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2 Bylaws - Cleared Draft dated [May 11, 2022](#), after Board Review on May 5, 2022. For NMC  
3 Association review.

4 **NOTE:** *Corrections to footnotes will not update until all changes are accepted. Table of*  
5 *Contents will be added after member approval and prior to publication.*

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7 **Bylaws**  
8 **of**  
9 **THE NEW MARK COMMONS**  
10 **HOMES ASSOCIATION, INC.**

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13 **ARTICLE I**

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15 **Section 1. Name and Location of Association.** The name of this Corporation is The  
16 New Mark Commons Homes Association, Inc., (the "Association"). The Board of Directors  
17 ("Board") shall, as required, specify the Association's address as its principal place of  
18 business in filings with the appropriate state regulator.

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20 **Section 2. Purpose of the Association.** The purpose of this Association is to:  
21 • Preserve the significance and harmony of the architecture and overall community  
22 landscaped environment as recognized by the National Register of Historic Places.  
23 • Ensure ongoing architectural control for all residential townhouses and detached homes.  
24 • Ensure ongoing landscape care and reforestation.  
25 • Maintain the facilities and amenities on common Association property.  
26 • Promote the general health, safety, and welfare of the residents.  
27 • Document and execute responsibilities and processes for administrative oversight of the  
28 community.

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30 **Section 3. Definitions.** Unless otherwise defined in these Bylaws, words or phrases  
31 used herein shall have the same meaning as set forth in the Declaration of Covenants,  
32 Conditions and Restrictions of the Association duly recorded among the Land Records of  
33 Montgomery County, Maryland (the "Land Records").

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35 **ARTICLE II**  
36 **MEMBERSHIP**

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38 **Section 1. Eligibility and Voting Rights.** Every person, group of persons or entity who  
39 is a record owner of a fee interest in any Lot which is or becomes subject by covenants of  
40 record to Assessments and/or fines by the Association shall be a member of the Association.  
41 However any such person, group of persons, or entity who holds such interest solely as  
42 security for the performance of an obligation shall not be a member. Regardless of the  
43 number of persons who may own a lot or living unit only one vote shall be cast representing  
44 such lot or unit wherever an owner or member approval or vote is required under the  
45 governing documents (*i.e.*, One lot or unit, one vote).

46  
47 **Section 2. Responsibilities.** (a) All members of the Association must comply with the  
48 Covenants, the Articles of Incorporation, these Bylaws, and any rules, regulations, policies,  
49 procedures, notices, or codes of conduct adopted and published by the Board of Directors or  
50 its duly authorized Committees (collectively referred to as the "Governing Documents.") As  
51 set forth in the Covenants and these Bylaws, failure to comply with the Governing Documents  
52 may result in certain sanctions, such as fines or suspension of rights, upon notice and  
53 opportunity for a hearing.

54 (b) The Board must adopt reasonable notice requirements for publication of all governing  
55 documents.  
56

57 **Section 3. Assessments and Liens.** The rights of the membership are subject to the  
58 payment of Assessments levied by the Association. Such Assessments imposed upon each  
59 member shall become a lien upon the Lot against which such Assessments are made as  
60 more fully provided in the Covenants.  
61

62 **Section 4. Suspension of Membership Rights.** Subject to prior notice and a  
63 reasonable opportunity for a hearing, the membership rights of any member may be  
64 suspended as follows:

- 65 (a) For Non-payment of assessed dues and fines. The membership rights of any person  
66 whose Lot is subject to assessments of dues and/or fines, whether or not they be  
67 personally obligated to pay such assessments of dues and/or fines, shall be and remain  
68 suspended during the period such assessment or fine remains unpaid for thirty (30) or  
69 more days. However, upon full payment of any such delinquent Assessments,  
70 membership rights shall be automatically restored.
- 71 (b) For violations of governing documents. The board of directors may, in its discretion,  
72 suspend the rights of any member or other person for violation of published governing  
73 documents concerning the use of community recreational and other facilities for a  
74 period not to exceed thirty (30) days. However, the Board may successively suspend  
75 membership rights for each new violation, if deemed appropriate, to bring the member  
76 in compliance.  
77

78 **Section 5. Lien.** The Association shall have a lien on the outstanding memberships in  
79 order to secure payment of any sums which shall be due or become due from the holders  
80 thereof for any reason whatsoever. Nothing herein contained shall prohibit or estop the  
81 Association from asserting any other lien which may inure to it. The lien for any unpaid  
82 Assessments, fines or other charges due the Association may be enforced and foreclosed in  
83 such manner as may from time to time be provided in the Maryland Contract Lien Act.<sup>1</sup> Any  
84 Assessment, until paid, may at the election of the Board of Directors bear interest to the  
85 extent permitted under the covenants. In addition, the Board of Directors may impose late  
86 charges and/or the costs of collection (including reasonable attorneys' fees), if any, with  
87 respect to any Assessment which has not been fully paid when due. Such late charges and  
88 other costs shall not exceed the permissible amounts provided for in the Maryland  
89 Homeowners Association Act, and shall otherwise comply therewith<sup>2</sup>. All such interest, late  
90 charges and other costs shall constitute a lien upon the Lot which is appurtenant to such Lot  
91 until fully paid.  
92

93 **Section 6. Books and Records.** ~~(a) Subject to the exceptions in paragraph (b) below,~~  
94 ~~all books and records kept by or on behalf of the Association must be made~~ will be made  
95 available to members for examination and copying, as required by the State of Maryland  
96 statute, unless excepted therein by a member, a member's mortgagee, or their respective  
97 authorized agents or attorneys, during normal business hours, and after reasonable notice.  
98 ~~For such access to review and copy books and records, the Board shall establish a schedule~~  
99 ~~of reasonable charges not to exceed those permitted by the law.<sup>3</sup> If a member requests in-~~  
100 ~~writing a copy of financial statements of the Association or the minutes of a meeting of the~~

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<sup>1</sup> See Sections 14-201 through 14-206 of the Maryland Annotated Code, Real Property article.

