



## Bay Club Timeshare Owner Association – Special Meeting Notice

Dear members of the Bay Club Council of Unit Owners and Bay Club Timeshare Owners Association, Inc.:

A Special meeting of the members of the Association has been scheduled on Thursday, May 18, 2023 from 5:30 PM until the meeting is officially adjourned. This meeting will be hosted via Zoom and your meeting invitation is attached to this cover letter.

Please return the enclosed Bay Club Condominium Proxy Ballot before the meeting. You can your Proxy and vote by completing and signing it and emailing, mailing, or texting it as described below.

**Please Note:** The enclosed Proxy Ballot may be:

- Filled out online by clicking the below link: <https://airtable.com/shrvPaOP12ghMhCrP>
- Sent by text to (443) 574 – 6008.
- **Mailed** c/o Bay Club Resort, PO Box 4221, Ocean City, MD 21843
- **Emailed** to [bayclubrestructure@lemonjuice.biz](mailto:bayclubrestructure@lemonjuice.biz)
- **Scan** the QR code by using the camera on your phone to access the online proxy ballot.



As this is a Special Meeting, only the matters indicated on the Proxy Ballot will be discussed. If you cast your Proxy Ballot before the meeting, you need only to attend the Zoom meeting if you have questions about the Proxy Ballot. You may also cast your Proxy Ballot during the Special meeting.

Updating the Bay Club Governing Documents is critical to modernizing the operation of your Association and maximizing the value of the condominium units to be sold. We urge you to vote “FOR” adoption of the amended documents. These documents were reviewed and approved by the Bay Club Council of Unit Owners Board of Directors at their regular meeting held on Thursday, March 2, 2023.

### **Amendment Vote Requirement:**

- Condominium Declaration: Per the Amendment adopted by the Bay Club Condominium on Oct. 28, 2017, an Amendment to the Declaration of Bay Club was reduced to 80% (see attached “Amendment to Declaration – Termination of Timeshare Interval and Amendment Requirement to 80%”).
- Condominium Bylaws: Per the Condominium Act, amendment to the Bylaws of the Condominium can be done by the affirmative vote of 60% of Unit Owners in Good Standing (an owner that is not delinquent more than 90 days).

### **Draft Documents attached:**

- Declaration
- Bylaws
- Articles of Incorporation
- Electronic Voting and Notice
- Proxy Ballot

Should you need additional assistance, we have a support team ready to answer your questions by calling The Bay Club Restructure Line at 443 – 574- 6008. We look forward to your attendance and equally committed to offer optimal solutions and great outcomes by putting owners first.

**NOTICE OF SPECIAL MEETING OF THE MEMBERS OF  
BAY CLUB COUNCIL OF UNIT OWNERS AND  
BAY CLUB TIMESHARE OWNERS' ASSOCIATION, INC.**

TO: MEMBERS OF BAY CLUB COUNCIL OF UNIT OWNERS AND  
BAY CLUB TIMESHARE OWNERS' ASSOCIATION, INC

NOTICE IS HEREBY given, pursuant to *MD Ch. 11-109* and the By-Laws of BAY CLUB COUNCIL OF UNIT OWNERS (the "Association"), that, for the members of the Association, a special meeting of the membership of the Association will be held on Thursday, May 18, 2023, at 5:30 PM online via ZOOM, for the purpose(s) set forth on the agenda hereinbelow, among other matters which may be properly brought.

PLEASE NOTE: Participation at this meeting will be available online only at:  
<https://us06web.zoom.us/j/88601206355?pwd=ODVQSjl1bTBLWlcvdHQ2QUFtSjZuQT09>  
Meeting ID: 886 0120 6355, Passcode: 750543

The undersigned certifies that this notice shall be mailed (by depositing same in the United States Post Office or in a letter box in a postage-paid, sealed envelope by Regular Mail) to each Member of the Association at his or her respective address as the same appears on the books of the Association and posted conspicuously on the Condominium Property at least fifteen (15) days before the scheduled date of the subject meeting.

Dated: March 9, 2023

BAY CLUB TIMESHARE OWNERS' ASSOCIATION, INC

By: 

Print Name: R. Scott MacGregor

Print Title: Director, Managing Agent

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AGENDA

1. Roll call and certification of Proxies
2. Proof of Notice of Meeting
3. Reports of Officers
4. Discussion and tally of Proxy Ballots
5. Adjournment

## EXHIBIT B

### BYLAWS OF BAY CLUB CONDOMINIUM, INC.

#### ARTICLE I PLAN OF OWNERSHIP

1. **Purpose.** The administration of the Bay Club Condominium, Inc. ("Condominium" or "Association") shall be governed by these Bylaws which is Exhibit B to the Amended and Restated Declaration of the Bay Club Condominium, Inc. ("Declaration") and are made a part thereof. All present and future holders of any interest in the Condominium shall be members of the Condominium, which is a condominium association organized under Title 11 of the Real Property Article of the Annotated Code of Maryland ("Condominium Act or "Act"). The Condominium consists of sixty (60) Units.

2. **Definitions.** Capitalized terms not otherwise defined in these Bylaws shall have the meanings specified in the Declaration and the Condominium Act. The use of any gender in this Declaration shall be deemed to refer to all of the genders and the use of the singular shall be deemed to refer to the plural and vice versa, whenever the context so requires.

3. **Bylaws Applicability.** The provisions of these Bylaws are applicable to the Property, and the use, occupancy, sale, lease, or other transfer thereof. All present and future Owners, tenants, their guests, licensees, servants, agents, employees, and any other Person who shall use the facilities of the Condominium, shall be subject to these Bylaws and to the Rules of the Condominium. The acceptance of a deed of conveyance, entering into a lease, or the act of occupancy of a Unit or any other portion of the Condominium shall constitute an acknowledgment that such Owner, tenant or occupant has accepted and ratified these Bylaws, the provisions of the Declaration and the Rules and will comply with them.

4. **Office.** The office of the Condominium and of the Board of Directors shall be located at the Condominium or at such other place as may be designated from time to time by the Board of Directors.

#### ARTICLE II

##### BAY CLUB UNIT OWNERS ASSOCIATION

1. **Composition.** The Bay Club Condominium is incorporated condominium under the laws of Maryland and the Act. All of the Unit Owners (the "Owners") acting as a group in accordance with the Condominium Act, the Declaration and these Bylaws, shall constitute the Bay Club Unit Owners Association ("Association") for the Condominium. The Association, through its Board of Directors, shall have the responsibility of administering the Condominium, establishing the means and methods of collecting the assessments for Common Expenses, arranging for the management of the Condominium, and performing all of the acts that may be required by the Condominium Act to be performed by the Association. Except as to those matters which require the approval of the Owners under the Condominium Act, the Declaration or these Bylaws, the Board of Directors may approve all matters concerned with or affecting the Condominium (as more particularly set forth in Article III).

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shall be transacted at a special meeting except as stated in the notice.

6. **Notice of Meeting.** It shall be the duty of the Secretary to provide notice, by United States first class mail, of each annual meeting or special meeting of the Owners, at least fifteen (15) days in advance of an annual meeting, and at least ten (10) days in advance of a special meeting, except as provided in Article III, Section 7, stating the purpose thereof as well as the time and place where it is to be held, to each Owner of record, at the address of their respective Units or at such other address as each Owner may have designated by notice in writing to the Secretary. In lieu of notice by mail, an owner may be provided notice and any material relating to the Condominium delivered to an email address on file with the Secretary as provided in the Act.

7. **Voting Requirements.** An Owner shall be deemed to be in good standing and entitled to vote at any annual meeting or at any special meeting of the Condominium if, and only if, they shall have fully paid all assessments made or levied and due against them and their Unit by the Board of Directors as hereinafter provided, together with all interest, costs, attorneys' fees, penalties and other expenses, if any, properly chargeable to them and against their Unit, at least three days prior to the date fixed for such annual or special meeting.

8. **Proxies.** The votes appertaining to any Unit may be cast pursuant to a proxy or proxies in accordance with the provisions of the Act.

9. **Quorum.** Twenty-Five Percent (25%) of the eligible votes of the Units present or represented in person or by proxy shall constitute a quorum for purposes of conducting business at any Owner meeting.

10. **Order of Business.** The order of business at all meetings of the Association shall be as follows:

- (a) Roll call;
- (b) Recitation of proof of notice of meeting;
- (c) Reading of minutes of preceding meeting or approval without reading;
- (d) Reports of officers;
- (e) Report of board of directors;
- (f) Reports of committees;
- (g) Election of directors; if applicable;
- (h) Unfinished business; and
- (i) New business.

Notwithstanding the foregoing, any of the business may be waived as determined by the Board of Directors or the Chair of said meeting.

11. **Conduct of Meeting.** The President, or their designee, shall preside over all meetings of the Association and the Secretary shall keep the minutes of the meeting and record in a record book all resolutions adopted by the meeting as well as a record of all transactions occurring thereat. Rules of order may be adopted by the Board of Directors.

#### ARTICLE III

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2. **Voting.** Each Unit shall be entitled to cast one vote per unit as specified in Amended and Restated Declaration and Exhibit C to the Declaration, and as restated herein:

(a) **Designation of Voting Members.** The vote of any condominium Unit Owner shall not be divisible. Owners who are corporations, partnerships, other legal entities, co-tenants, tenants in common and joint owners shall designate, at the time they become owners or thereafter, a member who shall exercise that Unit Owner's voting power and notify the Association of such designation. Each Owner may cast a vote by proxy as provided in the Bylaws. The right of a member to vote may be suspended by the Association as provided in the Declaration or Bylaws.

(b) **Voting by Joint Owners.** Because an Owner of a Unit may be more than one Person, if only one of such Persons is present at a meeting of the Association, that Person shall be entitled to cast the vote appertaining to their ownership interest. But, if more than one of such Persons is present, the vote appertaining to that ownership interest shall be cast only in accordance with the agreement of a majority of them, and such consent shall be conclusively presumed if anyone of them purports to cast the vote appertaining to that ownership interest without protest being made forthwith by any of the others to the Person presiding over the meetings. As applied to a Person which is not a natural person, the word "Person" shall be deemed for the purposes of this Section to include, without limitation, any one natural Person having authority to execute deeds on behalf of such Person which is not a natural Person and which is, either alone or in conjunction with another Person or Persons, an Owner. If joint owners do not designate a voting member and if two or more are present at a meeting and are unable to concur in their decision upon any subject requiring a vote, they shall lose their right to vote on that subject at that meeting. Where said joint owners do not designate a voting member, and only one is present at the meeting, the person present may cast the vote for the Interval Interest, just as though he or she owned the Unit individually, and without establishing the concurrence of the absent person or persons.

(c) Except where a greater number is required by the Condominium Act, the Declaration, or the Bylaws, a majority of the votes of Owners in good standing and entitled to vote, attending the meeting in Person or by proxy, is required to adopt decisions at any meeting of the Association, except for election of Directors which may be accomplished by a plurality of such votes. If the Association owns or holds title to one or more Units, the Association acting through its Board of Directors shall have the right at any meeting of the Association to cast the votes to which such Unit(s) is entitled.

3. **Place of Meetings.** Meetings of the Association shall be held at the principal office of the Condominium or at such other suitable place as may be designated by the Board of Directors and stated in the notice of the meeting.

4. **Annual Meeting.** The annual meeting of the Association shall be held on a date to be determined by the Board of Directors. Notice of such meeting shall be given in accordance with the provisions of Section 6 of this Article II. At such annual meetings, the Board of Directors shall be elected by ballot of the Owners in accordance with the requirements of Section 4 of Article III and the Act. The Association may transact such other business as may properly come before them at such meetings.

5. **Special Meetings.** It shall be the duty of the President to call a special meeting of the Association if so directed by resolution of the Board of Directors or upon a petition signed and presented to the Secretary by Owners having not less than 25% of the votes of all Owners. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business

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#### BOARD OF DIRECTORS

1. **Powers and Duties.** The affairs and business of the Condominium shall be managed by a Board of Directors (sometimes herein referred to as the "Board") which shall have all the powers and responsibilities necessary for the administration of the affairs of the Condominium and may do all such acts and things as are not by the Condominium Act or by these Bylaws directed to be exercised and done exclusively by the Owners themselves. The Board of Directors may delegate to one of its members the authority to act on behalf of the Board on all matters which might arise between meetings of the Board of Directors. In addition to the general duties imposed by these Bylaws, the Board of Directors shall have the power to perform, and shall be responsible for, the following:

(a) Preparation of an annual budget and the establishment of an assessment of each Owner for the Common Expenses;

(b) Making assessments against Owners to defray the Common Expenses of the Condominium, establishing the means and methods of collecting such assessments from the Owners, collecting said assessments, depositing the proceeds thereof in a bank depository which it shall approve, and using the proceeds to carry out the administration of the Property. Unless otherwise determined by the Board of Directors, the annual assessments against each Owner for their proportionate share of the Common Expenses shall be payable in equal monthly installments, each such installment to be due and payable in advance on the first day of each month for said month;

(c) Providing for the operation, management, repair, replacement and maintenance of all of the Units and Common Elements including designating, hiring and dismissing the personnel necessary therefor, and, where appropriate, providing for the compensation of such personnel and for the purchase or use of equipment, supplies and material to be used by such personnel in the performance of their duties;

(d) Making and amending Rules concerning the operation, use and enjoyment of the Property (subject to the condition that such Rules shall not be in conflict with the Condominium Act or with the Declaration or these Bylaws, or other rules of law) and enforcing by legal means the provisions of the Declaration, these Bylaws and such Rules, and bringing any proceedings which may be instituted on behalf of the Owners;

(e) Obtaining and carrying insurance against casualty and liability, as provided in these Bylaws, other insurance as provided by the Act, and paying the premium costs thereof and making, or contracting for the making of, repairs, additions, and improvements to, or alterations of, the Property, in accordance with the other provisions of these Bylaws;

(f) Opening bank accounts on behalf of the Association and designating signatories required therefor and keeping books with detailed accounts of the receipts and expenditures affecting the Property and the administration of the Condominium. The said books shall be available for examination by the Owners, and their duly authorized agents, at reasonable times and places in accordance with the Act. All books and records shall be kept in accordance with generally accepted accounting practices;

(g) The Board of Directors shall have the irrevocable power as attorney-in-fact on

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behalf of all the Owners, their heirs, successors and assigns to do the following things:

(i) To execute easements through the Common Elements benefiting the Condominium or any portion thereof;

(ii) To negotiate, settle and litigate, including execution of any necessary documents, any proceeding by any governmental authority to condemn all or any portion of the Common Elements, any dispute concerning the location of the boundaries of Common Elements, disputes concerning title to all or any portion of the Common Elements and any other dispute which affects the Common Elements;

(iii) To execute any documents necessary to encumber all or any portion of the Common Elements to secure any borrowing, provided that such borrowing is authorized pursuant to Article V, Section 7 or Article VII, Section 2(b) hereof; and

(iv) To execute and renew leases and contracts concerning the use and operation of the Common Elements. The Board of Directors shall determine the terms and conditions of such lease and contracts in its sole discretion; and

(h) To do such other things and acts not inconsistent with the Condominium Act and with the Declaration, which it may be authorized to do by a resolution of the Association.

2. **Managing Agent.** The Board of Directors may employ, or contract with, a professional manager or management firm ("Manager") for a fee or compensation established by the Board of Directors, to perform such duties and services as the Board of Directors shall authorize including, but not limited to, the duties listed in Section 1 of this Article III. The Board of Directors may delegate to the Manager all the powers granted to the Board of Directors by these Bylaws, provided that any actions by the Manager with respect to the powers set forth in paragraphs (b) through (g) of Section 1 of this Article III shall require the written consent of the Board of Directors.

