

HOUSE RULES AND REGULATIONS
of
THE CALVERT COURT COMPANY

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Mission/Vision/Goals
of
The Calvert Court Company

The mission, vision and goals of The Calvert Court Company (hereinafter referred to as the “Cooperative”) are to create and to sustain an environment that fosters cooperation through communication, to respect diversity and individuality, and to encourage participation with respect for other’s opinions and with the freedom to speak their mind in a well-maintained, safe, financially stable and historic building.

Compliance with the House Rules and Regulations of the Calvert Court Company is required of all tenants [**Section 10** of the "**Proprietary Lease and Agreement**," q.v.]. These Rules and Regulations are stated below. They are effective as of the adjournment of the February 16, 1999 Annual General Meeting of the Shareholders, as revised by the Board of Directors on October 21, 2008, and as further revised by the Board of Directors on June 20, 2017, and shall remain in effect unless and until modified by the Board of Directors in accordance with its authority to manage the business of the Calvert Court Company as set for the in the Bylaws of the Cooperative [**Bylaws, Article II. Section 1.**, q.v.]

Landlord, Management, Maintenance, Repairs, Liability

Landlord

As stated in the Proprietary Lease and Agreement (the “Lease”) of the Cooperative, the **Board of Directors¹ is the Landlord** of the Cooperative. No rights of the Landlord are vested in any tenant as set forth in Section 5 of the Lease which states: “Notwithstanding that the Tenant is a stockholder of **The Calvert Court Company**, no rights as Landlord shall thereby vest in the Tenant.”²

Overall Management of Calvert Court

Article II, Section 1 of the Bylaws of the Cooperative states: “The business and property of the Cooperative, except as otherwise provided by statute or by the Charter, or by these Bylaws, shall be conducted and managed by its Board of Directors.”

Responsibilities of the Manager

In accordance with Article III, Section 6 of the Bylaws, the Manager may be a director of the Cooperative and when not a director, the Manager shall be an ex-officio director. Renters of members' units³ or a management company can provide the services of a resident manager. A renter as manager or a representative from a management company may then be ex officio to the Board of Directors. He/she shall have general management and control of the real property of the Cooperative while the directors are not in session; and, subject to the approval of the directors, shall appoint and discharge employees and agents of the Cooperative, make and sign contracts and agreements for the general maintenance of the real property of the Cooperative in the name of and on behalf of the Cooperative; and shall perform such other duties as may be assigned to him/her by the Board of Directors or by the President. The Manager shall recruit members to accept responsibilities for building, garden, and administrative Portfolios. Portfolios are responsibilities specified by the Manager and approved by the Board to serve the immediate and long-term interests of the Cooperative. Portfolios can be held by any resident of Calvert Court. Holders of Portfolios, if other than the Manager, do not assume any of the authorities of the Manager. The Manager may choose to be a member or an ex officio member of committees pertaining to the building, grounds, and gardens. Prior approval by the Board of Directors is required for expenses in excess of the amount as specified by the Board per project, emergency repairs to the electrical, heating, and/or plumbing systems excepted.

1 The Board of Directors of the Cooperative is sometimes referred to herein as “Board of Directors”, “Board” or “Landlord”.

2 Reference herein to “Tenant”, “tenant”, “shareholder”, “Shareholder”, “member”, or “resident” shall mean and refer to either a tenant, shareholder or resident, as appropriate.

3 The terms “unit” or “apartment” shall mean and refer to the space leased to the tenant pursuant to such tenant’s Lease.

Primary Resident Liaison

The Primary Resident Liaison will serve as the Cooperative's liaison to assist the Manager with the following responsibilities:

- Serve as residents' first point of contact through text or email to report any repairs or concerns.
- Work closely with the Manager on contractor interaction:
 - When bids are needed, call and schedule contractor appointments.
 - Meet with contractors if the Manager is unavailable.
 - Meet with other vendors if the Manager is unavailable.
- Summarize final report of repair.
- Email a resident at Manager's direction to inform him/her of upcoming work that may affect his/her unit.
- If repair is an emergency, CALL Manager first, call Primary Resident Liaison second, if Manager is not available. Either the Manager or Primary Resident Liaison will meet the contractor on arrival.
- If repair is not an emergency, contact the Primary Resident Liaison. The Primary Resident Liaison will then:
 - Contact the Manager to discuss the situation.
 - Set up time for Manager or contractor to perform an inspection and/or to make the repair(s).
 - Respond to resident with proposed solution and scheduled time of inspection and/or repair.
- Final repair summary to be compiled by the Primary Resident Liaison.
- If residents notice maintenance items that need to be addressed or have been overlooked, contact Primary Resident Liaison.

