

obligations of Two Thousand Dollars (\$2,000.00) or less, except from reserve accounts, may be executed by any one person designated by the Board of Directors.

**Section 9. Compensation of Officers.** No officer who is also a Director shall receive any compensation from the Council of Unit Owners for acting as such officer.

## ARTICLE V

### OPERATION OF THE PROPERTY

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

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

(b) **Preparation and Approval of Budget.**

(1) At least forty-five (45) days before the beginning of the fiscal year, the Board of Directors with the assistance and counsel of the Managing Agent shall adopt a budget for the Council of Unit Owners containing an estimate of the total amount considered necessary to pay the cost of maintenance, management, operation, repair and replacement of the Common Elements and those parts of the Units as to which it is the responsibility of the Board of Directors to maintain, repair and replace, and the cost of wages, materials, insurance premiums, services, supplies and other expenses that may be declared to be Common Expenses by the Condominium Act, the Declaration, these Bylaws or a resolution of the Council of Unit Owners and which will be required during the ensuing fiscal year for the administration, operation, maintenance and repair of the Property and the rendering to the Unit Owners of all related services.

(2) Such budget shall also include such reasonable amounts as the Board of Directors considers necessary to provide working capital, a general operating reserve and reserves for contingencies and replacements. At least thirty (30) days before the beginning of the fiscal year, the Board of Directors shall send to each Unit Owner a copy of the budget in reasonably itemized form which sets forth the amount of the Common Expenses and any special assessment payable by each Unit Owner. Such budget shall constitute the basis for determining each Unit

Owner's assessment for the Common Expenses of the Council of Unit Owners.

**(c) Assessment and Payment of Common Expenses.** Subject to the provisions of Section 1(a) of Article IX hereof, the total amount of the estimated funds required from assessments for the operation of the Property set forth in the budget adopted by the Board of Directors shall be assessed against each Unit Owner in proportion to his respective Percentage Interest and shall be assessed against each Unit Owner as provided in these Bylaws. On or before the first day of each fiscal year, and the first day of each of the succeeding eleven months in such fiscal year, each Unit Owner shall be obligated to pay to the Board of Directors or the Managing Agent (as determined by the Board of Directors) one-twelfth of such assessment. Within ninety days after the end of each fiscal year, the Board of Directors shall supply to all Unit Owners and to each Mortgagee an itemized accounting of the Common Expenses for such fiscal year actually incurred and paid, together with a tabulation of the amounts collected pursuant to the budget adopted by the Board of Directors for such fiscal year, and showing the net amount over or short of the actual expenditures plus reserves. Any amount accumulated in excess of the amount required for actual expenses and reserves shall, at the discretion of the Board of Directors, either be placed in a special account to be expended solely for the general welfare of the Unit Owners or be credited according to each Unit Owner's Percentage Interest to the next monthly installments due from Unit Owners under the current fiscal year's budget, until exhausted. Any net shortage shall be assessed promptly against the Unit Owners in accordance with their Percentage Interests and shall be payable either: (1) in full with payment of the next monthly assessment due; or (2) in not more than six equal monthly installments, as the Board of Directors may determine.

**(d) 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 shall be charged first against such reserves. If the reserves are inadequate for any reason, including non-payment for any Unit Owner's assessment, the Board of Directors may at any time levy a further assessment, which shall be assessed against the Unit Owners 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 Unit Owners by a

statement in writing giving the amount and reasons therefor and such further assessment shall, unless otherwise specified in the notice, become effective with the next monthly payment which is due more than ten days after the delivery of such notice of further assessment. All Unit 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 4 of this Article V.

**(e) Initial Capital Payment.**

(1) Upon taking office, the first Board of Directors elected or designated pursuant to these Bylaws shall determine the budget, as defined in this Section, for the period commencing thirty days after such election and ending on the last day of the fiscal year in which such election occurs. Assessments shall be levied and become a lien against the Unit Owners during such period as provided in Section 4 of this Article V.

(2) The Developer as the agent of the Board of Directors will collect from each initial purchaser at the time of settlement an "initial capital payment" equivalent to twice the estimated monthly assessment for Common Expenses for such purchaser's Unit. The Developer will deliver the funds so collected to the Board of Directors to provide the necessary working capital for the Council of Unit Owners. Any surplus in such funds shall be credited to the reserves of the Condominium as the Board of Directors may determine.

**(f) Effect of Failure to Prepare or Adopt Budget.** The failure or delay of the Board of Directors to prepare or adopt a budget for any fiscal year shall not constitute a waiver or release in any manner of a Unit Owner's obligation to pay his allocable share of the Common Expenses as herein provided whenever the same shall be determined and, in the absence of any annual budget or adjusted budget, each Unit Owner shall continue to pay each monthly installment at the monthly rate established for the previous fiscal year until notice of the monthly payment which is due more than ten days after such new annual or adjusted budget shall have been delivered.

**(g) Accounts.** All sums collected by the Board of Directors with respect to assessments against the Unit Owners or from any other source may be commingled into a single fund or may be held for each Unit Owner in accordance with his Percentage Interest.



**Section 2. Payment of Common Expenses.** Each Unit Owner shall pay the Common Expenses assessed by the Board of Directors pursuant to the provisions of Section 1 of this Article V. No Unit Owner shall be liable for the payment of any part of the Common Expenses assessed against his Unit subsequent to the date of recordation of a conveyance by him in fee of such Unit. Prior to or at the time of any such conveyance, all liens, unpaid charges and assessments shall be paid in full and discharged. Each Mortgagee who comes into possession of a Unit by virtue of foreclosure or by deed or assignment in lieu of foreclosure, or any purchaser at a foreclosure sale, shall take the Unit free of any claims for unpaid assessments or charges against such Unit which accrue prior to the time such Mortgagee comes in to possession thereof, except for claims for a pro rata share of such assessments or charges resulting from a pro rate reallocation of such assessments or charges to all Condominium Units including the mortgaged Unit.