3. **Number of Directors and Initial Selection of Board of Directors.** The affairs of the Association shall be governed by the Board of Directors composed of at least three (3) natural persons and not more than seven (7) natural persons, all of whom shall be members of the Association.

4. **Election and Term of Office.** The term of office of the Directors shall be fixed at three (3) years. The Directors shall hold office until their respective successors have been elected and hold their first meeting.

5. **Organization Meeting.** The first meeting of the members of the Board of Directors for each fiscal year shall be held following the annual meeting of the Association immediately after, and at the same place as, such annual meeting, 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.

6. **Regular Meetings.**

(a) Regular meetings of the Board may be held at such time and place as shall be determined

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from time to time by a majority of the Directors, but such meetings shall be held at least twice during each fiscal year. Notice of regular meetings of the Board shall be given to each Director by mail or telephone at least five (5) days prior to the day named for such meeting. Said notice may also be made by "electronic transmission" as defined by the Act, if the requirements of Section 11-139.1 of the Act are met. The date of the next regular meeting may be set at a meeting and such action shall constitute notice of the next meeting to all Directors present at the prior meeting. Each regular meeting shall provide a designated period of time to allow Unit Owners an opportunity to comment on any matter relating to the Condominium. During a meeting at which the agenda is limited to specific topics, the Unit Owners' comments may be limited to the topics listed on the meeting agenda.

(b) Regular meetings of the Board, except those portions which may be held in executive session in accordance with the Act, shall be open to all Unit Owners. Notice to Unit Owners of regular Board meetings shall be given at least ten (10) days prior to a meeting in a manner determined by the Board.

(c) The notice requirements contained in this Section may be met by the publication of a schedule setting forth in advance the date, time and location of regular Board meetings.

7. **Special Meetings.** Special meetings of the Board may be called by the President on three (3) business days' notice to each Director by mail, in person or by telephone, or by "electronic transmission", as defined by the Act. The notice shall include the date, time, place and purpose of the meeting. Upon written request of at least two (2) Directors, special meetings of the Board shall be called by the President or Secretary in like manner and on like notice. Three (3) business days' notice to Unit Owners of special meetings of the Board shall be given in a manner determined by the Board. Each special meeting shall provide a designated period of time to allow Unit Owners an opportunity to comment on the topics listed on the meeting agenda. No business shall be transacted at a special meeting of the Board except that stated in the notice.

8. **Waiver of Notice.** Any Director may at any time, in writing, waive notice of any meeting of the Board, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall constitute a waiver of notice by him or her of the date, time, place, and purpose of such meeting. If all Directors are present at any meeting of the Board, no proof of notice thereof shall be required (except notice to Unit Owners in accordance with the Act and these Bylaws), and all appropriate business may be transacted at such meeting.

9. **Quorum.** At all meetings of the Board, the presence of a majority of the sitting 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. If, at any meeting of the Board, 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 at the adjourned meeting without further notice. Directors must be present in person at all meetings of the Board and vote in person; no Director may vote by proxy at meetings of the Board. All Directors shall have one (1) vote and all Directors are entitled to vote, even the Director who has been elected by the Board as President. At any meeting of the Board, one or more Director(s) may be considered present, and counted toward reaching a quorum, if the Director(s) is (are) available via speakerphone, or other electronic means, and it is approved by a majority of the Directors; provided, however, that all participating Directors can hear and be heard by one another and by

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all persons in attendance, by whatever means, at all times during the meeting.

10. **Conduct of Meetings.** The President shall preside over all meetings of the Board, and the Secretary shall keep or cause to be kept a minute book of the Board recording therein all resolutions adopted by the Board and all relevant transactions and proceedings occurring at such meetings.

Except as provided in Section 11 of this Article III, all meetings of the Board of Directors shall be open to all Unit Owners. Notwithstanding that such meetings shall be open, no person other than members of the Board of Directors shall be entitled to seek recognition, vote, or otherwise participate at the meetings, unless provided otherwise by the Act or these Bylaws. The Board shall have the power to expel from any meeting all persons who refuse to conduct themselves appropriately while attending such meeting(s), or who disrupt the proceedings of the Board.

11. **Closed Meetings.**

(a) A meeting of the Board may be held in closed session only for the purposes set forth in Section 11-109.1 of the Act, as amended from time to time. Such purposes include, but may not be limited to, the following:

- (1) Discussion of matters pertaining to employees and personnel; or,
- (2) Protection of the privacy or reputation of individuals in matters not related to the Condominium's business; or,
- (3) Consultation with legal counsel on legal matters; or,
- (4) Consultation with staff personnel, consultants, attorneys, board members, or other persons in connection with pending or potential litigation or other legal matters; or,
- (5) Investigative proceedings concerning possible or actual criminal misconduct; or,
- (6) Compliance with a specific constitutional, statutory or judicially imposed requirement protecting particular proceedings or matters from public disclosure; or,
- (7) Discussion of individual owner assessment accounts.

(b) The Board may vote to hold a closed session for the foregoing specific purposes, but the Board may also choose to discuss any of these issues in an open meeting. If a meeting is held in closed session, an action may not be taken, and a matter may not be discussed if it is not permitted by the Act. A statement of the time, place, and purpose of the closed meeting, the record of the vote of each Board member by which the meeting was closed, and the recitation of the authority to close the meeting pursuant to Section 11-109.1 of the Act, shall be included in the minutes of the next meeting of the Board.

12. **Vacancies.** Vacancies in the Board of Directors caused by any reason other than removal of a Director by a vote of the Association shall be filled by vote of the majority of the remaining Directors, at a special meeting of the Board of Directors held for that purpose as promptly as practical after the occurrence of any such vacancy, even though the Directors present at such meeting may constitute less than a quorum of the Board of Directors. Each Person so elected shall be a Director for the remainder of

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the term of the Director so replaced.

13. **Removal of Directors.** A Director may be removed without cause, and their successor elected, at any duly called regular or special meeting of the Association at which a quorum is present, by an affirmative vote of fifty percent of all eligible votes of the Condominium, which are present and voting. Any Director whose removal has been proposed by the Owners shall be given at least ten days' notice of the calling of the meeting and the purpose thereof and an opportunity to be heard at the meeting.

14. **Compensation.** No Director shall receive any compensation from the Association for acting as such, but may be compensated for travel, meals and other out-of-pocket expenses incurred in the performance of their duties.

15. **Conduct of Meetings.** The President, or, in their absence, the vice president or a president pro tem, elected by the Board of Directors, shall preside over all meetings of the Board of Directors and the Secretary shall keep minutes of the meetings of the Board of Directors recording therein all resolutions adopted by the Board of Directors and all transactions and proceedings occurring at such meetings, which minutes shall be filed in the record book of the Association.

16. **Report of Board of Directors.** The Board of Directors shall present at each annual meeting, and when called for by vote of the Association at any special meeting of the Association, a full and clear statement of the business and condition of the Condominium.

17. **Fidelity Bonds and Insurance.** The Board of Directors may require that all Directors, officers, agents (including the Manager) employees and volunteers of the Association handling or responsible for handling funds belonging to, or administered by, the Association, furnish adequate fidelity bonds or insurance. The premiums on such bonds or insurance shall constitute a Common Expense. The amount of such bonds or insurance shall equal or exceed the funds in the custody of the Association, but in no event shall the amount of the bonds be less than the total of three months' assessment against all Units plus reserve funds.

18. **Liability of the Board of Directors.** The members of the Board of Directors shall not be liable to the Owners for any mistake of judgment, negligence, or otherwise except for their own individual willful misconduct or bad faith. The Owners shall indemnify and hold harmless each of the Directors from and against (i) all contract or negligence liability to others arising out of contracts made by, and action taken or omitted by, the Board of Directors on behalf of the Owners unless any such contract or action shall have been made, taken or omitted in bad faith, due to willful misconduct, and (ii) against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement incurred by such Director in connection with any threatened, pending or completed action, suit or proceeding unless he or she acted in bad faith or was guilty of willful misconduct or acted contrary to the provisions of the Declaration or these Bylaws.

It is intended that the members of the Board of Directors shall have no personal liability (except as Owners) with respect to any contract made or action taken or omitted by them on behalf of the Owners, unless made, taken or omitted in bad faith, or due to willful misconduct. It is also intended that, except with respect to Directors guilty of willful misconduct or bad faith, each Owner's share of the total liability arising out of any contract, action or omission made by the Board of Directors or out of the aforesaid indemnity in favor of the members of the Board of Directors shall be limited to such proportion of such

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total liability as their Undivided Percentage Interest bears to the Undivided Percentage Interests of all of the Owners. Every written agreement made by the Board of Directors or by the Manager on behalf of the Owners shall, if obtainable, provide that the members of the Board of Directors or the Manager, as the case may be, are acting only as agents for the Owners and shall have no personal liability thereunder (except as Owners), and that each Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as their Undivided Percentage Interest bears to the Undivided Percentage Interests of all Owners.

19. **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, except for the adoption of a budget, if all of the members of the Board of Directors shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board of Directors.

#### ARTICLE IV OFFICERS

1. **Designation.** The principal officers of the Association shall be a President, Vice President, Secretary, and Treasurer, all of whom shall be elected by the Board of Directors. The Board of Directors may appoint such other officers as in its judgment may be necessary. No officer need be a member of the Association. The offices of Treasurer and Secretary may be held by the same Person.

2. **Election of Officers.** The officers of the Association shall be elected annually by the Board of Directors at its meeting held immediately following the annual meeting of the Association, and such officers shall hold office at the pleasure of the Board of Directors. Any vacancy in an office shall be filled by the Board of Directors at a regular board meeting or special board meeting called for such purpose.

3. **Removal of Officers.** The officers shall hold office until their respective successors are chosen and accept their offices. Any officer elected or appointed by the Board of Directors may be removed at any time by the affirmative vote of a majority of the Board of Directors, and their successor may be elected at any meeting of the Board of Directors.

4. **President.** The President shall be the chief executive officer. They shall preside at meetings of the Association and the Board of Directors. The President shall have general and active management of the business of the Association and shall see that all orders and resolutions of the Board of Directors are carried into effect. The President shall have all the general powers and duties that are usually vested in or incident to the office of the president of a business corporation organized under the laws of the State of Maryland.

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 shall appoint some other Board member 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 assigned to him or her by the Board or by the President.

6. **Secretary.** The Secretary, with the assistance of the Managing Agent, shall: cause the keeping of the minutes of all meetings of the Association and of the Board; have charge of such books and papers as

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the Board may direct; maintain the roster of Unit Owners and mortgagees setting forth the place to which all notices to Unit Owners and mortgages hereunder shall be delivered; record and count all votes taken at meetings of the Association of Owners; in general, perform all the duties incident to the office of secretary of a non-stock corporation organized under the laws of the State of Maryland.

7. **Treasurer.** The Treasurer, with the assistance of the Managing Agent, shall have the responsibility for the funds and securities of the Association; be responsible for causing the keeping of 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 Association in such depositories as may from time to time be designated by the Board; in general, perform all the duties incident to the office of treasurer of a non-stock corporation organized under the laws of the State of Maryland.

8. **Agreements, Contracts, Deeds, Checks, and Other Instruments.** All agreements, contracts, deeds, leases, checks and other instruments of the Association for expenditures or obligations shall be executed by an officer of the Association, or by such other natural person or persons as may be designated by the Board of Directors.

9. **Compensation of Officers.** No officer shall receive any compensation from the Association for acting as officer, unless voted by the Owners at an annual or special meeting. Officers may be reimbursed for travel, meals and out-of-pocket expenses incurred in the performance of their duties.

#### ARTICLE V OPERATION OF THE PROPERTY

##### Budget

1. **Fiscal Year.** The fiscal year of the Association shall be January 1 through December 31, unless otherwise determined by the Board.

##### 2. Preparation and Approval of Budget.

(a) It shall be the duty of the Board to adopt a budget for the Association containing an estimate of the total amount considered necessary to pay the cost of, by way of example and not limitation, the maintenance, management, operation, repair and replacement of the Common Elements, and those parts of the Units which it is the responsibility of the Association to maintain, repair and replace, if any, and the cost of wages and other personnel costs, materials, insurance premiums, services, supplies, commonly metered utilities, charges accruing pursuant to any cross-easement, reciprocal homeowners' or similar agreement affecting the Condominium, and other expenses that may be declared to be Common Expenses by the Act, the Declaration, these Bylaws or by a resolution of the Board of Directors.

(b) Each Unit Owner shall pay to the Association the annual assessment, which is payable, unless otherwise directed by the Board, in regular monthly installments equal to each Owner's proportionate share, based upon each Owner's Percentage Interest as set forth in the Declaration and the amendments thereto, of the sum required by the Association, as estimated by the Board, to meet the Association's annual expenses.

(c) The budget shall also include such reasonable amounts as the Board considers necessary to provide working capital, a general operations contingency fund, as well as reserves for repairs and replacements.

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(d) At least thirty (30) days before the budget is adopted, the Board shall cause to be prepared and submitted to the Unit Owners an annual proposed budget. After the thirty (30) day period has expired, the annual budget shall be adopted at an open meeting of the Board.

(e) Any expenditure made other than those made because of conditions which, if not corrected, could reasonably result in a threat to the health or safety of the Unit Owners or a significant risk of damage to the Condominium, that would result in an increase in an amount of assessments for the current fiscal year of the Condominium in excess of 15% of the budgeted amount previously adopted, shall be approved by an amendment to the budget adopted at a special meeting, upon not less than ten (10) days written notice to the Unit Owners.

3. **Effect of Failure to Prepare or Adopt Budget.** The failure or delay of the Board to prepare or adopt a budget for any fiscal year shall not be deemed a waiver or modification in any respect of the provisions of this Article, or a release of any Unit Owner from the obligation to pay the Owner's allocable share of the annual assessment, or any installment thereof, for that or any subsequent assessment period. In the absence of any annual 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 under the new budget is forwarded to each Unit Owner. A copy of the new budget and each Owner's annual assessment shall be mailed or delivered to each Owner at least ten (10) days prior to the due date for the first installment or as soon thereafter as is possible.

4. **Accounting and Disposition of Common Profits.** Within ninety (90) days after the end of each fiscal year, the Board shall make available to all Unit Owners, 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 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, be an additional contribution to reserves, be placed in a special account to be expended solely for the general welfare of the Unit Owners, be credited according to each Unit Owner's Percentage Interest to the next monthly installment due from Unit Owners under the current fiscal year's budget, be disbursed to the Unit Owners in proportion to their Percentage Interest, or be used for any other purpose the Board decides, 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 equal monthly installments for such period as the Board of Directors may determine in its sole discretion.

5. **Special Assessments.** In addition to regular assessments authorized by this Article, the Board, on behalf of Association, may levy in any fiscal year a special assessment or assessments, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of the Condominium property, including the necessary fixtures and personal property related thereto, or for such other purpose as the Board may consider appropriate, provided, however, that any special assessment exceeding thirty percent (30%) of that fiscal year's budget shall have the assent of a majority of the votes of Unit Owners in attendance in person or by proxy at a regular meeting of the Unit Owners or at a special meeting of the Unit Owners called for the purpose of approving or disapproving the special assessment. The Board of Directors shall serve written notice of any such special assessment on all Unit Owners by first class mail to the address noted on the Condominium's roster. Said notice shall state the amount and the reason for the special assessment and the due date. The special assessment may be payable in a lump sum or in installments, and, notwithstanding the applicability of the special assessment to that year only, the installments may extend beyond the fiscal year in which the special assessment was passed, as the Board may determine in its sole discretion.

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Notwithstanding the above, the Board may impose a special assessment without membership approval in an amount sufficient to bring the Condominium into compliance with any law, rule, order or regulation of any governmental or quasi-governmental agency.