Maintenance Company

Calvert Court has contracted with a maintenance company to maintain the cleanliness of and perform general repairs to the building, to do the general landscaping, to clear the sidewalks of debris and snow, to remove all trash on a regular basis, and to follow the check list in the Calvert Court Maintenance Manual. If a resident has any concerns regarding the performance of these items by the maintenance company, he/she should contact the Primary Resident Liaison or the Manager in the event of an emergency.

The following House Rules are intended to and do replace any previously approved House Rules of the Cooperative in their entirety. In addition, it is the intent of the Board of Directors that these House Rules incorporate and memorialize any oral or written agreement(s) between the Landlord and tenants with respect to the operation and maintenance of the Cooperative.

RULE 1: Resident Participation in Management

Shareholders are expected to participate in the management of the Calvert Court co-op. This can be accomplished through participation on committees of the Board of Directors, managing Portfolios which involves responsibility for one area in which the person has an interest or skill; volunteering to help with specific work when asked; or personally sharing a plan for intended accomplishments with the Board. Everyone should attend the annual meeting of the members which is held on the second Tuesday of December at such time as determined by the Board of Directors.

RULE 2: Contacting Board of Directors

Tenants should contact the members of the Board of Directors for assistance with the following issues, which may be requested to be put in writing by the Board:

- responding to the emergencies when the Manager or Primary Resident Liaison are not available.
- questions of liability for emergency repairs approved by the Board.
- determining if correcting of a problem with the building or a unit is the Cooperative's responsibility or a shareholder.
- However, the Board of Directors is neither responsible for arranging for contractors on work that is the shareholder's responsibility, nor for settling disputes between shareholders.

RULE 3: Reporting Dangerous Situations

Tenants shall report promptly to the Board, the Manager or the Primary Resident Liaison, any damage(s), whether emergencies or not, to the building or grounds that might endanger the Calvert Court buildings or the occupants.

RULE 4: Moisture Intrusion or Failed Plumbing

The Cooperative shall repair damage to any wall, floor, and/or ceiling coverings within the interior of a unit damaged as a result of moisture intrusion from the exterior of the building into the unit or resulting from the plumbing system serving the building such as stack pipes but excluding damage resulting from the failure of any bathroom and kitchen plumbing fixtures and connections thereto for any unit, including, without limitation, all sinks, faucets, bathtubs, shower stalls, hot and cold water pipes, and drain pipes connecting any of the same with any common water or drain pipes serving the unit as well as other units to the extent the same are located within the boundaries of the unit formed by the exposed finished side of the drywall of the unit. Notwithstanding the foregoing, the obligations of the Cooperative as set forth in this Rule 4 shall not include repainting of the apartment which shall be the responsibility of the tenant.

RULE 5: Liability for Repairs

Shareholders must present issues of liability for repairs to the Board in writing with documentation to support their claim. The decision of the Board is final on all issues of liability between shareholders and the Cooperative.

Common Areas: Gardens and Grounds, Passageways, Property, Laundry Rooms**RULE 6: Gardens**

Shareholders/tenants may participate in the management of the gardens through participation on the Garden Committee and/or the Board of Calvert Court. Those residents wishing to garden without participating directly on the Garden Committee should seek the advice of the Garden Committee and/or the Board before engaging in activities in the garden. Further, as noted in Rule 12 below, any plants placed in the garden may be deemed a donation to the Cooperative. Everyone who works on the gardens must clean up after him or herself.

