

## **Articles of Incorporation**

**2700-2800 Stonecliff Condominium Association Inc.**

DB

ARTICLES OF INCORPORATION

RECEIVED  
DEPARTMENT OF  
OF ASSESSMENTS & TAXATION

2700/2800 STONECLIFF CONDOMINIUM ASSOCIATION, INC.

**FIRST:** The undersigned, Bruce D. Brown, whose address is 2 Hopkins Plaza, Suite 1100, Baltimore, Maryland 21201, being over eighteen (18) years of age, hereby forms a corporation under the public general laws of the State of Maryland.

**SECOND:** The name of the corporation (which is hereinafter called the "Condominium") is:

2700/2800 STONECLIFF CONDOMINIUM ASSOCIATION, INC.

**THIRD:** The purpose for which the Condominium is formed is to provide for the care, management and operation of the condominium known as "2700/2800 Stonecliff Condominium," which condominium is intended to be established by Declaration and By-Laws intended to be recorded among the Land Records of Baltimore County, Maryland pursuant to Title 11 of the Real Property Article of the Annotated Code of Maryland (hereinafter the "Maryland Condominium Act").

In the promotion of such purpose, the Condominium shall have the power:

(a) To have perpetual existence subject to the right of the unit owners to terminate the Condominium Regime, as provided in the Maryland Condominium Act or in the Declaration;

(b) To adopt, amend and enforce Rules and Regulations;

(c) To adopt and amend budgets for revenues, expenditures and reserves and levy and collect annual and special assessments for Common Expenses from Unit Owners;

(d) To sue and be sued, and complain and defend, in any court;

(e) To transact its business, carry on its operations and exercise the powers provided in the Maryland Condominium Act, in any state, territory, district or possession of the United States and in any foreign country;

(f) To make contracts and guarantees, incur liabilities, borrow money, and to sell, mortgage, lease, pledge, exchange, convey, transfer and otherwise dispose of or encumber any part of its property and assets;

(g) To issue bonds, notes and other obligations, and secure the same by mortgage or deed of trust, on any part of its property, franchises and income;

(h) To acquire by purchase or in any other manner, and to take, receive, own, hold, use, employ, improve and otherwise deal with any property, real or personal, or any interest therein, wherever located;

(i) To hire and terminate managing agents and other employees, agents and independent contractors;

(j) To purchase, take, receive, subscribe for or otherwise acquire, own, hold, vote, use, employ, sell, mortgage, loan, pledge or otherwise dispose of and otherwise use and deal in and with, shares or other interests in, or obligations of, corporations of this State, or foreign corporations, and of associations, partnerships and individuals;

(k) To invest its funds and to lend money in any manner appropriate to enable it to carry on the operations or to fulfill the purposes named in the Declaration or By-Laws and to take and to hold real and personal property as security for the payment of funds so invested or loaned;

(l) To regulate the use, maintenance, repair, replacement and modification of the Common Elements;

(m) To cause additional improvements to be made as a part of the Common Elements;

(n) To grant easements, leases, licenses and concessions through or over the Common Elements;

(o) To impose reasonable charges for late payment of assessments, violations of the Declaration, By-Laws, and Rules and Regulations of the Condominium;

(p) To impose reasonable charges for the preparation and recordation of rules, regulations, resolutions, resale certificates or statements of unpaid assessments, and amendments to such documents and for the preparation and recordation of amendments to the Declaration, By-Laws and Condominium Plat(s);

(q) To provide for the indemnification of and maintain liability insurance for Officers, Directors, and any managing agent or other employee charged with the operation of the Condominium;

(r) To exercise any other powers conferred by the Declaration or By-Laws;

(s) To exercise any other powers necessary and proper for the governance and operation of the Condominium; and

(t) Generally to exercise the powers set forth in the Maryland Condominium Act and the Declaration, By-Laws, and to do every other matter, act or thing not inconsistent with law, which may be appropriate to promote and attain the purposes set forth in the Maryland Condominium Act, the Declaration or By-Laws, including the right to elect Directors, Officers and agents, and to define their rights, powers and duties, provided, however, that the Condominium shall not impose or receive any payment, fee or charge for the use, rental or operation of the Common Elements, other than assessments uniformly imposed against all Unit Owners.

**FOURTH:** The address of the principal office of the Condominium in this State is 8965 Guilford Road, Suite 290, Columbia, Maryland, 21046. ✓

**FIFTH:** The Resident Agent of the Condominium is Bruce D. Brown, 2 Hopkins Plaza, Suite 1100, Baltimore, Maryland 21201. Said Resident Agent is a citizen of the State of Maryland and actually resides therein. ✓

**SIXTH:** The Condominium is not authorized to issue capital stock. The membership of the Condominium shall consist of the record owners, as such term is defined in the Declaration, of all Units now or hereafter contained in the Condominium.

**SEVENTH:** The Condominium shall have an initial three member Board of Directors. The number of Directors may be increased or decreased in accordance with the By-Laws of the Condominium but shall never be less than the minimum number required by the applicable provisions of the Corporations and Associations Article of the Annotated Code of Maryland. The names of the Directors who shall act as such until the first annual meeting of the Members of the Condominium and until their successors are duly chosen and qualify are:

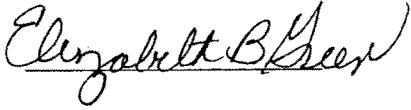
**David Meacham  
Edwin Howe  
David Roesler**

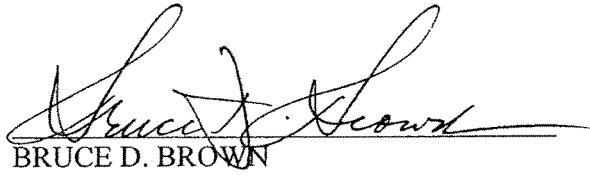
**EIGHTH:** Except as the Corporations and Associations Article of the Annotated Code of Maryland may otherwise provide, the Condominium shall indemnify any person against reasonable expenses in connection with any action, suit or proceeding to which he was made a party by reason of his serving or having served either the Condominium or any other entity at the request of the Condominium, in any capacity, while an Officer or Director of the Condominium unless such persons shall have been adjudicated to have committed gross misconduct or intentional torts. Except as the By-Laws may otherwise provide, no other indemnification shall be provided for any Officer or Director and no indemnification shall be provided for any employee or agent of the Condominium or any other entity, unless the Board of Directors shall, in its discretion and subject to the By-Laws, so direct.

**IN WITNESS WHEREOF,** I have signed these Articles of Incorporation, and I acknowledge the same to be my act on this 12 day of September 2006.



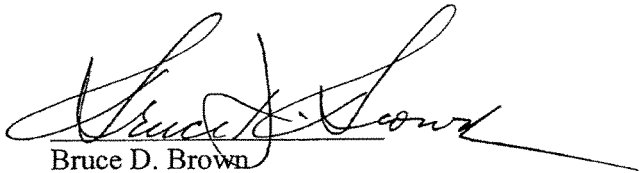
WITNESS:





BRUCE D. BROWN  
2 Hopkins Plaza, Suite 1100  
Baltimore, Maryland 21201

I hereby consent to act as resident agent in Maryland for the entity named in the attached instrument.



Bruce D. Brown

**RETURN TO:**  
**BRUCE D. BROWN, ESQUIRE**  
**2 Hopkins Plaza, Suite 1100**  
**Baltimore, Maryland 21201**  
**(410) 539-6606**

2100.012\2700-2800.Stonecliff\Articles.83006

CUST ID:0001845673  
WORK ORDER:0001288711  
DATE:09-13-2006 06:12 PM  
AMT. PAID:\$1,000.00

# CORPORATE CHARTER APPROVAL SHEET

**\*\* KEEP WITH DOCUMENT \*\***

DOCUMENT CODE 02

BUSINESS CODE 04

# \_\_\_\_\_

Close \_\_\_\_\_

Stock \_\_\_\_\_

Nonstock ☒

P.A. \_\_\_\_\_

Religious \_\_\_\_\_

Merging (Transferor) \_\_\_\_\_

Surviving (Transferee) \_\_\_\_\_



1000361993933641

ID # 011610532 ACK # 1000361993933641  
LIBER: B01036 FOLIO: 0142 PAGES: 0005  
2700/3000 STONECLIFF CONDOMINIUM ASSOCIATION, INC.

MAIL  
BACK

09/13/2006 AT 08:54 A WO # 0001288711

New Name \_\_\_\_\_

## FEES REMITTED

Base Fee: 100

Org. & Cap. Fee: 20

Expedite Fee: \_\_\_\_\_

Penalty: \_\_\_\_\_

State Recordation Tax: \_\_\_\_\_

State Transfer Tax: \_\_\_\_\_

Certified Copies \_\_\_\_\_

Copy Fee: \_\_\_\_\_

Certificates \_\_\_\_\_

Certificate of Status Fee: \_\_\_\_\_

Personal Property Filings: \_\_\_\_\_

Other: \_\_\_\_\_

TOTAL FEES: 120

Change of Name \_\_\_\_\_

Change of Principal Office \_\_\_\_\_

Change of Resident Agent \_\_\_\_\_

Change of Resident Agent Address \_\_\_\_\_

Resignation of Resident Agent \_\_\_\_\_

Designation of Resident Agent \_\_\_\_\_

and Resident Agent's Address \_\_\_\_\_

Change of Business Code \_\_\_\_\_

Adoption of Assumed Name \_\_\_\_\_

Other Change(s) \_\_\_\_\_

Code 199

Attention: \_\_\_\_\_

Credit Card \_\_\_\_\_

Check ☒

Cash \_\_\_\_\_

8 Documents on 8 Checks

Approved By: 02

Keyed By: 05

COMMENT(S): \_\_\_\_\_

Mail to Address:

SISKIND, GRADY, ROSEN, HOOVER & LEVIN,  
BRUCE D BROWN ATTY AT LAW  
STE 1100  
2 HOPKINS PLZ  
BALTIMORE MD 21201-2930

CUST ID: 0001845673  
WORK ORDER: 0001288711  
DATE: 09-13-2006 06:12 PM  
AMT. PAID: \$1,000.00

Stamp Work Order and Customer Number HERE

## **Budget**

**2700-2800 Stonecliff Condominium Association Inc.**

Tidewater Property Management  
3706 Crondall Lane  
Suite 105  
Owings Mills MD 21117