**Section 3. Collection of Assessments.** The Board of Directors, or the Managing Agent at the request of the Board of Directors, shall take prompt action to collect any assessments for Common expenses due from any Unit Owner which remain unpaid for more than thirty days from the due date for payment thereof. Any assessment, or installment thereof, not paid within fifteen days after due shall accrue a late charge in the amount of Two Dollars or one-twentieth of the amount due, whichever is greater, or whatever greater amount as may be determined by the Board of Directors in accordance with the then effective provisions of the Condominium Act.

**Section 4. Non-Payment of Assessments -- Statement of Condominium Lien.** Any assessment levied pursuant to the Declaration or these Bylaws, and any installment thereof, which is not paid on the date when due shall be delinquent and shall entitle the Council of Unit owners to claim the amount of such assessment, together with interest thereon and the actual costs of collection including reasonable attorney fees, as a lien on the Condominium Unit against which is it assessed; provided, however, that such lien shall be effective only after a Statement of Condominium Lien is recorded among the Land Records for the jurisdiction where the Declaration was originally recorded, stating the description of the Condominium Unit, the name of the Unit Owner of record, the amount due and the period for which the assessment is due. Any such Statement of Condominium Lien shall be in substantially the following form or as may otherwise be required by the Condominium Act.

STATEMENT OF CONDOMINIUM LIEN

This is to certify that \_\_\_\_\_,  
owner(s) of Unit No. \_\_\_\_\_ in THE WILLOUGHBY OF CHEVY CHASE  
CONDOMINIUM (is) (are) indebted to the Council of Unit Owners of  
The Willoughby of Chevy Chase Condominium in the amount of  
\_\_\_\_\_ as of \_\_\_\_\_, 19\_\_\_\_, for (his)  
(their) proportionate share of the common expenses of the  
condominium for the period from 19\_\_\_\_ to \_\_\_\_\_,  
19\_\_\_\_, plus interest thereon at the rate of \_\_\_\_\_ percent (%),  
costs of collection and reasonable attorney's fees.

THE WILLOUGHBY OF CHEVY CHASE  
CONDOMINIUM

By: \_\_\_\_\_  
Officer's Title (or  
Agent)  
Address  
Telephone

I HEREBY AFFIRM under penalties of perjury that the  
information contained in the foregoing Statement of Condominium  
Lien is true and correct to the best of my knowledge,  
information and belief.

\_\_\_\_\_  
Officer (or Agent)

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

Upon recordation of the Statement of Condominium Lien  
as aforesaid, the lien shall bind the Condominium Unit described  
in the Statement of Condominium Lien in the hands of the Unit  
Owner, his heirs, devisees or personal representatives. The  
personal obligation of the Unit Owner to pay the assessment  
shall, however, remain his personal obligation for the statutory  
period and a suit to recover a money judgment for non-payment of  
any assessment levied pursuant to the Declaration or these  
Bylaws, or any installment thereof, may be maintained without  
foreclosing or waiving the lien established by the Statement of  
Condominium Lien to secure payment of such assessment. Upon

full payment of the amount for which the lien is claimed the Unit Owner shall be entitled to a recordable satisfaction of the lien.

Any assessment levied pursuant to the Declaration or these Bylaws, and any installment thereof, which is not paid when due may, upon resolution of the Board of Directors, subject the Unit Owner obligated to pay the same to the payment of such penalty or "late charge" as stated in Section 3 of this Article. The Council of Unit Owners may bring an action at law against the Unit Owner personally obligated to pay the same or may, after the recordation of the Statement of Condominium Lien provided for in this Article and in the Condominium Act, foreclose the lien against the Condominium Unit or Units then belonging to said Unit Owner in the same manner and subject to the same requirements now or hereafter provided for the foreclosure of mortgages or deeds of trust in the State of Maryland containing a power of sale or an assent to a decree; in either of which events interest at the rate of eight percent (8%) per annum, actual costs of collection and reasonable attorney's fees of not less than twenty percent (20%) of the sum claimed shall be added to the amount of each assessment. Suit for any deficiency following foreclosure may be maintained in the same proceeding. No suit may be brought to foreclose the lien except after ten days' written notice to the Unit Owner given by Registered Mail -- Return Receipt Requested to the address of the Unit Owner shown on the Roster of Unit Owners maintained by the Council of Unit Owners.

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

The Board of Directors may post a list of members who are delinquent in the payment of any assessment or other fees which may be due the Council of Unit Owners, including any installment thereof which becomes delinquent, in any prominent location within the Condominium.

**Section 5. Priority of Lien.** The lien established by the recordation of a Statement of Condominium Lien, as in this Article provided, shall have preference over any other

assessments, liens, judgments or charges of whatever nature, except the following:

(a) general and special assessments for ad valorem real estate taxes on the Condominium Unit; and

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

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

Condominium Lien with respect to any Common Expense assessments and carrying charges thereafter becoming due.