RULE 7: Signs

Unless otherwise permitted by applicable law, no signs including, without limitation, realtor signs and "for sale" signs, shall be inscribed, painted, or affixed on any part of the outside property or on inside walls or doors or visible from any windows of any building without written permission of the Board of Directors. Notwithstanding the prohibitions on signage contained herein, a tenant may post or display on his/her unit (but not in any common areas of the Cooperative), one or more signs on behalf of a candidate for public office or a slate of candidates for public office, or a sign that advertises the support or defeat of any question submitted to the voters for a period of time not to exceed thirty (30) days before and seven (7) days after the primary election, general election or vote on the proposition, or such longer or shorter period as may be specified by applicable Federal, State or local law. The Board of Directors may adopt any other restriction with respect to such signage consistent with applicable Federal, State or local law. The foregoing provisions of this Section are intended to be a restatement of the provisions of Section 5-6B-23 of the Maryland Cooperative Housing Act, and any further amendments or modifications thereto shall be deemed incorporated herein by reference as a part hereof.

RULE 8: Alterations, Removal, and Obstructions

Floors, doors, lights, fire extinguishers, outlets, and windows located in the passageways and fire escapes shall not be altered, removed, or obstructed by any property or belongings of the tenants except on a temporary basis with written permission of the Board of Directors.

RULE 9: Common Areas and Property of the Cooperative

The Cooperative shall be responsible for the maintenance, repair and/or replacement of all common passageway and stairway fixtures, hall banisters, electrical apparatus, brickwork, windows, painting, doors, glasswork, all building plumbing (exclusive of bathroom and kitchen plumbing fixtures and connections thereto for any unit, including, without limitation, all sinks, faucets, bathtubs, shower stalls, hot and cold water pipes, and drain pipes connecting any of the same with any common water or drain pipes serving the unit as well as other units to the extent the same are located within the boundaries formed by the exposed finished side of the drywall of the unit), all building doors (exclusive of apartment door except as otherwise set forth herein), and the painting or carpeting of passageway floors. In addition, the Cooperative shall be responsible for all painting and maintenance of the exterior side of apartment doors (*i.e.*, the side facing the common hallways), as well as cleaning and painting of exterior windows serving a unit. All tools, cleaning supplies, and equipment purchased by and for the use of Calvert Court shall be under the exclusive control of the Cooperative by and through its Board of Directors and no tenant shall make personal use of such tools, cleaning supplied and/or equipment.

RULE 10: Laundry Room

Tenants shall use the washers and dryers in an appropriate manner, for their intended use and shall follow instructions for machine use and care. Tenants are responsible for damages to the machines. Clothes are not to be left in washers or dryers, on the folding tables, or the clothes carts overnight. The Cooperative is not responsible for damage allegedly caused to items laundered in Cooperative equipment or for any loss or damage or theft of clothing or other items left unattended in the laundry room.

RULE 11: Use of Public Outlets and Faucets

The Board of Directors or the Manager must approve all connections to public outlets and faucets.

RULE 12: Use of Common Areas

Personal belongings of residents, with exceptions granted by the Board, left in common areas for more than one week are assumed to be donations to the Cooperative and no longer the personal property of the resident, unless specific agreements are reached with the Board for the temporary use of these items. The Board may utilize or dispose of these items as it chooses. This applies to any plants put in the garden, or equipment and furniture in the common areas. This does not apply to items left temporarily in passageways while residents may be decorating or rearranging belongings in their unit; provided that the resident has notified the Manager or Board prior to such use of the passageways.

Resident responsibilities for improvements affecting the building but located in a unit

Except as otherwise set forth herein, repair and replacement of certain improvements of the building which are for the exclusive use of the resident are the responsibility of the resident and not the responsibility of Calvert Court. Such repair and replacement responsibilities include, but are not limited to portions of the fireplaces (see Rule 15), radiators with vents and valves but not the rising pipe (provided that, the Cooperative shall repair the radiator in a unit if it is repairing all of the radiators in the building), all unit windows repairs, replacements or restoration **in accordance with Rule 13**, exit doors from the unit (exclusive of painting of the exterior side of the door in accordance with Rule 9 above), load bearing and non-load bearing walls in a unit, and visible interior plumbing All of these are elements of an apartment which are the responsibility of the tenant.