APPROVED BUDGET 2016	Account Number	January	February	March	April	May	June	July	August	September	October	November	December	Total Year Budget
Association Fees	41000	(56,832)	(56,832)	(56,832)	(56,832)	(56,832)	(56,832)	(56,832)	(56,832)	(56,832)	(56,832)	(56,832)	(56,832)	(681,984)
Late Charge Fees	44000	(21)	(21)	(21)	(21)	(21)	(21)	(21)	(21)	(21)	(21)	(21)	(19)	(250)
Interest Income	45500	(625)	(625)	(625)	(625)	(625)	(625)	(625)	(625)	(625)	(625)	(625)	(625)	(7,500)
Bad Debt	50050	592	592	592	592	592	592	592	592	592	592	592	592	7,104
Legal	50300	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,663	20,000
Tax Return/Audit	50350	125	125	125	125	125	125	125	125	125	125	125	125	1,500
Village Fees	50650	6,720	6,720	6,720	6,720	6,720	6,720	6,720	6,720	6,720	6,720	6,720	6,720	80,640
Master Association Contributio	50800	10,752	10,752	10,752	10,752	10,752	10,752	10,752	10,752	10,752	10,752	10,752	10,752	129,024
Management Fee	51050	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
Office Expense	51150	83	83	83	83	83	83	83	83	83	83	83	87	1,000
Miscellaneous Administrative	51200	42	42	42	42	42	42	42	42	42	42	42	38	500
Contingency	51350	2,042	2,042	2,042	2,042	2,042	2,042	2,042	2,042	2,042	2,042	2,042	2,038	24,500
Committee Supplies	51830	42	42	42	42	42	42	42	42	42	42	42	38	500
Recreational/Social	51850	308	308	308	308	308	308	308	308	308	308	308	312	3,700
Building Operations Committe	52011	42	42	42	42	42	42	42	42	42	42	42	38	500
Engineering Services	52350	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,663	20,000
Cleaning	53305	375	375	375	375	375	375	375	375	375	375	375	375	4,500
Electric	55000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	48,000
Telephone	56250	500	500	500	500	500	500	500	500	500	500	500	500	6,000
Trash Removal	56300	625	625	625	625	625	625	625	625	625	625	625	625	7,500
Water and Sewer	56500	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	15,000
Landscape Enhancement	60470	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	15,000
Snow Removal	62850	42	42	42	42	42	42	42	42	42	42	42	38	500
Elevator Contract	65000	1,083	1,083	1,083	1,083	1,083	1,083	1,083	1,083	1,083	1,083	1,083	1,087	13,000
Elevator Repairs & Maintenance	65050	250	250	250	250	250	250	250	250	250	250	250	250	3,000
Elevator Inspection	65100	58	58	58	58	58	58	58	58	58	58	58	62	700
Janitorial Services	65250	3,083	3,083	3,083	3,083	3,083	3,083	3,083	3,083	3,083	3,083	3,083	3,087	37,000
Window Cleaning	65500	1,167	1,167	1,167	1,167	1,167	1,167	1,167	1,167	1,167	1,167	1,167	1,163	14,000
HVAC Contract	65600	400	400	400	400	400	400	400	400	400	400	400	400	4,800
HVAC Maintenance	65650	417	417	417	417	417	417	417	417	417	417	417	413	5,000
Entry System Maintenance	65900	333	333	333	333	333	333	333	333	333	333	333	337	4,000
Fire Safety Maintenance and Re	66100	167	167	167	167	167	167	167	167	167	167	167	167	2,000
Fire Safety Test & Inspection	66110	650	650	650	650	650	650	650	650	650	650	650	650	7,800
Fire Safety Monitoring	66120	106	106	106	106	106	106	106	106	106	106	106	106	1,272
Garage System Repairs	66600	250	250	250	250	250	250	250	250	250	250	250	250	3,000
Repairs & Maintenance Interior	67050	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	30,000
Interior Decorating	67052	500	500	500	500	500	500	500	500	500	500	500	500	6,000
Extermination	67850	167	167	167	167	167	167	167	167	167	167	167	163	2,000
Insurance	80000	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,894	34,794
Insurance Deductible	80350	417	417	417	417	417	417	417	417	417	417	417	413	5,000
Property Tax	81200	33	33	33	33	33	33	33	33	33	33	33	37	400
Income Tax	81250	125	125	125	125	125	125	125	125	125	125	125	125	1,500
Reserves	97000	8,750	8,750	8,750	8,750	8,750	8,750	8,750	8,750	8,750	8,750	8,750	8,750	105,000

## **Bylaws**

**2700-2800 Stonecliff Condominium Association Inc.**

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**BY-LAWS**

**2700/2800 STONECLIFF CONDOMINIUM ASSOCIATION, INC.**

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## BY-LAWS

### 2700/2800 STONECLIFF CONDOMINIUM ASSOCIATION, INC.

#### ARTICLE I

##### Name, Location and Function

Section 1. **Name and Location.** The name of the Condominium is 2700/2800 Stonecliff Condominium Association, Inc. The principal office and mailing address of the Council of Unit Owners is 8965 Guilford Road, Suite 290, Columbia, Maryland, 21046, or such other office and address as the Board of Directors shall periodically determine. Pursuant to the provisions of Paragraph 18 of the Declaration, and in accordance with the provisions of Section 11-109 of the Real Property Article of the Annotated Code of Maryland (hereinafter the "Maryland Condominium Act" or the "Act"), the affairs of the Condominium shall be governed and administered by 7305 Brookview Condominium Association, Inc., an entity incorporated as a non-stock corporation under the provisions of the Corporations and Associations Article of the Annotated Code of Maryland.

#### ARTICLE II

##### Definitions

Section 1. **Declaration.** "Declaration" as used herein means that certain Declaration made the 7<sup>th</sup> day of June, 2008, by Beazer Homes Corp. pursuant to Section 11-101 et seq., of the Act as amended, by which certain described property was submitted to a Condominium Regime (hereinafter called the "Regime") and which Declaration is recorded among the Land Records of Baltimore County, Maryland, immediately prior hereto.

Section 2. **Mortgage, Mortgagee and Holder.** As used throughout these By-Laws the term "Mortgage" shall include deed of trust and the term "Holder" or "Mortgagee" shall include the party secured by any deed of trust, any beneficiary thereof and the Trustees named therein, their successors and assigns.

Section 3. **Other Definitions.** Unless it is plainly evident from the context that a different meaning is intended, all other terms used herein shall have the same meaning as they are defined to have in the Declaration or in the Act.

## ARTICLE III

### Ownership

Section 1. **Owners.** Every person, group of persons, corporation, trust or other legal entity, or any combination thereof, which owns a Condominium Unit within this Regime as the same is constituted from time to time, shall be a member of the Council of Unit Owners (hereinafter called the "Council"); provided, however, that any person, group of persons, general partnership, limited partnership, corporation, trust or other legal entity, or any combination thereof, which holds such interest solely as security for the performance of an obligation shall not be deemed a Unit Owner.

Section 2. **By-Laws Applicability.** The provisions of these By-Laws are applicable to the Regime. The terms "Condominium Regime" or "Regime" as used herein shall include the land, as well as the improvements thereon. In construing these By-Laws, and the government of the Regime pursuant thereto, the provisions of the Corporations and Associations Article of the Annotated Code of Maryland pertaining to the government of non-stock corporations, shall be considered as governing to the extent not inconsistent with the provisions of the Act, the Declaration and these By-Laws.

## ARTICLE IV

### Meeting of Council of Unit Owners

Section 1. **Place of Meetings.** Meetings of the Council shall be held at the principal office or place of business of the Regime or at such other suitable place convenient to the Council as may be designated by the Board of Directors.

Section 2. **Annual Meetings.** The Organizational and First Meeting of the Council of this Regime shall be held within sixty (60) days after the date on which fifty percent (50%) of the votes in the Condominium have been conveyed to purchasers for value, but in no event later than December 31, 2008. Thereafter, annual meetings of the Council shall be held on the second Tuesday in March of each succeeding year or such other date as is hereafter determined by the Board of Directors. At such meeting there shall be elected by ballot of the Residential Unit Owners, a Board of Directors in accordance with the requirements of Section 5 of Article V of these By-Laws. The Council may also transact such other business of the Regime as may properly come before it. All meetings of the Council shall be open except as otherwise provided by the Act.

Section 3. **Special Meetings.** It shall be the duty of the President to call a special meeting of the Council as directed by resolution of the Board of Directors or upon a petition signed by Residential Unit Owners representing at least twenty-five percent (25%) of the total votes of the Regime, as then constituted, having been presented to the Secretary. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 4. **Notice of Meetings.** It shall be the duty of the Secretary or his agent to deliver or mail (by first class postage pre-paid) a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Unit Owner of record, at his address as it appears in the permanent records of the Regime on the date of the notice, or if no such address appears, at his last known address. Notice shall be delivered or mailed not less than ten (10) nor more than ninety (90) days prior to such meeting, unless the Act provides for a shorter period of time, in which case the Act will control. Attendance by a Unit Owner at any meeting of the Council shall be a waiver of notice by such unit owner of the time, place and purpose of such meeting.

Section 5. **Quorum.** The presence, either in person or by proxy, of Residential Unit Owners representing at least twenty-five percent (25%) of the total votes of the Regime, as then constituted, shall be requisite for and constitute a quorum for the transaction of business at all meetings of the Council. If the number of votes at a meeting drops below the quorum during the meeting, no business may thereafter be transacted.

Section 6. **Voting.** At every meeting of the Council, each Residential Unit Owner shall have the right to cast the number of votes held by such Unit Owner under the provisions of the Declaration. The votes established in Paragraph 12 of the Declaration shall be determine voting rights of all Unit Owners. The majority vote of the Residential Unit Owners present and voting, representing fifty-one percent (51%) of the votes at that meeting, shall decide the question presented, unless the question is one upon which, by express provision of the Act, the Declaration or these By-Laws, a different vote is required, in which case such express provision shall govern and control. No Residential Unit Owner shall be eligible to vote at any annual or special meeting of the Council, or be elected to an office or to the Board of Directors against whom the Council has recorded a Statement of Condominium Lien on his Residential or Storage Unit and the amount necessary to release the Lien has not been paid at the time of the meeting.

