

AMENDED AND RESTATED BYLAWS HARBOR WALK TOWNHOUSE ASSOCIATION, INC.

Article I. Name And Location

Section 1.1. **Name.** The name of the corporation is HARBOR WALK TOWNHOUSE ASSOCIATION, INC., a Maryland nonprofit nonstock corporation, hereinafter referred to as the "Association."

Section 1.2. **Location.** The mailing address of the Association shall be P.O. Box 13262, Baltimore, MD 21203-3262. The office is 510 S. Hanover Street, Baltimore, MD 21201. The Association's governing documents and contact information for all Board members and Officers are maintained on the Harbor Walk section of the website, www.theotterbein.org. Meetings of members and directors may be held at such places within the state of Maryland as may be designated by the Board of Directors.

Article II. Definitions

Section 2.1. **Specifically Defined Terms.** Unless otherwise defined in these Bylaws, words or phrases defined in the Declaration for Harbor Walk shall have the same meanings in these Bylaws. As used in these Bylaws, each of the following terms shall be deemed to have the meaning which is hereinafter in this Section ascribed to it.

- (1) "Annual Membership Meeting" shall mean an annual meeting of the Membership, held pursuant to the provisions of Subsection 3.3.3.
- (2) "Association Receipts" shall mean all funds received by the Association.
- (3) "Board of Directors" shall mean the board of directors of the Association.
- (4) "Board Meeting" shall mean a meeting of the board of directors, held pursuant to the provisions of Subsection 3.4.7.
- (5) "Bylaws" shall mean these Bylaws, as from time to time amended.
- (6) "Common Areas" shall mean and refer to those areas of land (including the improvements thereto), intended to be devoted to the common use and enjoyment of the Record Owners of the Lots, including, but not limited to, real property or other facilities which the Association owns and/or in which the Association acquires a right of use for the benefit of the Association and its Members, including, but not limited to those parcels of property described and shown on the recorded subdivision plats for "Harbor Walk

Townhouse Association” and as identified in Exhibit A of the Declaration of the Harbor Walk Townhouse Association. Common areas and easements (8 parcels) are described in EXHIBIT A - which were recorded with the 2020 Amended and Restated Declaration.

- (7) "Common Expenses" shall mean the aggregate of any and all expenses incurred by the Association in exercising the rights and powers, and in discharging the duties, vested in, exercisable by or imposed on it under the Declaration or the Bylaws.
- (8) "Condemnation" shall mean both
 - (a) a taking in condemnation or by the exercise of a power of eminent domain and
 - (b) a conveyance made to a governmental or quasi-governmental authority which possesses such power, in settlement of any pending or threatened exercise thereof.
- (9) "Contract Purchaser" shall mean any person who enters into a contract (other than a land installment contract, as that term is defined by the provisions of Title 10, Section 10-101(b) of the Real Property Article of the Code, which has been recorded among the Land Records) which, at the time in question, entitles such person to purchase a Lot from the Declarant or any other Owner, but who does not hold the legal title of record to such Lot.
- (10) "Declaration" or "Amended and Restated Declaration" shall mean and refer to the Declaration for the community of Harbor Walk Townhouse Association, dated March 14, 1980 and recorded among the Baltimore City Land Records in Book 3940, pages 759 *et seq.* and as supplemented and amended and recorded from time to time thereafter.
- (11) "Director" shall mean a member of the Board of Directors.
- (12) "Dwelling" shall mean a "dwelling," as that term is defined by the provisions of the zoning regulations of Baltimore City.
- (13) "Excess Income" shall, for the period in question, mean the amount, if any, by which the Association Receipts for such period exceed the Common Expenses for such period.
- (14) "Land Records" shall mean the Land Records of Baltimore City.
- (15) "Lessee" shall mean any lessee or sub-lessee of a Lot from another Owner or person.
- (16) "Majority" shall mean more than fifty percent (50%).
- (17) "Manager" shall mean a person or entity that the Association employs or with whom it contracts, to manage the Property and/or the affairs of the Association pursuant to the provisions of Subsection 3.4.10.
- (18) "Member" shall mean and refer to every person or entity who holds

membership in the Association as provided for in Articles VI and VII of the Articles of Incorporation. This term is synonymous with "Owner."

- (19) "Membership" shall mean, collectively, all of the Owners in their capacities as Members of the Association.
- (20) "Membership Meeting" shall mean an Annual Membership Meeting or a Special Membership Meeting.
- (21) "Mortgagee" (lender) shall mean the party secured by a Mortgage, and shall also include the beneficiary or holder of a deed of trust.
- (22) "Mortgagee in Possession" shall mean any person who is either
 - (a) a Mortgagee which has possession of a Lot as a result of a default under a Mortgage held by such person, or
 - (b) the Owner of a Lot, as the result of the conveyance to such person of the Mortgagor's equity of redemption therein either as the result of a foreclosure proceeding under a Mortgage securing such person and covering such Lot, or in lieu of such foreclosure proceeding.
- (23) "Mortgagor" (borrower) shall mean the Owner of a Lot, the title to which is encumbered by a Mortgage.
- (24) "Notice Address" shall have the meaning ascribed to it by the provisions of Subsection 8.1.1.
- (25) "Officers" shall mean, collectively, the President, the Vice President, the Secretary, the Treasurer, and the holder of each other office which the Board of Directors may create pursuant to Subsection 3.5.1.
- (26) "Covenants and Restrictions" shall mean and refer to the declarations, covenants, agreements and restrictions set forth in the Declaration; recorded subdivision plat; and any other documents recorded among the Land Records of Baltimore City pertaining to the Lots subject to the Declaration.
- (27) "Owner" shall have the meaning ascribed to it in Section 1.11 of the Declaration. The term "Owner" does not include
 - (a) mortgagees or other holders of an interest in a Lot for purposes of security; or
 - (b) the holder of the landlord's reversionary interest under a perpetually renewable ground lease.
- (28) "Person" shall mean any natural person, trustee, corporation, partnership or other legal entity.
- (29) "President" shall mean the president of the Association.
- (30) "Proxy" shall mean the right given by an Owner to any adult person to cast such Owner's Votes on questions voted upon at a Membership

Meeting.

- (31) "Proxy Holder" shall mean a person 18 years of age or older who holds a Proxy.
- (32) "Rules and Regulations" shall mean the rules and regulations adopted by the Association pursuant to the HOA Act, the Declaration and the Bylaws, as from time to time in effect.
- (33) "Secretary" shall mean the secretary of the Association.
- (34) "Special Assessment" shall have the meaning ascribed to it by the provisions of Subsection 4.1.1.
- (35) "Special Membership Meeting" shall mean a special meeting of the Membership, held pursuant to the provisions of Subsection 3.3.4.
- (36) "Treasurer" shall mean the treasurer of the Association.
- (37) "Vice President" shall mean the vice president of the Association.
- (38) "Votes" shall mean the votes which the Owners are entitled to cast in their capacities as such at meetings of the Membership.
- (39) "Voting Representative" shall mean an Owner present in person or by Proxy.

Article III. The Association

Section 3 .1. **Function.** Pursuant to the provisions of the Declaration and the Articles of Incorporation, the affairs of the Association shall be governed and administered by the Association, an entity incorporated as a nonprofit, nonstock corporation under the provisions of the Corporations and Associations Article of the Code of Maryland.

Section 3.2. Powers and Duties.

3 .2.1. The Association shall have all of the rights and powers:

- (a) which are vested in a nonprofit, nonstock corporation by the provisions of the Maryland Corporations and Associations Article; and
- (b) which are vested in the Association by the provisions of the Declaration, the Articles of Incorporation, or these Bylaws; and
- (c) which are vested in the Association by the provisions of the HOA Act; and
- (d) to do every other act not inconsistent with law which is appropriate to promote and attain the purposes set forth in the Declaration, the Articles of Incorporation and these Bylaws.

3.2.2. **Duties.** The Association shall be charged with all of the duties which are imposed:

- (a) upon a nonprofit, nonstock corporation by the provisions of the Corporations and Associations Article of the Code; and
- (b) upon the Association by the provisions of the Declaration and/or these

- Bylaws; and
- (c) upon the Association by the provisions of the HOA Act as amended from time to time; and
- (d) the Association shall
 - (i) govern and administer the affairs of the Association;
 - (ii) establish the methods of and the procedures for assessing and collecting from the Owners their respective Assessments;
 - (iii) manage or arrange for the management of the Common Area and Association Property; and
 - (iv) have such other duties as are specifically permitted or imposed upon the Board of Directors or any officer by the Declaration, Articles of Incorporation, these Bylaws, and the HOA Act.

Section 3.3. **The Membership.**

3.3.1. **Composition.** Membership shall result and become effective in accordance with Articles VI and VII of the Articles of Incorporation, and as further defined in the Declaration.

3.3.2. **Classes of Membership.** The Association shall have one class of membership, i.e. Class A as defined in the Articles of Incorporation.