RULE 13: Windows

Window repairs, replacements, and restorations are the resident's financial responsibility. Such repair, replacement and/or restoration may be performed by the tenant (at the tenant's cost) or, such repair, replacement and/or restoration may be performed by the Cooperative, at the request of the tenant, and the expense shall be invoiced to the tenant and due within fifteen (15) days of the date of said invoice. Windows facing the Southbank and alley can be replaced with any white vinyl or aluminum style window that will not require painting. Windows that are replaced facing Calvert St, 31st St., or the courtyard must be wood windows with aluminum cladding on the window frame and sashes. The cladding must be colored white. The grille, muntin, and mullion design of the window must be in the same design. The sash functionality must be the same as the original window. Restored windows need not have sashes or

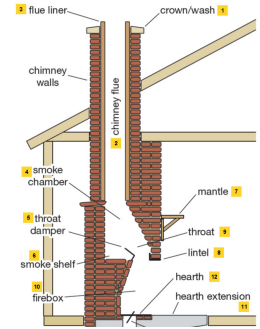
frame clad in aluminum, but all design elements of the window must be the same as the original and the outside facing of the window must be colored white. Just as for structural changes to a unit, the resident must submit a written request to the Board for any replacement or restoration of their windows in advance with documentation that the work will be done by a licensed and insured contractor. The work may not be done until Board approval is given in writing to the resident.

RULE 14: Toilets, tubs and sinks, and plumbing visible in the unit

Toilets, bathtubs and sinks, and other plumbing fixtures and pipes inside a unit shall not be used for any purpose other than those for which they were constructed. Any damage resulting to the building including, without limitation, any common areas or any apartment, from misuse of the kitchen and bathroom plumbing fixtures and connections thereto for any unit, including, without limitation, all toilets, bathtubs sinks, faucets, shower stalls, hot and cold water pipes, and drain pipes connecting any of the same with any common water or drain pipes serving the unit as well as other units to the extent the same are located within the boundaries formed by the exposed finished side of the drywall of the unit shall be borne by the tenant(s) who caused the damage.

RULE 15: Fireplaces and Chimneys

Chimneys shall be cleaned and inspected every two years for the resident at the expense of the Cooperative beginning in calendar year of 2018. Repairs to any chimney shall be performed by Calvert Court and shall be an expense of the Cooperative. If a resident does not allow his/her chimney to be cleaned and inspected on that schedule, he/she may not use the fireplace. Residents are responsible for any chimney fires or smoke that may cause damage to their apartment, other apartments, or any part of the building. Residents must, upon selling their shares, inform prospective buyers that Calvert Court has no liability for repairs to the firebox. Calvert Court is responsible for repairs to the damper, smoke chamber, and flue. Calvert Court is responsible for maintaining the bricks and mortar of the chimney walls and the chimney cap. Residents must keep a record of repairs to their chimney and fireplaces in the binder for their apartment.



RULE 16: Maintenance of premises

Tenants shall keep the premises leased to them in a functional state⁴ and to a reasonable standard of cleanliness⁵.

RULE 17: Dumbwaiter; Refuse and Recycling

A dumbwaiter system is provided only for the collection of refuse/garbage, excluding glass or any sharp objects, on a requested basis and is not to be used to transport a person, an animal, or objects other than refuse/garbage. Dumbwaiters are not to be removed or permanently sealed or deactivated. Refuse/garbage must be enclosed in odor-proof, leak-proof disposable containers. The Cooperative provides trash and recycling cans and paper recycling shelves at the 31st entrance under the D Building and at the rear entrance of the B building. Tenants are responsible for fixing or repairing dumbwaiters due to their own negligence and failure to follow this rule.

RULE 18: Water beds, satellite dishes, gas logs, and washer/dryer combinations, or half baths

Installation of water beds, satellite dishes, gas logs, and washer/dryer combinations, or half baths are prohibited unless specifically approved by the Board in writing prior to use and/or installation, as applicable, of the same.

4 Keeping the premises in a "functional state" includes, but is not limited to, the following: toilets must be flushed at least once every two weeks, water must be run through all sinks at least once a month, windows should be kept in the closed position when the resident will not return promptly to close said windows during inclement weather, and door locks must be in working condition.

5 Reasonable standard of cleanliness includes, but is not limited to, the following: windows and apartment doors are to be kept clean, floors are to be free of food and excessive debris, and appropriate action shall be taken to remove any pests from the apartment.

RULE 19: Structural Changes to Apartment

Tenants who wish to make structural changes or changes in plumbing or heating equipment or electrical wiring in their apartments and/or any changes that affect the exterior of the building must have written permission of the Board of Directors within 30 days before work begins. Such work must be undertaken by a licensed contractor with their own liability insurance and workman's compensation insurance coverage. The tenant(s) or contractors employed by tenant(s) are responsible for obtaining all required municipal permits before engaging in work, and to make the unit available for all legally required inspections.