Section 7. **Proxies.** A Residential Unit Owner may appoint any other Unit Owner, the Developer (as defined in the Declaration), management agent, mortgagee, attorney, lessee or any other person as his proxy. Any proxy must be in writing and filed with the Secretary, and is revocable at any time by the Unit Owner granting it. A proxy not appointed to vote as directed may only be appointed and used for purposes of meeting quorums and for voting on general matters of business before the Council, and not for purposes of election of officers and members of the Board. Only proxies containing a designation of candidates to be voted for may be used during an election of officers or members of the Board.

## ARTICLE V

### Directors

Section 1. **Number and Qualification.** The affairs of the Regime shall be governed by the Board of Directors (hereinafter called the "Board") composed of three (3) persons, which number may be

increased by the Council. After the Organizational and First Meeting of the Council, a majority of the Board shall be Residential Unit Owners.

Section 2. **Initial Directors.** The Initial Directors shall be selected by the Developer and need not be Residential Unit Owners. The names of the Directors who shall act as such from the date upon which the Declaration is recorded among the Land Records of Baltimore County, Maryland until such time as their successors are duly chosen and qualified are as follows: J. Michael Breen, Alfred R. Guerieri, Jr. and Rob Shapiro. These Directors shall serve until the Organizational and First Meeting of the Council, at which time the Residential Unit Owners shall elect a Board, all as prescribed herein. Initial Directors may be removed and their successors appointed by the Developer, its successors and assigns, or any Trustees or Beneficiaries under Deeds of Trust, in possession.

Section 3. **Powers and Duties.** The Board shall have the powers and duties necessary for the administration of the affairs of the Regime and may do all such acts and things as are not, by law or by these By-Laws, directed to be exercised and done by the Council. The powers and duties of the Board shall include, but not be limited to, the following:

(a) To provide for the care and upkeep of the Regime, as it is constituted from time to time, and its Common Elements, in a manner consistent with law and the provisions of these By-Laws and the Declaration;

(b) To grant easements, rights-of-way, licenses, leases in excess of one (1) year or similar interests for the provision of communication systems, sewer lines, water lines, electrical cables, telephone cables, gas lines, storm drains, T.V. antennas, underground conduits and/or such other purposes related to the provision of public utilities to the Regime; for any other purpose as may be considered necessary and appropriate by the Board for the orderly maintenance, reservation and enjoyment of the Common Elements; or for the preservation of the health, convenience and/or welfare of the Unit Owners and the Developer. Nothing in this Section shall enlarge the authority granted to the Board by the Act and all actions of the Board shall be in conformity with the Act;

(c) To establish and provide for the collection of assessments and fines from the Unit Owners, if levied, and for the assessment and/or enforcement of liens therefor in a manner consistent with the Act, the Maryland Contract Lien Act, and the provisions of these By-Laws and the Declaration;

(d) To designate, hire and/or dismiss personnel necessary for the good working order of the Regime and for the proper care of the Common Elements and to provide services for the Regime in a manner consistent with all applicable State, and local law, the Declaration and these By-Laws; and

(e) To promulgate and enforce such Rules, and such restrictions or requirements, as may be deemed necessary respecting the use, occupancy and maintenance of the Regime, the Units, and the General and Limited Common Elements, to prevent unreasonable interference with the use and occupancy of the Regime and of the General and Limited Common Elements by the Unit Owners, all

of which shall be consistent with all applicable State and local law, the Declaration and these By-Laws.

(f) Pursuant to the provisions of the Greenspring Quarry Association By-Laws, to elect the Director which will represent the Condominium on the Board of Directors of the Master Association.

Section 4. **Management Agent.** The Board of Directors shall employ for the Regime a professional Management Agent at a rate of compensation established by the Board to perform such duties and services as the Board shall authorize, including, but not necessarily limited to, the duties set out in subsections (a) and (d) of Section 3 of this Article. The Council shall not undertake self-management or otherwise fail to employ a professional management agent.

Section 5. **Elections and Terms of Office.** The terms of the Directors named herein shall expire when their successors have been elected at the Organizational and First Meeting of the Council and are duly qualified. At the Organizational First Meeting of the Council, the term of office of the Director receiving the greatest number of votes shall be fixed for two (2) years and the Directors receiving the second and third greatest number of votes shall be fixed at one (1) year. At the expiration of the initial term of office of each respective Director, his successor shall be elected to serve a term of two (2) years. The Directors shall hold office until their successors have been elected and hold their first meeting.

Section 6. **Vacancies.** Vacancies on the Board caused by any reason other than the removal of a Director by a vote of the Council shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum; and each person so elected shall be a Director until a successor is elected by the Council at the next annual meeting.

Section 7. **Removal of Directors.** At any duly called regular or special meeting, any Director may be removed with or without cause by the affirmative vote of the majority of the entire Council and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the Council shall be given an opportunity to be heard at the meeting. The term of any Director who has a Statement of Lien recorded against the Unit owned by him shall be automatically terminated and the remaining Directors shall appoint his successor as provided in Section 6 of this Article.

Section 8. **Compensation.** Except for those Directors named in Section 2 of this Article, and any of their successors elected prior to the Organizational and First Meeting of the Council, no remuneration shall be paid to any Director who is also a Unit Owner for services performed by him for the Regime in any other capacity, unless a resolution authorizing such remuneration shall have been adopted by the Board before the services are undertaken.

Section 9. **Organizational Meeting.** The First Meeting of a newly elected Board shall be held within ten (10) days of election at such place as shall be fixed by the Directors at the meeting at which such Directors were elected, and no notice shall be necessary to the newly elected Directors in



order legally to constitute such meeting, provided a majority of the entire Board is present, provided that notice was given to the Unit Owners.

Section 10. **Regular Meetings.** At least annually, the Board shall send each Unit Owner notice of the dates of its meetings. All meetings of the Board shall be open, except as provided in the Act. Regular meetings of the Board may be held at such time and place as shall be determined, from time to time, by a majority of the Directors, but at least two (2) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board shall be given to each Director, personally or by mail or telephone, at least three (3) days prior to the day named for such meeting.

Section 11. **Special Meetings.** Special meetings of the Board may be called by the President on the giving of three (3) days notice to each Director and the Unit Owners, personally or by mail or telephone which notice shall state the time, place and purpose of the meeting. Special meetings of the Board shall be called by the President or Secretary in like manner and on like notice upon the written request of at least two (2) Directors.

Section 12. **Waiver of Notice.** Before or at any meeting of the Board, any Directors may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time, place and purpose thereof.

Section 13. **Quorum.** At all meetings of the Board, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board. If at any meeting of the Board there is less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such meeting, following an adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 14. **Fidelity Bonds.** The Board shall require that all Management Agents, officers and employees of the Council handling or responsible for Council or trust funds shall furnish adequate fidelity bonds with a corporate surety satisfactory to the Board and in amounts equal to or in excess of the total of six (6) months assessments on all Units and the sum of the reserve fund established pursuant to Article IX, Section 3 of these By-Laws. The premiums on such bonds shall be paid by the Council, except that any fidelity bonds required to be provided by any Management Agent as a condition of employment for management of the Condominium may be required by the Board, in its discretion, to be paid by the Management Agent. The Council shall be named as obligee (or as an additional obligee in the case of a Management Agent's bond) under the bond. Any such fidelity bond must include a provision requiring ten days' written notice to the Council and each Mortgagee before cancellation or substantial modification.

Section 15. **Nominations.** At least sixty (60) days before each annual meeting of the Board, the President shall appoint a Nominating Committee of three (3) Unit Owners, at least one of whom shall not then be a Director. Such Nominating Committee, after considering the qualifications of respective nominees shall select one or more nominees for each directorship to be filled at such

annual meeting, and shall present its nominations to the Secretary not later than fifteen (15) days before such annual meeting. Also, not less than forty-five (45) days prior to the delivery of the notice of meeting, a call for nominations shall be sent to all Residential Unit Owners. Any Unit Owner may nominate a candidate for each directorship to be filled at any annual meeting by presenting such nomination to the Secretary in writing signed by such Residential Unit Owners. By not later than fifteen (15) days before the date of such annual meeting, each Residential Unit Owner and proxy holder shall be furnished a written list of all such nominees for directorships and shall be furnished with a ballot for the directorial election. A Residential Unit Owner may nominate himself or any other Unit Owner to be a member of the Board of Directors. Only nominations made at least fifteen (15) days before notice of an election shall be listed on the election ballot. Candidates shall be listed on the ballot in alphabetical order, with no indicated candidate preference. Nominations may be made from the floor of the meeting at which the election to the Board is held. Election materials prepared with funds of the Council of Unit Owners shall list the candidates in alphabetical order and may not indicate a candidate preference.

## ARTICLE VI

### Officers

Section 1. **Designation.** The principal officers of the Council shall be a President, a Vice President, and a Secretary/Treasurer, all of whom shall be elected by the Board. Officers elected by the initial Directors need not be Unit Owners. After the Organizational and First Meeting of the Council, the Board may elect officers who need not be Unit Owners, except that the President must always be a Residential Unit Owner. The Directors may appoint an assistant secretary and an assistant treasurer and such other officers as in their judgment may be necessary.

Section 2. **Election of Officers.** The officers of the Council shall be elected annually by the Board at the organizational meeting of each new Board and shall hold office until their successors are duly elected and installed.

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

Section 4. **President.** The President shall be the chief executive officer of the Council and a member of the Board. He shall preside at all meetings of the Council and the Board. He shall have all of the general powers and duties which are usually vested in the office of President of a corporation, including but not limited to the power to appoint committees from among the Unit Owners, or other persons whom he feels are qualified, from time to time, as he may in his discretion decide is appropriate, to assist in the conduct of the affairs of the Council.

Section 5. **Vice President.** The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice

President is able to act, the Board shall appoint some other member of the Board to do so on an interim basis. The Vice President shall also perform such other duties as shall, from time to time, be imposed upon him by the Board.

Section 6. **Secretary**. The Secretary shall keep the minutes of all meetings of the Board and the Council, and shall have charge of the permanent records of the Council and such other books and papers as the Board may direct; and shall, in general, perform all the duties incidental to the office of Secretary, including counting the votes at meetings of the Council. In the Secretary's absence, the President shall designate some other person to count such votes.

Section 7. **Treasurer**. The Treasurer shall have responsibility for Council funds and securities, and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Council. The Treasurer shall be responsible for the deposit of all monies and other valuable effects in the name and to the credit of the Council in such depositories as may from time to time be designated by the Board. The Board may delegate any or all of these duties to a Management Agent or banking institution.