6. **Additions, Alterations or Improvements by the Board of Directors.** The Board shall cause all necessary additions, alterations, or improvements to be made to the Common Elements. If, in the opinion of a majority of the Directors, such additions, alterations, or improvements are exclusively for the benefit of the Unit Owner or Owners requesting the same, the requesting Unit Owner or Owners shall be assessed therefore in such proportion as may be determined by the Board of Directors.

7. **Reserves.** The Association shall establish and maintain a reserve fund by the monthly allocation and payment of an amount to be designated from time to time by the Board based upon a professional evaluation of the sum necessary to repair or replace the Common Elements, when necessary, as further defined below. Such fund shall be conclusively deemed to be a Common Expense. Such fund shall be invested as determined by the Board of Directors in its sole discretion. However, before finalizing any investment the Board shall consider several factors, including, but not limited by, the risk of the investment, the potential return on the investment, and the liquidity of the investment. The reserve fund may be expended only for the purpose of affecting the repair and replacement of the Common Elements and the equipment of the Condominium, for startup costs and operating contingencies of a non-recurring nature, and for such improvements as the Board, in its discretion, deems appropriate and necessary. In the event a Board of Directors is required to borrow money from reserves for anything other than the purpose of effecting the repair and replacement of the Common Elements of the Condominium, it shall prepare a repayment schedule that repays the money borrowed within not more than five (5) years. The repayment schedule so established may be shortened by future Boards but may not be extended beyond five (5) years from the date the monies were borrowed. The proportionate interest of any Unit Owner in any reserve for replacements and any other reserves established by the Association shall be considered an appurtenance of a Unit Owner's Unit and shall not be separately withdrawn, assigned, transferred, or otherwise separated from the Unit to which it appertains and shall be deemed to be transferred with such Unit.

The Board of Directors shall maintain at all times a current "reserve study" prepared either by an architect or engineer licensed in the State of Maryland or by a professional or company qualified to prepare such a study, and said study shall be updated at least once every five (5) years. Said reserve study shall state the preparer's opinion as to the remaining useful life of each component of the Common Elements for which reserve funds are normally accumulated and an estimated cost of replacement of each component at the end of its useful life. The reserve study shall also compute the amount of contributions to reserves necessary each year in order to fully fund the replacement of each component. The Board of Directors shall be responsible for funding reserves in accordance with the reserve study to the extent possible given the financial condition of the Condominium, but in no event shall the contribution to reserves in any year be less than fifty percent (50%) of the recommended level of funding called for in the reserve study.

If the reserves are inadequate for any reason, including non-payment of any Unit Owner's assessment, the Board of Directors may at any time levy a further assessment, which shall be assessed against the Unit Owners in accordance with their respective Percentage Interest, and which may be payable in a lump sum or in installments, as the Board may determine. The Board of Directors shall serve notice of any such further assessment on Unit Owners by a statement in writing giving the amount and reasons therefore, and such further assessment shall, unless otherwise specified in the notice, become effective with the next monthly payment which is due more than ten (10) days after the delivery of such notice of further assessment. All Unit Owners so notified shall be obligated to pay the adjusted monthly amount or, if such further assessment is not payable in installments, the amount of such assessment. Notwithstanding the applicability of the assessment to that year only, the installments may extend beyond the fiscal year in which the assessment was passed, as the Board may determine in

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its sole discretion.

8. **Statement of Common Expenses.** The Board of Directors shall promptly provide any Unit Owner so requesting the same in writing, a written statement of all unpaid assessments for Common Expenses due from such Owner. The Board of Directors may impose a reasonable charge for such statement to cover the cost of preparation.

#### **Assessments.**

9. **Purpose of Assessments.** The assessments for Common Expenses provided for herein shall be used for the general purposes described in the Act, the Declaration, and these Bylaws and for promoting the recreation, health, safety, welfare, common benefit, and enjoyment of the Owners and occupants of Units in the Condominium as may be more specifically authorized from time to time by the Board.

Where utility services are provided to the Condominium, including to the individual units and to the common elements, and where the charges for such services are billed by the utility provider exclusively to the Condominium, the Condominium shall be entitled to pay the provider for such services as a common expense of the Condominium and to include such costs in the Condominium's annual budget, irrespective of whether the Condominium takes any action to recoup from the unit owners that portion of the total charges paid as a common expense that may be identified as being attributable to utility service provided to their respective units.

Notwithstanding the foregoing paragraph, the Condominium, by and through action of its Board of Directors, without the specific approval of the unit owners, without requiring the utility provider to change the method of billing all utility consumption in the Condominium to the Condominium, and without depriving the Board of Directors of paying such charges as a common expense of the Condominium and including the same in the annual budget, may nevertheless cause to be installed any equipment required to measure the utility consumption in, for and by any unit or common element (the "submetering equipment"). Upon the installation of such submetering equipment, the Board of Directors may deem it feasible and in the best interest of the Condominium to recoup from the owner(s) of any unit the cost of utility consumption in, for and by any unit that has been or will be paid to the utility provider as a common expense. In that case, the Board of Directors may reasonably rely upon the data obtained from the submetering equipment, and shall be authorized to calculate the unit owner(s)' respective shares of the utility costs, and to charge such costs to the unit and the unit owner(s), which utility charges shall be both a continuing lien upon the unit and the personal obligation of the unit owner(s), in the same manner and to the same extent as any other assessment authorized by these Bylaws.

Furthermore, where submetering equipment has been installed, and where the utility provider has indicated an ability, willingness, desire and intent both to measure utility consumption in, for and by a given unit and also to invoice the costs for such consumption to the owner(s) of said unit, the Board of Directors may, without the specific approval of the unit owners, subtract from the Condominium's common expenses and omit thereafter from its annual budget those charges attributable to utility consumption within the individual units, at which time, such charges would become the personally liability of the unit owner(s), the nonpayment of which could result in suspension of utility service to such unit by the utility provider within its sole discretion.

10. **Assessment Obligation.** Each Owner, by acceptance of a deed for a Unit in the Condominium, whether it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (a) annual assessments or charges, (b) special assessments to be established pursuant to the terms of these Bylaws, and (c) any fines, charges or other specific assessments levied against a Unit Owner's Unit, pursuant to and as provided by the Act, the Declaration or these Bylaws. Liability for assessments may not be avoided by waiver of the use or enjoyment of any Common Element or by abandonment of the Unit for which the assessments are

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the assessment, however, remains the Owner's obligation and a lawsuit to recover a money judgment for non-payment of any assessments levied pursuant to the Act, the Declaration or these Bylaws, or any installment thereof, may be maintained without foreclosing on the lien or waiving the lien established to secure payment of the assessments. Likewise, a lien may be established and enforced under the Maryland Contract Lien Act, without the Association waiving the right to maintain a lawsuit to recover a money judgment; provided, however, that the Association shall not be entitled to recovery of the same delinquent assessments and aforesaid related charges more than once.

17. **Disconnection Electrical Services to Delinquency.** If utilities such as electricity are an element of Common Expense, the Board of Directors may turn off said utility to a Unit in the event that a lien has been recorded against a Unit Owner's Unit and the amount necessary to release such lien has not been paid. Any entry by the Board or its authorized agents for the purpose of turning off such utilities shall not be deemed a trespass and any costs associated with said entry shall also be charged to the Unit Owner and collected as an assessment.

18. **Subordination and Mortgage Protection.** Notwithstanding any other provisions hereof to the contrary, saving and excepting any lien priority created by statute for the benefit of the Association, any assessment lien levied pursuant to these Bylaws upon any Unit (and any penalties, interest, late fees or the like) shall be subordinate to, and shall in no way affect the rights of the holder of a Mortgage or Deed of Trust recorded among the Land Records for Worcester County made in good faith for value received, provided, however, that such subordination shall apply only to assessments which have become due and payable prior to a sale or transfer of such Unit pursuant to foreclosure, or any proceeding in lieu of foreclosure. Such sale or transfer shall not relieve the purchaser of the Unit at such sale from liability for any assessments thereafter becoming due, nor from the lien of any such subsequent assessment, which lien shall have the same effect and be enforced in the same manner as provided in this Article V.

19. **Payments Credited.** Payments received from a Unit Owner will be credited to the outstanding balance in the following order:

- Court costs, attorney's fees, and other costs of collection.
- Fines, other charges authorized by the Declaration, these Bylaws or other applicable law, late fees or accrued interest, as applicable.
- Special assessments.
- Annual assessments.

20. **Partial Payments.** In the event a Unit Owner attempts to make a payment of less than all monies due and owing the Association after collection proceedings have commenced, the Association's attorney may send a letter by first class mail to the owner advising the owner that their account remains delinquent as to all remaining monies owed to the Association. The Association's retention of the partial payment does not constitute a waiver of the Board's authority to foreclose on the owner's property or take action against the owner to collect the outstanding balance.

21. **Returned Check Fees.** A Unit Owner may be charged a reasonable fee in an amount to be determined by the Board from time to time for checks returned for insufficient funds or any other reason.

22. **Rights of Mortgagees.** Upon the written request of a Mortgagee, said Mortgagee shall be entitled to the following:

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made.

11. **Late Fees and Interest.** Any assessment levied pursuant to these Bylaws, or any installment thereof, which is not paid within fifteen (15) days after it is due, shall bear interest, from the due date until paid, at the rate of eighteen percent (18%) per annum (or such greater amount provided for by the Act). Any delinquency which has continued for at least fifteen (15) days shall also be charged a late fee of fifteen dollars (\$15.00) or one tenth (1/10) of the total amount of any delinquent assessment or installment, whichever is greater (or such greater amounts as may be provided for by the Act). A late fee shall only be imposed once for the same delinquent payment.

12. **Acceleration of Installments.** Upon default in the payment of one or more assessment installments, the entire balance of the annual assessment may be accelerated and declared due and payable in full by the mailing of notice to such effect to the defaulting Unit Owner by the Board or the Managing Agent in accordance with the Act.

13. **Legal Fees and Costs of Collection.** The Association shall be entitled to recover from a defaulting Unit Owner all attorney's fee actually incurred and all costs of collection actually incurred by the Association to collect assessments, or any installment thereof, which are more than fifteen (15) days delinquent, irrespective of whether legal action is taken against the defaulting Unit Owner. The Condominium shall be further entitled to recover from a defaulting Unit Owner all attorney's fees and costs of collection actually incurred by the Association to collect upon any judgments entered against said Owner by a court of competent jurisdiction. By way of example, such attorney's fees and costs of collection may include, but are not limited to, those incurred to prepare and file garnishment of property or wages, oral examinations, writs of execution, and interrogatories in the aid of enforcement of judgment. The attorney's fees and costs so incurred may be claimed in a suit or lien separate and apart from the suit in which the underlying judgment was obtained. Such attorney's fees and costs are hereby deemed to have been incurred and are not merged into that underlying judgment.

14. **Creation of a Lien and Foreclosure.** Any assessment levied pursuant to the Act, the Declaration or these Bylaws, or any installment thereof that is not paid on the due date shall be delinquent. All assessments, together with management charges, costs, interest, late fees, and all attorneys' fees actually incurred, shall be a charge on the Unit and shall be a continuing lien upon the Unit against which each such assessment is made. A lien may be imposed upon any Unit in accordance with the requirements of the Act and the Maryland Contract Lien Act. The Board, on behalf of the Association, may foreclose on the lien in the same manner and subject to the same requirements now or hereafter provided in the State of Maryland for the foreclosure of mortgages or deeds of trust containing a power of sale or a consent to a decree. Suit for any deficiency following the foreclosure may be maintained in the same proceeding. In the event a proceeding is brought by the Board on behalf of the Association to foreclose on a lien, the Owner of such Unit may be required, upon resolution of the Board, to pay a reasonable rental for the Unit.

15. **Lawsuit.** Any assessment levied pursuant to the Act, the Declaration or these Bylaws, or any installment thereof that is not paid on the date when due shall be delinquent. All such assessments, together with management charges, costs, interest, late fees, and all attorney's fees actually incurred, shall be the personal obligation of the Unit Owner. The Board, on behalf of the Association, may bring an action at law against a Unit Owner legally obligated to pay the assessments to obtain a money judgment against the Owner for the amount of the unpaid assessments (including fines), as well as the attendant management charges, late fees, interest, legal fees and costs of collection.

16. **Lawsuit and Lien are Not Mutually Exclusive Remedies.** Upon the placement of a lien on a Unit, the lien shall bind the Unit described in the Statement of Lien. The personal obligation of the Unit Owner to pay

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(a) To receive a copy of a notice sent to any Unit Owner of a default in the payment of an assessment for common expenses which default remains uncured for thirty (30) days or of some other default.

(b) To inspect the books and records of the Condominium in accordance with Section 11-116 of the Act.

(c) To receive an annual audited financial statement of the Condominium within ninety (90) days following the end of any fiscal year of the Condominium.

(d) To receive written notice of all meetings of the Condominium with the right to designate a representative to attend such meetings.

## **ARTICLE VI** **MAINTENANCE, REPAIR, REPLACEMENT** **AND OTHER COMMON EXPENSES**

1. **By the Condominium.** Except as otherwise stated in the Declaration, as amended, or elsewhere herein, the Association shall be responsible for the maintenance, repair and replacement of the Common Elements, the cost of which shall be charged to all Unit Owners as a Common Expense. The cleaning of Common Elements includes, among other things, keeping the same free and clear of litter, debris, sand, snow, ice, and any accumulation of water, to the extent practical. The Association shall also be responsible for the maintenance, repair and replacement of all the sanitary and storm sewer systems and appurtenances; all water, electric, plumbing, wiring, and other facilities for the furnishing of all utility services into two or more units, but excluding therefrom all plumbing, heating and electrical appliances, fixtures, systems and parts thereof which serve only a single unit whether located solely within or without the boundaries of an individual unit. Notwithstanding the foregoing, except for windows or door locks, which are the responsibility of the Unit Owner to maintain and repair, the Association shall be responsible for the maintenance and repair of all roofs, exterior walls, balconies, and patios at common expense. Door locks shall be the responsibility of the Condominium to maintain, repair, and replace as a common expense.

Subject to the foregoing, each Unit Owner having the exclusive use of any Limited Common Element shall regularly keep and maintain same in good order and repair; including but not limited to ordinary maintenance and repair and the replacement of broken windows and doors. Any structural maintenance, repair, and replacement of any of the Limited Common Elements shall be treated and paid for as a Common Expense.

The Board of Directors may elect to charge a Unit Owner the cost of maintenance, repair, or replacement to a General or Limited Common Element if, in the opinion of a majority of the Board, such expense was necessitated by the negligence, misuse or neglect of that Unit Owner, their tenants, guests or invitees. All costs (including legal and management fees) incurred by the Condominium as a result of a Unit Owners failure to comply with Maryland law, the Declaration, these Bylaws, and the Rules and Regulations may be assessed against the Unit and collected in the same manner as an assessment.

### **2. By the Unit Owner.**

Except for maintenance requirements herein imposed upon the Association, the Owner of any Condominium Unit shall, at their own expense, do all repairs, maintenance, renovation, replacement,

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redecorating, painting, and the like, which may at any time be necessary to maintain his Unit in good order, condition and repair and in a clean and sanitary condition.

The Unit Owner shall also be responsible for maintenance, repair and replacement of facilities related to water, gas, power, telephone, heating, air-conditioning and sewage service to the Unit, if any. The Unit Owner shall, at his own expense, clean, maintain, and replace all windows and glass doors of the condominium unit and shall, at their own expense, clean and maintain the interior surfaces of all entry doors of the condominium unit which are not glass. The interior surfaces of entry doors from common element hallways into Units shall be cleaned and maintained by and at the expense of the individual Unit Owner.