3.3.3. **Annual Membership Meetings.**

(a) Provided that notice is given in accordance with the provisions of these Bylaws, an Annual Membership Meeting shall be held in the first three weeks of December of each year and at a place in or near Baltimore, Maryland or via an online virtual meeting, all as determined by the Board of Directors.

- (b) At each such Annual Membership Meeting, the Membership
 - (i) shall elect the successors to each person whose term as a Director expires as of such Annual Membership Meeting; and
 - (ii) may transact any other business which properly comes before it.

- (c) **Notice of Annual Membership Meetings.** Not later than thirty (30) days before the date on which any Annual Membership Meeting is to be held, the Secretary shall send to the Notice Address of each Owner and each known Proxy Holder a written notice of the meeting, setting forth the date, time, place and modality (in-person or virtual) thereof.

3.3.4. **Special Membership Meetings.**

- (a) Circumstances
 - (i) Provided that notice thereof is given in accordance with the provisions of these Bylaws, a Special Membership Meeting

may be held at any time for any purpose consistent with applicable law, the HOA Act, the Declaration and these Bylaws, upon a call by the President, the Board of Directors, or upon written request of at least twenty-five percent (25%) of the Owners who are entitled to vote in the Association.

- (ii) Each Special Membership Meeting shall be held on a date which is not a Sunday or a legal holiday, and either virtually or at a place in or near Baltimore, Maryland; provided, that a Special Membership Meeting may be held at any other date, time or place chosen by the President or the Board of Directors in any emergency situation, if a failure to do so could unreasonably jeopardize Association Property, or the health, safety, comfort or welfare of the occupants of any Lot, or could impose any unreasonable burden upon the Association.

(b) When a Special Membership Meeting May or Shall Be Called

- (i) (1) A Special Membership Meeting shall be called upon the Association's receipt of a petition
 - (A) requesting that such Special Membership Meeting be called,
 - (B) stating the intended purpose or purposes thereof, and
 - (C) signed by Owners or Proxy Holders having at least twenty-five percent (25%) of the Owners who are eligible to vote.

- (2) Whenever the calling of any such Special Membership Meeting is requested by any such petition, after verification of the signatures thereof, the President shall set a date for such Meeting which is not later than thirty (30) days after the Association's receipt of such petition.

- (c) Notice of Special Membership Meetings. Except as otherwise provided in this paragraph (c), by not less than fifteen (15) days before the date on which a Special Membership Meeting is to be held, the Secretary shall send to each Owner and each Proxy Holder at the Notice Address, a written notice to that effect, setting forth the intended purpose, the date, time, place and modality (in-person or virtual) thereof. In any emergency situation when compliance with the foregoing provisions of this paragraph is not reasonably possible, the notice time for the meeting shall be suspended and the Secretary shall give to each Owner and each Proxy Holder such notice thereof as is reasonably possible under the circumstances, which notice may be by personal delivery, first class, postage prepaid U.S. Mail, electronic

means, or written notice attached to the Lot. The minutes of any such meeting shall set forth fully the purpose and why standard notice procedures could not be followed.

3.3.5. Quorum.

- (a) The presence at a Membership Meeting of at least twenty-five percent (25%) of Owners eligible to vote, who are present in person or by Proxy, or who are present at a virtual meeting, shall be required for and shall constitute a quorum for such Membership Meeting.
- (b) If a quorum does not exist at the date, time and place of a Membership Meeting,
 - (i) notwithstanding the absence of such quorum, such Membership Meeting may be adjourned (by and only by a motion to such effect made and seconded by Voting Participants and approved by a Majority of the Votes cast thereon), without further notice to any Owner or Proxy Holder, to a date, time and place (provided that such date is not less than two (2) or more than ten (10) days from the date for which such Membership Meeting is first called, as aforesaid), in which event, so long as a quorum exists at the date, time, and place to which such Membership Meeting is so adjourned, any business may be transacted thereat which might have been transacted at the Membership Meeting as originally called, but no other business may be transacted thereat; but
 - (ii) no Membership Meeting shall be otherwise called or held other than pursuant to the provisions of Subsections 3.3.3 and 3.3.4, except as may be provided in § 5-206 of the Maryland Corporations and Associations Article or the HOA Act as amended from time to time.
- (c) Once the Secretary of a Membership Meeting determines that a Quorum exists therefor, the existence of such Quorum shall not be affected by the subsequent withdrawal from the Membership Meeting of any Voting Representative.

3.3.6. Conduct of Membership Meetings.

- (a) (i) The President shall, if present, act as the chairman of each Membership Meeting. In the absence of the President at a Membership Meeting, it shall be chaired
 - (1) by the Vice President, if present, or
 - (2) if not, then by any other Officer who is present and elected chairman thereof by a plurality of the Votes.

- (ii) The chairman of each Membership Meeting shall preside over its conduct.
- (b)
 - (i) The Secretary shall, if present, act as the Secretary of each Membership Meeting. In the absence of the Secretary, or in the event the Secretary is elected to chair the meeting, any other person who is present and appointed Secretary thereof by the chairman thereof shall act as such.
 - ii. The Secretary, or such other person as may be acting as Secretary as noted above herein, shall take the minutes of each Membership Meeting. If such person is not the Secretary, promptly after such Membership Meeting he shall deliver such minutes to the Secretary. The Secretary shall record therein the questions voted upon at such Membership Meeting and the results of such voting; shall be the judge of the eligibility (under the provisions of Subsection 3.3.7) of any person to cast any Votes thereat; shall make the official count of the Votes cast on each such question; and shall perform any other duty which under these Bylaws are to be performed by the Secretary of such Membership Meeting as part of its order of business.
 - (iii) The meeting Chairperson shall determine rules governing the conduct of all membership meetings, subject to the provisions of the Declaration, these Bylaws, and applicable law.
 - (iv) The order of business to be considered at any Annual Membership Meeting shall be in accordance with the provisions of Exhibit A attached hereto, which order may be amended by the chairman of the particular Membership Meeting if determined in the best interests of the Association.

3.3.7. Voting at Membership Meetings.

- (a)
 - (i) Any questions to be voted upon at a Membership Meeting may be voted upon by and only by those persons present who are Voting Representatives, notwithstanding the presence of any other person.
 - (ii) Each such Voting Representative shall be entitled to cast upon such question the number of Votes held under the provisions of the Declaration by the Owner for which he is a Voting Representative.

- (b) With respect to any Membership Meeting, the Voting Representatives shall consist of and only of all of the following persons:
 - (i) As to each Owner for whom no Proxy is then in effect
 - (1) if such Owner consists of one (1) natural person, such person shall be the Voting Representative for himself;
 - (2) if such Owner consists of more than one (1) natural person (but such Owner has not designated a Voting Representative in accordance with the provisions of Section 8.1), any such person who is present thereat shall be the Voting Representative for such Owner; provided that no more than one vote is cast for each Lot; and
 - (3) otherwise, any person who, prior to such voting, is designated a Voting Representative by such Owner in accordance with the provisions of Section 8.1. shall be the Voting Representative for such Owner (but only if such designation then remains in effect and has not been withdrawn by a writing signed by the grantor).
 - (ii) As to each Owner for whom a Proxy is then in effect permitting such Owner's Votes to be cast at such Membership Meeting only by the Proxy Holder thereof;
- (c) Anything contained in the provisions of Subsection 3.3.7(b) to the contrary notwithstanding, the Secretary need not recognize any person as a Voting Representative at a Membership Meeting unless prior thereto the Owner or Proxy Holder for which such person is to be a Voting Representative has furnished to the Secretary the written information as to such Owner himself or Proxy Holder itself which is referred to in the provisions of Section 8.1.
- (d) Except as may otherwise be set forth in any provision of the Declaration, these Bylaws, the HOA Act, or applicable law, each question voted upon at any Membership Meeting shall be decided by a Majority of the Votes cast thereon and whenever these Bylaws condition the effectiveness of any action upon the approval or authorization thereof by the Membership, such condition shall be satisfied by the affirmative vote of a Majority of the Votes cast thereon, unless another standard of approval is therein expressly set forth with respect to such condition.

- (e) Proxies shall not be effective for more than eleven (11) months, except that a Proxy given by an Owner to a Mortgagee shall remain in effect for the term agreed upon by the Owner and the Mortgagee.

3.3.8. Informal Action. Any action required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting, if a unanimous consent which sets forth the action is given in writing or by electronic transmission by each Director and filed in paper or electronic form with the minutes of the proceedings.

Section 3.4. The Board of Directors.