Section 8. **Compensation**. The Board shall have the power to fix the compensation for all officers of the Council who are not Unit Owners but shall have the power to fix the compensation for all officers of the Council who are Unit Owners only with the approval of the Council.

## ARTICLE VII

### Liability and Indemnification of Officers and Directors

Section 1. **Liability and Indemnification of Officers and Directors**. The Council shall indemnify every officer and Director of the Council against any and all expenses, including counsel fees, reasonably incurred by or imposed upon any officer or Director in connection with any action, suit or other proceeding, including the settlement of any such suit or proceeding if approved by the then Board to which he may be made a party by reason of being or having been, an officer or Director of the Council, whether or not such person is an officer or Director at the time such expenses are incurred. The officers and Directors of the Council shall be liable to the Council and the Unit Owners for any negligence, including their own individual willful misconduct or bad faith, but shall not be liable for mistakes of judgment or otherwise if made in good faith. The officers and Directors shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Council, except to the extent that such officers or Directors may also be Unit Owners, and the Council shall indemnify and forever hold each such officer and Director free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer or Director of the Council, or former officer or Director of the Council, may be entitled by law or statute.

Section 2. **Common or Interested Directors.**

(a) The Directors shall exercise their powers and duties in good faith and with a view to the interest of the Council.

(b) For so long as the Developer elects one or more Directors to the Board, no contract or other transaction between the Council and one or more of its Directors, or between the Council and any corporation, firm or association, including the Developer, in which one or more of the Directors are directors or officers, or are pecuniarily or otherwise interested, is either void or voidable because such Director or Directors are present at the meeting of the Board, or any committee thereof, which authorizes or approves the contract or other transaction, or because his or their votes are counted for such purpose, if any of the conditions specified in any of the following subparagraphs exist:

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

(2) The fact of the common directorate, office or interest is disclosed or known to the Unit Owners, or a majority thereof, and they approve or ratify the contract or other transaction in good faith by a vote sufficient for the purpose; or

(3) The contract or other transaction is commercially reasonable to the Council at the time it is authorized, ratified, approved or executed.

(c) For so long as the Developer elects one or more Directors to the Board, common or interested Directors may be counted in determining the presence of a quorum of any meeting of the Board, or any committee thereof, which authorizes, approves or ratifies any contract or other transaction, and may vote thereat to authorize any contract or other transaction with like force and effect as if he were not such director or officer of such other corporation or not so interested.

## **ARTICLE VIII**

### **Management**

Section 1. **Management and Common Expenses.** The Board shall manage, operate and maintain the Regime and, for the benefit of the Units and the Unit Owners thereof, shall enforce the provisions of these By-Laws and may pay out of the Common Expenses the following, which itemization shall not act as a limitation on the Board:

(a) The cost of providing water, sewer, garbage and trash collection, electrical and other necessary utility services for the Common Elements.

(b) The cost of providing water to the Units, to the extent not separately sub-metered and billed to the Units by any utility provider.

(c) The cost of fire and extended liability insurance on the Common Elements and the cost of such other insurance as the Board or the Council may elect.

(d) The cost of the services of a person or firm to manage the Regime to the extent deemed advisable by the Council, together with the services of such other personnel as the Board or the Council shall consider necessary for the operation of the Regime.

(e) The cost of providing such legal and accounting services as may be considered necessary for the operation of the Regime.

(f) The cost of maintaining, replacing, repairing and landscaping the Common Elements, including such furnishings and equipment for the General Common Elements as the Board shall determine are necessary and proper, and the Board shall have the exclusive right and duty to acquire the same; provided, however, that nothing herein contained shall require the Council to paint, repair, or otherwise maintain any Unit or Limited Common Element or any fixtures or equipment located thereon or therein, except to the extent that such repair is a covered casualty under any insurance policies maintained by the Council.

(g) The cost of any and all other materials, supplies, labor, services, maintenance, repairs, taxes, assessments or the like which the Council is required to secure, to pay for by law, or otherwise, or which in the discretion of the Board shall be necessary or proper for the operation of the Common Elements; provided, however, that if any of the aforementioned are provided or paid for the benefit of a particular Unit or Units, the cost thereof shall be specially assessed to the Unit Owner or Owners thereof in the manner provided in Section 1(h) of this Article.

(h) The cost of the maintenance or repair of any Unit or Limited Common Element serving a Unit in the event such maintenance or repair is reasonably necessary in the discretion of the Board to protect the General and Limited Common Elements or to preserve the appearance or value of the Regime or is otherwise in the interest of the general welfare of all Unit Owners; provided, however, that, except in cases involving manifest danger to public safety or property, no such maintenance or repair shall be undertaken without a resolution by the Board and not without reasonable written notice to the Owner of the Unit or Limited Common Element serving the Unit proposed to be maintained or repaired; and, provided, further, that the cost thereof shall be assessed against the Unit on which such maintenance or repair is performed or against the Unit served by the Limited Common Elements on which such maintenance or repair is performed and, when so assessed, a statement for the amount thereof shall be rendered promptly to the Owner of said Unit at which time the assessment shall become due and payable and a continuing lien and obligation of said Unit Owner as provided in Article IX of these By-Laws.

(i) Any amount necessary to discharge any lien or encumbrance levied against the Regime or any portion thereof, which may, in the opinion of the Board, constitute a lien against any of the

General or Limited Common Elements rather than the interest of the Unit Owner of any individual Unit.

Section 2. **Management Agent.** The Board shall employ a professional Management Agent at a rate of compensation established by the Board. The Council shall not undertake self-management or otherwise fail to employ a professional Management Agent. The Board may delegate such of its duties, powers or functions to the Management Agent, as the Board shall authorize, provided that such delegation may be terminated by either party without cause or payment of a termination fee on a maximum of thirty (30) days written notice and any such contract shall have a maximum term of one (1) year.

Section 3. **Duty to Maintain.** Subject to the provisions of the Declaration, the Owner of each Unit shall, at his own expense, maintain, repair and replace his Unit and any and all equipment, appliances or fixtures situated within the Unit, its other appurtenances and maintain, repair and replace Limited Common Elements serving his Unit in good order, condition and repair, in a clean and sanitary condition, and shall do all redecorating, painting, and the like which may at any time be necessary to maintain the good appearance of his Unit, such appurtenances and the Limited Common Elements serving his Unit. In addition to the foregoing, each Unit Owner shall, at his own expense, maintain, repair and replace those items referenced in Paragraphs 6 and 8 of the Declaration; and all Unit Owners shall, at their own expense, maintain, repair and replace any vents, plumbing fixtures; heating and air conditioning equipment; condensers; interior lighting fixtures; refrigerators; freezers; dishwashers; washers and dryers; disposals; trash compactors; ranges and/or other equipment that may be in, or appurtenant to such Unit and which serve only that Unit.

Section 4. **Right of Entry.** Each Unit Owner shall and does hereby grant a right of entry to any person authorized by the Board in case of any emergency originating in, or threatening his Unit, whether the Unit Owner is present at the time or not and also for the purpose of maintaining said Unit or Limited Common Elements serving the unit as provided in Section 1(g) hereof. In addition, each Unit Owner shall and does hereby grant right of entry to any person authorized by the Board to provide extermination or other services or repairs necessary to maintain the Regime, including Units, in a clean and sanitary condition. Except in the event of emergency situations, the Board shall provide reasonable notice to Unit Owners prior to exercising such right of entry. Exercise of the right of entry shall not be a trespass by the Council, Board, Management Agent, contractors and/or employees.

## ARTICLE IX

### Condominium Assessments

#### Section 1. **Annual Condominium Assessments.**

(a) From and after the recordation of the Declaration and these By-Laws, each Residential Unit Owner shall pay to the Council, monthly, in advance, a sum equal to one-twelfth (1/12) of the

Residential Unit Owner's proportionate share of the sum required by the Council pursuant to the Percentage Interests in Common Expenses and Common Profits as set forth in the Declaration (hereinafter called "Assessments"), to meet its annual budget, including, but in no way limited to, the following:

(1) The cost of all operating expenses of the Regime as the same may be constituted from time to time, and services furnished, including charges by the Council for facilities and services furnished by it;

(2) The cost of necessary management and administration, including fees paid to any Management Agent;

(3) The amount of all taxes and assessments levied against the Council or upon any property which it is otherwise required to pay, if any;

(4) The cost of public liability, fire and extended coverage insurance on the Common Elements and the cost of such other insurance as the Council or the Board may effect;

(5) The cost of furnishing water, electricity, heat, gas, garbage and trash collection and/or utilities, to the extent furnished by or billed to the Council, either for the benefit of the Common Elements or Units;

(6) The cost of funding all reserves established by the Council, including, when appropriate, a general operating reserve and/or reserve for replacements;

(7) The estimated cost of repairs, maintenance and replacements of the Regime, including General Common Elements, to be made by the Council.

(b) From and after the recordation of the Declaration and these By-Laws, each Storage Unit Owner shall pay to the Council, monthly, in advance, a sum equal to one-twelfth (1/12) of the Storage Unit Owner's one-quarter (1/4) share of the sum required by the Council to maintain, repair, and/or replace the three (3) Storage Units located upon the Property. The annual budget of the Council shall include a separate line item for the maintenance, repair and replacement of the Storage Units, which expenses may include, but are not limited to, the following:

(1) The cost of all necessary utilities, management and administration, including fees paid to any Management Agent, exclusively on behalf of the Storage Units;

(2) The cost of repairs, maintenance and replacements of the Storage Units, exclusively to the extent such costs of maintenance, repair and replacement is borne by the Council.

(c) Each Unit Owner shall pay to the Council, monthly, the amount of any fine levied against him by the Board in accordance with the procedures in these By-Laws, and such fine shall be a lien in the same manner as if it were a Common Expense.

(d) The Board shall determine the amount of the Assessment and Storage Assessment annually by preparation and adoption of an annual proposed budget as provided in Section 11-109.2 of the Act. A copy of the proposed budget shall be delivered to each Unit Owner at least thirty (30) days prior to its adoption. The budget shall be amended only in accordance with the Section of the Act aforesaid.

(e) The omission of the Board, before the expiration of any budgetary period, to adopt a budget hereunder for that or the next period, shall not be deemed a waiver or modification of the provisions of this Article or the Act, or a release of assessment installments for that or any subsequent budget period, but the budget fixed for the preceding period shall continue until a new budget is fixed. No Unit Owner may exempt himself from liability for assessments by a waiver of the use or enjoyment of any of the Common Elements, or by abandonment of any Unit belonging to him. Expenditures increasing the annual Assessments in excess of fifteen percent (15%) during any singular fiscal year may only be levied as provided in the Act.