Any limited common element appurtenant to a particular Unit and reserved for the exclusive use of an owner of that particular unit shall be kept by the Unit Owner in a clean, orderly, and sanitary condition.

The Association may, from time to time, by Board resolution, accept or assume the obligation to make certain repairs or perform maintenance services to facilities owned by the individual Unit Owners or portions of the common elements which serve only one or two units, and apportion the cost thereof as a common expense, or, in the alternative, may eliminate its obligation to repair and maintain certain common element facilities contained within the Condominium units and require the owners thereof to perform repair and maintenance at the expense of such owners. The responsibility for complying with all laws, ordinances and regulations regarding maintenance, modification or repair of the Condominium property shall fall upon that person or entity having responsibility for that portion of the Condominium property concerned.

Each Unit Owner shall perform these responsibilities 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 Association is responsible. All repairs and replacements shall be substantially similar to the original construction and installation and shall be of first-class quality but may be done with contemporary building materials and equipment.

If, in the opinion of the Board of Directors, a Unit Owner has not maintained his Unit or appurtenant Limited Common Elements to the standards set forth in these Bylaws, the Board may choose to perform such maintenance or repairs as it deems necessary. Except in emergency situations, in which case the Board may immediately proceed without notice, no such maintenance or repair shall be undertaken without the approval of a majority of the Board of Directors and not without reasonable written notice to the Unit Owner, which notice shall state the Board's intent to provide such necessary maintenance, repair, or replacement, at the Unit Owner's sole cost and expense, and set forth with reasonable particularity the maintenance, repairs, or replacement deemed necessary. The Unit Owner shall have fifteen (15) days within which to authorize the Board to make the repairs at the Unit Owner's expense or to complete said maintenance, repair, or replacement. If, such maintenance, repair, or replacement is not capable of completion within said fifteen (15) day period, the Unit Owner shall be required to commence said maintenance, repair, or replacement within the stated fifteen (15) day period. If any Unit Owner does not comply with the provisions hereof, the Board, by majority vote, may provide any such maintenance, repair, or replacement at the Unit Owner's sole cost and expense, and the cost thereof shall be assessed against the Unit on which such maintenance or repair is performed and, when so assessed, a statement for the amount thereof shall be rendered to the then owner of said Unit, at which time the assessment shall become due and payable and a continuing lien and obligation of said Unit Owner in all respects and collected in the same manner as an assessment. Any entry into a Unit by the Board or its authorized agents for the purpose of performing such maintenance or repair or to inspect the Unit shall not be deemed a trespass and any costs associated with said entry shall also be charged to the Unit Owner and collected as an assessment.

The Board of Directors, in its sole discretion, may choose to enforce the provisions of this Section by bringing legal action to compel the Unit Owner to perform their maintenance obligation. In the event that the

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- (b) The Board, on behalf of the Association, may, by majority vote, grant easements, rights-of-way, licenses, leases, and other similar interests for one (1) year or less.

7. **Additions, Alterations, or Improvements by the Board of Directors.** Whenever in the judgment of the Board of Directors the Common Elements shall require additions, alterations or improvements costing in excess of \$100,000 during any period of twelve (12) consecutive months, and the making of such additions, alterations or improvements shall have been approved by a Majority of the Owners, the Board of Directors shall proceed with such additions, alterations or improvements and shall assess all Owners for the cost thereof as a Common Expense. Any additions, alterations or improvements costing \$100,000 or less during any period of twelve (12) consecutive months may be made by the Board of Directors without approval of the Owners and the cost thereof shall constitute part of the Common Expenses. The Board of Directors may, if it deems it appropriate, borrow funds for these purposes and encumber the Common Elements to secure such borrowing. Notwithstanding the foregoing, if, in the opinion of not less than two-thirds of the members of the Board of Directors, such additions, alterations or improvements are exclusively or substantially exclusively for the benefit of a limited number of Owners requesting the same, such requesting Owners shall be assessed therefor in such proportion as they jointly approve or, if they are unable to agree thereon, in such proportions as may be determined by the Board of Directors.

8. **Additions; Alterations or Improvements by Owners.** No Owner shall make any structural addition, alteration, or improvement in or to their Unit or Limited Common Elements appurtenant to their Unit without the prior written consent of the Board of Directors. No Owner shall make any modifications to the Common Elements. No Owner shall paint, decorate, or otherwise change the external appearance of their Unit or Limited Common Elements, including the doors and windows, without the prior written consent thereto of the Board of Directors. The Board of Directors shall be obligated to answer any written request by an Owner for approval of such proposed structural addition, alteration, or improvement or such internal or external change within sixty days after such request, and its failure to do so within the stipulated time shall constitute a consent by the Board of Directors to the proposed addition, alteration, improvement, or change. If any application to any governmental authority for permit to make any such structural addition, alteration or improvement in or to any Unit or Limited Common Elements requires execution by the Association, and provided consent has been given by the Board of Directors, then the application shall be executed on behalf of the Association by the Board of Directors only, without, however, incurring any liability on the part of the Board of Directors, or any of them to anyone on account of such addition, alteration or improvement.

9. **Restrictions on Use of Units.** To assist the Association in providing for congenial occupancy and the protection of the value of the Units, it is necessary that the Board of Directors have the right and authority to exercise reasonable controls over the use of the Units. Absent consent of the Board of Directors, none of the following enumerated prohibitions shall be permitted, and the Board of Directors is hereby authorized to take all steps necessary to prevent or discontinue any violations thereof, all at the expense of the violator:

(a) No nuisances, as determined by the Board of Directors in its sole discretion, shall be allowed on the Property, nor shall any use or practice be allowed which is an unreasonable source of annoyance to its residents or which unreasonably interferes with the peaceful possession or proper use of the Condominium by others. Without limiting the foregoing, no Owner, tenant, occupant, or their guests shall play music or otherwise create an unreasonable amount of noise in the Common Elements or Limited Common Elements, which disturbs any other Owner, tenant or occupant. The Board of Directors or its designated agent shall be the sole body to determine whether any action or noise is being maintained at an unreasonable level as set forth herein.

- (b) Nothing shall be done in any Unit or in, on, or to the Common Elements which

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Board of Directors chooses to bring such an action, the costs thereof, including all attorney's fees actually incurred by the Condominium, shall be the responsibility of the Unit Owner and the Association shall be entitled to a judgment therefore.

3. **Right of Access.** The Board or its authorized designee, on behalf of the Association, shall have an irrevocable right and an easement to: (i) enter Units or appurtenant Limited Common Elements to investigate damage to Units or to appurtenant Limited Common Elements; or, (ii) to make repairs when, pursuant to such investigation, such repairs appear reasonably necessary for public safety or to prevent damage to other Units or to other portions of the Condominium. Except in cases involving manifest danger to public safety or property, the Board shall give at least twenty-four (24) hours' notice to a Unit Owner of any Unit proposed to be entered for the purpose of investigation or repair. Should any Unit Owner, after twice being given notice, fail or refuse to allow access to their Unit or appurtenant Limited Common Elements for investigation or the performance of repairs, the Board may obtain access at the Owner's expense. An entry by the Board or its designee, on behalf of the Association, for the purposes specified in this Section, shall not be considered a trespass. Any cost of effecting access and any maintenance, repair or replacement made by the Board to a Unit or to appurtenant Limited Common Elements shall be assessed against the Unit and shall become both a continuing lien against the Unit and also the personal obligation of the Unit Owner, as provided by these Bylaws, and shall be collectible in the same manner as an assessment.

Each Unit Owner shall, within ten (10) days after acquiring title to the Unit, furnish the Managing Agent of the Condominium (or, if there is no Managing Agent then serving, such other person(s) as may be designated by the Board of Directors from time to time) with their name, address, e-mail, and telephone number. In addition to the other information required pursuant to these Bylaws, each Unit Owner who leases their Unit shall, prior to the occupancy of any tenant, provide the Managing Agent with the name and telephone number of all tenants residing in the Unit. In the event the Unit Owner does not reside in the Unit or in Worcester County, said Unit Owner shall, within ten (10) days after acquiring title to the Unit, provide the Managing Agent with the name, address, and telephone number of an individual residing in the Worcester County who can be contacted on behalf of the Unit Owner in the event of an emergency.

4. **Utility Charges.** The cost of utilities serving the Condominium which are not individually metered to a Unit shall be a Common Expense.

5. **Easements for Utilities.** The Board, on behalf of the Association, may, by majority vote, grant easements, rights-of-way, licenses, leases, and other similar interests in excess of one (1) year for the provision of utility services or communication systems for the benefit of Units within the Condominium. The action granting such an easement, license, right-of-way, or other similar interest shall be taken at a meeting of the Board held after thirty (30) days' notice to all Unit Owners, at which the Unit Owners shall have an opportunity to present their views on the proposed easement, license, right-of-way or other interest. Further, the easement, license, right-of-way, or other interest shall contain the provisions required by the Act.

#### **6. Easements for Purposes Other Than Utilities.**

(a) The Board, on behalf of the Association, may grant easements, rights-of-way, licenses, leases in excess of one (1) year, or other similar interests affecting the Common Elements of the Condominium, other than the provision of utility services or communication systems, if the grant of such interest is approved by the affirmative vote of Unit Owners representing sixty-six and two-thirds percent (66-2/3%) of the total Percentage Interest in the Association (or such other lesser percentage as may be provided by the Act) and with the express written consent of the mortgagees holding an interest in those Units as to which Unit Owners vote affirmatively, as may be required by law. Further, the easement, rights-of-way, license, or other interest shall contain the provisions required by the Act.

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may impair the structural integrity of the Property, or which would structurally change a building or improvements thereon except as provided in the Declaration or these Bylaws.

(c) No activity shall be done or maintained in any Unit or upon any Common Elements which will increase the rate of insurance on any Unit or the Common Elements or result in the cancellation of insurance thereon.

(d) In the use of the Units and the Common Elements of the Condominium, Owners shall obey and abide by all valid laws, ordinances, and zoning and other governmental regulations applying to the same and all applicable Rules adopted by the Board of Directors.

(e) No Unit shall be occupied by Persons more than what is legally permitted or as otherwise prescribed by the Rules and Regulations of the Association.

10. **Rules.** Rules concerning the operation and use of the Units, Limited Common Elements, and Common Elements may be promulgated and amended by the Board of Directors, provided that such Rules are not contrary to or inconsistent with the Condominium Act, the Declaration or these Bylaws. Copies of the Rules shall be furnished by the Board of Directors to each Owner before the same shall become effective as set forth in the Act.

## **ARTICLE VII INSURANCE**

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

(a) Except as otherwise provided in Section 5 of this Article, all insurance policies relating to the Condominium shall be purchased by the Board. Neither the Board nor the Managing Agent shall be liable for failure to obtain any coverage required by this Article, or for any loss resulting from such failure, if such failure is due to the unavailability of such coverage from reputable insurance companies, or if such coverage is available only at a demonstrably unreasonable cost.

(b) Each policy obtained by the Board shall provide that:

(i) Each Unit Owner is an insured person under the policy with respect to liability arising out of their ownership of an undivided interest in the Condominium and membership in the Association;

(ii) The insurer waives any right to claim by way of subrogation against the Association, the Board, or the Unit Owners, and their respective agents, employees, guests and in the case of each Unit, the members of each household;

(iii) Such policy may not be canceled, invalidated or suspended due to the conduct of any Unit Owner (including a Unit Owner's invitees, agents and employees) or of any member, officer or employee of the Board or the Managing Agent, without a prior demand in writing that the Board or the Managing Agent cure the defect;

(iv) Such policy may not be canceled or substantially modified (including cancellation for nonpayment of premium) without at least forty-five (45) days prior written notice to the Board and the Managing Agent and all Mortgagees;

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(v) Until the expiration of forty-five (45) days after the insurer gives notice in writing to the mortgagee of any Unit, the mortgagee's insurance coverage will not be affected or jeopardized by any act or conduct of the Owner of such Unit, the other Owners, the Board of Directors, or any of their agents, employees or household members, nor canceled for non-payment of premiums;

(vi) Such policy shall contain a standard mortgagee clause in favor of each mortgagee of a Unit to the extent of the portion of the coverage of the policy allocated to such Unit, which shall provide that the loss, if any, thereunder shall be payable to such mortgagee and the Owner as their interests may appear, subject, however to the loss payment and adjustment provisions in favor of the Board of Directors contained in Section 6 of this Article.

(c) All policies of insurance shall be written by reputable companies licensed to do business in the State of Maryland to the extent reasonably available.

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

## 2. Physical Damage Insurance.

(a) The Board shall obtain and maintain a blanket, "special" or "all-risk" form policy of property insurance with extended coverage, vandalism, malicious mischief, windstorm, sprinkler leakage (if applicable), debris removal, cost of demolition, law and ordinance, and water damage endorsements, insuring the entire Property (but not including furniture, wall coverings, furnishings or other personal property supplied or installed by Unit Owners), together with all air conditioning equipment and other service machinery contained therein and covering the interests of the Association, the Board and all Unit Owners and their mortgagees, as their interests may appear, in an amount equal to one hundred percent (100%) of the then current replacement cost of the property (exclusive of the land, excavations, foundations and other items normally excluded from such coverage), without deduction for such depreciation (such amount to be redetermined annually by the Board with the assistance of the insurance company affording such coverage). The Board of Directors shall also obtain and maintain such coverage on all real and personal property owned by the Association. Such policy shall be written on a "single-entirety" basis and not on a "bare-wall studs-out" basis, unless otherwise required by the Act.

(b) Such policy shall also provide:

(1) A waiver of any right of the insurer to repair, rebuild or replace any damage or destruction, if a decision is made pursuant to these Bylaws not to do so;

(2) The following endorsements (or equivalent) shall, to the extent possible, be included in such policy: (A) "condominium replacement cost"; (B) "no-control"; (C) "contingent liability from operation of building laws or codes"; (D) "increased cost of construction"; (E) an "agreed amount" or "elimination of co-insurance" clause; and (F) "cost of demolition";

(3) That any "no other insurance" clause expressly excludes individual Unit Owners' policies from its operation so that the physical damage policy purchased by the Board 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 hereunder provide for or be brought into contribution with insurance purchased by individual Unit Owners or their mortgagees, unless otherwise required by law.

(e) if applicable, pressure, mechanical and electrical equipment including air conditioning equipment coverage on a comprehensive form in an amount not less than Five Hundred Thousand Dollars (\$500,000.00) per accident per location; and

(f) such other insurance as the Board may determine from time to time to be desirable or necessary or as otherwise required by the Act.

5. Unit Owner Policies. Each Owner shall, at their own expense, obtain additional insurance ("Owner's Individual Insurance") respecting their Unit as contemplated under Section 11-114 and 11-114.2 of the Maryland Condominium Act and these Bylaws. Owner's Individual Insurance coverage on Units shall be written on a condominium Unit Owner's policy form and must include personal liability coverage with limits as determined by the Board of Directors, from time to time. Said limit shall be combined single limit bodily injury and property damage. Such policy or an endorsement or rider to such policy shall include, if available, "Building Coverage" or its equivalent to cover damage which is less than the amount of any deductible under the Condominium's master property damage insurance coverage or to cover any portion thereof for which the owner may be liable. A Tenant who is renting or leasing a Unit for ninety days or more shall provide general liability renter's insurance in the same amounts and with the same terms as that required for Owner's Individual Insurance. The Board may, from time to time, adopt rules which set additional or greater requirements for Owner's Individual Insurance coverage, including the minimum amount of Building Coverage and Liability Coverage to be included and the maximum amount of the permissible deductible. No Owner shall be entitled to exercise their right to maintain insurance coverage in any manner which would decrease the amount which the Board, on behalf of all the Owners, will realize under any insurance policy which the Board may have in force on the Condominium at any time. Each Unit Owner shall provide evidence of the required insurance to the Condominium annually.