3.4.1. Composition: Qualifications of Directors.

- (a) The Board of Directors shall consist of not more than seven (7) or less than three (3) Directors, or such number as the Articles of Incorporation may allow.
- (b) Each Director shall be
 - (i) a natural person;
 - (ii) at least eighteen (18) years old; and
 - (iii) either (1) an Owner, or (2) an officer, director, employee or agent of a corporation, partnership, trust or other legal entity which is an Owner (provided that the Secretary is given such proof of such natural person's status as officer, director, employee or agent of such entity as the Secretary may reasonably require).
- (c) Only one Owner per Lot is permitted to serve as a Director simultaneously.
- (d) No person who is an adverse party to the Association in any litigation or administrative matter is eligible to serve as a Director.
- (e) No person who is sixty (60) days or more delinquent in the payment of any sum due the Association is eligible to be a candidate for or serve as a Director.

3.4.2. Terms of Directorships.

- (a) Directors whose terms expire shall be elected at the Annual Meeting for a term of three (3) years. Directors terms are intended to be staggered, i.e. in any given year there will be either 1 or 2 expired terms.
- (b) Anything contained in the provisions of this Subsection to the contrary notwithstanding, each Director shall serve as such until his successor has been elected and qualified.

- (c) Directors may serve successive terms.

3.4.3. Nomination of Directors.

- (a) At least sixty (60) days before each Annual Membership Meeting, the President shall appoint a nominating committee of three (3) Voting Representatives, at least one (1) of whom shall be a Director whose term of office does not expire as of such Annual Membership Meeting. Such nominating committee, after considering the qualifications of prospective nominees, shall nominate a number of candidate(s) equal to the total number of directorships to be filled at such Annual Membership Meeting, and shall present its nominations to the Secretary by not later than fifteen (15) days before such Annual Membership Meeting.
- (b) Any Owners of five (5) or more Lots (hereinafter, “an Ownership Group” may nominate a candidate for a directorship to be filled at any Annual Membership Meeting by presenting such nomination to the Secretary in a writing signed by all members of the Ownership Group and the candidate which it is nominating, by not later than forty-five (45) days before such Annual Membership Meeting. The Ownership Group may not include the candidate which it is nominating. No Ownership Group may nominate a total number of candidates which is greater than the total number of directorships to be filled at the Annual Membership Meeting.
- (c) By not later than ten (10) days before the date of such Annual Membership Meeting, the Secretary shall prepare and provide each Owner and Proxy Holder with a ballot for the directorial election, on which the names of each candidate for each directorship shall appear. Where there is more than one (1) candidate, their names shall be arranged in alphabetical order using last name. The candidate(s) which have been nominated by the nominating committee shall be so indicated on the ballot. Notwithstanding any inference to the contrary in Sections 3.4.3 (a) or 3.4.3 (b), no candidate’s name shall appear more than one time on the ballot, regardless of whether such candidate has been nominated by more than one Ownership Group and/or the nominating committee.

3.4.4. Election of Directors.

- (a) At each Annual Membership Meeting, there shall be held one election to fill the directorships of all Directors whose term or terms of office expire or expires as of such Annual Membership

- Meeting, and any other directorship which is then vacant.
- (b) Each Voting Representative may cast on each ballot a number of votes which is equal to or less than the number of directorships which are to be filled. Cumulative voting shall not be permitted. For clarity, no Voting Representative shall cast on any one ballot more than one vote for any one candidate. The Voting Representative must provide his name, the address of the Lot for which he is the Voting Representative, and his signature on the ballot. The Secretary shall deem as invalid any ballot which does not include the information set forth in the immediately preceding sentence, or upon which is cast a greater number of votes than the number of directorships which are to be filled, or upon which any candidate has received more than one vote.
 - (c) Each Voting Representative may cast his Votes in such election either
 - (i) by giving his marked ballot at the location of the Annual Membership Meeting, not later than 3 hours prior to the start of the Annual Membership Meeting, or
 - (ii) by depositing the marked ballot at the home address of the Secretary which shall be provided on the ballot or an accompanying mailing no later than three (3) hours prior to the start of the Annual Membership Meeting.
 - (d) Not earlier than three (3) hours prior to the start of the Annual Membership Meeting, the Secretary in the presence of at least one other owner who is not a candidate, shall total the votes of all candidates on all valid ballots, and shall declare as elected the candidate receiving the highest number of votes, and such additional candidates in descending order of the number of votes received, until the total number of candidates declared elected is equal to the total number of directorships to be filled. If the terms of the directorships to be filled are of differing lengths, then the candidate receiving the greatest number of votes shall fill the open directorship with the longest term, the candidate receiving the second greatest number of votes shall fill the open directorship with the second longest remaining term, and so on until all open directorships are filled.

3.4.5. Filling Vacancies in Directorships. If any directorship becomes vacant by reason of a Director's death, resignation, retirement, disqualification, removal from office or otherwise, the remaining Directors shall, at any regular Board Meeting, or Special Meeting, duly called for such purpose, elect his successor,

who shall serve for the remainder of his term.

3.4.6. Removal of Directors. Any Director may be removed from his position as such, with or without cause or hearing, by the affirmative vote of Voting Representatives having two-thirds (2/3) of the outstanding Votes present and voting in person or by proxy at any Annual Membership Meeting, or at any Special Membership Meeting duly called for such purpose. In the event any Director is absent without cause from two (2) successive meetings, the Board may declare such Director's seat vacant at the next meeting, unless the Director is present at that meeting.

3.4.7. Board Meetings.

- (a) A Board Meeting shall be held immediately upon adjournment of each Annual Membership Meeting and at the same place where such Annual Membership Meeting was held, provided that a quorum of Directors is present. If such quorum is not present, a Board Meeting shall be held as soon thereafter as is practicable, provided that notice thereof is given to each Director by not later than five (5) days prior thereto.

Thereafter, a Board Meeting shall be held at least once each quarter of each year, or on any other day which the Board of Directors selects, and at such time and place as it from time to time selects.

- (b) When in-person meetings are not practical or in the best interests of the Association, Board meetings, Annual and Special Membership Meetings may be held virtually using an online communications method that allows Directors and members to fully participate in the proceedings and for them to cast their votes. When the virtual meeting modality is employed, all procedures described in the Bylaws shall be followed.
- (c) Once the date, time and place or modality of the regular Board Meetings are selected, and notice of same is sent or otherwise provided to each Owner, such regular Board Meetings may thereafter be held without notice of such date, time and place. However, if the virtual online meeting modality is being used and an invitation to the meeting is required to enter the meeting, all Board members and all Owners shall receive such invitation at least a day prior to a regular Board Meeting, the Annual

- Membership Meeting or a Special Membership Meeting.
- (d) If such date is changed or an additional meeting is held, reasonable notice shall be provided to all Owners and notice of such change is given to the Directors in the same manner as for a Special Board Meeting.
 - (e) A Special Board Meeting may be called by the President on not less than two
(2) days' notice given in writing, in person, by telephone or electronic notice to each Director. Upon the request of two (2) or more Directors, the President shall call a meeting of the Board.
 - (f) Closed meetings of the Board of Directors are permitted for:
 - a. Discussion of matters pertaining to employees and personnel.
 - b. Consultation with legal counsel on legal matters.
 - c. Consultation with staff personnel, consultants, attorneys, board members or other persons in connection with pending or potential litigation, or other legal matters.
 - d. Investigative proceedings concerning possible or actual criminal misconduct.
 - e. Consideration of the terms or conditions of a business transaction in the negotiation stage if the disclosure could adversely affect the economic interests of the Association.
 - f. Complying with a specific Constitutional, statutory or judicially imposed requirement protecting particular proceedings or matters from public disclosure.
 - g. Discussion of individual Lot owner assessment accounts.
 - h. For any other reason as permitted under the Act.
 - i. If a meeting is held in closed session under subsections a. thru i. of this Section: An action may not be taken and a matter may not be discussed if it is not permitted by subsections a. through i. of this section; and a statement of the time, place, and purpose of any closed meeting, the record of the vote of each Board member by which any meeting was closed, and the authority under this section for closing any meeting shall be included in the minutes of the next meeting of the Board. The closed meeting minutes may be withheld from public view.

3.4.8. Quorum. At each Board Meeting, the presence in person of a Majority of the Directors shall constitute a quorum for the transaction of business, except as is otherwise expressly provided in these Bylaws or the Articles of Incorporation or by applicable law. Each Director shall be entitled to cast one (1) vote upon each question which comes before the Board of Directors, and the decision of a

Majority of the Directors present shall be the decision of the Board of Directors. If at any Board Meeting a quorum is not present, a Majority of the Directors who are present may adjourn the Board Meeting from time to time and, at any such adjourned Board Meeting at which a quorum is present, any business that might have been transacted at the Board Meeting as originally called may be transacted without further notice to any Director.

3.4.9. Owners' Attendance at Board Meetings.

- (a) Each Owner shall be entitled to attend any Board Meeting, but no Owner shall have any right to vote upon any question coming before such Board Meeting, or to participate in the deliberations of the Directors thereat. As provided in § 11-B111 of the Act, subject to reasonable rules of the Chair, each Owner and Proxy Holder present shall have an opportunity to comment on any matter relating to the Association, or in the case of a Special Meeting, on any topic which is the subject of the Special Meeting.
- (b) Each Owner and Proxy Holder shall have the right to be heard on the questions of the approval and adoption of the Association's budget at the Board Meeting at which such actions are to be taken, as aforesaid. The President shall have the right to set a time limit for discussion by each Owner and Proxy Holder.