(f) The enumeration of the rights of the Council and Board contained in this Article IX is made in furtherance, and not in limitation, of the rights and remedies conferred by law upon the Council, or the Board, to collect the Common Expenses or enforce any lien against any Unit, and is not intended, by mention of any particular right or remedy, to limit or restrict the Council, or the Board, which shall have all powers and rights necessary or convenient for collection of the Common Expenses.

Section 2. **Special Assessments.** In addition to the Assessment and Storage Assessment authorized by this Article, the Council may levy in any assessment year a special assessment or assessments, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement located upon the Regime, as then constituted, including the necessary fixtures and personal property related thereto, or for such other purpose as the Board may consider appropriate, provided that any such assessment shall have the assent of Residential Unit Owners representing fifty-one percent (51%) of the total votes of the Regime. A meeting of the Residential Unit Owners shall be duly called for this purpose, written notice of which shall be sent to all owners at least ten (10) days, but not more than ninety (90) days, in advance of such meeting, which notice shall set forth the purpose of the meeting.

Section 3. **Reserve for Replacements.** The Council shall establish and maintain a reserve fund for replacements by the allocation and payment monthly to such reserve fund of an amount to be designated, from time to time, by the Board and which shall not be less than five percent (5%) of the aggregate monthly installments levied pursuant to the provisions of this Article. Such fund shall be conclusively deemed to be a Common Expense. Such funds shall be deposited in a special account with a lending institution, the accounts of which are insured by an agency of the United States of America, or may, in the discretion of the Board, be invested in the obligations of, or fully guaranteed as to principal by, the United States of America, states, municipalities, or counties thereof. The reserve for replacements may be expended only for the purpose of effecting the repair and/or



replacement of the Common Elements and equipment of the Regime and for operating contingencies of a non-recurring nature. The amounts required to be allocated to the reserve for replacements may be reduced, by appropriate resolution of the Board upon the accumulation in such reserve fund of a sum equal to twenty percent (20%) of the full replacement value of the Regime as full replacement value is annually determined by the Board for fire insurance purposes. The proportionate interest of any Unit Owner in any reserve for replacements shall be considered an appurtenance of his Unit and shall not be separately withdrawn, assigned, transferred or otherwise separated from the Unit to which it appertains, and shall be deemed to be transferred with such Unit.

**Section 4. Non-Payment of Assessment.**

(a) A Unit Owner shall be liable for all assessments, or installments thereof, and fines or other charges coming due while he is the owner of a Unit. In a voluntary grant the grantee shall be jointly and severally liable with the grantor for all unpaid assessments, fines or other charges against the grantor for his share of the Common Expenses up to the time of the voluntary grant for which a Statement of Condominium Lien is recorded, without prejudice to the rights of the grantee to recover from the grantor the amounts paid by the grantee for such assessments.

(b) All assessments, fines, or other charges, until paid, together with interest at the maximum rate permitted on them, actual costs of collection, reasonable attorneys' fees and late charges, at the maximum rate permitted in the Act, shall constitute a lien on the Units on which they are assessed. All Statements of Condominium Lien shall be prepared and established pursuant to the Act and all other statutory requirements now or hereafter in effect pertaining to the establishment and enforcement of statements of lien for condominium assessments in the State of Maryland, including but not limited to the Maryland Contract Lien Act. The lien shall be effective against a Unit from and after the time a Statement of Condominium Lien is recorded among the Land Records of Baltimore County, Maryland. The Statement of Condominium Lien shall be signed and verified by an officer or agent of the Council and then recorded. On full payment of the assessment or damages for which the lien is claimed, the Unit Owner shall be entitled to a recordable satisfaction of the lien.

(c) Any assessment or installment thereof, or damages (as that term is defined in the Maryland Contract Lien Act) not paid when due shall bear interest, from the date when due until paid, at the maximum permissible legal rate.

(d) The Council shall, upon demand, notify the holder of the first mortgage on any Unit for which any assessment levied pursuant to these By-Laws becomes delinquent for a period in excess of sixty (60) days, and in any other case, where the Unit Owner is in default with respect to the performance of any other obligation hereunder for a period in excess of sixty (60) days.

**Section 5. Assessment Certificates.** The Council shall, upon demand, furnish to any Unit Owners liable for any assessment or damages levied pursuant to the By-Laws (or to any other party legitimately interested in the same), a certificate in writing signed by an officer of the Council or its agent, setting forth the status of said assessment, (i.e., whether the same is paid or unpaid). Such certificate shall be conclusive evidence of the payment of any assessment therein stated to have been.

paid. A charge not to exceed Twenty-Five Dollars (\$25.00) may be levied in advance by the Council for each certificate so delivered.

Section 6. **Acceleration of Installments.** Upon default in the payment of any one or more monthly installments of any annual Assessment and/or Storage Assessment levied pursuant to these By-Laws, the entire balance of said assessment may be accelerated at the option of the Board, and be declared due and payable in full.

Section 7. **Enforcement.** The lien for unpaid assessments, fines, other charges and/or damages may be enforced and foreclosed by the Council or any other person specified in the By-Laws, in the same manner, and subject to the same requirements, as the foreclosure of mortgages or deeds of trusts on real property in the State of Maryland. Suit for any deficiency following foreclosure may be maintained in the same proceeding and suit to recover a money judgment for unpaid assessments may be maintained without waiving the lien securing the same. No action may be brought to foreclose the lien unless brought within three (3) years following the establishment of the Statement of Condominium Lien.

Section 8. **Subordination and Mortgagee Protection.**

(a) Notwithstanding any other provisions hereof to the contrary, the lien of any assessment levied pursuant to these By-Laws upon any Unit in the Regime shall be subordinate to, and shall in no way affect the rights of the holder of any indebtedness secured by any recorded first mortgage, meaning a Mortgage with priority over other mortgages, made in good faith and for value received, provided, however, that such subordination shall apply only to assessments which have become due and payable prior to a sale or transfer of such Unit pursuant to a decree of foreclosure, or any other proceeding in lieu of foreclosure. Such sale or transfer shall not relieve the purchaser at such sale of the Unit from liability for any assessment thereafter becoming due, nor from the lien of any such subsequent assessment, which lien, if claimed, shall have the same effect, and be enforced in the same manner as provided herein.

(b) No amendment to these By-Laws shall affect the rights of the holder of any such mortgage, or the indebtedness secured thereby, recorded prior to recordation of such amendment, unless the holder thereof, or of the indebtedness secured thereby, shall join in the execution of such amendment.

(c) The Board may, in its sole and absolute discretion, extend the provisions of this Section to the holders of a mortgage, or the indebtedness secured thereby, not otherwise entitled thereto.

Section 9. **Foreclosure of Assessment Lien.** Foreclosure of the assessment lien shall not take place until after the mortgagee of that Unit is notified pursuant to Section 4(d) of this Article and the said mortgagee is given fifteen (15) days to obtain compliance by the Unit Owner with the assessment requirements herein before stated.

## ARTICLE X

### Use Restrictions

Section 1. **Residential Use.** All Residential Units shall be used for residential purposes exclusively except for such temporary non-residential uses as may be permitted from time to time by the Board, by State and Local Laws, and except as otherwise provided in this Section. Nothing in these By-Laws shall be construed to prohibit the Developer from either using Units which Developer owns or leases from others for promotional or display purposes as models or from leasing any Unit or Units which developer owns subject, however, to the following:

(a) A real estate sales and/or construction office may be erected, maintained, and operated in any Residential Unit and/or on any part of the Regime during the period of original development, construction and sale, provided, however, that such offices are used and operated in connection with the construction of or the Developer's sale of the Units. At such time as the last Residential Unit is conveyed to a purchaser for value, the real estate sales and/or construction office or offices shall be removed from the Regime, within sixty (60) days thereafter.

(b) If any Residential Unit Owner shall lease his Residential Unit, such lease shall first be submitted to the Board for its approval. No portion of any Unit (other than an entire Unit) shall be leased for any period. The Board shall approve or disapprove of any lease solely on the basis of whether such lease contains covenants obligating the Unit Owner's tenant to observe all Rules of the Board, as promulgated from time to time, and all restrictions and conditions imposed by the Declaration, By-Laws, and Rules in force at the time of signing said lease. If the Unit Owner fails to provide these documents, the Board may provide said documents, billing the reasonable cost of same to the Unit Owner. The Board shall have no right to disapprove a lease except as above provided. If the Unit Owner fails to comply with this subparagraph, such failure to comply shall be a violation of these By-Laws and enforceable at law or equity by the Board. The Board may adopt a standard lease for the use by the Unit Owners.

(c) Pursuant to the provisions of Section 11-111.1(b)(1) of the Act, a Unit may not be used for the operation of a "Family Day Care Home" (as that term is defined under Title 5, Subtitle 5 of the Family Law Article, Annotated Code of Maryland) but may be used for the operation of a "No-Impact Home-Based Business" (as that term is defined under Section 11-111.1 of the Act). The provisions of Article XVI of these By-Laws and Section 11-104 of the Act notwithstanding, the Council may, at any time hereafter, enact an Amendment to these By-Laws expressly prohibiting the use of a Unit as a No-Impact Home-Based Business ("Business"). An Amendment to permit or prohibit the use of a Residential Unit as a Business shall be proposed, voted upon, and enacted in accordance with the procedures set forth in Article XVI, of the By-Laws, except that the Amendment shall be considered adopted and enacted upon the affirmative vote of Residential Unit Owners representing fifty-one (51%) percent of the total votes of the Regime at any meeting of the Council duly called for such purpose. Establishment and operation of a Business shall be subject to the requirements that the Unit Owner operating the Business be responsible for payment of a fee

determined by the Board of Directors, for the Business entitlement to use of the Common Elements of the Condominium. The Board shall establish the fee and shall advise all Unit Owners operating Businesses of the amount due on an annual basis. The fee shall not be in an amount in excess of Fifty and 00/100ths (\$50.00) Dollars. Upon presentation of a statement for the annual fee and demand for payment, the Unit Owner shall promptly remit payment to the Board of Directors. The fee shall be considered an assessment against the Unit, and may be collected in the same manner as collection of annual and special assessments, as set forth in Article IX of these By-Laws.