<sup>2</sup> See Section 11B-112.1 of the Maryland Homeowners Association Act.

<sup>3</sup> See Section 11B-112 of the Maryland Homeowners Association Act.

101 ~~Board of Directors of the Association to be delivered,<sup>4</sup> the Board must compile and send the~~  
102 ~~requested information by mail, electronic transmission, or personal delivery:-~~  
103 ~~(i) within twenty one (21) days after receipt of the written request, if the financial statements or~~  
104 ~~minutes were prepared within the three (3) years immediately preceding receipt of the~~  
105 ~~request; or~~  
106 ~~(ii) within forty five (45) days after receipt of the written request, if the financial statements or~~  
107 ~~minutes were prepared more than three (3) years before receipt of the request.-~~  
108 ~~—— (b) Except for inspection by the person who is the subject of the record or the person's~~  
109 ~~designee or guardian, the following books and records of the Association may be withheld~~  
110 ~~from public inspection:-~~  
111 ~~personnel records, not including information on individual salaries, wages, bonuses, and other~~  
112 ~~compensation paid to employees;-~~  
113 ~~an individual's medical records;-~~  
114 ~~an individual's personal financial records, including assets, income, liabilities, net worth, bank~~  
115 ~~balances, financial history or activities, and creditworthiness;-~~  
116 ~~records relating to business transactions that are currently in negotiation;-~~  
117 ~~the written advice of legal counsel; or~~  
118 ~~minutes of a closed meeting of the Board, unless a majority of a quorum of the Board that~~  
119 ~~held the meeting approves unsealing the minutes or a recording of the minutes for public~~  
120 ~~inspection.<sup>5</sup>~~  
121 ~~(c) The Association must reasonably endeavor to provide documents in an accessible digital~~  
122 ~~format wherever possible.~~

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124 **ARTICLE III**  
125 **MEETINGS OF MEMBERS**  
126

127 **Section 1. Notice of Meetings.**

- 128 (a) Except as may be specifically required otherwise by governing documents, at least ten (10)  
129 but not more than sixty (60) days prior to each annual or special meeting of the members of the  
130 Association, written notice of each meeting of the members shall be given by the Management  
131 Agent at the direction of the Secretary or person authorized to call the meeting.
- 132 (b) Notice shall be given in the manner prescribed in Article IX §1 of these bylaws.
- 133 (c) Such notice shall state:
- 134 (i) the time, date, place and purpose of the initial meeting, the quorum and voting  
135 requirements for the meeting, and that an additional meeting may be called if there is  
136 insufficient quorum at the initial meeting as per Section 5(a) or (c) below, as  
137 applicable, and a majority of members present, in person or by proxy, at the initial  
138 meeting call for an additional meeting for the same purpose;
- 139 (ii) the time, place and date (not less than 15 days from the date of the initial meeting)  
140 of the additional meeting, if one is called;
- 141 (iii) that only an announcement of the date, time, place, purpose and quorum  
142 requirements for this additional meeting shall be posted on the homepage of the  
143 Association's website at least 10 days before the additional meeting, if one is called;  
144 and

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<sup>4</sup> Pursuant to a CCOC settlement in *Berman v. New Mark Commons Homes Association Inc.*, Case no. 80-16 (3.20.2017), the Association shall post at its website the following in searchable PDF format within 10 business days of approval: minutes of Board meetings (including approved Committee Reports at such meetings); minutes of Committee meetings; final Accountants and Audit Reports after review and approval by the Board; and, any CCOC decision in which the Association is a party.

<sup>5</sup> See Section 11B-112(a)(2) of the Maryland Homeowners Association Act.

145 (iv) that unless the bylaws provide otherwise, a majority of members present, in person  
146 or by proxy, at the additional meeting may approve or authorize the proposed action  
147 and take any other action that could have been taken if a sufficient number of  
148 members had been present at the initial meeting.<sup>6</sup> However, nothing herein shall be  
149 construed to affect the percentage of votes required to amend the covenants or  
150 bylaws or to take any other action required to be taken by a specified percentage of  
151 votes.

152 (d) All meetings of the members shall be held at places and times convenient to the  
153 greatest practicable number of members.  
154

155 **Section 42. Place of Meetings.**

156 (a) **In-person Meetings.** Meetings of the membership shall be held at the Association's  
157 Club House on 607 Tegner Court or at such other suitable place convenient to the  
158 membership as may be designated by the Board of Directors.

159 (b) **Virtual Meetings.**<sup>7</sup>

160 (i) Meetings of the Association, Board of Directors or Committees may be conducted or  
161 attended by telephone conference, video conference or similar electronic means.  
162 Any equipment used for this purpose must permit all attendees to hear and be heard  
163 by all others at the meeting.

164 (ii) Notice of virtual meetings shall include a link or instructions on how to use the  
165 electronic equipment.

166 (iii) Any member, Board member or Committee member attending a virtual meeting  
167 shall be deemed present for quorum and voting purposes.

168 (iv) Any matter requiring a vote of members may be set by the Board for a vote at the  
169 virtual meeting, and a ballot may be delivered to members with notice of the meeting.  
170 Only members present, in person or by proxy, during virtual meeting shall be  
171 considered present for quorum purposes and authorized to vote a ballot.

172 (v) The Board may set a reasonable deadline, not later than 24 hours after the  
173 conclusion of a meeting, for return of ballots to the Association, including return by  
174 electronic transmission.