3.4.10. Powers and Duties of the Board of Directors.

- (a) All of the Association's business and affairs shall be managed, and all of its rights, powers and duties shall be exercised and performed on its behalf, by the Board of Directors, acting through the Officers, and the Officers in accordance with the provisions of this Section and of Section 3.5; provided, that nothing in the foregoing provisions of this paragraph shall be deemed in any way to alter or impair the operation and effect of any provision of the Corporations and Associations Article of the Code, the Act, other applicable law, the Declaration or these Bylaws pursuant to which the Association's right to take any action is conditioned upon such action's having been authorized or approved by the Membership.
- (b) Without limiting the generality of the foregoing provisions of this Subsection, the Board of Directors shall have the right and power and duty to cause the Association to take each of the following actions:
 - (i) **Management of the Common Elements.** to operate, manage, maintain, renew, replace, repair and protect the

Common Area and all Association Property;

- (ii) **Preparation of Budget.** to prepare and adopt a budget of the estimated Common Expenses, Association Receipts, Association Profits and Assessments for the Association's next succeeding fiscal year, in accordance with the provisions of Article IV;
- (iii) **Expenditures.** to authorize the use and expenditure of any or all Association Receipts (except for so much thereof as the Association resolves to deposit in a reserve fund for such purpose) for the operation, management, maintenance, renewal, replacement, repair and protection of the Common Area and Association Property, provided that the Association may make no single expenditure for any capital improvement which exceeds Ten Thousand Dollars (\$10,000.00), unless it is authorized both by the Board of Directors and by the Membership, or is expended for emergency repairs;
- (iv) **Selection of the Manager, Independent Contractor or Employees.** to employ or contract with a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties, subject to any limitation thereon which is set forth in the provisions of, the Declaration or these Bylaws; and to fix compensation (which shall be paid by the Association as part of the Common Expense);
- (v) **Taxes; Liens; Water and Sewer Rents.** to pay all taxes, if any, and assessments levied or liens imposed against any of the Common Area or any Association Property;
- (vi) **Employees, Services and Materials.** to employ and dismiss such clerks, workmen, janitors, watchmen and other personnel, in accordance with applicable equal employment opportunity provisions, and to purchase or arrange for such services, machinery, equipment, tools, materials and supplies, as in the opinion of the Board of Directors are from time to time necessary for the proper operation and maintenance of the Common Area and any Association Property;
- (vii) **Collection of Delinquent Assessments.** to collect any unpaid and Delinquent Assessment, any interest accrued thereon and any costs and expenses which the Association incurs in connection therewith (including, by way of

example rather than of limitation, any administrative costs, filing fees, collection costs, court costs and attorney's fees), whether by suit or otherwise;

- (viii) **Professional Assistance.** to employ or retain legal counsel, engineers and accountants and to determine the amount and terms of their compensation, whenever the professional assistance of such persons is deemed necessary by the Board of Directors for any purposes related to the Association's exercise of its rights and powers, or performance of its duties.
- (ix) **Operating Accounts.** to cause such operating, escrow and other accounts to be established and maintained as the Board of Directors deems appropriate from time to time and as are consistent with good accounting practices;
- (x) **Audits and Books of Account.** to cause a complete review of the Association's books and accounts to be made by a person with financial analysis experience consistent with the level of review needed for the Association's financial status, at the end of each fiscal year of the Association, and at any other time as the Board of Directors deems necessary; This person shall be selected and approved by the Board of Directors.
 - (2) maintain detailed records, in print or digital form, of Association Receipts and Common Expenses, to prepare at the end of each fiscal year a report of the Association's business reflecting fully and accurately its financial condition, and to make this report available to each Owner.
- (xi) **Rules and Regulations.** to
 - (1) make, promulgate and amend from time to time such reasonable Rules and Regulations relative to the operation, use and occupancy of the Lots and the Common Area and facilities on a uniform, reasonable and equitable basis, all as the Board of Directors deems appropriate.
 - (2) enforce compliance with the Declaration. Bylaws and the Rules and Regulations by injunction or such other legal action or means as the Board of Directors deems appropriate; and
 - (3) deposit among the Baltimore City Circuit Court Homeowners Association Depository and provide a copy of such Rules and Regulations, as from time

to time amended, to each Owner promptly upon the adoption thereof.

- (xii) **Insurance.** to:
 - (1) procure and maintain insurance in accordance with the provisions of the Declaration and Section 5.1; and
 - (2) collect the proceeds of all such insurance, and apply them towards the cost of repair, restoration or replacement of the Common Area in accordance with the provisions of the Declaration and these Bylaws;
- (xiii) **Condemnation Proceedings.** to exercise and perform, on behalf of the Association, its rights and duties as to the prosecution and defense of condemnation proceedings pursuant to the provisions of Article VI;
- (xiv) **Lease or License of Common Area.** to lease or license the use of any of the Common Area in a manner which is consistent with the rights of the Owners under the Declaration or these Bylaws;
- (xv) **Designation of Title Holder.** to
 - (1) designate a corporate nominee for the purpose of acquiring title to any Lot purchased by the Association; and/or
 - (2) authorize the President or any other Officer to execute, attest and acknowledge, on behalf of the Association, any and all mortgages, leases or other instruments, where necessary to accomplish any such purpose;
- (xvi) **Personal Property.** to cause the Association to acquire by purchase or otherwise, and to own, use, improve, mortgage, sell, dispose of and otherwise deal with, any personal property, wherever located;
- (xvii) **Suspension of Rights.** to suspend the voting rights of an Owner or anyone claiming such right through an Owner, for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed 60 days for any infraction of this Declaration, the Association's Bylaws or its published Rules and Regulations;
- (xviii) **Additions and Improvements.** subject to the operation and effect of the provisions of the Declaration, to make such alterations, additions and improvements to the Common

Area and any Association Property as it deems appropriate, and to require, before undertaking any such work, the consent in writing of each Owner whose rights may, in the opinion of the Board of Directors, be prejudiced by such alteration, addition or improvement; provided, that the Board of Directors shall obtain the approval by the Membership of any alteration, addition or improvement which the Board of Directors estimates would cost more than Ten Thousand Dollars (\$10,000.00); and further provided that when in the opinion of the Board of Directors any such alteration, addition or improvement is being made exclusively or substantially for the benefit of one (1) or more, but less than all, Owners, the cost thereof shall be charged to such Owner or Owners in such proportion as the Board of Directors determines to be fair and equitable, provided that such Owners have requested in writing that the same be made, and that prior to taking such action each such Owner has consented expressly and in writing to be so assessed; and further provided, that in every other case the cost of any such alteration, addition or improvement shall be paid by the Association as part of the Common Expenses;

- (xix) **Offices.** to create one (1) or more offices of Assistant Officer, in addition to the offices of the President, the Vice President, the Secretary and the Treasurer; and
- (xx) **Supervision.** supervise all officers, agents and employees of the Association, and to see that their duties are properly performed;
- (xxi) **Assessments.** as more fully provided in the Declaration, to
 - (1) fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each Annual Assessment period;
 - (2) send written notice of each assessment to every Owner subject thereto at least fifteen (15) days in advance of each Annual Assessment period.
 - (3) foreclose the lien against any property for which assessments are not paid.

3.4.11. Limitation of Directors' Liability.

- (a) No Director in his capacity as such shall except in the event of his own individual willful misconduct or gross negligence in the performance of his duties, be liable
 - (i) for any failure by the Association to obtain or pay for any

- service which is to be obtained hereunder, or for any injury or damage to persons or property caused by the elements or any Owner or other person, or resulting from the leakage or flow of electricity, gas, water, rain or dust from the outside of any building on any Lot, from any pipe, drain, conduit, appliance, equipment or other place;
- (ii) to any Owner or other person under any agreement, deed, lease, mortgage, other instrument or transaction entered into by him on behalf of the Association or the Owners in the performance of his duties;
 - (iii) in tort or otherwise, directly or indirectly, to any Owner or any person by virtue of his good faith act or failure to act; or
 - (iv) arising out of the use, misuse or condition of the Common Area, or in any other way as a result or by virtue of his performance of his duties.
- (b) Each Director, in his capacity as such, and his heirs and personal representatives shall be indemnified by the Association against all liability and expense (including, by way of example rather than of limitation, that of reasonable attorneys' fees), which are reasonably imposed upon or incurred by him in connection with any proceeding in which he is involved by reason of his being or having been a Director, or in connection with any settlement thereof, and (with respect to such expense) whether or not he is a Director at the time such expense is incurred, except for any such liability imposed or expense incurred in connection with any such proceeding in which the Director is adjudged guilty of gross negligence or willful misconduct in the performance of his duties; provided, that the foregoing provisions of this paragraph shall not be applicable to any such liability or expense assumed or incurred as the result of a settlement or such proceeding unless the Board of Directors (with such Director abstaining), acting upon the advice of its legal counsel, approves such settlement and reimbursement as being in the Association's best interests. Any amount paid by the Association pursuant to the foregoing provisions of this paragraph shall be part of the Common Expenses. Nothing in the foregoing provisions of this paragraph shall be deemed to alter or impair any right to indemnification to which such Director is entitled under applicable law, by authorization of the Membership or the Board of Directors, or otherwise.