Section 2. **Occupancy, Etc.** The right to use or occupy any Unit within the Regime, reside therein permanently or otherwise, and the right to sell, lease or otherwise transfer or convey any Unit may be subject to such uniform objective standards relating to financial responsibility and/or character as may now or hereafter be set forth in these By-Laws. No such restriction shall be based upon race, religion, family composition, sex or place of national origin, but may be based upon the provisions of the Fair Housing Act and any regulations promulgated thereunder. The provisions of this subsection shall not apply to transfers made solely for the purpose of securing the performance of an obligation, transfers involving a foreclosure sale or other judicial sale or any transfer to a Mortgagee in lieu of foreclosure.

Section 3. **Prohibited Uses and Nuisances.**

(a) No noxious or offensive trade or activity shall be carried on within the Regime or within any Unit situate thereon, nor shall anything be done therein or thereon which may be or become an annoyance to the neighborhood or the other Unit Owners.

(b) There shall be no obstruction of any General Common Elements, except as herein provided. Nothing shall be stored upon any General Common Elements, except as herein provided, without the approval of the Board.

(c) Nothing shall be done or maintained in any Unit, or upon any General or Limited Common Elements, which will increase the rate of insurance on the Common Elements, or result in the cancellation thereof, without the prior written approval of the Board. Nothing shall be done or maintained in any Unit or upon General or Limited Common Elements which would be in violation of any law. No waste shall be committed upon any General or Limited Common Elements.

(d) No structural alteration, construction, addition or removal of any Unit or General or Limited Common Elements shall be commenced or conducted except in strict accordance with the provisions of these By-Laws, State and Local Laws.

(e) The maintenance, keeping, boarding and/or raising of animals, livestock, or poultry of any kind, regardless of number, shall be and is hereby prohibited within any Unit, and upon any Common Element; except that this shall not prohibit the keeping of a maximum of two domestic pets, provided that they are not kept, bred or maintained for commercial purposes, the aggregate weight of all pets does not exceed a maximum of seventy (70) pounds, and provided further that their keeping will not constitute such type of noxious or offensive activity as covered in Section 3(a)

of this Article or constitute a threat to the health or safety of the other Unit Owners. The Board, in its sole discretion, may enact rules and regulations governing the keeping of pets, including, but not limited to, the assessment of a reasonable fee for the maintenance of pets in Units.

(f) Except for such signs as may be permitted by the Act and/or be posted by the Developer for promotional purposes and signs of a directional nature, no signs of any character shall be erected, posted or displayed upon, in or from or about any General or Limited Common Elements. Any signs posted in accordance with the provisions of Section 11-111.2 of the Act shall be subject to all limitations and restrictions set forth in that Section.

(g) Except as herein elsewhere provided, no junk vehicle or other vehicle on which current registration plates are not displayed, trailer, truck (except pickup truck), camper, camp truck, house trailer, recreational vehicle, tradesman trucks and/or vans, a vehicle displaying commercial advertising or logos or used for commercial purposes, boat, boat trailer or the like shall be kept or stored upon any driveway or other exterior Common Elements, nor shall the repair or extraordinary maintenance of automobiles or other vehicles be carried out thereon.

(h) Except as elsewhere provided in the Declaration and these By-Laws no part of the General or Limited Common Elements shall be used for commercial activities of any character. This subsection shall not apply to the use of Units or Common Elements by the Developer for its sole display, promotional or sales purposes.

(i) No burning of any trash, and no unreasonable or unsightly accumulation or storage of litter, new or used building materials, or trash of any other kind shall be permitted within any Unit or upon any General or Limited Common Elements. Trash and garbage containers shall not be permitted to remain in public view, except within locations designated by the Board. This subsection shall not apply to the Developer during the period of construction of the Regime.

(j) Outdoor clothes dryers or clothes lines shall not be maintained upon the Common Elements at any time.

(k) Except for installations made by the Developer, no radio aerial, antenna or satellite or other signal receiving dish, or other aerial or antenna for reception or transmission, shall be placed or kept on any Unit or Common Element, except on the following terms:

(i) An Owner may install, maintain and use on its Unit or Limited Common Element one (or, if approved, more than one) Small Antenna (as hereinafter defined). A Small Antenna may not be placed upon General Common Elements (including, without limitation, balcony railings).

(ii) As used herein, "Small Antenna" means any antenna (and accompanying mast, if any) of a type, the impairment of the installation, maintenance or use of which is the subject of such regulation. Such antennae are currently defined thereunder as, generally, being one (1) meter or

less in diameter or diagonal measurement and designed to received certain types of broadcast or other distribution services or programming.

(iii) Notwithstanding the foregoing of this Subsection, it is the Developer's intention that to the extent permitted by applicable law, any antennae as described herein shall be placed in the least visible areas in order to be non-visible from all other Owners and from sight of roadways.

(l) Between 11:00 p.m. and 7:00 a.m., there shall be no loud or unusual noises; musical instruments, radios, televisions, stereos, and amplifiers shall be used in such manner as not to disturb other Unit Owners.

(m) Outdoor cooking is strictly prohibited on any of the Common Elements except Limited Common Element yard areas and as such other areas as shall be designated by the Board and/or permitted by applicable statute or ordinance.

(n) Except for such Garage Limited Common Elements owned or used by the Council, Greenspring Quarry Association or the Developer, the Garage Limited Common Elements shall be utilized solely and exclusively for the parking of motor vehicles, and shall not be utilized as a storage facility or for such other purposes which usage in any way inhibits the parking of a motor vehicle in such space at any time. Except when opened to permit vehicular ingress or egress, all garage doors shall be kept in a closed position.

(o) In addition to the restrictions set forth in the Declaration and these By-Laws, all Unit Owners, residents and guests shall be bound by all covenants, conditions, and restrictions set forth in the Greenspring Quarry and Village Association Covenants.

(p) There shall be no violation of any Rules, whether for the use of Units, the General or Limited Common Elements or for the governance of the Regime, which may from time to time be adopted by the Board and promulgated by said Board in writing; and the Board is hereby, and elsewhere in these By-Laws, authorized to adopt such Rules.

(q) The Board shall have the power to levy fines against Unit Owners for violation of these By-Laws or the Rules promulgated by the Board hereunder. Said power to levy fines is specifically subject to the provisions of Article XII hereof. The Board shall also have the right to enforce compliance by injunction or other legal means as the Board deems appropriate.

## ARTICLE XI

### Architectural Standards

Section 1. Creation. (a) There shall be an architectural committee (referred to as the "Architectural Committee" or "Committee") for the Regime. The Committee shall have a minimum of three (3)

members, each of whom shall (notwithstanding the expiration of the period referred to in the provisions of subsection (b) of this Section 1) serve as such until the earlier to occur of:

(i) his resignation from the Committee, or

(ii) his replacement pursuant to the following provisions of this Section by the Developer or the Board.

(b) The Developer shall have the exclusive right from time to time to designate and replace the members of the Committee until the later to occur of:

(i) the Organizational and First Meeting of the Council, or

(ii) the conveyance of record by the Developer to one or more persons of the title to at least fifty percent (50%) of the Units.

(c) Thereafter, the Board shall have the exclusive right to designate and replace the members of the Architectural Committee who will serve at the pleasures of the Board.

Section 2. **Approval.** (a) Except for the original condition of the Units and Common Elements established by the Developer and except as elsewhere permitted by provisions of the Act, the Declaration or By-Laws, no building, fence, wall, sign, fuel tank, deck, patio, shed, mailbox, planting, hedge, privacy screen, sidewalk, flue, chase, porch, steps, pool, hot-tub or clothes dryer, or other structure of any kind whatsoever (each of which is hereinafter referred to as an "Improvement") shall be constructed, reconstructed, placed, maintained or modified (except for interior painting or other modifications not visible from or affecting the exterior of the Unit) upon the Units or Common Elements, and no landscaping of Common Elements shall be altered, unless such action and such Improvement has been approved expressly and in writing by the Architectural Committee. The Architectural Committee shall have the absolute right to refuse to grant such approval for any aesthetic or other reasonable cause, and to withhold such approval until plans and specifications, showing in reasonable detail the nature, kind, shape, height, materials, location and approximate cost of such Improvement, have been submitted to and approved by the Committee expressly and in writing. In considering whether to grant such approval, the Committee may consider the suitability of such proposed Improvement with relation to such Unit and to the other Units, and may base such consideration upon such information concerning the nature, kind, shape, heights, materials, location and approximate cost of such Improvement as is furnished to the Committee, as aforesaid, all to the end that the Improvement shall be in harmony with, and have no adverse affect upon, its immediate surroundings and the other Units and Common Elements.

(b) If any Unit Owner submits to the Committee a written application for approval of any Improvement, and if the Committee has not disapproved, in writing, said application within sixty (60) days of its receipt, such approval shall be deemed to have been given.

(c) The affirmative vote of a majority of the members of the Committee shall be required for it to take any action; provided, that such majority may designate one member to act for it.

(d) Any decision rendered by the Committee may be appealed by any Unit Owner to the Board within fifteen (15) days from the date the decision is rendered. The appeal shall be in writing and shall be decided by the Board within thirty (30) days from date of submission of the appeal.

## ARTICLE XII

### Hearing Procedures

Section 1. **Statement of Purpose.** It is the declared intention of the Council that Rules shall be freely adopted by the Board, and without the requirement of a vote of the Council as a requisite to their adoption. Each Rule adopted shall state that the Rule was adopted under the provisions of this Article and Section 11-111 of the Act. All Rules are intended to be adopted as supplements to, and not in lieu of, legally required provisions of these By-Laws. Should any adopted rules contradict any provisions of these By-Laws, the provisions of these By-Laws shall take precedence.

Section 2. **Rules.** All Rules proposed by the Board or by any committee appointed by the Board to act on its behalf shall be dated as of the date of the meeting at which they were considered, and shall be communicated to the Council in writing within seven (7) days after said meeting date, and shall be put forward before the Council for consideration and review by the process of Hearing and Comment.

#### Section 3. **Rule Adoption - Hearing and Comment.**

(a) Any notice of hearing so required shall include a copy of the proposed rule, its proposed effective date, the date, time, location, and agenda of the hearing, and shall be communicated by the Board to the Council by published form, or by any reasonable manner. The notice must be given to the Council at least fifteen (15) days prior to the meeting date.

(b) A quorum of the Board shall be in attendance at all public hearings; if a quorum is not present, a new hearing shall be scheduled within seven (7) days.