6. Board of Directors as Agent. The Board 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 property to adjust and to settle all claims arising under insurance policies purchased by the Board and to execute and to deliver releases upon the payment of claims.

7. Insurance Deductible. In the event of an insured loss to a Unit or Common Element under the Condominium's master casualty insurance policy, if the loss is caused by anything in a Unit or anything deemed to be part of the Unit, the Owner of said Unit shall bear the responsibility for all costs, including the insurance deductible up to the maximum amount of Ten Thousand Dollars (\$10,000) or such greater amount as may be permitted from time to time by the Act, without regard to the negligence of the Unit Owner or their tenant, guest or invitee. In the event there are contributing sources to the damage, all costs, including the payment of the insurance deductible, shall be apportioned as determined by the Board of Directors, in its sole discretion. The amount of the insurance deductible owed by a Unit Owner shall be charged as an Assessment and may be collected in the same manner as an Assessment in accordance with Section 11-110 of the Maryland Condominium Act. The amount of the insurance deductible which exceeds Ten Thousand Dollars (\$10,000.00), or such greater amount as may be permitted by the Act, is the responsibility of the Association and is a common expense. Further, if the loss originates from the common elements, the insurance deductible shall be paid by the Association as a common expense. If the amount of damage does not meet the deductible, no claim shall be filed against the master casualty insurance policy. NOTICE IS HEREBY GIVEN THAT THE CONDOMINIUM INSURANCE POLICIES REFERRED TO HEREIN DO NOT INSURE ANY ADDITIONS, ALTERATIONS, IMPROVEMENTS, BETTERMENTS OR MODIFICATIONS TO ANY UNIT, UNLESS OTHERWISE DETERMINED BY THE BOARD OF DIRECTORS.

The Condominium shall inform each Unit Owner annually in writing of the Unit Owner's responsibility

(c) A duplicated original (or certificate of insurance) of the policy of physical damage insurance, all renewals thereof, and any sub-policies or certificates and endorsements issued thereunder, together with proof of payment of premiums, shall be delivered by the insurer to any Mortgagee requesting the same in writing. Prior to obtaining any policy of physical damage insurance or any renewal thereof the Board of Directors shall obtain a statement from an insurance company, or such other source as the Board may determine, of the then current replacement cost of the Condominium (exclusive of the land, excavations, foundations and other items normally excluded from coverage), without deduction for depreciation, for the purpose of determining the amount of physical damage insurance to be secured pursuant to this section.

3. Liability Insurance. The Board shall obtain and maintain commercial general liability (including libel, slander, false arrest and invasion of privacy coverage) and property damage insurance in such limits as the Board may from time to time determine, insuring each member of the Board, the Managing Agent, each Unit Owner and the employees of the Association against any liability to the public or to 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:

(a) a cross liability endorsement under which the rights of a named insured under the policy shall not be prejudiced with respect to their action against another named insured;

(b) hired and non-owned vehicle coverage;

(c) host liquor liability coverage (and liquor liability, if required) with respect to events sponsored by the Association;

(d) deletion of the normal products exclusion with respect to events sponsored by the Association; and

(e) a "waiver of subrogation" that shall preclude the insurer from denying coverage because of the negligent acts of the Association or a Unit Owner. The Board 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 amounts of "umbrella" liability insurance in excess of the primary limits shall also be obtained.

4. Other Insurance. The Board shall obtain and maintain:

(a) adequate fidelity insurance or fidelity bond coverage as required in Article III, Part C, Section 19 of these Bylaws.

(b) directors and officers liability insurance in an amount not less than One Million Dollars (\$1,000,000.00) per claim which affords protection for the Directors, Officers, Board and Committee Members, Employees, Management Agents, and others as determined by the Board of Directors, any Unit Owner acting as a volunteer on behalf of the Association at the direction of the Board of Directors against claims alleging errors, omissions or other wrongful acts with respect to their service with the Condominium;

(c) if required by any governmental or quasi-governmental agency, including but not limited to, the Federal National Mortgage Corporation or the Federal Home Loan Mortgage Corporation or the Veterans Administration, flood insurance in accordance with the then applicable regulations of such agency;

(d) workmen's compensation insurance if and to the extent necessary to meet the requirements of law (including a voluntary employee's endorsement and an "all states" endorsement);

for the Condominium's property insurance deductible and the amount of the deductible.

8. Subrogation. As may be permitted by the Act, in the event that the Association is required to pay a deductible amount in excess of the Ten Thousand Dollars \$10,000.00 (or such greater amount as permitted by the Act) due and payable by the Unit Owner for a loss the cause of which originated in the Unit, the Association shall be entitled to subrogate against said Unit Owner, their tenants, guests, or invitees for the full amount paid by the Association, less any amounts already paid by the Unit Owner, plus costs and all attorney's fees actually incurred if the Board of Directors determines, in its sole discretion, that the Unit Owner or his tenants, guests or invitees was negligent and caused the damage.

9. Uninsured Loss. In the event of an uninsured loss, if the loss originates in their Unit or is caused by anything in a Unit or for which the Unit Owner has the maintenance, repair or replacement responsibility, the Owner of said Unit shall, regardless of fault, bear the responsibility for all damages and costs associated with such loss, including repairs to the Unit, other Units and the Common Elements and all costs and attorney's fees actually incurred, the aggregate of which shall become an assessment and a lien against the Unit and collectible in the same manner as an assessment.

10. Payment of Proceeds. There shall be no insurance trustee, or, if one is required, the Board of Directors shall act as the Trustee. All proceeds of physical damage insurance policies purchases by the Board of Directors for the benefit of the Condominium shall be paid to the Board of Directors. The Board shall disburse such funds as it determines appropriate.

11. Reporting Damage to Individual Units. Notwithstanding requirements set forth in any insurance policy procured pursuant to Article VI, Section 2 or Article VI, Section 5 of these Bylaws, in the event of damage to a unit originating from an unknown source, from another unit, or from a common element, the Owner of the affected Unit shall first notify the insurance carrier or agent for the policy maintained by the Owner pursuant to Article VI, Section 5 hereof, as well as the Management Agent and the Owner of the Unit where the cause of the insured loss is believed to have originated (if known). The Management Agent or its designee will inspect the damage to determine its origin and document the extent of damage before the Unit Owner may commence demolition, remediation, repairs, or reconstruction in or to the affected Unit or otherwise take action that would preclude any insurance adjuster from viewing the full extent of damage to the affected unit before such work is commenced.

## ARTICLE VIII Casualty Damage—Repair or Reconstruction

1. When Repair and Reconstruction are Required. Except as otherwise provided in this Article, in the event of damage to or destruction of all or any portion of the Condominium as a result of fire or other casualty, the Board shall arrange for and supervise the prompt repair and restoration of the Building, including any damaged Units, and floor coverings, fixtures and appliances installed therein at the time of conveyance 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 unless covered by the insurance obtained by the Association. Notwithstanding the foregoing, each Unit Owner shall have the right to supervise the redecorating of their Unit.

### 2. Procedure for Reconstruction and Repair.

(a) Cost Estimates. Immediately after a fire or other casualty causing damage to all or any portion of the Condominium, the Board shall obtain reliable and detailed estimates of the cost of repairing and restoring the Condominium 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 Board deems necessary.



(b) **Assessments.** If the proceeds of insurance are insufficient 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, to the extent that the reserve funds are insufficient to cover the costs, the shortage shall be deemed a Common Expense and a special assessment for the amount of the insufficiency shall be levied against the Unit Owners in proportion to their Percentage Interest.

(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 and building code requirements, and using contemporary building materials and technology to the extent feasible.

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

(a) **Construction Fund and Disbursement.** The proceeds of insurance collected on account of a casualty as well as the assessments collected from the Unit Owners on account of such casualty shall be held by the Board and 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 fifty percent (50%) of the total annual assessment for common expenses for that fiscal year, then the construction fund shall be disbursed in payment of such costs by the Board of Directors.

(2) If the estimated cost of reconstruction or repair is fifty percent (50%) or more of the total annual assessment for common expenses for that fiscal year, then the construction fund shall be disbursed in payment of such costs by the Board of Directors only upon approval of an architect qualified to practice in Maryland and employed by the Board to supervise such work. Payment shall 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: (1) 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; (2) there is no other outstanding indebtedness known to the architect for the services and materials described; and (3) 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 either be divided among all Unit Owners in proportion to their Percentage Interest and shall be distributed in accordance with the priority of interests at law or in equity in each Unit, or, if the Board deems appropriate, shall be placed in the Association's reserve account.

(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.

Section 4. **When Reconstruction is Not Required.** Except in the case of insubstantial damage to the

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## ARTICLE X **FISCAL MANAGEMENT**

### 1. **Maintenance and Inspection of the Books and Records.**

(a) The books and accounts of the Association shall be kept under the direction of the Treasurer in accordance with generally accepted accounting practices, consistently applied. The books shall be kept with detailed accounts, in chronological order, of the receipts, expenditures, and other transactions of the Association. The books and records shall specify the maintenance, repair and service expenses of the Common Elements incurred by the Association.

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

(c) If a Unit Owner requests in writing a copy of financial statements of the Condominium or the minutes of a meeting of the Board of Directors or other governing body of the Condominium to be delivered, the Board of Directors or other governing body of the Condominium shall compile and send the requested information by mail, electronic transmission, or personal delivery:

(1) Within twenty-one (21) days after receipt of the written request, if the financial statements or minutes were prepared within 3 years immediately preceding receipt of the request; or

(2) Within forty-five (45) days after receipt of the written request, if the financial statements or minutes were prepared more than 3 years before receipt of the request.

(d) Books and Records kept by or on behalf of a Condominium may be withheld from public inspection, except for inspection by the person who is the subject of the record or the person's designee or guardian, to the extent that they concern:

(1) Personnel records, not including information on individual salaries, wages, bonuses, and other compensation paid to employees;

(2) An individual's medical records;

(3) An individual's personal financial records, including assets, income, liabilities, net worth, bank balances, financial history or activities, and creditworthiness;

(4) Records relating to business transactions that are currently in negotiation;

(5) The written advice of legal counsel; or

(6) Minutes of a closed meeting of the Board of Directors or other governing body of the Condominium, unless a majority of a quorum of the Board of Directors or governing body that held the meeting approves unsealing the minutes or a recording of the minutes for public inspection.

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general common elements, if any portion of the Condominium is damaged or destroyed it shall be repaired or replaced promptly by the Association unless:

(a) The Condominium is terminated; or

(b) Fifty percent (50%) of the Unit Owners, including every Owner of a Unit or assigned Limited Common Elements which will not be repaired or replaced, vote not to repair, or replace such areas. If the Board of Directors elects not to repair insubstantial damage to the general common elements, the Board of Directors shall remove all remains of the damaged improvements and restore the site thereof to an acceptable condition compatible with the remainder of the Condominium and the balance of any insurance proceeds received on account of such damage shall be distributed or credited, as the Board of Directors may decide, to all Unit Owners in proportion to their respective Percentage Interests. If the Condominium is terminated pursuant to Section 11-123 of the Act, the net assets of the Condominium together with the net proceeds of insurance policies, if any, shall be divided by the Board of Directors among all Unit Owners in proportion to their respective Percentage Interests, after first paying out of the share of each Unit Owner, to the extent sufficient therefore, any and all amounts due the Condominium from the Unit Owner pursuant to these Bylaws, and then the amount of any unpaid liens on the Units in the order of priority of such liens.

5. **Eminent Domain and Condemnation.** Damages for a taking of all or part of the Condominium shall be awarded as provided by Section 11-112 of the Act.

6. **Termination.** The Condominium may be terminated in accordance with Section 11-123 of the Act.

## ARTICLE IX **RESALE OF UNITS**

1. **Notice to Contract Purchaser.** A Unit Owner shall provide a contract purchaser of the Owner's Unit with the following information and disclosures not later than fifteen (15) days (or within such other time period required by the Act) prior to closing:

(a) Copies of the Condominium's Declaration, these Bylaws and the Rules and Regulations;

(b) A resale certificate from either the Board or the Managing Agent;

(c) A statement by the Unit Owner as to whether the Unit Owner has knowledge:

(1) That any alteration to the Unit violates any provisions of the Declaration, these Bylaws or the Rules and Regulations; and

(2) Of any violation of the health or building codes with respect to the Unit.

(d) Such other disclosures as may be required by the Act.

2. **Notice to Board of Directors.** Upon purchasing a Unit within the Condominium, the Unit Owner shall supply the Managing Agent with a copy of their name, address, and telephone number, as well as the name and address of the mortgagee holding a first mortgage on the Owner's Unit and their mortgage account number. A Unit Owner's failure to provide the Managing Agent with this information will render the Unit Owner ineligible to vote at any meeting of the Association until such time as the Owner has complied.

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(e) Except for a reasonable charge imposed on a person desiring to review or copy the books and records or who requests delivery of information, the Condominium may not impose any charges under Section 11-116 of the Act. A charge imposed pursuant to this Section for copying books and records may not exceed the limits authorized under Title 7, Subtitle 2 of the Courts and Judicial Proceedings Article, Annotated Code of Maryland.

2. **Auditing.** At the close of each fiscal year, the books and records of the Association shall be audited by an independent auditor whose report shall be prepared and certified in accordance with generally accepted auditing standards. Based upon such report, the Association shall make available to its members, and any Mortgagees who have so requested in writing, with an annual financial statement including the income and disbursements of the Association.

## ARTICLE XI **AMENDMENTS**

1. **Amending the Bylaws.** These Bylaws may be modified or amended either: (i) by a vote of Unit Owners representing sixty percent (60%) of the total Percentage Interest of the Owners in good standing (or such lesser percentage as may be provided in the Act), present in person or by proxy or by electronic transmission, at any regular or special meeting of the Association: or, (ii) pursuant to a written instrument duly executed by the Secretary and acknowledging that Unit Owners representing sixty percent (60%) of the total Percentage Interest of the Owners in good standing who voted to approve the amendment (or such lesser percentage as may be provided in the Act). An amendment shall not become effective until it is recorded among the Land Records of Worcester County, Maryland. For purposes of this provision, "good standing" is defined as any owner that is not more than 90 days delinquent in the payment of any fee to the Association.

2. **Proposing Amendments.** Amendments to these Bylaws may be proposed by the Board or by petition signed by Unit Owners representing twenty-five percent (25%) of the total Percentage Interest of the Association, which petition shall be delivered to and verified by the Secretary. A description of any proposed amendment shall accompany the notice of any annual or special meeting of the Association at which such proposed amendment will be considered and/or voted upon.

3. **Mortgagees' Approval.** These Bylaws contain provisions concerning various rights, priorities, remedies, and interests of the mortgagees of Units. Such provisions of these Bylaws are to be construed as covenants for the protection of the mortgagees on which they may rely in making loans secured by mortgages on the Units. Accordingly, no Unit Owner's vote in favor of, or consent to any of the following actions by the Association may be counted unless and until the prior approval of said Unit Owner's Eligible Mortgage Holder, if any, shall first have been obtained, whether such approval is expressly provided or is otherwise obtained in accordance with the provisions of Section 11-104 of the Act:

(a) Abandon or terminate the Condominium regime; or,

(b) Modify or amend any material provisions of these Bylaws or the Declaration. For purposes of these Bylaws "material provisions" shall mean any provision that affects the security interest of the Eligible Mortgage Holder. For purposes of these Bylaws an "Eligible Mortgage Holder" means a holder of a first mortgage on a Unit who has requested notice from the Association of amendments to the Condominium's Bylaws or of other significant matters that would affect the interests of such mortgagee.