175 (vi) The inability of a member to join a meeting due to technical difficulties with  
176 member's telephone, computer or other electronic device shall not invalidate the  
177 meeting or any action taken at the meeting.  
178

179 **Section 23. Annual Meetings.** Annual meetings of the members of the Association  
180 shall be held on the second Monday of March each succeeding year or such other reasonably  
181 similar date as may be selected by the Board. If the day for the annual meeting shall fall upon  
182 a holiday, the meeting will be held on the first day following which is not a holiday. At such  
183 meeting, a Board of Directors shall be elected by a ballot of the members. The members may  
184 also transact such other business of the Association as may properly come before them.  
185

186 **Section 34. Special Meetings.** It shall be the duty of the President to call a special  
187 meeting of the members, when directed so to do by a resolution of the Board of Directors or  
188 upon the written request of at least twenty-five per cent (25%) of all members, which request  
189 shall be presented to the Secretary. No business shall be transacted at any special meeting  
190 except that set out in the notice thereof unless there is first obtained the consent of two-thirds  
191 (2/3) of the members present, either in person or by proxy.

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<sup>6</sup> See §11B-111(6) of the Maryland Homeowners Association Act.

<sup>7</sup> See §11B-113.6 of the Maryland Homeowners Association Act.

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**Section 5. Quorums; Annual & Special Membership Meetings.**

- (a) **Initial Meeting:** At a regular or special meeting of the members, the presence, in person or by proxy, of at least twenty per cent (20%) of all members shall be requisite for, and shall constitute, a quorum for the transaction of any business. Once a quorum has been established, members may continue to do business until adjournment even if some members subsequently withdraw from the meeting, leaving less than a quorum.
- (b) **Additional Meeting.**<sup>8</sup>
  - (i) If a quorum is not present at the initial meeting, a majority of those present, in person or by proxy, may call for an additional meeting for the same purpose to be held on the date, time and place specified in the notice of initial meeting for an additional meeting. Other than posting a notice of this additional meeting at the Association's website (containing information specified in Section 4.1 above) at least 10 days before the additional meeting, no other formal notice of this additional meeting to the members is required.
  - (ii) At the additional meeting, members present, in person or by proxy, shall constitute a quorum, and unless the bylaws provide otherwise, a majority of members present, in person or by proxy, may approve or authorize the proposed action and take any other action that could have been taken if a sufficient number of members had been present at the initial meeting. However, nothing herein shall be construed to affect the percentage of votes required to amend the covenants or bylaws or to take any other action required to be taken by a specified percentage of votes.
- (c) **A Meeting to Amend the Bylaws:** Regardless of any other provision in this section, these Bylaws shall not be amended without the approval of a majority of members present at a meeting called for this purpose and at which at least twenty five percent (25%) of all members are present, in person or by proxy, including at any additional meeting called because of a lack of quorum at an initial meeting.<sup>9</sup>

**Section 6. Voting.**

- (a) At any meeting of the members of the Association, members shall be entitled to only one vote for each Lot in which they hold the interest required for membership.
- (b) The vote of the majority of those present, either in person or by proxy, shall decide any question brought before the meeting, unless the question is one upon which a different vote is required by express provisions of Governing Documents or the laws of the State of Maryland.
- (c) The vote for any membership which is owned by more than one person may be exercised by any of the co-owners present at any meeting unless any objection or protest by any other owner of such membership is noted at such meeting. In the event all of the co-owners of any membership who are present at any meeting of the members are unable to agree on the manner in which the votes for such membership shall be cast on any particular question, then they shall not be permitted to cast a vote for purposes of deciding that question.
- (d) In the event any membership is owned by a corporation, then the vote for any such membership shall be cast by a person designated in a certificate signed by the President or any Vice President of such corporation and attested by the Secretary or an Assistant Secretary of such corporation and filed with the Secretary of the Association, prior to or during the meeting.
- (e) The vote for any membership which is owned by a trust or partnership may be exercised by any trustee or partner thereof, as the case may be, and, unless any

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<sup>8</sup> See §11B-111(6) of the Maryland Homeowners Association Act.  
<sup>9</sup> -See §11B-111(6)(v) of the Maryland Homeowners Association Act.

241 objection or protest by any other such trustee or partner is noted at such meeting, the  
242 Chairperson of such meeting shall have no duty to inquire as to the authority of the  
243 person casting such vote or votes.  
244

245 **Section 7. Suspension of Voting Privileges.** No member shall be eligible to vote or  
246 to be elected to the Board of Directors who is shown on the books of the Association to be  
247 more than thirty (30) days delinquent in the payment of any Assessments due the Association.  
248

249 **Section 8. Proxies.** (a) A member entitled to vote may do so in person or by proxy  
250 executed in writing by the member or his attorney-in-fact in a form approved by the Board,  
251 which approval may not be unreasonably withheld. Any written proxy which conforms with  
252 the applicable laws of Maryland shall be satisfactory and approved as to form by the Board.

253 (b) No proxy will be valid after eleven months from its date of execution and any proxy will  
254 automatically become a nullity upon the sale by a member of the Lot to which the  
255 membership is appurtenant.

256 (c) A member may appoint as a proxy only a member of their immediate family or  
257 household, another member, the Association's management agent, or a director of the  
258 Association.

259 (d) Any proxy must be filed with the Management Agent or a person designated by the  
260 Board, prior to the appointed time of each meeting.

261 (e) Regardless of anything herein to the contrary, only a directed proxy may be utilized to  
262 vote for a member of the Board. Any proxy directing the proxy holder to vote for  
263 specified candidates may also vote on any matters of business other than the election  
264 of Directors if so authorized by the terms of the proxy.