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

**Section 6. Additional Rights of Mortgagees -- Notice.** The Council of Unit Owners shall promptly notify the holder of the first mortgage on any Condominium Unit for which any assessment levied pursuant to the Declaration or these Bylaws, or any installment thereof, becomes delinquent for a period in excess of thirty (30) days and the Council of Unit Owners shall promptly notify the holder of the first mortgage on any Condominium Unit with respect to which any default in any provision of the Declaration or these Bylaws remains uncured for a period in excess of thirty (30) days following the date of such default. Any failure to give any such notice shall not affect the priorities established by this Article, the validity of any assessment levied pursuant to the Declaration or these Bylaws or the validity of any lien to secure the same.

No suit or other proceeding may be brought to foreclose the lien for any assessment levied pursuant to the Declaration or these Bylaws except after ten (10) days' written notice to the holder of the first mortgage on the Condominium Unit which is the subject matter of such suit or proceeding.

**Section 7. Acceleration of Installments.** Upon default in the payment of any one or more monthly installments of any assessment levied pursuant to the Declaration or these Bylaws, or any other installment thereof, the entire balance of said assessment may be accelerated at the option of the Board of Directors and be declared due and payable in full.

**Section 8. Assessment Certificates.** The Council of Unit Owners shall, upon demand at any time, furnish to any Unit Owner liable for any assessment levied pursuant to the Declaration or these Bylaws (or any other party legitimately interested in the same) a certificate in writing signed by an officer or agent of the Council of Unit Owners, setting forth the status of said assessment, i.e., whether the same is paid or unpaid. Such certificate shall be conclusive evidence of the payment of any installment of any assessment therein stated to have been paid. A charge not to exceed Thirty Dollars (\$30.00) may be levied in advance by the Council of Unit Owners for each certificate so

delivered, except that no charge shall be levied against any institutional mortgagee of any Condominium Unit in the Condominium who requests such a certificate.

**Section 9. Additional Default.** Any recorded first mortgage secured on a Condominium Unit in the Condominium shall provide that any default by the mortgagor in the payment of any assessment levied pursuant to the Declaration or these Bylaws, or any installment thereof, shall likewise be a default in such mortgage (or the indebtedness or note secured thereby). Such mortgages shall also provide that, in the event of any default thereunder, the Mortgagee shall have the right, at its option exercised by notice in writing to the mortgagor and the Secretary of the Council of Unit Owners, to cast the votes appurtenant to the Condominium Unit which is security for the repayment of the mortgage debt at all meetings of the Unit Owners. Failure to include such provisions in any such mortgage shall not affect the validity or priority thereof and the protection extended to the holder of such mortgage (or the holder of the indebtedness or note secured thereby) by reason of the provisions of this Article shall not be altered, modified, or diminished by reason of any such failure.

**Section 10. Statement of Common Expenses.** The Board of Directors shall promptly provide any Unit Owner, contract purchaser or Mortgagee so requesting the same in writing with a written statement of all unpaid assessments for Common Expenses due from such Unit Owner and with such other information as may be required by law. The Board of Directors may impose a reasonable charge for the preparation of such statement.

**Section 11. Maintenance, Repair, Replacement and Other Common Expenses.**

(a) **By the Board of Directors.** The Board of Directors shall be responsible for the maintenance, repair and replacement (unless, if in the opinion of not less than sixty percent (60%) of the Board of Directors such expense was necessitated by the negligence, misuse or neglect of a Unit Owner) of all of the Common Elements, which for purposes of maintenance and repair shall include the Parking Garage Units, the cost of which shall be charged to all Unit Owners as a Common Expense; provided, however, that each Unit Owner shall perform normal maintenance on the Limited Common Elements appurtenant to his Unit and any portion of the remaining Common Elements which the Board of Directors pursuant to the Rules and Regulations has given him permission to utilize, including without limitation the items enumerated in subsection (b) hereof.

**(b) By the Unit Owner.**

(1) Each Unit Owner shall keep his Unit and its equipment, appliances and appurtenances in good order, condition and repair and in a clean and sanitary condition and shall do all redecorating, painting and varnishing which may at any time be necessary to maintain the good appearance and condition of his Unit. In addition, each Unit Owner shall be responsible for all damage to any other Units or to the Common Elements resulting from his negligence or failure to make any of the repairs required by this Section. Each Unit Owner shall perform his responsibility in such manner as shall not unreasonably disturb or interfere with the other Unit Owners. Each Unit Owner shall promptly report to the Board of Directors or the Managing Agent any defect or need for repairs for which the Board of Directors is responsible.

(2) The Unit Owner of any Unit to which a Limited Common Element balcony is appurtenant shall perform the normal maintenance therefor, including keeping it in a clean and sanitary condition, free and clear of snow, ice and any accumulation of water and shall also make all repairs thereto caused or permitted by his negligence, misuse, or neglect. All structural repair or replacement shall be made by the Board of Directors as a Common Expense as provided in subsection (a) above.

(3) Any Unit Owner permitted by the Board of Directors to use a specific portion of the Common Elements for storage is responsible for the maintenance and care of such portion and shall use such portion in a safe and sanitary manner.

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

**Section 12. Additions, Alterations or Improvements by the Board of Directors.** Except during "the period of Developer control", whenever in the judgment of the Board of Directors the Common Elements shall require additions, alterations or improvements costing in excess of Ten Thousand Dollars (\$10,000.00) during any period of twelve consecutive months, the making of such additions, alterations or improvements shall be approved by a majority of the Unit Owners, and the Board of Directors shall

proceed with such additions, alterations or improvements and shall assess all Unit Owners for the cost thereof as a Common Expense. Any additions, alterations or improvements costing Ten Thousand Dollars (\$10,000.00) or less during any period of twelve consecutive months may be made by the Board of Directors without approval of the Unit Owners and the cost thereof shall constitute a Common Expense. The Ten Thousand Dollars (\$10,000.00) limitation shall be increased annually by the percentage equal to the percentage increase in the annual budget of the Condominium.