Pets, Noise, Minors, Security, Door Locks, Civility, and Binders

RULE 20: Keys to Apartment

Tenants shall provide the Landlord with keys/locks to their apartments and storage space for use in the event of an emergency. If such key and/or lock combinations are not provided to the Landlord and the Cooperative incurs any expense as a result of gaining entry to the apartment or storage space by alternative means, the tenant shall be liable for that expense. Further, the Cooperative shall not be liable for any damage to any apartment, storage space and/or any personal property of any resident resulting from the Cooperative's entry into the apartment and/or storage space.

RULE 21: Package deliveries

Tenants shall make their own arrangements for receiving packages or deliveries. The Cooperative shall not be liable for any lost, misplaced or damaged packages or deliveries which are left unattended in any of the common areas.

RULE 22: Smoking in common areas or the courtyard

In consideration of our residents, all members are asked not to smoke in the common areas of the buildings and/or on the grounds surrounding the buildings or in any courtyard.

RULE 23: Noise

Tenants and their guests are expected to be considerate of their neighbors by regulating the sound volume of any electronic devices, or the playing of musical instruments, at all times, but especially between the hours of 10:00 P.M. and 8:00 A.M. Tenants and their guests shall also refrain from loud talking in the courtyard, especially before 9:00 A.M. and after 9:00 P.M.

RULE 24: Pets

Any resident may keep (i) no more than two (2) cats, or (ii) one dog not to exceed sixty (60) pounds when full grown, in a unit. Residents shall assume complete responsibility for their pets. Any tenant may submit a request to the Board to be permitted to keep a pet within his/her unit other than cats or a dog such as, caged birds, small reptiles, fish or other small domestic pets; provided, however, the Board may refuse to permit the keeping of a pet for any reason in its sole discretion. Cats and dogs shall be neutered or spayed (unless such restriction is prohibited by applicable law). Further, pets shall not be permitted to roam the halls, fire escapes or grounds of Calvert Court unless such pet is accompanied by a responsible adult and carried or on a leash at all times. The resident must also keep the pet from eliminating on Calvert Court property, clean up after the pet immediately if the pet has an accident on Calvert Court grounds, including any shedding in common areas such as the passageways and vestibules, and keep the pet from disturbing other tenants. The Board of Directors reserves the right to revoke the privilege of keeping pets, if the pet's presence is disruptive to the environment or represents a nuisance (as determined in the sole discretion of the Board of Directors). If a pet becomes a nuisance due to excessive noise, aggressive behavior, or other disruptive behavior, the Board may require the pet owner to permanently remove the pet from Calvert Court's property. Pets shall be registered, licensed and inoculated as required by law. If so requested, the tenant shall provide the Board satisfactory proof of registration, licensing, inoculation, and maximum weight of any dog occupying a unit.

Notwithstanding the foregoing, a tenant who is maintaining or keeping a non-conforming pet in his/her unit prior to the effective date of these House Rules shall be permitted to keep such pet; provided that, the tenant registers said pet with the Board within thirty (30) days after the effective date of these House Rules; and further, upon the death or other disposition of the non-conforming pet, any new pet shall

comply with the restrictions under this Rule 24 as well as any rules and regulations which may be adopted by the Board.

RULE 25: Minors

Young children are not permitted to play unsupervised in any common area passageways or stairways. Playground equipment shall not be installed in lawn areas. Children must be in the care of adults when playing in lawn and garden areas. Adults shall be responsible for protecting flowers, bushes, and the grounds in general.

RULE 26: Civility

Tenants must interact with neighbors, Cooperative employees, Cooperative contractors and visitors to Calvert Court in a civil fashion and a moderate tone of voice. Reasonable cooperation with workers in the building is expected.

RULE 27: Call Boxes

Given the fragile nature of Calvert Court's call box buttons, residents are expected to use keys when entering any building on the property. Residents may give out the key code to enter his/her building to delivery services and contractors. It is generally preferable for guests, however, to 'buzz' the unit being visited by entering the three digit code for that unit via the callbox and have the resident press 9' on their phone keypad to unlock the door, which would insure the resident is home to receive guests. Overly frequent use of "D" building as a corridor to 31st Street is discouraged, but in any case one should use a key to enter the door.