265 (f) In accordance with Section 11B-113.2 of the Maryland Homeowners Association Act,  
266 proxies may be submitted by electronic transmission if authorized by the Board of  
267 Directors and the electronic transmission contains information that verifies that the  
268 proxy is authorized by the member or member's proxy.  
269

270 **Section 9. Order of Business.** The order of business at all annual meetings of the  
271 members of the Association shall be as follows:  
272

- 273 (a) Registration of members present, in person or by proxy
- 274 (b) Meeting called to order, and a count of members present in person/by proxy announced
- 275 (c) Proof of quorum
- 276 (d) Proof of notice of meeting or waiver of notice
- 277 (e) Reading and approval of minutes of preceding meeting
- 278 (f) Reports of officers
- 279 (g) Report of committees
- 280 (h) Election of directors
- 281 (i) Community forum
- 282 (j) Unfinished business
- 283 (k) New business
- 284 (l) Adjournment  
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286 Subject to Section 11B-111 of the Maryland Homeowners Association Act and reasonable  
287 rules adopted by the Board, the Board will provide a designated period of time during a  
288 meeting to allow members to comment on any matter relating to the Association (community  
289 forum). In the case of special meetings, items (a) through (d) shall be applicable and

290 thereafter the agenda shall consist of the items specified in the notice of meeting. At a special  
291 meeting, the members' comments may be limited to the topics listed on the meeting agenda.<sup>10</sup>  
292

293 **Section 10. Open Meetings.** (a) All meetings of the Association shall be open to all  
294 members of the Association or their agents, except that such meetings may be held in closed  
295 session for the following purposes:

- 296 (i) Discussion of matters pertaining to employees and personnel;
- 297 (ii) Protection of the privacy or reputation of individuals in matters not related to  
298 Association business;
- 299 (iii) Consultation with legal counsel on legal matters;
- 300 (iv) Consultation with staff personnel, consultants, attorneys, board members, or other  
301 persons in connection with pending or potential litigation or other legal matters;
- 302 (v) Investigative proceedings concerning possible or actual criminal misconduct;
- 303 (vi) Consideration of the terms or conditions of a business transaction in the negotiation  
304 stage if the disclosure could adversely affect the economic interests of the  
305 Association;
- 306 (vii) Complying with a specific constitutional, statutory or judicially imposed requirement  
307 protecting particular proceedings or matters from public disclosure; or
- 308 (viii) Discussion of individual owner assessment accounts.

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- 310 (b) If a meeting is held in a closed session pursuant to the procedures established above:
- 311 (i) No action may be taken and no matter may be discussed other than those permitted  
312 above; and
  - 313 (ii) A statement of the time, place and purpose of any closed meeting, the record of the  
314 vote of each member of the Board (or committee, if applicable) by which any meeting  
315 was closed, and the authority under this Section for closing the meeting shall be  
316 included in the minutes of the next meeting of the Board (or committee, if applicable).

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318 **ARTICLE IV**  
319 **DIRECTORS**  
320

321 **Section 1. Number and Qualification.** The affairs of the Corporation shall be  
322 governed by a Board of Directors composed of an uneven number of not less than three (3) or  
323 more than seven (7) Directors, all of whom shall be elected by the members. All members of  
324 the Board of Directors shall be members of the Association. The number of Directors shall be  
325 established by the vote of a majority of the members present at a meeting. The number of  
326 Directors may be changed at any subsequent annual meeting of the Association by the vote  
327 of a majority of the members present provided, however, that any change in the number of  
328 Directors shall not operate to curtail or extend the term of office of any incumbent Director.  
329

330 **Section 2. Powers and Duties.** The Board of Directors shall have all the powers and  
331 duties necessary to supervise and effect the administration of the affairs of the Association.  
332 The Board's authority to exercise its powers must be conducted through a majority vote as  
333 defined below. The powers and responsibilities of the Board of Directors shall include, but  
334 not be limited to, the following:  
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- 336 (a) To call annual meetings of the members and, when deemed necessary, special  
337 meetings, or whenever requested in writing so to do by at least twenty-five per cent  
338 (25%) of the voting membership, as herein elsewhere provided.

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<sup>10</sup> See Section 11B-111(3)(ii) and (iii) of the Maryland Annotated Code, Real Property article.

- 339 (b) To adopt rules and procedures for electronic-virtual meetings or access to meetings by  
340 electronic means as referred to in Article VIII, Section 5-2 of these Bylaws.
- 341 (c) To elect and remove principal officers serving at the pleasure of the Association.
- 342 (d) To engage and remove at pleasure all agents, management agent, contractors and  
343 employees of the Association upon such terms as the Board may determine.
- 344 (e) To supervise all agents, management agent, contractors and employees of the  
345 Association, and ensure that their duties are properly performed.
- 346 (f) To establish, levy and collect the assessments of dues, fines and all other charges due  
347 the Association referred to in Article II, Section 3, of these Bylaws, including, taking any  
348 enforcement actions to collect such assessments, fines or other charges, such as the  
349 recording of a lien.
- 350 (g) To establish and promulgate such rules, policies and procedures pertaining to the use  
351 of the recreational and other community facilities and the personal conduct of the  
352 members and their guests thereon as may be deemed proper.
- 353 (h) To suspend membership rights, subject to prior notice and opportunity for a hearing.
- 354 (i) To cause to be kept a complete record of all of its acts and corporate affairs which  
355 record shall be available to the members for inspection at reasonable times.
- 356 (j) To exercise for the Association all powers, duties and authority vested in or delegated  
357 to the Association and not reserved to the membership by other provisions of these  
358 Bylaws, the Articles of Incorporation, or the Covenants.
- 359 (k) To contract for services that may benefit the Association.
- 360 (l) To procure and maintain adequate liability and hazard insurance on property owned by  
361 the Association.
- 362 (m) To cause all officers or employees or agents having fiscal responsibilities to be insured,  
363 as it may deem appropriate.
- 364 (n) To cause the Common Areas and Community Facilities to be maintained and maintain  
365 any other property which is the responsibility of the Association pursuant to the  
366 Covenants or the direction of any governmental agency or agreement or which is  
367 appurtenant to or serves and benefits any portion of the Property.
- 368 (o) To admit-as-authorize the issuance of outside pool memberships and establish terms for  
369 those memberships. Outside Pool Members a limited number of individuals/families-  
370 who reside in the adjacent neighborhood for the limited purpose of using the pool  
371 facilities on terms established by the Board.
- 372 (p) To otherwise perform or cause to be performed the functions and obligations of the  
373 Board and the Association as provided for in the governing documents.
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375 **Section 3. Management Agent.** The Board may employ one or more management  
376 agents or managers ("Management Agent") at a rate of compensation determined in the  
377 discretion of the Board. The Management Agent shall perform such duties and services as  
378 the Board shall from time to time authorize in writing, including, but not limited to, the  
379 following:

- 380
- 381 (a) Establishing and providing for the collection of the Assessments and the enforcement of  
382 liens therefore in a manner consistent with applicable law and this Amended  
383 Declaration;
- 384 (b) Designating, hiring and dismissing such personnel as may be required for the good  
385 working order, maintenance and efficient operation of the Association and Common  
386 Area; and
- 387 (c) Providing such other services for the Association as may be consistent with applicable  
388 law and this Amended Declaration.