**Section 13. Additions, Alterations or Improvements by the Unit Owners.** No Unit Owner shall make any structural addition, alteration or improvement in or to his Unit without prior written consent of the Board of Directors or the Covenants Committee as appropriate. No Unit Owner shall paint or alter the exterior of his Unit, including the doors and windows, nor shall any Unit Owner paint or alter the exterior of any building, without the prior written consent of the Board of Directors or the Covenants Committee, as appropriate. The Board of Directors shall be obligated to answer any written request by a Unit Owner within forty-five (45) days after such request and failure to do so within the stipulated time shall constitute a consent by the Board of Directors or the Covenants Committee to the proposed structural addition, alteration or improvement. If any application to any governmental authority for a permit to make any such structural addition, alteration or improvement in or to any Unit requires execution by the Council of Unit Owners, and provided consent has been given by the Board of Directors, then the application shall be executed on behalf of the Council of the Unit Owners by the Board of Directors only, without however incurring any liability on the part of the Board of Directors or any of them to any contractor, subcontractor or material man on account of such addition, alteration or improvement, or to any person having claim for injury to person or damage to property arising therefrom. The provisions of this Section 13 shall not apply to Units owned by the Developer until deeds of conveyance of such Units shall have been recorded; provided, however, that the Developer's construction or alterations shall be architecturally compatible with existing Units.

**Section 14. Restrictions on Use of Unit; Rules and Regulations.**

(a) Each Unit and the Common Elements shall be occupied and used as follows:



(1) Except as otherwise provided herein, no Unit shall be used for other than residential housing and related purposes for which the property was designed. Parking Garage Units shall be used solely for the purpose of parking motor vehicles. Unit 902N shall be a Professional Office Use Unit, subject to the limitations set forth in Article VI, Section 5 of the Declaration. Units 801N, 802N, 803N, 804N and 805N shall be used for such professional and/or commercial purposes that the Board of Directors, in the exercise of its discretion, determines will not be inconsistent with the general residential character of the Condominium. The Board of Directors may permit reasonable, temporary nonresidential uses of any Unit from time to time.

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

(3) No immoral, improper, offensive or unlawful use shall be made of the Property or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental agencies having jurisdiction thereof shall be observed. All laws, orders, rules, regulations or requirements of any governmental agency having jurisdiction thereof relating to any portion of the Property shall be complied with, by and at the sole expense of the Unit Owner or the Board of Directors, whichever shall have the obligation to maintain or repair such portion of the Property, and, if the latter, then the cost of such compliance shall be a Common Expense.

(4) No Unit Owner shall obstruct any of the Common Elements nor shall any Unit Owner place or cause or permit anything to be placed on or in any of the Common Elements (except those areas designated for storage or trash disposal by the Board of Directors) without the approval of the Board of Directors. Vehicular parking upon the Common Elements may be regulated or assigned by the Board of Directors. Nothing shall be altered or constructed in or removed from the Common Elements except upon the prior written consent of the Board of Directors or the Covenants Committee, as appropriate.

(5) The Common Elements shall be used only for the furnishing of the services and facilities for which the same are reasonably suited and which are incident to the use and occupancy of the Units. The lobbies, vestibules, public halls and stairways shall be used for no purposes other than for normal transit.

(6) Other than Units owned by Developer, no Unit shall be rented for transient or hotel purposes or in any event for an initial period of less than six months. No portion of any residential Unit (other than the entire Unit) shall be leased for any period. No Unit Owner shall lease a Unit other than on a written form of lease requiring the lessee to comply with the Condominium instruments and the Rules and Regulations and providing that failure to comply constitutes a default under the lease. The Board of Directors may provide a suggested standard form lease for use by Unit Owners. Each Unit Owner shall, promptly following the execution of any lease of a Unit, forward a conformed copy thereof to the Board of Directors. The foregoing provisions of this subparagraph, except against use for hotel or transient purposes, shall not apply to the Developer, or to a mortgagee in possession of a Unit as a result of a foreclosure or other judicial sale or as a result of any proceeding in lieu of foreclosure.

(7) Trailers, campers, recreational vehicles or boats may not be parked on the Property, or in or upon any of the Parking Garage Units. No junk or derelict vehicle or other vehicle on which current registration plates are not displayed shall be kept upon any of the Common Elements or in or upon any of the Parking Garage Units.

(8) The maintenance, keeping, boarding and/or raising of animals, livestock, or poultry of any kind, regardless of number, shall be and is hereby prohibited within any Unit or upon any Common Elements.

(9) Except for such signs as may be posted by the Declarant for promotional or marketing purposes, no signs of any character shall be erected, posted or displayed upon, in, from or about any Unit or Common Elements without the prior written approval of the Board of Directors. The provisions of this subparagraph shall not be applicable to a Mortgagee which comes into possession of any Unit by reason of any remedies provided for in the mortgage, foreclosure of any mortgage or any deed of trust or other proceeding in lieu of foreclosure.

(10) Unit 902N shall be a Professional Office Use Unit, subject to the limitations set forth in Article VI, Section 5, of the Declaration.

(b) Each Unit and the Common Elements shall be occupied and used in compliance with the Rules and Regulations which may be promulgated and amended by the Board of Directors. Copies of the Rules and Regulations shall be furnished by the Board of Directors to each Unit Owner. Amendments to the Rules and Regulations shall be conspicuously posted prior to the time when the same shall become effective and copies thereof shall be furnished to each Unit Owner upon request.