RULE 28: Locking and Closing Entry Doors to the Building

All doors used to enter or to leave the building are to be closed and insured as locked by the resident. Residents should attempt to close the doors by hand rather than allowing them to be closed by the automatic closure.

RULE 29: Maintaining Unit Records (Binders)

Tenants must keep the individual binder for their apartment up to date with the following types of documents: contracts and/or invoices for renovations and repairs to their apartment by outside contractors; history of major and minor repairs and improvements, such as painting; and copies of all Board approval for any changes to an apartment.

Assessments, Arrears, Transfer of Shares, and Sublets

RULE 30: Assessments

Shareholders or renters in lieu of the shareholder are expected to pay the monthly maintenance fee by the first (1st) of each month electronically or by personally delivering the payment to the mailbox of the Cooperative in C building. The date on the check shall not fulfill this responsibility. Any maintenance fee and/or other assessments or charges imposed by the Cooperative which remains unpaid after the due date thereof shall be delinquent and shall bear interest and late fees in accordance with the Lease and/or Bylaws of the Cooperative. Shareholders holding mortgages should be aware that it is Calvert Court's legal responsibility to report arrears of more than 60 days to the lending institution. Should this happen, the Shareholders and lending institution will be advised by registered mail. Should legal advice or action be required to correct this situation, it will be the Shareholder's responsibility to cover legal fees unless another arrangement is made with the Board of Directors.

RULE 31: Assessed for Damages

The Board reserves the right to assess any tenant for damages or disrepair which is either willful or which could have been avoided by reasonable behavior.

RULE 32: Arrears and Transfer of Shares

The Board of Directors reserves the right not to transfer shares in the sale of stock certificate by a Shareholder where there are existing arrears on the unit being sold.

RULE 33: Transfer of Calvert Court Shares

POLICY: It is the policy of Calvert Court that it exercises its right to be a participant in the buying and selling of shares in the most advantageous way for the current Shareholder, the cooperative, and the prospective new Shareholder. To this end, representation of the cooperative will be accomplished through its Board of Directors according to the following procedure.

PROCEDURE:

A current member shall notify the Secretary of the Board of Directors in writing as soon as he or she decides to sell his/her shares but no later than one week before the unit is to be listed. The Secretary will notify the membership of this intent by posting a notice.

1. The Secretary of the Board assumes responsibility for meeting with the current member as soon as possible to:
 - a. Review the process of selling the share in the Cooperative and the accompanying rights of use and occupancy in the apartment.
 - b. Provide brochures to be used at open houses and given to the real estate agent.
 - c. Review materials that will be provided later (by the Secretary) to a serious bidder when one becomes available.
 - d. Obtain the name and contact information of the real estate agent so as to arrange for access to the apartment when unoccupied, to establish a contact person for the agent other than the seller, to inform him or her of our Superintendent, to inform the agent of the process of transfer of shares including the need for the Board to interview the prospective buyer, to obtain the asking price, and dates of open houses.
 - e. Clarify to the selling member that all sales are contingent upon the Cooperative's approval of any prospective purchaser.
 - f. Residents will give a \$100 check payable to Calvert Court in reserve to the Treasurer upon notification of their decision to sell their shares in order to cover the expenses that may be incurred by Calvert Court to dispose of any bulk trash left by the resident in the course of their moving out. The check or portion thereof will be returned to the resident within one month after moving out depending on the balance remaining after deducting any expenses incurred.
2. A member of the Board may be available at the request of the seller to attend scheduled open houses for the purpose of responding to questions, distributing brochures as and if they are available, explaining the interview process.
3. The current member will notify the Secretary as soon as an offer has been accepted, but no later than one week before any settlement proceedings are scheduled; the Secretary will inform the President.
4. The Secretary will make an appointment with the prospective new member as soon as possible for the purposes of:
 - a. Providing the New Member Application, By-Laws, House Rules, a copy of the previous annual report (including the budget), and the Board-approved financial statement for the most recent month.
 - b. Explaining that an interview with the Board is predicated on receipt of a fully completed application.
 - c. Explaining the interview process and its intent.
 - d. Setting that date for return of the new member application to the Secretary (within one week).
 - e. Explaining that the approval of the Cooperative is a prerequisite to the ownership of a share in the Cooperative and to the occupancy of any apartment in the building.