389 Any management agreement entered into by the Board shall provide, among other things,  
390 that such agreement may be terminated for cause by either party upon thirty (30) days' written

391 notice thereof to the other party, and without cause, upon ninety (90) days written notice. The  
392 term of any such management agreement shall not exceed two (2) years, provided, however,  
393 that the term of any such management agreement may be renewable by mutual agreement of  
394 the parties for successive periods not in excess of two (2) years.  
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396 **Section 4. Promulgation of Rules, Policies and Procedures.** The Board shall  
397 publish all Association rules, regulations, policies, procedures and codes of conduct, and any  
398 amendments thereto, ("rules") in a location accessible to all members on Association's  
399 website. The Board shall adopt reasonable notice requirements for publication of any  
400 changes to such rules to the membership of the Association, such as broadcast emails to  
401 members and appropriate articles in Association newsletters. Any changes to rules will not  
402 take effect until at least 30 days after publication, unless a justification is provided for them to  
403 go into effect at an earlier date. Ignorance of published rules will not be an excuse for non-  
404 compliance. The Board may delegate the authority to draft specific rules to an appropriate  
405 committee or task force.  
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407 **Section 5. Duty to Complete HOA Trainings.** Board members must complete all  
408 training required in the Montgomery County Code and provided by the Montgomery County  
409 Commission on Common Ownership Communities ("CCOC") within the timeframe required in  
410 the Code. All new Directors must also complete a review of the Association's Governing  
411 Documents and rules.  
412

413 **Section 6. Duty to Fix Assessments of Dues.** As more fully set out in the Covenants,  
414 it shall be the duty of the Board of Directors of this Association:  
415 (a) To fix the amount of the assessment of dues against each Lot for each assessment  
416 period at least thirty (30) days prior to the beginning of such period; and  
417 (b) To send by ordinary mail, postage prepaid, a written notice of each assessment to the  
418 owner of the Lot subject thereto; and  
419 (c) To issue a certificate setting forth whether or not the current assessment against any  
420 Lot has been paid, upon demand by any person. The Board may charge a fee not to  
421 exceed twenty dollars (\$20.00). The maximum fee may be increased consistent with the  
422 percentage increase in inflation.  
423

424 **Section 7. Term of Office.** (a) The term of each Director shall be three (3) years. The  
425 terms of office of the Directors must be staggered as follows:  
426 (i) if the number of Directors is three (3), then only one (1) Director shall be elected at  
427 the annual meeting each year; or  
428 (ii) if the number of Directors is five (5), then only a maximum of two (2) Directors shall  
429 be elected at the annual meeting each year; or  
430 (iii) if the number of Directors is seven (7), then only a maximum of three (3) Directors  
431 shall be elected at the annual meeting each year.  
432 If necessary, in order to create the initial staggering of the Directors consistent with this  
433 section, the Board may need to limit the term of any such Director to less than three (3) years.  
434 However, the successor of such Director shall serve a term of three (3) years. Vacancies may  
435 impact the number of Directors elected at the annual or special meeting. A Director elected at  
436 the annual meeting to fill an unexpired term will serve for the duration of that term.  
437 (b) Any change in the term of office of Directors shall not operate to curtail or extend the  
438 term of office of any incumbent Director.  
439

440 **Section 8. ~~(a)~~ Vacancies. (a)** The Board shall endeavor to fill as soon as possible any  
441 vacancy that may occur in the Board caused by any reason other than the removal of a  
442 director by a vote of Association members. Such vacancies occurring less than 90 days prior

443 to the next annual meeting can be left vacant by the Board until the annual meeting.  
444 Vacancies filled by the Board must be decided by a vote of the majority of the remaining  
445 directors, ~~and if requested by at least one director, cast by secret ballot.~~ However, if the  
446 number of remaining directors is insufficient to meet the quorum requirement, the remaining  
447 directors may nevertheless fill such vacancies by a majority vote of the remaining directors.  
448 Any director so elected shall serve until a successor is elected by the members at the next  
449 annual or special meeting duly called for that purpose.

450 (b) Vacancy due to non-payment of dues. The term of any director who becomes  
451 delinquent in the payment of any assessment due to the Association, will be denied the  
452 right to vote at any Board meeting while they are in delinquency. The Board may  
453 terminate the term of a director remaining delinquent for more than 60 days. A  
454 successor for a director terminated due to non-payment shall be elected pursuant to  
455 Section 8 (a) herein above.

#### 456 457 **Section 9. Removal of Directors.**

458 (a) By Association Members. At any meeting of members duly called for such purpose, any  
459 director may be removed by the affirmative vote of the majority of Association members  
460 present and voting and a successor may then and there be elected to fill the vacancy  
461 thus created and to serve out the unexpired portion of the term of the director so  
462 removed.

463 (b) By Board of Directors. The term of office of any director who shall be absent, without  
464 reasonable cause, from three (3) out of four (4) consecutive regular meetings of the  
465 Board of Directors shall automatically terminate upon commencement of the next  
466 regular meeting of the Board following such Director's third consecutive absence. Upon  
467 such termination, the remaining directors shall elect a successor pursuant to Section  
468 8(a) hereinabove.