3.4.13. Compensation of Directors. Each Director shall serve as such without compensation but shall be reimbursed for actual out-of-pocket expenses.

Section 3 .5. Officers.

3.5.1. Designation; Qualifications of Officers.

- (a) The Officers shall consist of the President, the Vice President, the Secretary, the Treasurer and any other officer the Board creates, such as an Assistant Officer.
- (b) Each Officer shall be
 - (i) a natural person;
 - (ii) at least twenty-one (21) years old; and
 - (iii) either
 - (1) alone or in combination with one (1) or more other persons an Owner, or
 - (2) an officer, director, employee or agent of a corporation, partnership, trust or other legal entity (other than a natural person) which either alone or in combination with one (1) or more other persons, is an Owner, provided that the Secretary is given proof of such natural person's status as officer, director, employee or agent of such entity as the Secretary reasonably requires.
- (c) The President, Vice President, and the Secretary shall be selected from among the Directors. Any other Officer may, but need not be, a Director.
- (d) One person may simultaneously be both the Secretary and the Treasurer, but no person may simultaneously hold any other two or more offices.

3 .5 .2. Election of Officers. The Officers shall be elected by the Board of Directors at the first Board Meeting following the Annual Membership Meeting, and shall hold office, at the pleasure of the Board and until their successors are elected and qualify.

3.5.3. Powers and Duties of the President. The President shall

- (a) be the chief executive officer of the Association and the Chairman of the Board of Directors, and
- (b) have the general powers and duties which are usually vested in the office of President of a corporation organized and existing under the law of Maryland (including, by way of example rather than of limitation, the power to appoint such committees from

- among the Owners as he from time to time deems appropriate, to assist in the conduct of the affairs of the Association), and
- (c) have charge of the administration of the Association.

3.5.4. Powers and Duties of the Vice President. The Vice President shall take the place of the President and perform his duties whenever the President is absent or unable to act.

3.5.5. Powers and Duties of the Secretary. The Secretary shall

- (a) act as Secretary of each Board Meeting and each Membership Meeting at which he is present,
- (b) record all Votes cast on questions coming before each such meeting and the minutes thereof, setting forth each resolution adopted thereat, in a minute book or electronic record to be kept for that purpose,
- (c) have charge of such minute book/electronic record and of such records and papers of the Association as the Board of Directors directs,
- (d) have the general powers and duties which are usually vested in the office of Secretary of a corporation organized and existing under the law of Maryland (including, by way of example rather than of limitation, the duty to send notices of Membership Meetings and Board Meetings in accordance with these Bylaws) as well as such other duties as are prescribed by these Bylaws or by the Board of Directors or the President, and
- (e) keep the roster referred to in the provisions of Section 8.1, as well as copies of the Declaration, these Bylaws and the Rules and Regulations, all as from time to time amended (all of which shall be available for inspection by the Owners and each Mortgagee during the Association's regular business hours).

3.5.6. Powers and Duties of the Treasurer. The Treasurer shall

- (a) have charge and custody of, and be responsible for, the Association's funds and securities;
- (b) deposit all of its monies, checks and other valuable effects in the name and to the credit of the Association in such depositories as are from time to time designated for such purpose by the Board of Directors;
- (c) disburse the Association's funds as from time to time ordered by the Board of Directors or the President, making proper vouchers for such disbursements;
- (d) keep full, complete and accurate accounts and records of the

- Association's financial transactions;
- (e) submit to the Board of Directors and the Membership such reports thereof as the Declaration, these Bylaws, applicable law or the Board of Directors from time to time require which accounts and records shall
 - (i) include, by way of example rather than of limitation, chronological listings of all Association Receipts, all Expenses, the amount of each Assessment levied against each Lot, and the amounts thereof paid and unpaid;
 - (ii) specify and itemize the Expenses relating to the Common Area and any other Common Expenses;
 - (iii) be retained in a secure account in the name of the Association;
 - (iv) be made available within 5 business days on request by the Owners, prospective Owners, and each Mortgagee;
 - (f) be charged with the responsibility of providing and maintaining the insurance herein provided for; and
 - (g) The Treasurer shall have the general powers and duties which are usually vested in the office of treasurer in a corporation organized and existing under the law of Maryland. The Treasurer shall make available at least 30 days before each Annual Membership Meeting a financial statement on the last completed fiscal year's Receipts, Common Expenses, assets, and liabilities. The Treasurer shall also present a report as outlined on Exhibit A, on the then subsequent year's estimated Receipts and Common Expenses, assets, and liabilities, and on the budgeted subsequent year's Receipts and Common Expenses.

3.5.7. Compensation of Officers. The Officers shall serve as such without compensation therefor unless such compensation is expressly authorized by the Membership. Any such compensation shall be paid by the Association as part of the Common Expenses. Each Officer shall be reimbursed by the Association for all expenses which are reasonably incurred by him in the discharge of his duties.

3.5.8. Limitation of Officer's Liability.

- (a) No Officer in his capacity as such shall, except in the event of his own individual willful misconduct or gross negligence in the performance of his duties, be liable
 - (i) for any failure by the Association to obtain or pay for any service which is to be obtained hereunder, or for any injury or damage to persons or property caused by the elements or any Owner or other person, or resulting from the leakage or flow of electricity, gas, water, rain or dust from

- the outside of any building on any Lot, from any pipe, drain, conduit, appliance, equipment or other place;
- (ii) to any Owner or other person under any agreement, deed, lease, mortgage, other instrument or transaction entered into by him on behalf of the Association or the Owners in the performance of his duties;
 - (iii) in tort or otherwise, directly or indirectly, to any Owner or any person by virtue of his good faith act or failure to act; or
 - (iv) arising out of the use, misuse or condition of the Common Area, or in any other way as a result or by virtue of his performance of his duties.

Each Officer, in his capacity as such, and his heirs and personal representatives shall be indemnified by the Association against all liability and expense (including, by way of example rather than of limitation, that of reasonable attorneys' fees), which are reasonably imposed upon or incurred by him in connection with any proceeding in which he is involved by reason of his being or having been an Officer, or in connection with any settlement thereof, and (with respect to such expense) whether or not he is an Officer at the time such expense is incurred, except for any such liability imposed or expense incurred in connection with any such proceeding in which the Officer is adjudged guilty of gross negligence or willful misconduct in the performance of his duties; provided, that the foregoing provisions of this paragraph shall not be applicable to any such liability or expense assumed or incurred as the result of a settlement or such proceeding unless the Board of Directors, acting upon the advice of its legal counsel, approves such settlement and reimbursement as being in the Association's best interests.

Any amount paid by the Association pursuant to the foregoing provisions of this paragraph shall be part of the Common Expenses. Nothing in the foregoing provisions of this paragraph shall be deemed to alter or impair any right to indemnification to which such Officer is entitled under applicable law, by authorization of the Membership or the Board of Directors, or otherwise.

3.5.9. Resignation and Removal of Officers. Any Officer may resign his office at any time by giving written notice thereof to the Board of Directors, unless such resignation indicates an earlier date therefor, it shall become effective at the next succeeding Board Meeting. Any Officer may be removed from office at any

time by resolution of the Board of Directors. Any Director who is removed from his position as such and is then an Officer shall also be deemed thereby to have been removed from such office.

3.5.10. Filling Vacancies of Officers. If any office becomes vacant by reason of an Officer's death, resignation, retirement, disqualification, removal from office or otherwise, the Directors shall, at a Board Meeting duly called for such purpose by the President, if serving, or the Vice President, shall elect an Officer to serve at the pleasure of the Board.

3.5.11. Execution of Instruments. No agreement, contract, check, deed, lease, mortgage or other instrument shall be binding upon the Association unless signed by one (1) Officer, except to the extent that the power to bind the Association is otherwise delegated in writing to the Manager or any other person by the Board of Directors.

3.6. Fiscal Year. The Association's fiscal year shall begin on January 1 and shall end on December 31.

3.7. Mailing Address and Principal Office. The Association's Mailing Address is P.O. Box 13262, Baltimore MD, 21203-3262 and the Principal Office shall be located at 510 S. Hanover Street, Baltimore, MD 21201, or at such other place as is permitted by law and designated for such purpose from time to time by the Board of Directors.