**Section 15. Right of Access.** By acceptance of his deed of conveyance, each Unit Owner thereby grants a right of access to his Unit, as provided by Section 11-125(e) of the Condominium Act to the Board of Directors or the Managing Agent, or any other person authorized by the Board of Directors or the Managing Agent, or any group of the foregoing, for the purpose of enabling the exercise and discharge of their respective powers and responsibilities including without limitation making inspections, correcting any condition originating in his Unit or in a Common Element to which access is obtained through his Unit and threatening another Unit or the Common Elements, performing installations, alterations or repairs to the mechanical or electrical services or the Common Elements in his Unit or elsewhere in the Property or to correct any condition which violates any Mortgage; provided, however, that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the Unit Owner. In case of an emergency, such right of entry shall be immediate, whether the Unit Owner is present at the time or not. Each Unit Owner shall provide the Managing Agent with a key to his Condominium Unit for the purposes of access as stated in this Section.

**Section 16. Utility Charges.** The cost of utilities serving the Condominium not individually metered to each Unit shall be a Common Expense.

**Section 17. Storage Cubicles; Disclaimer of Liability.** The storage cubicles are Common Elements and may be assigned to Units by appropriate resolution of the Board of Directors. The Board of Directors, the Council of Unit Owners, any Unit Owner and the Developer shall not be considered a bailee, however, of any personal property stored on the Common Elements (including property located in storage cubicles and vehicles parked on the Condominium), whether or not exclusive possession of the particular area is given to a Unit Owner for storage purposes,

and shall not be responsible for the security of such personal property or for any loss or damage thereto, whether or not due to negligence.

## **ARTICLE VI**

### **INSURANCE**

#### **Section 1. Authority to Purchase.**

(a) All insurance policies relating to the Property shall be purchased by the Board of Directors and maintained in accordance with the requirements of the Condominium Act and, where consistent with the Condominium Act, the provisions of this Article. Neither the Board of Directors nor the Managing Agent nor the Developer shall be liable for failure to obtain any coverages required by this Article VI or for any loss or damage resulting from such failure if such failure is due to the unavailability of such coverages from reputable insurance companies, or if such coverages are so available only at demonstrably unreasonable cost.

(b) Each such policy shall provide that:

(1) The insurer waives any right to claim by way of subrogation against the Developer, the Council of Unit Owners, the Board of Directors, the Managing Agent or the Unit Owners, and their respective agents, employees, guests and in the case of the Unit Owners, the members of their households.

(2) Such policy shall not be cancelled, invalidated or suspended due to the conduct of any Unit Owner (including his invitees, agents and employees) or of any member, officer, or employee of the Board of Directors or the Managing Agent without prior demand in writing that the Board of Directors or the Managing Agent cure the defect and neither shall have so cured such defect within sixty days after such demand;

(3) That any "no other insurance" clause expressly exclude individual Unit Owners' policies from its operation so that the physical damage policy purchased by the Board of Directors shall be deemed primary coverage and any individual Unit Owners' policies shall be deemed excess coverage, and in no event shall the insurance coverage obtained and maintained by the Board of Directors hereunder provide for or be brought into contribution with insurance purchased by

individual Unit Owners or their Mortgagees, unless otherwise required by law.

(c) A duplicate original of the policy and physical damage insurance, all renewals thereof, and any subpolicies or certificates and endorsements issued thereunder together with proof of payment of premiums shall be delivered by the insurer to any Unit owner or Mortgagee requesting the same at least thirty days prior to expiration of the then current policy. Prior to obtaining any policy of physical damage insurance or any renewal thereof the Board of Directors shall obtain an appraisal from an insurance company, or such other source as the Board of Directors may determine, of the current replacement cost of the Property (exclusive of the land, excavations, foundations and other items normally excluded from such coverage), without deduction for depreciation, for the purpose of determining the amount of physical damage insurance to be secured pursuant to Section 2 of this Article. All Mortgagees shall be notified promptly of any event giving rise to a claim under such policy arising from damage to the Common Elements in excess of one percent of the current replacement cost of the Property. The Mortgagee of a Unit shall be notified promptly of any event giving rise to a claim under such policy arising from damage to such Unit.

**Section 2. Liability Insurance.** The Board of Directors shall obtain and maintain comprehensive general liability (including libel, slander, false arrest and invasion of privacy coverage and errors and omissions coverage for Directors) and property damage insurance in such limits as the Board of Directors may from time to time determine, insuring each member of the Board of Directors, the Managing Agent, each Unit Owner and the Developer against any liability to the public or to the Unit owners (and their invitees, agents and employees) arising out of, or incident to the ownership and/or use of the Common Elements. Such insurance shall be issued on a comprehensive liability basis and shall contain: (i) a cross liability endorsement under which the rights of a named insured under the policy shall not be prejudiced with respect to his action against another named insured; (ii) hired and non-owned vehicle coverage; (iii) host liquor liability coverage with respect to events sponsored by the Council of Unit Owners; (iv) deletion of the normal products exclusion with respect to events sponsored by the Council of Unit Owners; and (v) a "severability of interest" endorsement which shall preclude the insurer from denying liability to a Unit Owner because of negligent acts of the Council of Unit Owners or of another Unit Owner. The Board of Directors shall review such limits once each year, but in no

event shall such insurance be less than One Million Dollars (\$1,000,000.00) covering all claims for bodily injury or property damage arising out of one occurrence. Reasonable amount of "umbrella" liability insurance in excess of the primary limits shall also be obtained.