#### 469 **Section 10. Resignation.**

470 (a) Resignation by a Director. A Director may resign by submitting a written resignation to  
471 the other Directors. If the resigning director is also a principal officer, s/he may not  
472 continue to serve as a principal officer. The resignation becomes effective as of the  
473 date it is tendered unless a future date is clearly specified as the date when it becomes  
474 effective.

475 Once tendered, a resignation may not be withdrawn. No acceptance is required for the  
476 resignation to be effective. The resigning director shall not vote in the election of a  
477 successor to fill that vacancy.

478 (b) Resignation by a Principal Officer. A principal officer of the board may resign as a  
479 principal officer by submitting a written resignation to the other directors. Unless the  
480 resignation clearly states that the director is also resigning as a member of the board,  
481 the resigning principal officer remains a board member. The resignation becomes  
482 effective as of the date it is tendered unless a future date is clearly specified as the date  
483 when it becomes effective.

484 Once tendered, a resignation may not be withdrawn. No acceptance is required for the  
485 resignation to be effective.

486  
487 **Section 11. Compensation of Directors.** No director shall receive compensation for  
488 any service rendered to the Association. However, any director may be reimbursed for actual  
489 expenses incurred in the performance of their director's duties.

490  
491 **Section 12. Nominations.** Nominations for election to the Board shall be made through  
492 self-nominations by candidates using a standard format approved by the Board. Self-  
493 nominations must be submitted to the Board no later than ~~forty-fivethirty~~ (4530) days prior to

494 the annual meeting and must be provided by the Board to all Association members no later  
495 than ~~thirty-three~~ (30) ~~days-weeks~~ prior to the annual or special meeting at which the directors  
496 are to be elected. Nominations may also be made from the floor at such annual or special  
497 meeting. Write-in candidates on a ballot are also permitted. However, at or before such a  
498 meeting to elect the directors, any candidate who is nominated from the floor or whose name  
499 is filled-in as a write-in candidate must declare their acceptance of nomination before the polls  
500 close and the counting of ballots begins. A candidate who fails to declare such timely  
501 acceptance will not be deemed an eligible candidate.

502  
503 **Section 13. Election.** Election to the Board shall be by written or electronic ballot.  
504 Members shall be provided the option to cast their ballot in a manner that preserves the  
505 anonymity of their vote ("secret ballot"). Only directed proxies shall be valid for the purpose of  
506 casting of votes for election of members to the Board. All election materials prepared with  
507 funds of the Association shall list candidates in alphabetical order and shall not suggest a  
508 preference among candidates. The persons receiving the largest number of votes shall be  
509 elected. Votes shall not be counted until after the time allotted by the Association for voting  
510 has ended.

511  
512 **Section 714. Execution of Corporate Documents.** With the prior authorization of the  
513 Board of Directors, all notes, contracts and other documents shall be executed on behalf of  
514 the Association by either the President or the Vice President, unless delegated to the  
515 Management Agent at the discretion of the Board, and all checks and other drafts shall be  
516 executed on behalf of the Association by the Treasurer, unless delegated to the Management  
517 Agent at the discretion of the Board.

518  
519 **Section 815. Committees.**

520 (a) In addition to the committees provided for under the covenants, the Board of  
521 Directors may appoint such other committees as it considers necessary or appropriate from  
522 the membership of the Association, each of which shall consist of a chairman and at least two  
523 (2) other members. The Board may appoint director/s as member/s of or a liaison to the  
524 Committee. Any committee or its members so appointed shall serve at the pleasure of the  
525 Board.

526 (b) The Board may authorize committees to receive applications from homeowners and  
527 take actions to approve or disapprove such applications to ensure compliance with provisions  
528 of covenants. Examples include applications to make external modifications (architectural  
529 control) or to remove trees.

530  
531 **ARTICLE V**  
532 **DIRECTORS' MEETINGS**

533  
534 **Section 1. Organizational Meeting.** The first meeting of a newly elected Board of  
535 Directors shall be held within ten (10) days following election at such time and place as shall  
536 be fixed by the directors.

537  
538 **Section 2. Meeting Procedures.**

- 539 (a) **Open Meetings.** All regular and special meetings of the Board shall be open to all  
540 members of the Association or their agents and shall be held at places and times  
541 convenient to the greatest number of members. Meetings of the Board may be held in  
542 closed session only in accordance with Article III, Section 10 of these Bylaws.  
543 (b) **Notice and Agenda.** A notice for every Board meeting shall be published at the  
544 Association's website at least seven (7) days prior to a regular Board meeting, and at

545 least five (5) days prior to a special Board meeting. Notice of a meeting shall specify the  
546 time and place for the meeting.

547 An agenda of a Board meeting shall be published at the Association's website at least  
548 forty eight (48) hours prior to a meeting.

549 When circumstances require a shorter notice, a notice and agenda shall be published  
550 as reasonably practicable and announced by a broadcast email to members.

551 (c) Waiver of Notice. If a Director does not receive a notice of board meeting pursuant to  
552 subsection (b), they may attend the meeting for the express purpose of objecting to the  
553 transaction of business thereat on the basis that the meeting has not been lawfully  
554 called. Any Director may waive such notice requirement in writing at any time. However,  
555 a Director who continues to transact business at that meeting without objection, or  
556 approves the minutes of that meeting at a subsequent board meeting, would be  
557 deemed to have waived the notice requirement.

558 (d) Community Forum. The Board shall allocate time to allow members to comment on any  
559 matter relating to the Association; except that during a meeting to which the agenda is  
560 limited to specific topics or at a special meeting, the members' comments may be  
561 limited to the topics listed on the meeting agenda. The Board has the discretion to  
562 determine the length of time for such members' comments and when such comments  
563 will be received as part of the agenda for the meeting.

564  
565 **Section 3. Regular Meetings**. Regular meetings of the Board of Directors shall be  
566 held at least once during every quarter of each fiscal year.

567  
568 **Section 4. Special Meeting**. A special meeting of the Board of Directors may be  
569 called by the President of the Association or by a majority of the Board of Directors.