(c) Change the pro-rata interest or obligations of any Unit for:

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(1) Purposes of levying assessments or common expenses or for allocation distributions of hazard insurance proceeds or condemnation awards; and,

(2) Determining the pro-rata share of ownership of each Unit in appurtenant Common Elements; or,

(d) Partition or subdivide any Unit; or

(e) Except as provided in the Act in the case of substantial loss to the Units and/or the Common Elements, resolve to use the proceeds of casualty insurance for any purpose other than the repair or restoration of the Property; or,

(f) Abandon, partition, subdivide, encumber, sell or transfer the Common Elements.

In accordance with the Act, if a mortgagee who receives a written copy of a proposed amendment to these Bylaws fails to object, in writing, to the proposed amendment within sixty (60) days from the date of actual receipt of the proposed amendment, that mortgagee shall be deemed to have consented to the adoption of the amendment, unless the proposed amendment:

(a) Alters the priority of the lien of the mortgage or the deed of trust;

(b) Materially impairs or affects the Unit as collateral; or

(c) Materially impairs or affects the right of the mortgagee to exercise any rights under the mortgage, deed of trust, or applicable law.

## **ARTICLE XII MISCELLANEOUS**

1. **Notices.** Unless otherwise provided in these Bylaws all notices, demands, bills, statements, or other communications under these Bylaws shall be in writing and shall be deemed to have been duly given if delivered personally or if deposited in the U.S. Mail with sufficient first class, prepaid postage, as follows:

(a) If to a Unit Owner, at the address which the Unit Owner has designated in writing and filed with the Secretary or the Managing Agent, or, if no such address is designated, at the address of the Unit of such Unit Owner. If a Unit is owned by more than one person, each such person who so designates an address in writing to the Secretary or the Managing Agent shall be entitled to receive all notices hereunder;

(b) If to the Association, the Board, or the Managing Agent, at the principal office of the Association or the Managing Agent, if any, or at such other address as shall be designated by written notice to the Unit Owners in accordance with this Section.

(c) If to a Mortgagee, said notice shall be sent by registered or certified mail to the respective addresses as designated by them from time to time in writing, to the Board of Directors.

2. **Right to Inspect, Remove and Correct Violations.** Provided that the procedures set forth in these Bylaws and the Act (if any) have been followed, then in the event a violation is not removed or the violation is not otherwise terminated or abated within the time prescribed by the Board, the Condominium shall have the right, through its agents and employees to enter such Unit and to take such steps as may be necessary to remove or otherwise terminate

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or abate such violation, and the costs thereof including all attorney's fees actually incurred thereby may be assessed against the Owner and thereafter said fees shall constitute a lien against the Unit and be collectible in the same manner as an assessment. The Condominium shall have the further right, through its agents and employees to enter upon and inspect any Unit at any reasonable time for the purpose of ascertaining whether any violation of the provisions of the Declaration, Bylaws or Rules and Regulations exist within such Unit, and neither the Condominium nor any such agent or employee shall be deemed to have committed a trespass or other wrongful act by reason of such entry or inspection.

3. **Legal Proceedings.** Failure to comply with the terms of the Declaration, these Bylaws and the duly enacted Rules and Regulations shall be grounds for relief, including, without limitation, an action to recover sums for money damages, injunctive relief, foreclosure of the lien for non-payment of assessments and any other relief afforded by a Court of competent jurisdiction, all of which relief may be sought by the Association, or by any other Unit Owner. Failure or forbearance by the Association or by a Unit Owner to enforce a provision of the Declaration, these Bylaws or the duly enacted Rules and Regulations shall in no event be deemed a waiver of the right to enforce any provision on any other occasion. There shall be and there is hereby created and declared to be a conclusive presumption that any violation or breach or attempted violation or breach of any covenant or provision of the Declaration, these Bylaws and the duly enacted Rules and Regulations cannot be adequately remedied by an action at law or exclusively by recovery of damages.

4. **Costs and Attorney's Fees.** In any legal proceeding instituted by a Unit Owner, or arising out of an alleged default by a Unit Owner, the substantially prevailing party shall be entitled to recover the costs of such proceeding and all attorneys' fees actually incurred. If a legal proceeding was not filed against a Unit Owner, but attorney's fees were nonetheless incurred in enforcing the Declaration, these Bylaws or the duly enacted Rules and Regulations against a Unit Owner, the Board may assess all such attorney's fees against the Owner and thereafter said fees shall constitute a lien against the Unit and be collectible in the same manner as an assessment.

5. **Severability.** If any part or provision of these Bylaws shall be adjudged unlawful or unenforceable under Maryland law, the remainder of these Bylaws shall nonetheless survive and remain in full force and effect.

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

7. **Conflicts.** These Bylaws are subordinate and subject to all provisions of the Act, the Articles of Incorporation, and the Declaration. All the terms used in these Bylaws, except where clearly repugnant to the context, shall have the same meaning as the Act and the Declaration. In the event of a conflict between these Bylaws and the Act, the Declaration or the Articles of Incorporation, then the Act, the Declaration or the Articles of Incorporation shall prevail over these Bylaws, as the case may be.

8. **Gender and Grammar.** Whenever the context of these Bylaws requires, the singular shall include the plural and the plural shall include the singular. The use of any gender shall be deemed to include all genders.

9. **Waiver.** No restriction, condition, obligation or provision of these Bylaws shall be deemed to have been abrogated or waived by reason of any failure by the Board or the Unit Owners to enforce it.

## **ARTICLE XIII COMPLIANCE AND DEFAULT**

1. **Relief.** Each Owner shall be governed by, and shall comply with, all of the terms of the Declaration, these Bylaws, and the Rules, and any amendments of the same. A default by an Owner shall entitle the Association acting through the Board of Directors, to the following relief:

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shall be effective when perfected in accordance with said Act.

2) In any case where an assessment against an Owner is payable in installments, upon a default by such Owner in the payment of any single installment, which continues for ten (10) days after written notice of such default has been sent or delivered to the Owner, the maturity of the remaining total of the unpaid installments of such assessments may be accelerated, at the option of the Board of Directors, and the then balance owing may be declared due and payable in full by the service of notice to such effect upon the defaulting Owner by the Board of Directors or Manager. The Association, in order to perfect such lien shall file before the expiration of six months from the time that the delinquent assessment (or installment, where such assessment is payable in installments) became due and payable, a memorandum in the Registry of Deeds in form and manner prescribed in said Act.

3) The lien for assessments shall include interest, late charge, costs and attorney's fees as provided in Section 1 of this Article XII and may be foreclosed in the manner provided by the laws of the State of New Hampshire for the foreclosure of power of sale mortgages or by suit brought in the name of the Board of Directors, acting on behalf of the Association.

4) During the pendency of such proceedings or suit the Owner shall be required to pay a reasonable rental for the Unit for any period prior to sale pursuant to any judgment or order of any court having jurisdiction over such sale.

5) Suit to recover a money judgment for unpaid assessments shall be maintainable without foreclosing or waiving the lien securing the same, and foreclosure shall be available without bringing suit to recover a money judgment.

## **ARTICLE XIV COMPLIANCE, CONFLICT, AND WAIVER PROVISIONS**

1. **Compliance.** These Bylaws are set forth in compliance with the requirements of the Condominium Act.

2. **Severability.** If any provision of these Bylaws or any section, sentence, clause, phrase, or word, or the application thereof in any circumstance is held invalid, the validity of the remainder of these Bylaws, shall not be affected thereby and to this end, the provisions hereof are declared to be severable.

3. **Waiver.** No provision of these Bylaws shall be deemed to have been abrogated or waived by reason of any failure or failures to enforce the same (except where a right is dependent upon notice to be given within a specified period), irrespective of the number of violations or breaches which may occur.

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

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(1) Purposes of levying assessments or common expenses or for allocation distributions of hazard insurance proceeds or condemnation awards; and,

(2) Determining the pro-rata share of ownership of each Unit in appurtenant Common Elements; or,

(d) Partition or subdivide any Unit; or

(e) Except as provided in the Act in the case of substantial loss to the Units and/or the Common Elements, resolve to use the proceeds of casualty insurance for any purpose other than the repair or restoration of the Property; or,

(f) Abandon, partition, subdivide, encumber, sell or transfer the Common Elements.

In accordance with the Act, if a mortgagee who receives a written copy of a proposed amendment to these Bylaws fails to object, in writing, to the proposed amendment within sixty (60) days from the date of actual receipt of the proposed amendment, that mortgagee shall be deemed to have consented to the adoption of the amendment, unless the proposed amendment:

(a) Alters the priority of the lien of the mortgage or the deed of trust;

(b) Materially impairs or affects the Unit as collateral; or

(c) Materially impairs or affects the right of the mortgagee to exercise any rights under the mortgage, deed of trust, or applicable law.

## **ARTICLE XII MISCELLANEOUS**

1. **Notices.** Unless otherwise provided in these Bylaws all notices, demands, bills, statements, or other communications under these Bylaws shall be in writing and shall be deemed to have been duly given if delivered personally or if deposited in the U.S. Mail with sufficient first class, prepaid postage, as follows:

(a) If to a Unit Owner, at the address which the Unit Owner has designated in writing and filed with the Secretary or the Managing Agent, or, if no such address is designated, at the address of the Unit of such Unit Owner. If a Unit is owned by more than one person, each such person who so designates an address in writing to the Secretary or the Managing Agent shall be entitled to receive all notices hereunder;

(b) If to the Association, the Board, or the Managing Agent, at the principal office of the Association or the Managing Agent, if any, or at such other address as shall be designated by written notice to the Unit Owners in accordance with this Section.

(c) If to a Mortgagee, said notice shall be sent by registered or certified mail to the respective addresses as designated by them from time to time in writing, to the Board of Directors.

2. **Right to Inspect, Remove and Correct Violations.** Provided that the procedures set forth in these Bylaws and the Act (if any) have been followed, then in the event a violation is not removed or the violation is not otherwise terminated or abated within the time prescribed by the Board, the Condominium shall have the right, through its agents and employees to enter such Unit and to take such steps as may be necessary to remove or otherwise terminate

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(a) **Legal Proceedings.** Failure to comply with any of the terms of the Declaration, these Bylaws, and the Rules shall be grounds for relief which may include without limiting the same, an action to recover any sums due for money damages, injunctive relief, foreclosure of the lien for payment of all assessments, and 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 Association, by the Board of Directors, or, if appropriate, by any aggrieved Owner.

(b) **Additional Liability.** Each Owner shall be liable for the expenses of all maintenance, repair or replacement rendered necessary by their acts, neglect or carelessness or the act, neglect, or carelessness of any of their tenants, guests, employees, agents, or invitees, but only to the extent that such expense is not covered by the proceeds of insurance carried by the Association. Such liability shall include any increase in fire 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 an insurance company of its rights of subrogation.

(c) **Costs and Attorneys' Fees.** In any proceeding arising out of any alleged default by an Owner, the prevailing party shall be entitled to recover the costs of the proceeding, and such reasonable attorneys' fees as may be determined by the court.

(d) **No Waiver of Rights.** The failure of the Association, the Board of Directors, or of an Owner to enforce any right, provision, covenant, or condition which may be granted by the Declaration, these Bylaws or the Rules shall not constitute a waiver of the right of the Association, the Board of Directors, or any Owner to enforce such right, provision, covenant, or condition in the future. All rights, remedies and privileges granted to the Association, the Board of Directors, or any Owner pursuant to any term, provision, covenant or condition of the Declaration or the Rules shall be deemed to be cumulative and the exercise of anyone 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 privileges as may be granted to such party by the Declaration, these Bylaws or the Rules, or at law or in equity.

(e) **Abatement and Enjoinment of Violations by Board of Directors.** The violation of any Rule or Regulation adopted by the Board of Directors, or the breach of any Bylaw contained herein, or the breach of any provision of the Declaration, shall give the Board of Directors or the Manager the right, in addition to any other rights set forth in these Bylaws: (a) to enter the Unit in which, or as to which, such violation or breach exists or is believed to exist and summarily abate and remove, at the expense of the defaulting Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof or of the Declaration, and the Board of Directors or Manager shall not thereby be deemed guilty in any manner of trespass; (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach; (c) to suspend or limit the right of the Owner committing the violation to use any part of the Common Elements during the continuance of such violation including but not limited to access to reserve parking spaces, the pool, and/or community amenities.

(f) **Lien for Assessments.**

1) The total annual assessment of each Owner for the Common Expenses or any special assessment levied pursuant to these Bylaws is hereby declared to be a lien levied against their interest in the Unit as provided in the Condominium Act, which lien

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IN WITNESS THEREOF, on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, the Bay Club Condominium, by and through the Act and Deed of the President and Secretary of its Board of Directors, as evidenced by their hands and respective seals set forth below, has executed the foregoing Amendment to the Bylaws of Bay Club Condominium, Inc.

**BAY CLUB CONDOMINIUM, INC.**

Date: \_\_\_\_\_ By: \_\_\_\_\_ [SEAL]  
\_\_\_\_\_, President

**ATTEST:**

Date: \_\_\_\_\_ By: \_\_\_\_\_ [SEAL]  
\_\_\_\_\_, Secretary

STATE OF MARYLAND )  
 )  
COUNTY OF WORCESTER )

I, \_\_\_\_\_, a Notary Public in and for the State of Maryland, do hereby certify that \_\_\_\_\_ to me (or satisfactory proven) to be the person named as the President of Bay Club Condominium, Inc. personally appeared before me in the above-referenced jurisdiction, and as President, and by virtue of the authority vested in him/her, acknowledge that the Amendment to the Bylaws to be the Act and Deed of Bay Club Condominium, Inc..

GIVEN under my and seal this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

\_\_\_\_\_  
Notary Public  
My Commission expires: \_\_\_\_\_.

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**CERTIFICATE OF THE SECRETARY OF  
BAY CLUB CONDOMINIUM, INC.**

In accordance with Section 11-104 of the Maryland Condominium Act (Annotated Code of Maryland, Real Property Title 11), the Secretary, as the person authorized to count votes of the Unit Owners, hereby certifies that the foregoing Amended and Restated Bylaws to which this Certificate is attached were approved by Unit Owners having at least sixty percent (60%) of the total votes of Owner in good standing of the Condominium, as set forth in the Declaration thereof, and by fifty-one percent (51%) of the Eligible Mortgage Holders, if any, of those Unit Owners who cast votes in favor of, or consented to, approval of the same. This Certificate is recorded for the purpose of conforming to Section 11-104 of the aforementioned Act and hereby accompanies the foregoing Amended and Restated Bylaws of Bay Club Condominium, Inc.

Date: \_\_\_\_\_ By: \_\_\_\_\_  
\_\_\_\_\_, Secretary

**ATTEST:**

Date: \_\_\_\_\_ By: \_\_\_\_\_  
\_\_\_\_\_, President

STATE OF MARYLAND )  
 )  
COUNTY OF WORCESTER )

I, \_\_\_\_\_, a Notary Public in and for the State of Maryland, do hereby certify that \_\_\_\_\_ to me (or satisfactory proven) to be the person named as the Secretary of Bay Club Condominium, Inc. personally appeared before me in the above-referenced jurisdiction, and as Secretary, and by virtue of the authority vested in him/her, acknowledge that the Amendment to the Declaration to be the Act and Deed of Bay Club Condominium, Inc.