**Section 3. Other Insurance.** The Board of Directors shall obtain and maintain:

(a) Adequate fidelity coverage to protect against dishonest acts on the part of officers, directors, trustees and employees of the Council of Unit Owners and all others who handle, or are responsible for handling, funds of the Council of Unit Owners, including the Managing Agent. Such fidelity bonds shall: (i) name the Council of the Unit Owners as an obligee; (ii) be written in an amount not less than one-half the total annual condominium assessments for the year or the current amount required by the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, whichever is greatest; and (iii) contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expressions.

(b) If required by any governmental or quasi-governmental agency, including without limitation the Federal National Mortgage Association, The Federal Home Loan Mortgage Corporation or The Veterans Administration, flood insurance in accordance with the then applicable regulations of such agency,

(c) Workmen's compensation insurance if and to the extent necessary to meet the requirements of law.

(d) Broad form machinery and pressure vessel explosion insurance.

(e) Such other insurance as the Board of Directors may determine or as may be requested from time to time by a Majority of the Unit Owners.

**Section 4. Separate Insurance.** Each Unit Owner shall have the right, at his own expense, to obtain insurance for his own Unit and for his own benefit and to obtain insurance coverage upon his personal property and for his personal liability as well as upon any improvements made by him to his Unit under coverage normally called "tenants' improvements and betterments coverage"; provided, however, that no Unit Owner shall be entitled to exercise his right to acquire or maintain such insurance coverage as so to decrease the amount which the Board

of Directors, on behalf of all Unit Owners, may realize under any insurance policy maintained by the Board of Directors or to cause any insurance coverage maintained by the Board of Directors to be brought into contribution with insurance coverage obtained by a Unit Owner. All such policies shall contain waivers of subrogation. No Unit Owner shall obtain separate insurance policies on the Condominium except as provided in this Article.

**Section 5. Insurance Trustee.**

(a) All physical damage insurance policies purchased by the Board of Directors shall be for the benefit of the Council of Unit Owners, the Unit Owners their Mortgagees and the Developer, as their interest may appear, and shall provide that, with respect to any single loss, if the proceeds thereof exceed Twenty-Five Thousand Dollars (\$25,000.00) then all such proceeds shall be paid in trust to such lending institution in the metropolitan Washington, D.C. area with trust powers as may be designated by the Board of Directors (which trustee is herein referred to as the Insurance Trustee). If such proceeds do not exceed Twenty-Five Thousand Dollars (\$25,000.00) then all such proceeds shall be paid to the Board of Directors to be applied pursuant to the terms of Article VII.

(b) The Board of Directors shall enter into an Insurance Trust Agreement with the Insurance Trustee which shall provide that the Insurance Trustee shall not be liable for payment of premiums, the renewal of the policies, the sufficiency of coverage, the form or contents of the policies, the correctness of any amounts received on account of the proceeds of any insurance policies nor for the failure to collect any insurance proceeds. The sole duty of the Insurance Trustee shall be to receive such proceeds as are paid to it and to hold the same in trust for the purposes elsewhere stated in these Bylaws for the benefit of the insureds and their beneficiaries thereunder.

**Section 6. Board of Directors as Agent.** The Board of Directors is hereby irrevocably appointed the agent for each Unit Owner, each Mortgagee, other named insureds and their beneficiaries and any other holder of a lien or other interest in the Condominium or the Property to adjust and settle all claims arising under insurance policies purchased by the Board of Directors and to execute and deliver releases upon the payment of claims.

**ARTICLE VII**

## **REPAIR AND RECONSTRUCTION AFTER FIRE OR OTHER CASUALTY**

### **Section 1. When Repair and Reconstruction are Required.**

Except as otherwise provided in Section 4 of this Article, in the event of damage to or destruction of all or any of the buildings as a result of fire or other casualty, the Board of Directors, under the direction of the Insurance Trustee, shall arrange for and supervise the prompt repair and restoration of the Buildings (including any damaged Units, and the floor coverings, kitchen or bathroom fixtures and appliances installed therein at the time of conveyance by the Developer, and replacements thereof installed by the Developer, but not including any furniture, furnishings, fixtures, equipment or other personal property supplied or installed by the Unit Owners in the Units). Notwithstanding the foregoing, each Unit owner shall have the right to supervise the redecorating of his own Unit.

### **Section 2. Procedure for Reconstruction and Repair.**

**(a) Cost Estimates.** Immediately after a fire or other casualty causing damage to any building, the Board of Directors under the direction of the Insurance Trustee shall obtain reliable and detailed estimates of the cost of repairing and restoring such building to a condition as good as that existing before such casualty. Such costs may also include professional fees and premiums for such bonds as the Insurance Trustee determines to be necessary.

**(b) Assessments.** If the proceeds of insurance are not sufficient to defray such estimated costs of reconstruction and repair, or if upon completion of reconstruction and repair the funds for the payment of the costs thereof are insufficient, the amount necessary to complete such reconstruction and repair may be obtained from the appropriate reserve for replacement funds and/or shall be deemed a Common Expense and a special assessment therefor shall be levied.

**(c) Plans and Specifications.** Any such reconstruction or repair shall be substantially in accordance with the original construction of the Property, subject to any modifications required by changes in applicable governmental regulations.