- f. All new members will give a \$100 check payable to Calvert Court, to be held in reserve by the Treasurer, on the move in date. This amount will be used for any expenses incurred by Calvert Court to dispose of any packing materials which are not taken care of by the new resident as they move in. The check or portion thereof will be returned to the new resident within one month after moving in depending on the balance remaining after deducting any expenses incurred
5. Upon receipt of the completed application, the Secretary will copy the confidential document and distribute to Board members.
6. The President shall request three (3) Board members to act as the Interview Committee, and those who have been assigned to interview the applicant shall be directed to contact personal and professional references included in the applicant's application within the next seven (7) days for the purpose of ascertaining the applicant's suitability for living at Calvert Court and the veracity of information provided. Outcomes of these contacts will be written, dated, signed and given to the Secretary. The Secretary will organize, and keep confidential, all information related to the new member application process.
7. The Secretary will brief the President of the status of the process thus far and provide at least 3 dates from the applicant for an interview meeting. The President will poll the Board members on the Interview Committee to ascertain their availability for an interview. Two dates will be returned to the applicant from which to choose. This process of scheduling the interview will be completed within 3 days.
8. The President shall call a special meeting (outside its usual schedule) of the Interview Committee to conduct the interview in closed session. At least three (3) Board members must be present to conduct the interview. Non-Board member shareholders may present themselves to the applicant prior to the interview, but will be required by the Interview Committee to subsequently excuse themselves from the meeting with the applicant. The seller may attend as he or she chooses. The meeting may be openly taped (if approved by the applicant) and written minutes will be taken by the Secretary or one of the members of the interview committee. If the latter, then the secretary will be provided with a copy of those minutes within one week of the interview committee have met the prospective new resident.

One objective of the interview is to provide information related to the workings of Calvert Court to include its structure, role and responsibility of its members, preventive and capital maintenance philosophy, its operations and budget, the rights and obligations of its members, and its grounds management.

A second objective of the interview is to assess the suitability of the applicant for cooperative living, including an assessment and discussion of the applicant's financial capacity to assume and fulfill the financial responsibilities that are attendant to cooperative ownership; to ascertain his or her perception of living in a cooperative arrangement; and to ensure that the applicant understands that the unit being purchased should be the applicant's primary residence and recognizes the necessity for compromise when balancing diverse expectations and priorities with limited resources.

A third objective of the interview is to determine the applicant's understanding of Calvert Court's governing documents, including its by-laws, house rules and proprietary lease, and his/her willingness to participate in managing Calvert Court's operations.

Finally, the interview is intended to communicate the social ethos of the cooperative and to assess the applicant's understanding and appreciation of that ethos as it embodies, among other issues, the need for good sense, goodwill, and mutual trust and respect among residents.

9. Approval of the applicant shall be deemed granted upon the motion and affirmative vote of two-thirds (2/3) of the members of the Interview Committee. The President will notify the applicant and the seller of this approval, by phone, within 24 hours of the conclusion of the interview. A written communication will also be sent to each within seven (7) days of the conclusion of the interview, confirming the Committee's decision.
10. If the applicant is not approved by a two-thirds (2/3) vote, the Interview Committee will continue discussion, and a simple majority of those present will determine one of the following courses of action:
 - a. Reaffirm its decision not to approve the applicant, and to ask the President to so notify the applicant and the seller;

OR

 - b. Decide to meet again with the applicant for the purpose of obtaining additional information that might cause the Committee to reverse its decision. If this option is elected, the President will request that the applicant return for a second meeting with the Interview Committee and will arrange for that meeting to take place within two (2) weeks. The President will also notify the seller of this decision.
 - i. Committee members participating in the first interview will work with the Secretary of the Board (or, if the Secretary is not a member of the Interview Committee, with the Board member designated to act as secretary for the Committee) to document their individual rationale for opposing the approval of the applicant and this information will provide guidance to the Committee for the 2nd interview.
 - c. The decision concerning approval of the applicant that is rendered by the Committee at the conclusion of the second interview is FINAL. The applicant and seller will be notified by the President, by phone, within 24 hours of the conclusion of the interview, and written notice of the Committee's decision will be mailed to the applicant within seven (7) days of the conclusion of the interview.
11. The Secretary of the Board (or of the Committee, as the case may be, will compose the minutes of the Committee with respect to the entire interview process, and those minutes will be distributed to the members of the Board of Directors within five (5) days of their approval by the Committee.
12. The Secretary shall retain the record of the interview for a period of at least three (3) years.