GIVEN under my and seal this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Notary Public

**AMENDED AND RESTATED DECLARATION  
OF  
BAY CLUB CONDOMINIUM, INC.**

WHEREAS, the Bay Club Condominium (the “Condominium”) was established as a duly created Condominium, in accordance with the Maryland Condominium Act, by virtue of the recordation of its Declaration and Bylaws among the Land Records of Worcester County, Maryland, on November 25, 1984, at Liber 1049, Folio 281, et seq.; and,

WHEREAS, the Declaration of Bay Club Condominium, A Horizontal Property Regime, was recorded in the Land Records of Worcester County, Maryland at Liber 1049, Page 281, et seq.;

WHEREAS, there are sixty (60) Units in the Bay Club Condominium: 101-112, 201- 212, 301-312, 401-412 and 501-512;

WHEREAS, subsequent to the recordation of the aforementioned Condominium Declaration, all of the Units, except Units 101-112, were subjected to timeshare estates pursuant to Title 11A of the Real Property Article of the Annotated Code of Maryland (the Maryland Real Estate Time-Sharing Act) and pursuant to a Supplementary Declaration of Covenants, Conditions and Restrictions, recorded in the Land Records of Worcester County, Maryland at Liber 1049, Page 311, et seq., and several Time Share Instruments recorded in the Land Records of Worcester County, Maryland;

WHEREAS, on October 28, 2017, the Bay Club Condominium Unit Owners previously amended to the Declaration and Bylaws of Bay Club Condominium; and

WHEREAS, Bay Club Condominium consists of 60 Units.

WHEREAS, the Bay Club Condominium was reestablished as a Maryland non-stock corporation by the filing of its Articles of Incorporation with the Maryland Department of Assessments and Taxation on \_\_\_\_\_, 2023;

WHEREAS, the Association is known as the Bay Club Condominium, Inc.;

WHEREAS, the Council of Unit Owners of Bay Club Condominium desires to further amend the Declaration and Bylaws of Bay Club Condominium as specified herein; and,

WHEREAS, written notice of these Amended and Restated Declaration and Bylaws, in their present form, as proposed to be adopted, were sent to each Unit Owner and to any Eligible Mortgage Holders, in accordance with the Maryland Condominium Act and the aforesaid provisions of the Condominium’s Declaration and Bylaws; and,

WHEREAS, the affirmative votes of Unit Owners representing eighty percent (80%) of the total votes in the Condominium, together with the consent of fifty-one percent (51%) of Eligible Mortgage Holders, if any, have been obtained and recorded with respect to these Amended and Restated Declaration and Bylaws, as evidenced by the Certificate of Secretary attached hereto; and,

WHEREAS, the aforesaid requisite consent of the Eligible Mortgage Holders, if any, of the Units whose owners have approved these Amended and Restated Bylaws, has been obtained, either in fact or as a matter of law, pursuant to Section 11-104 of the Maryland Condominium Act, as evidenced by the Certificate of Secretary attached hereto;

NOW, THEREFORE, BE IT RESOLVED THAT, in accordance with the Condominium’s Declaration, its Bylaws and Maryland law, Condominium’s Declaration and Bylaws, together with the aforementioned prior

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amendments thereto, are hereby further amended by striking the foregoing in their entirety and substituting the following Amended and Restated Declaration and Bylaws in lieu thereof:

**Article I  
Definitions**

Section 1. **Definitions.** Unless the context shall plainly require otherwise, the following words when used in this Declaration and all exhibits hereto, shall have the following meanings:

- (a) “The Act” or “the Condominium Act” means Title 11 of the Real Property Article of the Annotated Code of Maryland and shall include any revisions thereof and amendments and supplements thereto which are enacted subsequent to the date of this Declaration and which are not inconsistent with the provisions hereof.
- (b) “Association” means the Bay Club Condominium, Inc.
- (c) “Condominium” or “the condominium project” means the property subject to this Declaration.
- (d) “Unit” or “condominium Unit” means a three-dimensional area, as hereinafter and on the Condominium Plat described and identified, and shall include all improvements contained within that area except those excluded in this Declaration.
- (e) “Common elements” means both general common elements and limited common elements, as hereinafter and on the Condominium Plat described and identified, and shall include all of the condominium except the condominium Units.
- (f) “Unit owner” or “Owner” means any person, group of persons, corporation, partnership, trust or other legal entity, or any combination thereof, who holds legal title to a Unit within the Condominium; provided, however, that any person, group of persons, corporation, partnership, trust or other legal entity, or any combination thereof, who holds such interest solely as security for the performance of an obligation shall not be a Unit owner by reason only of such interest.
- (g) “Council of Unit Owners” means all of the Unit owners in the Condominium.
- (h) “Common expenses and common profits” means the expenses and profits of the Association.

Section 3. **Name.** The name by which the condominium is to be identified is as follows:

“BAY CLUB CONDOMINIUM, INC.”

**ARTICLE II**

Section 1. **Property Subject to Declaration.** The property which is, and shall be, held, conveyed, divided, or subdivided, hypothecated, or encumbered, sold, leased, rented, used, occupied, and improved subject to this Declaration and the provisions of the Condominium Act, is located in the County of Worcester, State of Maryland, and is more particularly described on EXHIBIT A.

Section 2. **Condominium Plat.** The Condominium Plat is incorporated by reference and made part of this Declaration.

Section 3. **Condominium Bylaws.** The Condominium Bylaws are attached hereto as EXHIBIT B.

**ARTICLE III**

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**Section 1. The Condominium Project and Buildings.**

- (a) The Condominium Project hereby established shall consist of the tract of land hereinabove described on EXHIBIT A and improvements consisting of one (1) building consisting of sixty (60) Units, all of which improvements have been constructed and are more fully described in the plats and plans incorporated herein by reference, filed among the Plat Records of Worcester County, Maryland, simultaneously with the recording of this Declaration, consisting of six (6) sheets, designated as: (1) Cover Sheet; (2) Survey; (3) South Floor Plans; (4) North Floor Plans; (5) Longitudinal Building Section; (6) Transverse Building Section.
- (b) There are sixty (60) Units in the Bay Club Condominium: 101-112, 201-212, 301-312, 401-412 and 501-512.

Section 2. **The Condominium Units.** The general description and number of each condominium Unit in the condominium, including its perimeters, approximate dimensions, floor area, identifying number or letter, location and such other data as may be sufficient to identify if with reasonable certainty is set forth on the Condominium Plat.

The five-story building has an aggregate length, an aggregate width, and an elevation above mean low water to peak of roof all as more particularly shown on said plats. The building is constructed on driven wood piling supporting concrete block foundation and precast, prestressed concrete planking, all as more particularly shown on said plats.

The building contains sixty (60) Units, designated as Units 101 through 112, Units 201 through 212, Units 301 through 312, Units 401 through 412, Units 501 through 512, all inclusive, which are either two-bedroom or three-bedroom Units as shown on said plats.

Each Unit shall consist of a horizontal property extending from a horizontal plane which is coincident with the upper surface of the precast, prestressed concrete planking floor of said Unit to a horizontal plane which is coincident with the lower surface of the precast, prestressed concrete floor above, or in the case of the fifth-floor Units, with the lower surface of the precast, prestressed concrete roof. Each Unit in the building shall extend laterally between the vertical planes which are coincident with the interior surfaces of exterior walls or wall separating each Unit from another Unit or common elements; provided, however, that all wallboards, paneling, tiles, wallpaper, and paint shall be included within the Unit space. Lateral and vertical boundaries of each Unit are shown on the aforesaid plats. Each Unit includes all space and facilities located therein except such elements which are hereinafter described as general or limited common elements and which are so designated on the Plats and shall also include any individual heat and air conditioning compressors whether located within the Unit or without. All doors and windows are part of the Unit. Appliances, kitchen equipment, bathroom fixtures, plumbing, heating, electrical and other fixtures, and non-load bearing walls are part of the Unit.

Section 3. **Easements.** Each condominium Unit shall be subject to an easement to the owners of all of the other condominium Units to and for the unobstructed and uninterrupted use of any and all pipes, ducts, conduits, cables, wires, and wire outlets, utility lines and the like, and any other common elements located within or accessible only from any particular condominium Unit and for support.

**ARTICLE IV**

Section 1. **General Common Elements.** The general common element of this Condominium Project shall be as follows:

- (a) all of the land described on EXHIBIT A (including the land directly and immediately beneath the supporting foundations of the condominium building) and including all rights appurtenant thereto;
- (b) all facilities located underground;

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- (c) at the ground level and extending from there upwards, all of the area of said premises not included in the condominium Units as hereinbefore described and all facilities located in that area. Such general common elements shall include, but not be limited to, parking lot, sidewalks, walkways, elevators, stairs, ramps, trash facilities, swimming pool and hot tubs, bulkheading, boardwalk and boat docks.
- (d) all lighting facilities and utilities installed to all structural parts of the serve the above-mentioned common elements, including water and electrical meters;
- (e) all structural parts of the building including sills, roof, outside walls (not including windows or glass doors)
- (f) supports, treads, risers, rafters, pilings, beams, and any other structural parts of the building;
- (g) all guttering, drain spouting, and flashing;
- (h) all tanks, pumps, generators, motors, fans, controls, devices, installations, machinery, equipment, apparatus, signs, and facilities required or deemed advisable for use in the operation of the condominium project.
- (i) all other elements of the Unit building rationally of common use or necessity for its existence, upkeep and safety shall be general common elements.

Section 2. **Limited Common Elements.** The limited common elements of the condominium project shall be as follows:

- (a) common plumbing, vent and waste lines serving both horizontally and vertically adjacent condominium Units shall be limited co on elements reserved for such horizontally and vertically adjacent Units;
- (b) balcony adjacent to each Unit;
- (c) fireplace flues, if any;
- (d) all limited common elements of said building rationally limited common use.

Section 3. **Covenant Against Partition.** The common elements, both general and limited, shall remain undivided. No owner of any condominium Unit or other person shall bring any action for partition or division thereof except as may be provided for in the Condominium Act.

Section 4. **Easements.** The common elements of the condominium shall be subject to mutual rights of support access, use and enjoyment by all of the Unit owners; provided, however, that any portions of the common elements designated as limited common elements are reserved for the exclusive use of the owner or owners of the condominium Unit or Units to which they are adjacent or to which they are declared to be appurtenant by appropriate designation on the Condominium Plat.

Section 5. **Use of Common Element Boat Docks.** The Board of Directors shall have the authority to specify that any General Common Element boat docks may be used by any individual Unit Owner(s) for a fee under such terms and conditions as may be established by the Board of Directors from time to time that are set forth in Rules adopted by the Board of Directors in accordance with the Maryland Condominium Act.

Section 6. **Occupant Responsibility.** Each Owner of a Unit shall be presumed to control and be responsible in all respects for the conduct, acts and omissions of their tenants, guests, servants and invitees and any breach of any of the terms and provisions of this Declaration, Bylaws, and any Rules duly adopted by the Association, by any tenant, guest, servant or invitee of any Owner shall be presumed to be and considered a breach by that Owner. Except as provided by the Maryland Condominium Act, each Owner shall indemnify and forever hold the other owners free and harmless for any and all loss, damage or expense incurred as a result of damage caused to the condominium or any Unit by them or the act or neglect of any tenant, guest, servant or invitee of the Owner.

Section 7. **Right to Lease.** No portion of a Unit, other than an entire Unit, may be leased or rented. All leases shall: (a) contain provisions acceptable to the Board of Directors of the Association advising the tenant of their obligation to comply with all provisions of this Declaration, the Bylaws, Association Rules and other Association policies; and (b) provide that the Association shall have the right to terminate the lease after having given the Owner of the Unit Fifteen (15) days’ notice of any default by the tenant (which default shall not have been cured within such Fifteen (15) day time period) in observing any of the provisions of this

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Declaration, the Bylaws, Association Rules or other Association policies. The Owner of a leased Unit shall provide in writing their address and contact information and shall update their information when any change occurs. The Owner of a leased Unit shall be jointly and severally liable with their tenant to the Association to pay any claim for injury or damage to persons or property caused by any action or omission, including, without limitation, the negligence of the tenant(s) and/or failure of tenant to comply with all provisions of this Declaration, the Bylaws, Association Rules, or other Association policies. Every lease shall be subordinate to any lien filed by the Association, whether before or after such lease was entered into. Unless approved by the Board of Directors as part of the Rental Program described in Section 8 hereof, the minimum term any Unit may be rented or leased shall be ninety (90) days, and in no event may a transient tenant be accommodated in any Unit.

Notwithstanding the foregoing, any Unit owned by the Association or any single Owner that owns five (5) or more units shall not be subject to the lease requirements set forth in this Section.

Section 8. Rental Program. Because the Condominium is an integrated multi-purpose facility that requires the Manager to be in charge of access, use of the Units and the Common Elements, housekeeping services, and maintenance and repair, no Unit shall be permitted to be rented for short term or vacation rentals except through a rental program established by the Manager. The Manager under the direction of the Board of Directors will establish a rental program for the Condominium, and Owners shall participate in the program for any lease or rental of a Unit for less than a ninety-day period. The Manager may rent a Unit as part of its overall marketing of the multi-purpose facility and shall credit the Owner's account with any net income received from the rental of the Unit after deduction of expenses and a reasonable management fee, as provided in the program details. As the rental program is the equivalent of a hotel operation, all rentals of Units shall be handled by the Manager through a written agreement approved by the Board of Directors to meet uniform and consistent standards of service unless otherwise agreed by the Manager.

The Rental Program terms shall be established by the Board of Directors in a written agreement with the Manager, which terms and conditions shall also be published to the Owners.

ARTICLE V

Section 1. The Condominium Units. Each of the condominium Units in the Condominium Project shall have all the incidents of real property.

Section 2. Undivided Percentage Interests in Common Elements. Each Unit owner shall own an undivided percentage interest in the common elements of the condominium equal to that set forth on "EXHIBIT C" attached hereto and by this and other reference made part hereof. The undivided percentage interests in the common elements set forth on "EXHIBIT C" shall have a permanent character and, except as specifically provided in the Condominium Act, and this Declaration, may not be changed without the written consent of all of the Unit owners and the holders of all mortgages on the condominium Units. The undivided percentage interests in the common elements set forth on "EXHIBIT C" may not be separated from the condominium Unit to which they appertain. Any instrument, matter, circumstance, action, occurrence or proceeding in any manner affecting a condominium Unit shall also affect, in like manner, the individual percentage interest in the common elements appertaining to such Unit, whether or not such percentage interest is expressly described or mentioned.

Section 3. Percentage Interests in Common Expenses and Common Profits. Each Unit owner shall have a percentage interest in the common expenses and common profits of the condominium equal to that set forth on "EXHIBIT C" attached hereto and by this and other reference made a part hereof. The percentage interests in the common expenses and common profits set forth on "EXHIBIT C" shall have a permanent character and, except as specifically provided in the Condominium Act and this Declaration, may not be changed without the written consent of all of the Unit owners and the holders of all mortgages on the condominium Units. The percentage interests in the common expenses and common profits set forth on "EXHIBIT C" may not be

or in the event any condominium Unit encroaches upon any other condominium Unit or any common elements, as a result of settlement, shifting, or the duly authorized construction or repair of any building, a valid easement for the encroachment and for the maintenance of the same shall exist so long as the building stands.

In the event any portion of the condominium is partially or totally damaged or destroyed by fire or other casualty, or as a result of condemnation or eminent domain proceedings, and then repaired or reconstructed as authorized in the Bylaws of the Association, and the Condominium Act, encroachments of any portion of the common elements upon any condominium Unit or of any condominium Unit upon any other condominium Unit or any portion of the common elements due to such repair or reconstruction shall be permitted, and valid easements for such encroachments and the maintenance of the same shall exist so long as the building stands.

For all purposes incident to the interpretation of deeds, the Condominium Plat and all other instruments of title relating to any condominium Unit in the condominium project, the existing physical boundaries of any condominium Unit constructed or reconstructed in substantial conformity with the Condominium Plat, shall be conclusively presumed to be its boundaries, regardless of the shifting, settling or lateral movement of any building and regardless of minor variations between the physical boundaries shown on the Condominium Plat and those of any condominium Unit.