### **Section 3. Disbursements of Construction Funds.**

**(a) Construction Fund and Disbursement.** The proceeds of insurance collected on account of casualty, and the



sums received by the Board of Directors or Insurance Trustee from collections of assessments against Unit Owners on account of such casualty, shall constitute a construction fund which shall be disbursed in payment of the costs of reconstruction and repair in the following manner:

(1) If the estimated cost of reconstruction and repair is less than Twenty-Five Thousand Dollars (\$25,000.00), then the construction fund shall be disbursed in payment of such costs upon order of the Board of Directors.

(2) If the estimated cost of reconstruction and repair is Twenty-Five Thousand Dollars (\$25,000.00), or more, then the construction fund shall be disbursed in payment of such costs upon approval of an architect qualified to practice in Maryland and employed by the Insurance Trustee to supervise such work, payment to be made from time to time as the work progresses. The architect shall be required to furnish a certificate giving a brief description of the services and materials furnished by various contractors, subcontractors, materialmen, the architect and other persons who have rendered services or furnished materials in connection with the work stating that: (i) the sums requested by them in payment are justly due and owing and that such sums do not exceed the value of the services and materials furnished; (ii) there is no other outstanding indebtedness known to such architect for the services and materials described; and (iii) the cost as estimated by such architect for the work remaining to be done subsequent to the date of such certificate does not exceed the amount of the construction fund remaining after payment of the sum so requested.

**(b) Surplus.** It shall be presumed that the first monies disbursed in payment of the cost of reconstruction and repair shall be from insurance proceeds and, if there is a balance in the construction fund after the payment of all of the costs of the reconstruction and repair for which the fund is established, such balance shall be divided among all Unit Owners in proportion to their Percentage Interests and shall be distributed in accordance with the priority of interests at law or in equity in each Unit.

**(c) Common Elements.** When the damage is to both Common Elements and Units, the Insurance proceeds shall be applied first to the cost of repairing those portions of the Common Elements which enclose and service the Units, then to the cost of repairing the other Common Elements and thereafter to the cost of repairing the Units.

**(d) Certificate.** The Insurance Trustee shall be entitled to rely upon a certificate executed by the President or Vice President, and the Secretary, certifying: (i) whether the damaged Property is required to be reconstructed and repaired; (ii) the name of the payee and the amount to be paid with respect to disbursement from any construction fund and whether surplus funds to be distributed are less than the assessments paid by the Unit Owners; and (iii) all other matters concerning the holding and disbursing of any construction fund. Any such certificate shall be delivered to the Insurance Trustee promptly after request.

**Section 4. When Reconstruction is Not Required.** In the event the Condominium is damaged to the extent of two-thirds of its then replacement cost, any Unit Owner may bring action for partition for a period of one year after the date of the damage. If partition is ordered, any insurance proceeds received on account of such damage shall be distributed among all Unit Owners in proportion to their respective Percentage Interests, the Condominium shall be terminated pursuant to Section 11-123 of the Condominium Act, and the net assets of the Condominium together with the net proceeds of insurance policies, if any, shall be divided by the Board of Directors or the Insurance Trustee, as the case may be, among all Unit Owners in proportion to their respective Percentage Interest, after first paying out of the share of each Unit Owner, to the extent sufficient therefore, the amount of any unpaid liens of his Unit in order of priority of such liens.

## ARTICLE VIII

### MORTGAGES

**Section 1. Notice to Board of Directors.** Any Unit Owner of any Condominium Unit who mortgages such Unit shall promptly notify the Board of Directors of the name and address of his Mortgagee and file a confirmed copy of such note and mortgage or deed of trust with the Board of Directors.

If the name and address of a Mortgagee is not filed with the Board of Directors by the Unit Owner or the Mortgagee then the Council of Unit Owners and Board of Directors are not to be held responsible for the various notice requirements under these Bylaws to such Mortgagee.

**Section 2. Notice of Default, Casualty or Condemnation.** The Board of Directors when giving notice to any Unit Owner of a default in paying an assessment for Common Expenses or any other default, shall simultaneously send a copy of such notice to the Mortgagee of such Unit. Each Mortgagee shall also be promptly notified of any casualty when required by Section 3(c) of Article VI hereof of all actions of the Council of Unit Owners with respect thereto. For purposes of this section only, when notice is to be given to a Mortgagee, the Board of Directors shall also give such notice to the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Veterans Administration, the Federal Housing Administration, the Government National Mortgage Association and any other public or private secondary mortgage market entity participating in purchasing or guarantying mortgages of Units in the Condominium if the Board of Directors has notice of such participation.

**Section 3. Notice of Amendment of Declaration or Bylaws.** The Board of Directors shall give notice to all Mortgagee seven days prior to the date of which the Unit Owners, in accordance with the provisions of these Bylaws, materially amend the Condominium Instruments.

**Section 4. Notice of Change in Managing Agent.** The Board of Directors shall give notice to all Mortgagees thirty days prior to undertaking self-management or changing the Managing Agent.

**Section 5. Other Rights of Mortgagees.** All Mortgagees or their representatives shall be entitled to attend meetings of the Council of Unit Owners and shall have the right to speak thereat. All such Mortgagees shall have the right to examine the books and records of the Condominium and to require the submission of annual financial reports and other budgetary information.