RULE 34: Sublet

In the event that the Shareholder finds it necessary to request permission to sub-let his/her apartment, the following provisions shall apply:

1. The request must be submitted in writing to the Board together with a valid reason for such request. A valid reason, as determined in the sole discretion of the Board may include, among other things, illness, job transfer, other compelling circumstance, or failure to sell a unit. A request to sublease an apartment that is up for sale must specify the terms of the sale, asking price, sales agent, if any, and length of time on the market. The Board reserves the right to approve the language, terms, conditions, and monetary arrangement of the sub-lease.

2. Requests will be considered only for those Shareholders who have resided in their apartments for two or more consecutive years, except as the Board of Directors is petitioned to suspend this rule owing to extraordinary circumstances.
3. The prospective sub-lessee(s) must be interviewed and approved for occupancy by the Board.
4. An approved sub-lease will be limited to a one year period with a possible yearly extension by the Board if the circumstances warrant. At least three months prior to the end of the sub-lease, the Shareholder must petition the Board for an extension. The number of such requests is not limited but no extension may be for more than one year at a time except as extraordinary circumstances may warrant.
5. The sub-letting Shareholder shall be responsible for the sub-lessee's compliance with the Cooperative's Rules and Regulations, and for causing the sub-lessee to pay directly to the Cooperative, when due, the monthly maintenance fees and any special fee applicable to the sub-let apartment. Any additional amount charged to the sub-lessee by the Shareholder must be justified by actual expenses incurred by the Shareholder. The sub-lessee shall also post a two-months' security deposit with the Cooperative, kept current with the monthly maintenance fee of the sublet apartment. Within four weeks after moving out is completed, any charges that are incurred will be itemized as necessary with the balance returned, or the security deposit will simply be returned if no charges are warranted.
6. The Shareholder retains his/her voting rights during the sub-lease period. The sub-lessee does not have voting rights and may not be granted voting rights from a Shareholder by receiving a power of attorney. Article I, Section 6 of the Bylaws on Voting does allow a shareholder to make a non-shareholder occupant of the apartment a co-member for purposes of voting at specific meeting of the shareholders.

RULE 35: Roommates

The Board must meet and approve all roommates. For purposes of this Rule 35 and the Lease, a "roommate" shall mean and refer to any non-family member of tenant who resides in the unit for more than six (6) weeks in any twelve (12) month period.

Infractions and Eviction

RULE 36: Procedure to evaluate and respond to infractions of our House Rules or any Lease:

The Board may not impose a fine, suspend voting rights, bring an action in court to evict, or infringe upon any other rights of a member for a violation of these House Rules (as amended from time to time) or the Lease unless and until the provisions of §5-6b-30 of the Maryland Cooperative Housing Act are complied with. A copy of §5-6B-30 may be reviewed at the following location:

[https://govt.westlaw.com/mdc/Document/N8BD8CD20140911E49C8F95A707B3F193?viewType=FullText&originationContext=documenttoc&transitionType=CategoryPageItem&contextData=\(sc.Default\)&bhcp=1](https://govt.westlaw.com/mdc/Document/N8BD8CD20140911E49C8F95A707B3F193?viewType=FullText&originationContext=documenttoc&transitionType=CategoryPageItem&contextData=(sc.Default)&bhcp=1)

RULE 37: Termination of Lease and Eviction

In the event the Board of Directors determines that a violation of these House Rules and/or the Lease has occurred and the Board has complied with the procedures set forth in §5-6B-30 of the Maryland Cooperative Act, the Board may take any or all of the following actions: evict the tenant, terminate the Lease of the tenant, suspend the voting rights of the tenant, imposed a fine against the tenant, or take any other action which the Board deems reasonable in light of the nature of the violation(s).

Updated draft prepared for June 20, 2017 meeting of the Board of Directors