570  
571 **Section 5. Quorum**. Except as otherwise provided in the Covenants or these Bylaws,  
572 at all meetings of the Board of Directors, a majority of the directors shall constitute a quorum  
573 for the transaction of business, and the acts of the majority of the directors present at a  
574 meeting at which a quorum is present shall be the acts of the Board of Directors.

575  
576 **Section 6. Action Taken Without a Meeting**. The directors shall have the right to take  
577 any action in the absence of a meeting which they could take at a meeting by obtaining the  
578 written approval of all the directors and filing such approval with the minutes of the proceeding  
579 of the Board or Directors. Any action so approved shall have the same effect as though taken  
580 at a meeting of the directors.

## 581 582 **ARTICLE VI** 583 **PRINCIPAL OFFICERS**

584  
585 **Section 1. Designation**. The principal officers of the Association shall be a President,  
586 a Vice President, a Secretary, and Treasurer. They shall all be selected by the Board of  
587 Directors from among the members of the Board.

588  
589 **Section 2. Election of Principal Officers**. The principal officers of the Association  
590 shall be elected annually by the Board of Directors at the organization meeting of each new  
591 Board and shall hold office at the pleasure of the Board. ~~If requested by at least one director,~~  
592 ~~the election will be by secret ballot.~~

593  
594 **Section 3. Removal of Principal Officers**. Any principal officer may be removed, with  
595 or without cause, by a majority vote of all members of the Board of Directors. Prior to removal,  
596 the Board must give an opportunity to be heard ~~from to~~ the principal officer that is the subject

597 of removal. The principal officer that is the subject of removal must not participate in the  
598 Board's removal vote. Upon removal, a successor shall be elected by a majority vote of all the  
599 remaining members of the Board.

600  
601 **Section 4. President.** The President shall:

- 602 (a) Preside at all meetings of the members and of the Board of Directors
- 603 (b) Execute contracts, orders, and other documents in the name of the Association as its  
604 agent, when authorized by the Board.
- 605 (c) Serve as spokesperson for the Board in most matters relating to general Association  
606 business.
- 607 (d) Serve as liaison between the Management Agent and the Board, and between the  
608 Association's attorney and the Board, and share information received from these  
609 consultants with the Board in a timely manner.

610  
611 **Section 5. Vice President.** The Vice President shall take the place of the President  
612 and perform his/her duties whenever the President shall be absent or unable to act. If neither  
613 the President nor the Vice President is able to act, the Board of Directors shall appoint some  
614 other member of the Board to so do on an interim basis.

615  
616 **Section 6. Secretary.** The Secretary of the Association is responsible for ensuring that  
617 all official records of the Association, including records of all meetings of the Board and the  
618 membership, are properly maintained. The Secretary is responsible for ensuring access to  
619 those records by the members of the Association and their authorized representatives.

620  
621 **Section 7. Treasurer.** The Treasurer is responsible for ensuring that financial records  
622 and reports of the Association are maintained properly in accordance with sound accounting  
623 practices. The Treasurer is responsible for ensuring proper safeguards exist for the proper  
624 handling of Association funds and that the expenses incurred are in accordance with  
625 authorizations by the Board. The Treasurer is responsible for coordinating the development of  
626 proposed annual budget and for preparing and giving annual financial report on the financial  
627 status of the Association.

628  
629 **Section 8. Multiple Offices.** Excluding the President, two of the offices of Vice  
630 President, Secretary and Treasurer may be held by the same person, but in no event shall the  
631 same person execute, acknowledge or verify any instrument in more than one capacity, if  
632 such instrument is required by law, the Declaration, the Articles of Incorporation or these  
633 Bylaws to be executed, acknowledged or verified by two (2) or more officers.

634  
635 **Section 9. Duties.** The duties of the Secretary and Treasurer may be assigned, in  
636 whole or in part, by the Board to the Management Agent in accordance with Article IV, Section  
637 3 of these Bylaws.

638  
639 **ARTICLE VII**  
640 **INSURANCE**

641  
642 **Section 1. Fidelity Insurance.** Blanket fidelity insurance shall be maintained by the  
643 Board of Directors for all officers, directors, managers, trustees, employees and volunteers of  
644 the Association and all other persons handling or responsible for funds held or administered  
645 by the Association, whether or not they receive compensation for their services in accordance  
646 with Section 11B-111.6 of the Maryland Homeowners Association Act. Where the Board of  
647 Directors has delegated some or all of the responsibility for the handling of funds to a  
648 management agent, such management agent shall be covered by its own fidelity insurance

649 policy which must provide the same coverage as fidelity insurance maintained by the Board of  
650 Directors. Except for fidelity insurance that a management agent obtains for its personnel, all  
651 other fidelity insurance policies should name the Association as the insured and should have  
652 their premiums paid as a Common Expense by the Association. Fidelity insurance obtained  
653 by a management agent shall name the Association as an additional insured. The total  
654 amount of fidelity coverage required should be sufficient to cover the maximum funds  
655 (including reserve funds) that will be in the custody of the Association or management agent  
656 at any time while the fidelity insurance policy is in force, and should at least equal the sum of  
657 three (3) months aggregate Assessments on all Lots within the Association, plus any  
658 reserves. Fidelity insurance policies should contain waivers by the insurers of all defenses  
659 based upon the exclusion of persons serving without compensation from the definition of  
660 "employees", or similar terms or expressions. The fidelity insurance policies should provide  
661 that they cannot be canceled or materially modified (including cancellation for non-payment of  
662 premium) without at least ten (10) days prior written notice to the Association.

663  
664 **Section 2. Additional Insurance.** The Board may obtain and maintain, to the extent  
665 necessary and reasonably available, the following:

- 666 (a) workers' compensation insurance for employees of the Association to the extent  
667 necessary to comply with any applicable law; and
- 668 (b) a "Legal Expense Indemnity Endorsement", or its equivalent, affording protection for the  
669 officers, directors, managers, trustees, employees and volunteers of the Association for  
670 expenses and fees incurred by any of them in defending any suit or settling any claim,  
671 judgment or cause of action to which any such person shall have been made a party by  
672 reason of his or her services as such; and
- 673 (c) such other policies of insurance, including director and officer liability insurance and  
674 insurance for other risks of a similar or dissimilar nature and fidelity insurance as  
675 required by these Bylaws, as are or shall hereafter be considered appropriate by the  
676 Board.