## **ARTICLE IX**

### **COMPLIANCE AND DEFAULT**

**Section 1. Relief.** Each Unit Owner shall be governed by, and shall comply with, all of the terms of the Condominium Instruments and the Condominium Act as any of the same may be amended from time to time. In addition to the remedies provided in the Condominium Act, a default by a Unit Owner shall entitle the Council of Unit Owners, acting through its Board of Directors or through the managing Agent, to the following relief:

**(a) Additional Liability.** Each Unit 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 or licensees, 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 Unit 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 Unit Owners, the Board of Directors or of a Unit owner to enforce any right, provisions, covenant or condition which may be granted by the Condominium Instruments or the Condominium Act shall not constitute a waiver of the right of the Council of Unit Owners, the Board of Directors or the Unit Owner to enforce such right, provisions, covenant or condition in the future. All rights, remedies and privileges granted to the Council of Unit Owners, the Board of Directors or any Unit Owner pursuant to any term, provision, covenant or condition of the Condominium Instruments or the Condominium 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 Condominium Act or at law or in equity.

**(d) Interest.** In the event of a default by any Unit Owner paying any sum assessed against his Condominium Unit other than for Common Expenses which continues for a period in excess of fifteen days, interest at the rate of eight percent (8%) per annum 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 Unit 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 Declaration or the

Condominium Act shall give the Board of Directors the right, in addition to any other rights set forth in these Bylaws: (1) to enter the Unit in which, or as to which, such violation or breach exists and summarily to abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Board of Directors shall not thereby be deemed guilty in any manner of trespass; or (2) 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 Declaration, 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 Unit Owners, the Board of Directors, the Managing Agent or if appropriate, by any aggrieved Unit Owner and shall not constitute an election of remedies.

## **ARTICLE X**

### **AMENDMENTS TO BYLAWS**

#### **Section 1. Amendments Generally.**

These Bylaws may not be amended except upon the vote of Unit Owners owning units to which more than sixty-six and two-thirds percent (66-2/3%) of the Percentage Interests appertain and provided, further, that during the "period of Developer control" (i) Section 2 of Article II, (ii) Section 10 of Article II, (iii) Section 1 of Article III, (iv) this Article X, (v) and any other provisions in these Bylaws or the Declaration providing specific preservation of rights to the Developer, may not be amended except upon the vote of Unit Owners owning units to which more than ninety percent (90%) of the Percentage Interests appertain. All amendments to the Bylaws shall be prepared and recorded by the Secretary and shall include a certification by the Secretary that the amendment was approved by the vote of Unit Owners having the required percentage of all of the votes in the Council of Unit Owners.

#### **Section 2. Special Amendment.**

Developer reserves the right and power to record a special amendment ("Special Amendment") to the Declaration and these Bylaws at any time and from time to time which amends the Declaration (i) to comply with requirements of the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Department of Housing and Urban Development, the Federal Housing Association, the Veterans Administration, or any other governmental agency or any other public, quasipublic or private entity which performs (or may in the future perform) functions similar to those currently performed by such entities, (ii) to induce any of such agencies or entities to make, purchase, sell, insure, or guarantee first mortgages covering Unit Ownerships, (iii) to bring the Declaration and these Bylaws into compliance with the applicable law, or (iv) to correct clerical or typographical errors in the Declaration, Bylaws or any Exhibits thereto or any supplement or amendment thereto. In furtherance of the foregoing, a power coupled with an interest is hereby reserved and granted to the Developer to vote in favor of, make or consent to a Special Amendment on behalf of each owner as proxy or attorney-in-fact, as the case may be. Each deed, mortgage, trust deed other evidence of obligation, or other instrument affecting a Unit and the acceptance thereof shall be deemed to be a grant and acknowledgement of, and a consent to the reservation of, the power to the Developer to vote in favor of, make, execute and record Special Amendments. The right of the Developer to act pursuant to rights reserved or granted under this Section shall terminate at such time as the Developer no longer holds or controls title to a Unit. However, no such amendment shall be made which changes the percentage interests of any Unit owner except in accordance with the provisions of Maryland law governing amendment of the Declaration.

## **ARTICLE XI**

### **MISCELLANEOUS**

**Section 1. Notices.** All notices, demands, bills, statements or other communications under these Bylaws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by mail, postage prepaid (i) if to a Unit Owner, at the address which the Unit Owner shall designate in writing and file with the Secretary, or if no such address is designated, at the address of the Unit of such Unit Owner, or (ii) if to the Council of Unit Owners, to the resident agent and to the Board of Directors or the Managing Agent, at the principal office of the managing Agent or at such other address

as shall be designated by notice in writing to the Unit Owners pursuant to this Section. If a Unit is owned by more than one Person, each such Person who so designates an address in writing to the Secretary shall be entitled to receive all notices hereunder.

**Section 2. Captions.** The captions herein are inserted only as a matter of convenience and for references, and in no way define, limit or describe the scope of these Bylaws or the intent of any provisions thereof.

**Section 3. Gender.** The use of the masculine gender in these Bylaws shall be deemed to include the feminine and neuter genders and the use of the singular shall be deemed to include the plural, and vice versa, whenever the context so requires.

**Section 4. Compliance.** These Bylaws are set forth in compliance with the requirements of Title 11, Real Property Article, Annotated Code of Maryland.

**Section 5. Conflict.** These Bylaws are subordinate and subject to all provisions of Title 11, Real Property Article, Annotated Code of Maryland, as amended. All of the terms hereof, except where clearly repugnant to the context, shall have the same meaning as in the Declaration; and in the event of any conflict between these Bylaws and the Declaration, the provisions of the Declaration shall control and in the event of any conflict between the aforesaid Declaration and Title 11, Real Property Article, Annotated Code of Maryland, the provisions of the statute shall control.

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

**Section 7. Waiver.** No restrictions, condition, obligation or provisions of these Bylaws shall be deemed to have been abrogated or waived by reason of any failure or failures to enforce the same.