(c) A member of the Board shall preside over any hearings so convened and shall limit discussions within parameters of the published agenda. Any Unit Owner may appear and speak at these hearings, or provide comment by written statement.

(d) After comment is held on the proposed rule at the hearing, the Board shall vote on its passage. The rule will be adopted upon a majority vote of those members of the Board present and voting.



(e) The rule will be considered enacted unless, within fifteen (15) days after the Board vote, a petition calling for a special meeting is filed with the Board. The petition must be signed by at least fifteen percent (15%) of the members of the Council of Unit Owners. Following the filing of a petition, the Board shall schedule a special meeting of the Council, to be held within thirty (30) days after the Board's receipt of the petition. Written notice of the meeting must be given to each Unit Owner at least fifteen (15) days prior to the special meeting date.

(f) A quorum of the Council must be in attendance at the special meeting. If a quorum is not present, the rule will be considered final. If a quorum is present, and fifty percent (50%) of the Unit Owners present and voting disapprove the rule, the rule will be considered void; provided those Unit Owners voting to disapprove number at least thirty-three percent (33%) of the total votes of the Council.

#### Section 4. **Right of Appeal.**

(a) Each Unit Owner shall have a right to appeal to the Board for an individual exception to any rules adopted by the Board.

(b) The appeal period shall begin on the effective date of the rules, and shall run for a period of thirty (30) days.

(c) No appeals shall be considered, except by permission of the Board, if filed after the expiration of the appeal period.

(d) All appeals shall be in writing, shall be signed and dated by the Unit Owner or Owners making such appeal, and shall be delivered to a member of the Board. The Board shall consider all appeals and shall render a decision at its next regularly scheduled meeting. Said decision shall be in writing, and shall be addressed to the Unit Owner or Owners making the appeal. If the Board shall deny an appeal, there shall be no requirement of publication as to the denial.

(e) If the Board shall uphold an appeal, thus granting an individual exception to an adopted rule, the Board shall publish, or communicate in a reasonable manner, an explanation of the reasons for granting the exception.

Section 5. **Effect of Rules.** Any Rules, when adopted in accordance with the above procedures, shall have the same effect as if they were incorporated in these By-Laws by direct reference. Said Rules, upon proper adoption under the above procedures, shall be enforced in the same manner as all other provisions of the By-Laws.

## ARTICLE XIII

### Insurance

#### Section 1. Insurance.

(a) The Board, acting on behalf of the Council, shall obtain and maintain to the extent reasonably available the following insurance, as a Condominium Master Insurance Policy which shall be an item of Common Expense:

(1) Property insurance on the Common Elements and Units, exclusive of improvements and betterments installed in Units by Unit Owners, insuring against all risks of direct physical loss commonly insured against. The total amount of insurance may not be less than the full replacement cost of all insurable improvements within the Condominium; the policy may, however, contain a deductible provision, provided the total insurance after application of deductibles will not be less than eighty percent (80%) of the actual cash value of the insured property, exclusive of land, excavations, foundations, and other items normally excluded from property policies; and

(2) Comprehensive general liability insurance, including medical payments insurance, in an amount determined by the Board of Directors but not less than One Million Dollars (\$1,000,000.00), covering all occurrences commonly insured against for death, bodily injury, and property damage arising out of or in connection with the use, ownership, or maintenance of the Common Elements.

(b) The Council shall give notice to all Unit Owners of the termination of any insurance policy within ten (10) days of termination. The Council may carry any other insurance it deems appropriate to protect the Council of Unit Owners or the Unit Owners.

(c) Insurance policies carried pursuant to subsection (a) shall provide that:

(1) Each Unit Owner is an insured person under the policy with respect to liability arising out of his/her ownership of an undivided interest in the Common Elements or membership in the Council;

(2) The insurer waives its right to subrogation under the policy against any Unit Owner or members of his/her household;

(3) An act or omission by any Unit Owner, unless acting within the scope of his authority on behalf of the Council of Unit Owners, does not void the policy and is not a condition to recovery under the policy; and

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

(d) Any loss covered by the property policy under subsection (a)(1) shall be adjusted with the Council, but the insurance proceeds for that loss shall be payable to any insurance Trustee designated for the purpose, or otherwise to the Council, and not to any Mortgagee. The insurance Trustee or the Council shall hold any insurance proceeds in trust for Unit Owners and lien holders as their interest may appear. Subject to the provisions of Article XIV, Section 1, the proceeds shall be disbursed first for the repair or restoration of the damaged Common Elements and Units, and Unit Owners and lien holders are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the Common Elements and Units have been completely repaired or restored, or the Condominium is terminated.

(1) If the cause of any damage to or destruction of any portion of the Condominium or any Unit originates from the Common Elements, any deductible mandated under property insurance policies maintained by the Association under this Article XIII shall be considered a common expense.

(2) If the cause of any damage to or destruction of any portion of the Condominium or any Unit originates from an individual Unit, the Owner of that Unit shall be responsible for payment of any deductible mandated under the property insurance policies maintained by the Association under this Article XIII, not to exceed the greater of \$1,000.00 or the maximum amount permitted by the provisions of the Maryland Condominium Act. Any portion of the deductible exceeding said maximum amount shall be considered a common expense of the Association.

(3) Any insurance deductible or portion thereof which is the responsibility of a Unit Owner to pay under the provisions of this Section shall be considered an annual assessment against said Unit and Unit Owner and may be collected in the same manner as annual assessments under the provisions of the Declaration, By-Laws and Maryland Condominium Act.

(g) An insurance policy issued to the Council does not prevent a Unit Owner from obtaining insurance for his own benefit.

(h) An insurer that has issued an insurance policy under this Section shall issue certificates or memoranda of insurance to the Council and, upon request, to any Unit Owner, Mortgagee, or beneficiary under a Deed of Trust. The insurance may not be canceled until thirty (30) days after the notice of the proposed cancellation has been mailed to the Council of Unit Owners, each Unit Owner and each Mortgagee to whom certificates of insurance have been issued.

(i) It is recommended that each Unit Owner should obtain his own insurance policy on his Unit in the HO-6 form with an "improvements and betterments", "alterations and additions" or similar endorsement. NOTICE IS HEREBY GIVEN BY THE DEVELOPER THAT THE CONDOMINIUM MASTER POLICY REFERRED TO IN SECTION 1 OF THIS ARTICLE DOES NOT INSURE ANY ADDITIONS, ALTERATIONS, IMPROVEMENTS, BETTERMENTS OR MODIFICATIONS TO ANY UNIT AS SOLD BY THE DEVELOPER.

## ARTICLE XIV

### Casualty Damages

#### Section 1. Use of Insurance Proceeds.

(a) Any portion of the Condominium damaged or destroyed shall be repaired or replaced promptly by the Council of Unit Owners unless:

(1) The Condominium is terminated;

(2) Repair or replacement would be illegal under any State or local health or safety statute or ordinance; or

(3) Eighty percent (80%) of the Unit Owners, including every Owner of a Unit or assigned Limited Common Element which will not be rebuilt, vote not to rebuild.

(b) The cost of repair or replacement in excess of insurance proceeds and reserves is a Common Expense.

(c) If the damaged or destroyed portion of Condominium is not repaired or replaced:

(1) The insurance proceeds attributable to the damaged Common Elements shall be used to restore the damaged area to a condition compatible with the remainder of the Condominium;

(2) The insurance proceeds attributable to Units and Limited Common Elements which are not rebuilt shall be distributed to the Owners of the Units to which those Limited Common Elements were assigned; and

(3) The remainder of the proceeds of insurance covering the Common Elements shall be distributed to all the Unit Owners in proportion to their Common Element interest.

(d) If the Unit Owners vote not to rebuild any Unit, that Unit's entire Common Element interest, votes in the Council of Unit Owners, and Common Expense liability shall be automatically reallocated upon the vote as if the Unit had been condemned and the provisions of the Declaration shall govern, and the Council promptly shall prepare, execute, and record an amendment to the Declaration reflecting the reallocations. Notwithstanding the provisions of this subsection, the Act governs the distribution of insurance proceeds if the Condominium is terminated.

(e) If the Unit Owners vote not to rebuild any Unit, that Unit's entire Common Element interest, votes in the Council of Unit Owners, and Common Expense liability shall be automatically reallocated upon the vote as if the Unit had been condemned and the provisions of the Declaration shall govern, and the Council promptly shall prepare, execute, and record an amendment to the

Declaration reflecting the reallocations. Notwithstanding the provisions of this subsection, the Act governs the distribution of insurance proceeds if the Condominium is terminated.

## **ARTICLE XV**

### **Fiscal Management**

Section 1. **Fiscal Year.** The fiscal year of the Council shall begin on the first day of January every year and end on the 31st day of December, except that the first year of the Council shall begin on the date of the recording of the Declaration. The commencement date of the fiscal year herein established shall be subject to change by the Board in its discretion.

Section 2. **Books and Accounts.** Books and accounts of the Council shall be kept under the direction of the Treasurer in accordance with good accounting practices. The same shall include books with detailed account, in chronological order, of the receipts and expenditures affecting the Regime and its administration and shall specify the maintenance and repair expenses of the General Common Elements and services and any other expenses incurred. The amount of any assessment required for payment on any capital expenditures of the Council shall be credited upon the books of the Council to the "Paid-in-Surplus" account as a capital contribution by the Unit Owners.

Section 3. **Auditing.** At the close of each fiscal year, the books and records of the Regime shall be audited and if such audit is by an independent Certified Public Accountant, his report shall be prepared, and may be certified, in accordance with generally accepted auditing standards. Based upon such audit or report, the Council shall furnish the Unit Owners with an annual financial statement, including the income and disbursements of the Council.

Section 4. **Inspection of Books.** The books and accounts of the Council and vouchers accrediting the entries made thereupon, shall be available for examination by the Unit Owners and/or their duly authorized agents, attorneys and mortgagees, during normal business hours, after reasonable notice of a request for inspection is given to the custodian of the records.