Section 2. Easement to the Association. There is hereby reserved to the Association and its agents, a non-exclusive easement over all of the common elements, limited common elements, and the Units for purposes of access and for any and all purposes reasonably related to the maintenance, rehabilitation, or repair of those portions of the Condominium that are within the maintenance, repair, or replacement responsibility of the Association as set forth in this Declaration, the Bylaws, or the Condominium Act.

ARTICLE VII

Section 1. Amendment. Except as otherwise provided in the Condominium Act, this Declaration may be amended by the affirmative vote of eighty percent (80%) of Owners at a regular or special owners meeting, provided that a copy of the proposed amendment(s) to be voted upon are provided to owners at least sixty (60) days prior to the meeting at which the proposed amendment(s) are voted upon, a ballot or a proxy is provided to owners to elect their vote on the proposed amendment(s), and the proposed amendment(s) do not contradict condominium qualification requirements of FNMA or Freddie Mac.

Section 2. Termination and Waiver. The condominium regime established by the recordation of this Declaration and the Condominium Plat may be terminated by Deed of Termination executed by all of the Unit owners, all in the manner provided in the Condominium Act. Any such termination shall be effective only upon the Recordation of a Deed of Termination among the Land Records of Worcester County, Maryland.

ARTICLE VIII

Section 1. Construction and Enforcement. The provisions hereof shall be liberally construed to facilitate the purpose of creating a uniform plan for the creation and operation of a Condominium. Enforcement of these covenants and restrictions and of the Bylaws attached hereto shall be by any proceeding at law or in equity against any person or persons violating or attempting to violate any covenant or restriction, either to restrain or enjoin such violation or to recover damages, or both, and against any condominium Unit to enforce any lien; and the failure or forbearance by the Association to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

separated from the condominium Unit to which they appertain. Any instrument, matter, circumstance, action, occurrence or proceeding in any manner affecting a condominium Unit shall affect, in like manner, the percentage interest in the common expenses and common profits appertaining to such Unit, whether or not such percentage interest is expressly described or mentioned.

Section 4. Voting Rights. At any meeting of the Council of Unit Owners, each Unit owner shall be entitled to cast, on each question, the number of votes appurtenant to their condominium Unit, as set forth on "EXHIBIT C" attached hereto and by this and other reference made a part hereof.

Section 6. Classes of Ownership. There shall be one class of Condominium Unit ownership.

(a) Membership. The Owner of any condominium Unit, upon acquiring title thereto, shall automatically become a member of the Association.

(b) Designation of Voting Members. The vote of any condominium Unit Owner shall not be divisible. Owners who are corporations, partnerships, other legal entities, and units owned by more than one owner shall designate, at the time they become owners or thereafter, a member who shall exercise that Unit Owner's voting power and notify the Association of such designation. Each Owner may cast a vote by proxy as provided in the Bylaws. The right of a member to vote may be suspended by the Association as provided in the Declaration or Bylaws.

(c) Voting by Units with more than one Owner. Because an Owner of a Unit may be more than one person or entity, if only one individual or entity that has ownership in a Unit is present at a meeting of the Association, that one individual or entity representative ("Person") shall be entitled to cast the vote appertaining to their ownership interest. But, if more than one of such Persons is present, the vote appertaining to that ownership interest shall be cast only in accordance with the agreement of a majority of them, and such consent shall be conclusively presumed if anyone of them purports to cast the vote appertaining to that ownership interest without protest being made forthwith by any of the others to the Person presiding over the meetings. As applied to a Person which is not a natural person, the word "Person" shall be deemed for the purposes of this Section to include, without limitation, any one natural Person having authority to execute deeds on behalf of such Person which is not a natural Person and which is, either alone or in conjunction with another Person or Persons, an Owner. If joint owners do not designate a voting member and if two or more are present at a meeting and are unable to concur in their decision upon any subject requiring a vote, they shall lose their right to vote on that subject at that meeting. Where said joint owners do not designate a voting member, and only one is present at the meeting, the Person present may cast the vote for the Unit, just as though they owned the Unit individually, and without establishing the concurrence of the absent Person or Persons.

(d) Except where a greater number is required by the Condominium Act, the Declaration, or the Bylaws, a majority of the votes of Owners in good standing and entitled to vote, attending the meeting in person or by proxy, is required to adopt decisions at any meeting of the Association, except for election of Directors which may be accomplished by a plurality of such votes. If the Association owns or holds title to one or more Units, the Association acting through its Board of Directors shall have the right to use such votes toward the establishment of Quorum at any meeting of the Association and to cast the votes to which such Unit(s) is entitled, except for votes for election of Board members.

ARTICLE VI

Section 1. Encroachments. If any portion of the common elements encroaches upon any condominium Unit,

There shall be and there is hereby created and declared to be a presumption that any violation or breach or any attempted violation or breach of any of the covenants or restrictions cannot be adequately remedied by action at law or exclusively by recovery of damages.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment, decree or order shall in no way affect any other provisions hereof, each of which shall remain in full force and effect.

Section 3. Captions. The captions contained in this Declaration are for convenience only and are not a part of this Declaration and are not intended in any way to limit or enlarge the terms and, provisions of this Declaration.

IN WITNESS THEREOF, on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_, the Bay Club Condominium, Inc. by and through the Act and Deed of the President and Secretary of its Board of Directors, as evidenced by their hands and respective seals set forth below, has executed the foregoing Amendment to the Declaration of the Bay Club Condominium, Inc.

BAY CLUB CONDOMINIUM, INC.

Date: \_\_\_\_\_ By: \_\_\_\_\_ [SEAL]  
\_\_\_\_\_, President

ATTEST:

Date: \_\_\_\_\_ By: \_\_\_\_\_ [SEAL]  
\_\_\_\_\_, Secretary

STATE OF MARYLAND )  
 )  
COUNTY OF WORCESTER )

I, \_\_\_\_\_, a Notary Public in and for the State of Maryland, do hereby certify that \_\_\_\_\_ to me (or satisfactory proven) to be the person named as the President of Bay Club Condominium, Inc. personally appeared before me in the above-referenced jurisdiction, and as President, and by virtue of the authority vested in him/her, acknowledge that the Amendment to the Declaration to be the Act and Deed of Bay Club Condominium, Inc.

GIVEN under my and seal this \_\_\_\_ day of \_\_\_\_\_, 2023.

\_\_\_\_\_  
Notary Public

My Commission expires: \_\_\_\_\_

**BAY CLUB CONDOMINIUM**

In accordance with Section 11-104 of the Maryland Condominium Act ([Annotated Code of Maryland](#), Real Property Title 11), the Secretary, as the person authorized to count votes of the Unit Owners, hereby certifies that the foregoing Amended and Restated Declaration to which this Certificate is attached were approved by Unit Owners having at least eighty (80%) of the total votes in the Council of Unit Owners of the Condominium, as set forth in the Declaration thereof, and by fifty-one percent (51%) of the Eligible Mortgage Holders, if any, of those Unit Owners who cast votes in favor of, or consented to, approval of the same. This Certificate is recorded for the purpose of conforming to Section 11-104 of the Act and hereby accompanies the foregoing Amended and Restated Declaration of the Bay Club Condominium, Inc.

Date: \_\_\_\_\_ By: \_\_\_\_\_, Secretary

**ATTEST:**

Date: \_\_\_\_\_ By: \_\_\_\_\_, President

STATE OF MARYLAND     )  
                                  )  
COUNTY OF WORCESTER    )

I, \_\_\_\_\_, a Notary Public in and for the State of Maryland, do hereby certify that \_\_\_\_\_ to me (or satisfactory proven) to be the person named as the Secretary of Bay Club Condominium, Inc. personally appeared before me in the above-referenced jurisdiction, and as Secretary, and by virtue of the authority vested in him/her, acknowledge that the Amendment to the Declaration to be the Act and Deed of Bay Club Condominium, Inc.

GIVEN under my and seal this \_\_\_\_ day of \_\_\_\_\_, 2023.

\_\_\_\_\_  
Notary Public

My Commission expires: \_\_\_\_\_

**BAY CLUB CONDOMINIUM, INC.**  
**ARTICLES OF INCORPORATION**

**FIRST:** The undersigned: \_\_\_\_\_ (Board members) being at least eighteen years of age do hereby form a corporation under the laws of the State of Maryland.

**SECOND:** The name of the corporation is: “Bay Club Condominium, Inc.”

**THIRD:** The purposes for which the corporation is formed is to act as a Condominium Association and to exercise and enjoy all of the powers, rights, and privileges conferred upon a non-stock corporation and/or Condominium Association, and to engage in any other lawful activity permitted by the laws of the State of Maryland as set out more specifically as follows:

1. To operate and promote the community welfare of owners in the residential condominium community known as “Bay Club Condominium” (hereinafter sometimes referred to as the “Condominium”), located in Worcester County, Maryland, as contained in the Declarations of Covenants, Conditions, and Restrictions and Bylaws, which are duly recorded in the Land Records of Worcester County, Maryland, as amended from time to time.
2. To administer and enforce covenants and restrictions applicable to the Condominium, or any portion thereof, and any other restrictive covenants that have heretofore or may hereafter be recorded with regard to the Condominium.
3. To make and establish rules and regulations governing the use of the condominium.
4. To levy and collect assessments against condominium units and/or its members to defray the common expenses of the Condominium as provided in the Declaration and in the Bylaws establishing the Condominium, including, but not limited to, the right to levy and collect assessments for the purchase of insurance on the Condominium and insurance for the protection of this Corporation and its members and for the purposes of acquiring, operating, leasing, managing and otherwise trading and dealing with such property, whether real or personal, including units in the Condominium which may be necessary or convenient for the operation and management of the Condominium, and in accomplishing the purposes as set forth in said Declaration and

Bylaws, after casualty and to make further improvements to the Condominium.

5. To contract for the management of the Condominium and to delegate such powers and duties of the Council and/or its Board of Directors to such as may be provided for in the Declaration and Bylaws of the Condominium.
6. To enforce the provisions of the Declaration, these Articles of Incorporation, the Bylaws of the Condominium that may be adopted, and amended from time to time, and the rules and regulations governing the use of said Condominium.
7. To exercise, undertake and accomplish all of the rights, duties and obligations which may be granted to or imposed upon the Council pursuant to the Declaration.
8. To provide for the payment of taxes, annual fees, and other charges, if any, that may be levied by any governmental authority upon any property in the Condominium.

The foregoing enumeration of powers is made in the furtherance, and not in limitation, of the powers conferred upon the Council by law, and is not intended by the mention of any power to limit or restrict any lawful power to which the Council may be otherwise entitled. Subject to any limitations in this Article Third expressed, the council shall be authorized to exercise and enjoy all of the powers, rights and privileges granted to, or conferred upon, corporations of a similar character by the general laws of the State of Maryland now or hereafter in force, and the powers granted to a council of unit owners by the Maryland Condominium Act now or hereafter in force.

**FOURTH:** The post office address of the principal office of the Association in this State is \_\_\_\_\_. The Resident Agent of the Association is \_\_\_\_\_.

**FIFTH:** The council shall not be authorized to issue any capital stock. The qualifications for membership in the council and the rights and privileges of the members shall be as provided in the Declaration and Bylaws.

**SIXTH:** The affairs and activities of the Council, except, as provided by statute, by these Articles of Incorporation, and by the Bylaws, shall be conducted and managed by a Board of Directors. Said Board of Directors shall consist of \_\_\_\_\_ directors, which number may be increased or decreased pursuant to the Bylaws of the Corporation, but shall never be less than three (3), and the initial directors as of the establishment of this Corporation are:



**SEVENTH:** The following provision is adopted for the purpose of limiting and regulating the powers of the Association and of the directors:

The directors of the Association shall exercise their powers and duties in good faith and with a view to the best interest to the Association. The validity of a contract or other transaction between the Association and any of the directors of the Association or between the Association and any other corporation, firm, or other entity in which any Association director is a director or has a material financial interest shall be determined under the provisions of Section 2-419, as amended from time to time, of the Corporations and Associations Article of the Maryland Code. Additional rules may be established, not in conflict with Section 2-419, as amended from time to time, governing transactions between the Association and Association directors, officers, employees, or members.

**EIGHTH:** None of these provisions of these Articles of Incorporation may be altered or amended in whole or in part in such a way as to bring them into conflict with the restrictive covenants and deed restrictions now or hereafter made applicable to the Condominium. With the foregoing exception, these Article may be freely amended by the affirmative vote of not less than two-thirds of the entire board of directors at any meeting, calling for that purpose, providing that a notice of the meetings and of the proposed amendments has been distributed prior thereto to the address of each member appearing in the records of the Association. Such notice shall include a copy of the amendment or a summary of the changes it will affect; or

- a. Identify a website at which the amendment or a summary of the charges it will affect may be accessed; and
- b. Include a telephone number or an address where the member may request a paper copy of the amendment or summary without charge.

Such notice may be separately given or may be contained in a publication distributed by the Association to the membership.

IN WITNESS WHEREOF, we have signed these articles and acknowledge the same to be our act.

**SIGNATURES OF INCORPORATORS:**

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I hereby consent to my designation in this document as resident agent for this corporation.

**SIGNATURE OF RESIDENT AGENT LISTED IN FOURTH:**

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[RESIDENT AGENT]

BAY CLUB CONDOMINIUM

PROXY BALLOT

(AMENDMENT)

KNOW ALL BY THESE PRESENTS:

The undersigned owner(s) or designated voting member(s) of the Condominium Unit(s) listed below hereby constitute and appoint: \_\_\_\_\_ or THE BOARD OF DIRECTORS, if no person is named above, their true and lawful attorney, agent, and proxy, with full powers of substitution, for and in the name of the undersigned, to attend the Special Meeting of the Members of the Bay Club Condominium to be held on or about May 18, 2023 at 5:30 PM via ZOOM.

Participation at this meeting will be available online only at:

<https://us06web.zoom.us/j/88601206355?pwd=ODVQSjllbTBLWlcxdHQ2QUFtSjZuQT09>

Meeting ID: 886 0120 6355, Passcode: 750543

and at any lawful adjournment or continuation thereof, for the purpose of entering my/our vote on the proposed Amendments and acting on all matters and in all things that may come before said meeting, to represent the undersigned with all the powers that the undersigned would possess if personally.

The undersigned ratify and confirm all acts and things that the proxy shall lawfully do or cause to be done, whether at the special meeting or at any change, adjournment, or continuation of it and revoke all proxies previously given to anyone for the above purposes. This proxy may be revoked by the undersigned by written notice at any time.

This proxy is valid only for this designated meeting and any lawfully adjourned meeting thereof, however, in no event shall this proxy be valid for a period longer than one hundred eighty (180) days after the date signed. The holder of this proxy expressly reserves the right to appoint a substitute to act in their place.

I do hereby vote (mark ONE box below):

☐

**FOR the adoption of the Amended and Restated Declaration of Covenants, Conditions, and Restrictions & Bylaws of the Bay Club Condominium, and establishment of its Articles of Incorporation as an Incorporated Condominium.**

☐

**AGAINST the adoption of the Amended and Restated Declaration of Covenants, Conditions, and Restrictions & Bylaws of the Bay Club Condominium.**

**The undersigned executes this Proxy Ballot:**

BAY CLUB PROPERTY ADDRESS/UNIT(S): \_\_\_\_\_

DATE: \_\_\_\_\_ SIGNATURE: \_\_\_\_\_

Print Name: \_\_\_\_\_

DATE: \_\_\_\_\_ SIGNATURE: \_\_\_\_\_

Print Name: \_\_\_\_\_