677  
678 **Section 3. Limitations on Insurance.** Any insurance obtained pursuant to this Article  
679 shall be subject to the following provisions:

- 680 (a) All policies shall be written or reinsured with a company or companies licensed to do  
681 business in the State of Maryland and holding a rating of "B/III" or better (or its  
682 equivalent) in the current edition of Best's Insurance Guide.
- 683 (b) Exclusive authority to negotiate losses under said policies shall be vested in the Board,  
684 or its authorized representative.
- 685 (c) All policies shall provide that such policies may not be canceled or substantially modified  
686 (including cancellation for non-payment of premium) without at least ten (10) days prior  
687 written notice to any and all insureds named thereon, including any mortgagee of any  
688 Lot who requests such notice in writing.
- 689 (d) All policies shall contain a waiver of subrogation by the insurer as to any and all claims  
690 against the Association and its agents or employees, the Board, the members of the  
691 Association and persons residing in the household, and of any defenses based upon co-  
692 insurance or invalidity arising from the acts of the insured.

693  
694 **ARTICLE VIII**  
695 **BYLAWS: AMENDMENTS AND CONFLICTS**

696  
697 **Section 91. Conflict between Governing Documents.** In the case of any conflict  
698 between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the  
699 case of any conflict between the Covenants and these Bylaws, the Covenants shall control.

700

701 **Section 102. Amendment of Bylaws.** (a) Amendments to these Bylaws may be  
702 proposed by the Board of Directors or by a written request to them signed by at least twenty-  
703 five per cent (25%) of all Association members. A description of any proposed amendment  
704 shall accompany the notice of any regular or special meeting at which such proposed  
705 amendment is to be voted upon.

706 (b) These Bylaws may be amended by the affirmative vote of the majority of Association  
707 members present at any meeting called for this purpose, in person or by proxy, subject  
708 to the quorum requirements in Article III, Section 5(c) of these Bylaws.

709 (c) Any matter stated herein to be or which is in fact governed by the Covenants may not  
710 be amended except as provided in said Covenants.

711  
712 **ARTICLE IX**  
713 **MISCELLANEOUS**

714  
715 **Section 1. Delivery of Notices to Members/Owners.** Except as may be specifically  
716 required otherwise by governing documents, any notice required to be sent to any member or  
717 Owner shall be deemed to have been properly sent when:

718 (a) delivered to a member in person;

719 (b) left at a member's residence;

720 (c) mailed, postage prepaid, to the last known address of the person who appears as  
721 member or Owner on the records of the Association at the time of such mailing;

722 (d) transmitted electronically in accordance with Section 11B-113.1 of the Maryland  
723 Homeowners Association Act, subject to the following:

724 (i) the Board of Directors has authorized the use of delivering notices or other  
725 information by electronic transmission.

726 (ii) Owner has given prior written authorization to accept information by electronic  
727 transmission; and

728 (iii) an officer or agent of the Association certifies in writing that the Association has  
729 provided notice or delivered material or information as authorized by the Owner. A  
730 party that consents to electronic notice may require that notice also be sent by  
731 another means as a condition to its consent to electronic notice; or

732 (iv) delivered by any other means allowed under applicable law.

733  
734 **Section 2. Liability and Indemnification of Officers and Directors.** The Association  
735 shall indemnify every officer, director, committee member, or other member serving the  
736 Association against any and all expenses, including counsel fees, reasonably incurred by any  
737 of them in connection with any action, suit or other proceeding (including the settlement of any  
738 such suit or proceeding if approved by the then Board) to which s/he may be made a party by  
739 reason of being or having been an officer, director, committee member, or other member  
740 serving the Association, whether or not such person is an officer, director, committee  
741 member or serving the Association at the time such expenses are incurred. The officers,  
742 directors, committee members, or other members serving the Association shall not be liable to  
743 the members of the Association for any mistake of judgment, negligence, or otherwise, except  
744 for their own individual willful misconduct or bad faith. The officers, directors, committee  
745 members, or other members serving the Association shall have no personal liability with  
746 respect to any contract or other commitment made by them, in good faith, on behalf of the  
747 Association and the Association shall indemnify and forever hold each such officer, director,  
748 committee member, or other member serving the Association free and harmless against any  
749 and all liability to others on account of any such contract or commitment. Any right to  
750 indemnification provided for herein shall not be exclusive of any other rights to which any  
751 officer, director, committee member or other member serving the Association or former officer,  
752 director, committee member or other member serving the Association may be entitled.

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**Section 3. Conflict of Interest.** Any director, principal officer, committee member or a member serving the Association must avoid, to the extent possible, any conflicts of interest with the business of the Association. In the event that a director, principal officer, committee member or a member serving the Association is aware of or perceives a potential conflict, such person must disclose the conflict and offer to recuse oneself from any discussions related to that particular matter. Further, such interested person will be prohibited from voting on any decision of the Board or committee related to the conflicted matter.

**Section 4. Fiscal Year.** The fiscal year shall begin on the first day of January every year. The commencement date of the fiscal year herein established shall be subject to change by the Board of Directors should corporate practice subsequently dictate.

**Section 5. Audit.** At the close of each fiscal year the books and records of the Association shall be audited by a Certified Public Accountant, whose report will be prepared and certified in accordance with the requirements of the Board. Based upon such report, the Association shall furnish its members with an annual financial statement including income, disbursements, cash balances, bank deposits, outstanding loans, balances in operating or reserve funds of the Association. The annual financial statements shall disclose the required information separately for parts as they relate to the operating and reserve fund budgets.

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

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