Article IV. Assessments and Budget

Section 4.1. Procedure for Levying Assessments. Any determination by the Association to levy Assessments pursuant to the provisions of the Declaration shall (subject to the operation and effect of such provisions) be made in the following manner:

4 .1.1. Classes of Assessments.

- (a) The Assessments shall consist of Annual Assessments (each of which is hereinafter referred to as an "Annual Assessment") and Special Assessments (each of which is hereinafter referred to as a "Special Assessment").
- (b)
 - (i) The proceeds of the Annual Assessments must be used by the Association to defray any Common Expenses.
 - (ii) The proceeds of any Special Assessments shall be used to defray any Common Expenses incurred either in the construction,

reconstruction, repair or replacement of any of the Common Area or any Association Property, or as the result of any expansion of the Association, or to pay any other Common Expense of an extraordinary or emergency nature or amount.

4.1.2. Period of Annual Assessment. Each Annual Assessment shall be the same as the Association's fiscal year.

4.1.3. Rates of Assessment.

- (a) The Annual Assessment must be fixed at a uniform rate for all Lots and shall be collected annually in advance and as provided in the Declaration.
- (b) The Special Assessments must be fixed at a uniform rate and paid within thirty (30) days of receipt of notice of the Special Assessments.
- (c) Other specific assessments charged to individual Lots for services or repairs needed as determined necessary by the Board of Directors, fines and charges duly levied and assessed pursuant to the HOA Act and/or the Declaration.

4.1.4. Adoption by Board of Directors; Notice of Assessment; When Assessments Become Due and Payable.

- (a) The Board of Directors shall cause to be prepared and submitted to the Lot owners by electronic transmission, or posting on any Association home page, or by inclusion in any Association newsletter, an annual proposed budget at least 30 days before its adoption as provided in § 11B-112.2 of the HOA Act.
- (b) The proposed budget shall provide information on or expenditures for at least the following items: 1) income; 2) administration; 3) maintenance; 4) utilities, if any; 5) general expenses; 6) reserves; and 7) capital expenses.
- (c) The budget shall be adopted at an open meeting of the Board of Directors in compliance with § 11B-112.2(e) of the HOA Act, and by not later than the sixtieth (60th) day prior to the commencement of an Assessment Year, which shall set forth for such Assessment Year:
 - (i)
 - (a) the aggregate amount of the Annual Assessments to be levied; and
 - (b) the uniform rate of amount of the Annual Assessment to be levied against each Lot; and
 - (ii)
 - (a) the aggregate amount of the Special Assessment to be levied; and

(b) the rate of the Special Assessment to be levied against each Lot. By not later than the twenty-fifth (25th) day prior to the commencement of such Assessment Year, the Association shall provide a copy of such budget to each Owner at such Owner's Notice Address, subject to such Owner's compliance with the provisions of Subsection 8.1.1. Upon request, such budget will be provided to each Mortgagee at its Notice Address.

(d) Such Annual Assessments shall be due on the first (1st) day of such Assessment Year without the necessity of further action by the Association.

(e) If the Board of Directors formally changes the requirement for a single annual payment, any Assessment may be paid to the Association in installments in accordance with a schedule determined by the Board of Directors.

Section 4.2. Collection of Unpaid Assessment. All Assessments shall be collected in accordance with the provisions of the Declaration.

Section 4.3. Exempt Property. The following properties shall be exempt from the Assessments, Charges and Liens created herein:

- (a) all properties dedicated to and accepted by a governmental body, agency or authority and devoted to public use; and
- (b) all Common Area as defined herein.

Article V. Insurance: Damage to and Destruction of Properties

Section 5.1. Insurance to be Maintained by Association.

5.1.1. Duty to Procure and Maintain. The Association shall procure and maintain, to the extent available, insurance coverage of the types which are enumerated in the provisions of Section 5.3. upon the Common Area, and all personal property of the Association located within the Common Area.

5.1.2. Insureds. The policies of such insurance shall name as Insureds thereunder the Association or any other entity deemed advisable by the Association.

5.1.3. Insurers. Such insurance shall be purchased from one (1) or more recognized insurance companies duly licensed to operate and do business in Maryland.

5.1.4. **Exclusions from Coverage.** Nothing in the foregoing provisions of this Section shall be deemed in any way to impose upon the Association any obligation to procure or maintain any insurance upon all of any of the Lots, upon the person or personal property of any Owner, any family member, invitee, visitor or guest of any Owner, or any Lessee or other occupant of any Lot. Any Owner who desires to obtain any such insurance shall be responsible for doing so at his initiative and expense, and in accordance with the provisions of Section 5.4. and the Declaration.

5.1.5. **Review.** The Board of Directors shall review the Association's insurance requirements and limits thereof at least once each fiscal year.

5.1.6. **Payment of Premiums.** The Association shall pay the premiums for such insurance when due as part of the Common Expense.

Section 5.2. **Master Policies of Insurance.** The Association may obtain Master Policies of Insurance which shall provide for the proceeds thereunder to be paid to the Association and to be held by the Association for disposition in accordance with the provisions of these Bylaws and the Declaration. Under such Master Policies, certificates of insurance shall be issued upon request. The originals of such Master Policies shall be deposited with the Association.

Section 5.3. **Types of Insurance.** The types of insurance coverage which the Association shall procure and maintain pursuant to the provisions of Section 5.1. are as follows:

5.3.1. **Casualty or Physical Damage Insurance.** Casualty or Physical Damage Insurance in an amount equal to the full replacement value of all insurable improvements within the Common Area, as such value is determined annually by the Board of Directors with the assistance of the issuer of such insurance; provided, that at the option of the Board of Directors such policy or policies may contain a "deductible" provision in an amount which is determined by the Board of Directors, but shall not exceed Five Thousand Dollars (\$5,000.00).

- (a) Such coverage shall afford protection against:
 - (i) loss or damage by fire and other hazards covered by the standard extended coverage endorsement, together with:
 - (ii) such other risks as from time to time customarily are covered with respect to improvements similar in construction, location and use as those to be insured under the foregoing provisions of this Subsection (including, by way of example rather than of limitation, the risks of vandalism, malicious mischief, windstorm and flood) or as

the Board of Directors from time to time believes to warrant insurance.

- (b) The policies affording such coverage shall provide that, notwithstanding any provisions thereof which give the carrier the right to elect to restore damage in lieu of making a cash settlement, such right shall not be exercisable without the approval of the Board of Directors, or, where such restoration would not be permitted under the provisions of the Declaration, without the approval of those Owners whose approval thereof is required by such provisions.
- (c) The policies affording such coverage shall provide
 - (i) that such policies may not be cancelled or substantially modified or accepted for surrender without at least thirty (30) days prior written notice thereof having been given to the Association, and
 - (ii) that evidence of such insurance and all renewals thereof, and payment of premiums, shall be delivered to each Owner upon request.

5.3.2. Public Liability Insurance. Public Liability Insurance insuring the Association, each Officer, Director, employee or agent thereof, each Owner and the Manager against liability for bodily injury, death or property damage arising out of the use of the Common Areas by any person or out of any of their activities on behalf of the Association. Such insurance shall have limits of coverage in respect of bodily injury or death of not less than One Million Dollars (\$1,000,000) for any one (1) person and of not less than Two Million Dollars (\$2,000,000) for any one (1) occurrence, and in respect of property damage of not less than One Hundred Thousand Dollars (\$100,000) for any one (1) occurrence, and may have such higher limits of coverage and may be in such form, as shall from time to time be determined by the Board of Directors. Such insurance shall include coverage of claims of one (1) insured against another insured.

5.3.3. Workman's Compensation Insurance. Workman's Compensation Insurance, if any is required by applicable law, affording such coverage of the Association and its Directors, Officers, employees and agents.

5.3.4. Fidelity Insurance. Fidelity insurance to provide for the indemnification of the Association against loss resulting from acts or omissions arising from fraud, dishonesty, or criminal acts by any officer, director, managing agent, management company, or other agent or employee charged with the operation or maintenance of

the Association who controls or disburses funds. The amount of such fidelity insurance coverage shall be not less than 3 months' worth of gross annual assessments plus the total amount held in all investment accounts at the time the fidelity insurance is issued, whichever is less as provided in § 11B-111.6 of the HOA Act.

5.3.5. Officers' and Directors' Liability Insurance. Officers' and Directors' Liability Insurance in an amount not less than the minimum provided in § 5-406(b) of the Maryland Courts and Judicial Proceedings Article, and otherwise, upon such terms and in such amounts as are from time to time determined by the Board of Directors.

5.3.6. Other Insurance. Such other coverage as the Board of Directors may deem advisable.

Section 5.4. Proceeds of Insurance.

5.4.1. Receipt and Distribution of Proceeds by Association.

- (a) The Board of Directors shall act as the insurance trustee for the Association's policies. The Board of Directors shall receive any proceeds which are payable under any policy of insurance held by it pursuant to the provisions of this Article in trust for the Association and shall hold and distribute the same for the purposes set forth in these Bylaws, and pay out the same, in accordance herewith.

5.4.2. Adjustment of Losses. Each Owner by accepting Membership herein, designates and appoints the Association's Board of Directors as attorney-in-fact to adjust with the insurer all losses which are payable under policies purchased by the Association.

5.4.3. Repair or Reconstruction Following a Casualty.

- (a) Except as may be otherwise provided by the Declaration or these Bylaws, if any of the Common Area and/or Association Property which are to be insured by the Association pursuant to the provisions of Subsection 5.3.1. are damaged or destroyed, they shall be fully and promptly repaired and restored by the Association using any proceeds of insurance which are payable on account of the same and are held by the Association or any insurance trustee, and the Owners shall equally be liable to the

Association for the amount by which the cost thereof exceeds the amount of such proceeds, such deficit, if any, collectable by Special Assessment.

- (b) The Association shall be responsible for restoring such improvements to and only to substantially the same condition as they were in immediately prior to the occurrence of any damage to, or the destruction of, the same. If, as a result of such repair or reconstruction, any change is made in the location of the improvements on any Lot or the Common Area, the Association shall record among the Land Records an amendment to the Subdivision Plat which relocates the boundaries of such Lot or Common Area so as to conform to the location of such improvements as so changed, and each Owner and Mortgagee designates and appoints the Association as attorney-in-fact for such purpose.

5.4.4. Construction Fund. Any proceeds of insurance received by the Association shall constitute a Construction Fund which shall be disbursed by the Association or by any insurance trustee, as the case may be, in payment of the costs of the reconstruction and repair thereof.

Section 5.5. Insurance to be Maintained by Owners.

5.5.1. Coverage. For the purpose of assuring continued plan development and aesthetics each Owner shall obtain and maintain fire and extended coverage insurance or other appropriate damage and physical loss insurance, in an amount equal to not less than one hundred percent (100%) of the current replacement value of the improvements on the Lot as further provided in the Declaration.

5.5.2. Proof of Owner Insurance. Upon request, proof of insurance as required in Item 5.5.1. shall be forwarded to the Association within thirty (30) days to the Board of Directors or its assigns.

5.5.3. Relationship to Insurance Held by Association. If a loss is sustained and the amount of the proceeds which would otherwise be payable under any policy of insurance then held by the Association pursuant to the provisions of Section 5.1 hereof is reduced because of proration of, or right of contribution from, any insurance against the same risk which is held by any Owner under the provisions of this Section, then such Owner shall assign to the Association any proceeds of his insurance which are payable on account of such loss, to the extent of the amount of such reduction, and the amount so assigned shall be distributed by the Association in the same manner as that prescribed by these Bylaws for the distribution of the proceeds which are payable under the said policy held by the

Association as aforesaid.

5.5.4. Repair and Reconstruction of Lots. If any of the Lots are damaged or destroyed, they shall be fully and promptly repaired and restored by the Owner as provided in the Declaration.

Article VI. Condemnation

Section 6.1. Condemnation Proceedings.

6.1.1. Association's Right to Prosecute and Defend. The Association shall be entitled to prosecute and defend all proceedings with respect to the Condemnation of any or all of the Common Area; provided, that the Association shall not settle or compromise any claim made in any such proceeding without the approval of a majority of Owners who are eligible to vote.

6.1.2. Notice to Owners. The Association shall notify each Owner of any such proceeding, and each Owner shall be entitled to participate therein on his behalf at his expense.

Section 6.2. Repair, Reconstruction and Distribution of Proceeds.

6.2.1. In the event of Condemnation of any or all of the Common Area, proceeds shall be paid to the Association in trust and for the benefit of the Owners of all Lots except the Owners of any Lots wholly taken in the Condemnation.

The proceeds shall be used by the Association to integrate, if necessary, that portion of the Common Area remaining after the Condemnation so as to achieve as nearly as possible the original concept of the Common Area for the benefit of the Owners.

6.2.2. In the event that no Common Area or substantial part of the Common Area is directly unaffected by any Condemnation, but the Condemnation is Lots or portions of Lots, it is recognized that the remaining Lots unaffected by the Condemnation will be subjected to a financial loss due to increased Annual and Special Assessments. The Owners hereby consent that the Association shall be a party to the Condemnation proceeding and entitled to such award as represents its obligation to maintain the Common Area for the benefit of the remaining Owners.

6.2.3.

The Condemnation award to the Association shall be used in the reduction of any Annual or Special Assessments to the remaining Owners.

Article VII. Use and Maintenance of Lot

Section 7 .1. Rights and Responsibilities of Owner With Respect to Use and Maintenance of Lot.

Each Owner shall maintain his Lot and its appurtenances as provided in the Declaration and as further provided below:

- (a) maintain attractive appearance and safe condition of his Lot and the exterior of his home in harmony with the aesthetic of the neighborhood as more fully described in the Declaration 2.3 (b) and the Architectural Guidelines;
- (b) maintain, repair or replace at his own expense any portion of his Lot or improvements thereon which may cause injury or damage to any other Lot or the Common Area;
- (c) paint, stucco, plaster, decorate and/or otherwise maintain the exposed surfaces of all portions of his Lot (including, by way of example rather than of limitation, all interior and exterior walls, ceilings, doors, door frames, windows, window glass, window frames, vents, shutters, meter covers, front stoop, patio and floors);
- (d) pay any expense which is duly incurred by the Association in making any repair to or replacement of the Common Area which results from the willful or negligent act or failure to act of such Owner or of any Tenant, Contract Purchaser, or other occupant or user of his Lot;
- (e) exercise his rights and perform his duties under the provisions of the Declaration and these Bylaws in such manner and at such hours as will not unreasonably disturb any other Owner;
- (f) comply in every respect with the Rules and Regulations, as the same are from time to time promulgated by the Association.

Article VIII. Miscellaneous Provisions.

Section 8.1. Roster of Owners

8.1.1. Duty to Furnish Information. Immediately upon a person's having become the Owner he shall in writing both notify the Association of his ownership status and supply the following information to the Secretary:

- (a) the full and correct name of such Owner, the number and address of the Lot of which such person is an Owner, and

contact information including email address, phone number and mailing address if different from the Lot address, (herein referred to as such person's "Notice Address").

- (b) if such Owner consists of more than one (1) person, the full and correct name of each such person;
- (c) if such Owner, Mortgagee or Proxy Holder is not a natural person,
 - (i) the type of legal entity of which it consists, and
 - (ii) the state or other jurisdiction under which it is organized and exists;
- (d) an address for each such Owner, in the United States of America, which shall constitute its Notice Address for purposes of the provisions of Section 8.2;
- (e) If two or more owners who are natural persons do not want to designate which of them is the Voting Representative then each of them shall give their name to the Secretary.
- (f) upon request by the Secretary, such evidence of Owner's Mortgagee's or Proxy Holder's status as the Secretary may reasonably demand.
- (g)

8.1.2. Failure to Furnish Information. Unless such Owner, has notified the Association of its status as such and supplied the Secretary with the information which is required to be supplied by the foregoing provisions of this Section, such person shall have no right under the provisions of the Declaration or these Bylaws

- (a) to be given any notice, demand, consent, approval, request or other communication or document by the Association or any Director or Officer,
- (b) unless permitted by the President, and subject to any right to do so, participate in the consideration of or cast any Vote upon any question voted upon by the Association Membership, or
- (c) otherwise to be recognized as such by the Association, any Director or Officer, employee or agent thereof.
- (d) if an Owner fails to provide his current mailing or electronic address for Notice purposes, the Association shall cause any general, special, or individual notice to be delivered to such Owner's Lot(s).

8.1.3. Maintenance of and Reliance on Roster. The Secretary shall maintain on a current basis a roster showing, with respect to each Lot, any information pertaining to the Owner thereof, and any Proxy Holder or Voting Representative

with respect thereto, which has been supplied to the Secretary pursuant to the foregoing provisions of this Section. Unless the Association has received express, written notice to the contrary, the Association, its Directors, Officers, employees and agents shall be entitled to rely upon the accuracy of such roster as reflecting the existence, current identity, composition, legal standing and Notice Address of the Owner and Proxy Holder of a Lot, and the designation and identity of any Voting Representative for any such Owner or Proxy Holder, all in making any determination for purposes of the provisions of the Declaration or these Bylaws as to whom any notice, demand, consent, approval, request or other communication or document is to be given or delivered by the Association or any Director or Officer thereof, or by whom or on whose behalf any Vote may be cast at any Meeting, or in connection with any other action to be taken by the Association or any of its Directors or Officers.

Section 8.2. **Notices.** Any notice, demand, consent, approval, request or other communication or document which is to be provided hereunder by the Association or any Director, Officer or other person, to any person shall be in writing, and

- (a) shall be deemed to have been provided forty-eight (48) hours after having been deposited as first class mail in the United States mails, postage prepaid, and addressed, or immediately upon sending by electronic transmission;
 - (i) if the addressee is an Owner or Voting Representative who (in accordance with the provisions of Section 8.1) has notified the Association of its status as such and furnished the Secretary with the information referred to therein, to such person's Notice Address as set forth in the roster which is referred to herein, and
 - (ii) if the addressee is the Association, to the address of the Association's resident agent, or to such other address in the United States of America as the Association may designate from time to time by notice to the Owners; and
 - (iii) if the addressee either
 - (A) has not so notified the Association and furnished the Secretary with such information, or
 - (B) if any other person, to such address in the United States of America as is used by the United States Postal Service for the delivery of mail to such person or to his Lot, or
- (b) shall be deemed to have been provided upon actual hand or other delivery to such person.

Section 8.3. **Severability.** No determination by any court, governmental or

administrative body or agency or otherwise that any provision of these Bylaws or any amendment hereto is invalid or unenforceable in any instance shall affect the validity or enforceability of

- (a) any other provision of these Bylaws or of such amendment, or
- (b) such provision in any instance not controlled by such determination.

Each such provision shall be valid and enforceable to the fullest extent allowed by law, and shall be construed wherever possible as being consistent with applicable law.

Section 8.4. **Amendment.** These Bylaws may be amended by the assent of sixty percent (60%) of the Membership in good standing as defined in § 11B-116(a) of the HOA Act, or by such lesser amount provided in the HOA Act.

Section 8.5. **Applicable Law.** These Bylaws shall be given effect and construed by application of the law of Maryland, and any action or proceeding arising hereunder shall be brought in the courts of Maryland; provided that if any such action or proceeding arises under the Constitution, laws or treaties of the United States of America, or if there is a diversity of citizenship between the parties thereto, so that it is to be brought in a United States District Court, it shall be brought in the United States District Court for the District of Maryland.

Section 8.6. **Headings.** The headings of the Articles, Sections and Subsections hereof are provided herein for and only for convenience of reference, and shall not be considered for construing the contents thereof

Section 8.7. **Construction and Conflict.** All references made herein

- (a) in the neuter, masculine or feminine gender shall be deemed to have been made in all such genders; and
- (b) in the singular or plural number shall be deemed to have been made, respectively, in the plural or singular number as well.
- (c) in the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

IN WITNESS WHEREOF

we, being the President and Secretary of the Board of Directors of Harbor Walk Townhouse Association, Inc., hereby certify that we were authorized

to count votes at the meeting wherein these Amended and Restated Bylaws were approved by a vote of by the affirmative vote of Owners being Class A Members in good standing having at least 60% of the votes in the development as provided pursuant to the provisions of § 11B-116 of the Maryland Homeowners Association Act, have hereto set our hands and seals this_day of _____, 20____.

ATTEST: HARBOR WALK TOWN HOUSE ASSOCIATION, INC.

By: _____(SEAL)
President

_____(SEAL)
Secretary

Filed among the Baltimore City Circuit Court Homeowners Association Depository records on or about

_____, 20_____.

41107.006/000

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Exhibit A

Order of Business of Meetings

1. Membership Meetings

- (1) If necessary, the election of the chairman of such Membership Meeting pursuant to the foregoing provisions of the Subsection;
- (2) If necessary, the appointment of the Secretary of such Membership Meeting pursuant to the foregoing provisions of this Subsection;
- (3) The presentation of the Secretary's written certification that each Owner and Proxy Holder has been given such notice of such Membership Meeting in accordance with these Bylaws;
- (4) The call by the Secretary's written certification that each Owner and Proxy Holder has been given such notice of such Membership Meeting in accordance with these Bylaws;
- (5) The reading of the Minutes of any prior Meeting by the Secretary of such Membership Meeting, any modification or correction thereof, and approval thereof as so modified or corrected by a Majority of the Votes cast thereon;
- (6) The presentation of the Treasurer's written report as to the Association Receipts and Common Expenses, and the Association's assets and liabilities, for the Association's immediately preceding fiscal year, and as to the respective nature and amounts (as estimated by the Treasurer) of the Association Receipts and Common Expenses for the Association's current and next succeeding fiscal years, all in accordance with the provisions of Article IV;
- (7) Any unfinished business;
- (8) The presentation of any report to be given by any other Officer, the Board of Directors or any committee created pursuant to these Bylaws;
- (9) The holding of any directorial election to be held at such Membership Meeting;
- (10) Any new business; and
- (11) Adjournment.

II. The order of business to be considered at any **Special Membership Meeting shall be limited to:**

- (1) The presentation of the Secretary's written certification that each Owner and Proxy Holder has been given such notice of such Membership Meeting in accordance with these Bylaws;
- (2) The call by the Secretary of such Membership Meeting of the roll of all Owners and Proxy Holders whose names are listed in the roster maintained pursuant to the provisions of Section 8.1, and such Secretary's determination from such roll call of whether a quorum exists therefor;
- (3) The business for which such Special Membership Meeting is called; and
- (4) Adjournment.

III. The foregoing agenda may be altered by the Chairman as circumstances dictate.

Exhibit A1

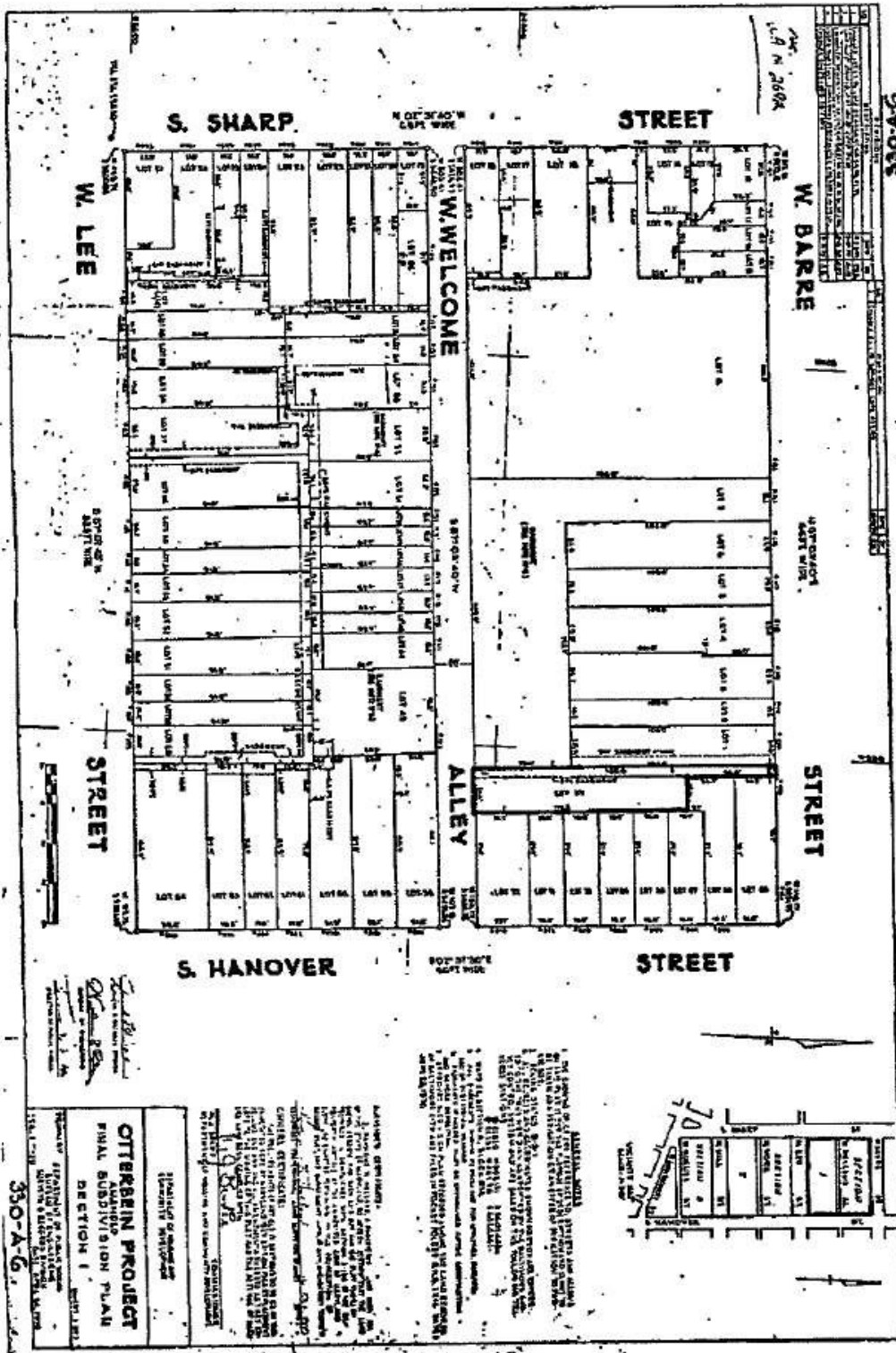


Exhibit A2