## **ARTICLE XVI**

### **Amendments**

Section 1. **Amendments.** These By-Laws may be amended by the affirmative vote of Residential Unit Owners representing sixty-six and two-thirds percent (66-2/3%) of the total votes of the Regime at any meeting of the Council duly called for such purposes in accordance with the provisions of the Act. Amendments may be proposed by the Board or by a Petition signed by Residential Unit Owners representing at least twenty percent (20%) of the total votes of the Regime. A description of the proposed amendment shall accompany the notice of the regular or special meeting at which such proposed amendment is to be voted upon, and said notice shall also be given to the holders of all first

mortgages in the Regime. Any amendment adopted by the Council shall be effective only upon recordation among the Land Records of Baltimore County, Maryland. The recorded amendment shall set out the Sections of these By-Laws being amended and the applicable provisions of the Act. The provisions of this Article are subject to the rights of the Developer and Eligible Mortgages as set forth in the Declaration.

## ARTICLE XVII

### Notice to Council

Section 1. **Books and Records.** The Secretary of the Council or the management agent, if so designated, shall maintain the permanent books and records of the Council, which shall include a current roster of names and addresses of each Unit Owner to which notice of meetings of the Council shall be sent and each Unit Owner shall furnish the Council with this information. No Unit Owner may vote at meetings of the Council until this information and that required in Section 2 of this Article is furnished.

Section 2. **Mortgages.** A Unit Owner who mortgages his Unit shall notify the Secretary of the Council or its agents of the name and address of his mortgagee and the Council shall maintain such information in a book entitled "Mortgagees of Units".

## ARTICLE XVIII

### Mortgagees

Section 1. **Change in Percentage Interest in Common Elements.** The consent of all mortgagees, obtained in advance in writing, is mandatory if the Council should adopt any change in the pro-rata interest of the Unit Owners in the Common Elements of the Regime.

Section 2. **Right to Inspect Books.** All mortgagees shall have the right to inspect the books of the Regime, obtain financial statements, and review budgets of the Regime.

Section 3. **Notice of Meetings.** All mortgagees, upon request, shall have the right to notification of and attendance at all general and special meetings of the Council and shall be permitted to express any views at such meetings as they may wish to convey to the Council.

Section 4. **Rental by Mortgagee.** All mortgagees shall have the right, notwithstanding any provision herein to the contrary, to rent any Units which such mortgagee or mortgagees may own through foreclosure sale or voluntary sale, free from any restriction herein against leasing.

Section 5. **Notice of Loss or Taking.** The Board shall notify Mortgagees, the Federal Home Loan Mortgage Corporation and Federal National Mortgage Association, if applicable, in writing if any

loss or taking of the Common Elements exceeds Ten Thousand Dollars (\$10,000.00) or if damage to a Unit exceeds One Thousand Dollars (\$1,000.00).

## ARTICLE XIX

### Compliance-Interpretation-Miscellaneous

Section 1. **Compliance.** These By-Laws are set forth in compliance with the requirements of the Act and all applicable State and local laws and ordinances notwithstanding anything in these By-Laws to the contrary, whether expressed or implied.

Section 2. **Conflict.** These By-Laws are subordinate and subject to all provisions of the Declaration and to the provisions of the Act. All of the terms hereof, except where clearly repugnant to the context, shall have the same meaning as in the Declaration or the Act. In the event of any conflict between these By-Laws and the Declaration, the provisions of the Declaration shall control; in the event of any conflict between the By-Laws and the applicable Sections of the Act, the provisions of the Act control.

Section 3. **Resident Agent.** Bruce D. Brown, One Charles Center, 100 North Charles Street, Suite 1010, Baltimore, Maryland, 21201, a resident of Maryland is designated as the person authorized to accept service of process in any action relating to the Regime or to the General or Limited Common Elements, as authorized under the Act. The Board may, at its discretion, substitute another Resident Agent for the purpose of accepting such service of process as set forth above, provided that proper notification of such change be promptly filed with the Maryland State Department of Assessments and Taxation.

Section 4. **Severability.** In the event any provision or provisions of these By-Laws 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 5. **Waiver.** No restriction, condition, obligation or provisions of these By-Laws shall be deemed to have been abrogated or waived by reason of any failure or failures to enforce the same.

Section 6. **Captions and Table of Contents.** The captions and table of contents contained in these By-Laws are for convenience and ease of use only, and are not part of these By-Laws and are not intended in any way to limit or enlarge the terms and provisions of these By-Laws.

Section 7. **Gender, Etc.** Whenever in these By-Laws the context so required, the singular number shall include the plural and the converse; and the use of any gender shall be deemed to include all genders.

WITNESS, the hand and seal of the Developer, this 2<sup>nd</sup> day of June, 2008.

WITNESS:

BEAZER HOMES CORP.

Brenda C. Weigle

By: Robert Gentry (SEAL)  
Robert G. Gentry  
Vice President, Maryland Division

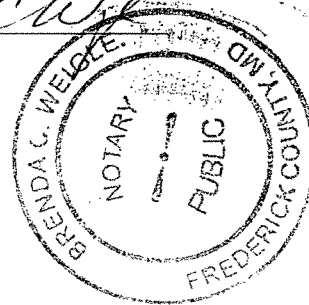
STATE OF MARYLAND, County OF Howard to wit:

I HEREBY CERTIFY that on this 2<sup>nd</sup> day of June, 2008, before me, a Notary Public of the State aforesaid, personally appeared Robert G. Gentry, who acknowledged himself to be the Vice President of the Maryland Division of Beazer Homes Corp., a Tennessee corporation, and that he, as such Vice President, being authorized so to do, executed the foregoing By-Laws for the purposes therein contained, by signing the name of the Corporation by himself as Vice President, as its act.

AS WITNESS, my hand and Notarial Seal.

Brenda C. Weigle  
Notary Public

My Commission Expires: 10-1-09



2100.012\2700-2800.StonecliffByLaws.5.19.08



**FIRST AMENDMENT TO BY-LAWS OF  
2700/2800 STONECLIFF CONDOMINIUM ASSOCIATION, INC.**

THIS FIRST AMENDMENT TO BY-LAWS OF 2700/2800 STONECLIFF CONDOMINIUM ASSOCIATION, INC. ("First Amendment") made this 3rd day of February, 2015, by the Council of Unit Owners of 2700/2800 Stonecliff Condominium Association, Inc.

**RECITALS**

The property and improvements erected thereon located in Baltimore County, Maryland, were subjected to a Condominium Regime created by recording the Declaration of 2700/2800 Stonecliff Condominium Association, Inc. (the "Declaration") among the Land Records of Baltimore County, in Liber 31069, folio 100, et seq., on August 5, 2011, as amended August 5, 2011 and recorded aforesaid in Liber 31069, folio 100, et seq.; the By-Laws of 2700/2800 Stonecliff Condominium Association, Inc. (the "By-Laws") recorded as aforesaid in Liber 27089, folio 505, et seq.; and the Condominium Plats recorded among the Plat Records of Baltimore County .

Article XVI, Section 1 of the By-Laws provides that the By-Laws may be amended by the affirmative vote of Residential Unit Owners representing sixty-six and two-thirds percent (66-2/3%) of the total votes of the Regime at any meeting of the Council of Unit Owners duly called for such purposes. Paragraph 13.C.5 of the Declaration provides that any amendment changing the leasing of Units must also be approved by at least fifty-one (51%) of the Eligible Mortgagees. There are no Eligible Mortgagees.

At least sixty-six and two-thirds percent (66-2/3%) of the Residential Unit Owners have voted for and have approved this First Amendment to By-Laws of 2700/2800 Stonecliff Condominium Association, Inc. (hereinafter the "First Amendment").

**Article X, Section 1 (b) currently states:**

If any Residential Unit Owner shall lease his Residential Unit, such lease shall first be submitted to the Board for its approval. No portion of any Unit (other than an entire Unit) shall be leased for any period. The Board shall approve or disapprove of any lease solely on the basis of whether such lease contains covenants obligating the Unit Owner's tenant to observe all Rules of the Board, as promulgated from time to time, and all restrictions and conditions imposed by the Declaration, By-Laws, and Rules in force at the time of signing said lease. If the Unit Owner fails to provide these documents, the Board may provide said documents, billing the reasonable cost of same to the Unit Owner. The Board shall have no right to disapprove a lease except as above provided. If the Unit fails to comply with this subparagraph, such failure to comply shall be a violation of these By-Laws and enforceable at law or equity by the Board. The Board may adopt a standard lease for the use by the Unit Owner.

**NOW, THEREFORE, WITNESSETH:**

1. That the aforementioned By-Laws be and hereby are amended by deleting the former Article X, Section 1 (b) and substituting the following:

(b) Prohibition on the Rental of Units. The rental of Units or the rent free occupancy of a Unit shall be prohibited, except for: (1) A Unit that has an existing lease in effect on the Effective Date of this First Amendment (the "Effective Date" being the date this Amendment is recorded), so long as such Unit is continuously rented; (2) Emergency Situations, as defined below; and (3) Leases to Immediate Family Members as defined below.

Grandfathered Existing Leases. Units currently being leased may continue to be leased, however such leases shall adhere to all of the current provisions of the Condominium Governing Documents. Unless the Unit Owner has previously done so, a Unit Owner currently leasing their Unit shall provide a copy of the lease and the Baltimore County rental license within thirty (30) days of the Effective Date of this First Amendment. Any new lease entered into by an Owner currently leasing the Unit shall adhere to all current and amended provisions of the Condominium Governing Documents (including those restrictions set forth below) with respect to leases and leasing. In the event a purchaser becomes the Owner of a Unit that is currently being leased or occupied after the Effective Date hereof, the right to lease shall not transfer to the purchaser/Owner and the purchaser/Owner must occupy the Unit or leave the Unit vacant.

Exceptions to the Prohibition on the Rental of Units. Notwithstanding the foregoing, the Board may approve the rental of not more than four (4) Units in the 2700 building and not more than four (4) units in the 2800 building, in addition to Grandfathered Existing Leases, Emergency Situations and Leases to Immediate Family Members.

Emergency Situations. The Board of Directors may, in its sole discretion, permit a one-time exception due to an unexpected hardship ("Emergency Situation"), such as a no-notice job transfer out of state, or the inability to sell the unit after such Unit has been listed for sale with a broker for at least six (6) months or circumstances warranting an exception to the owner-occupancy requirement; such exception to be effective only upon prior written application and prior written approval by the Board of Directors. Any approved exception shall follow all of the then current provisions of the Condominium Governing Documents with respect to leases and leasing.

Leases to Immediate Family Member. The term "rent-free occupancy" shall not apply to Immediate Family Member arrangements (for example, where the Unit is owned by the children of the occupant(s) of the Unit), guests or caretaker arrangements (where the caretaker lives in the Unit full time or part time.) Such arrangements shall not be subject the current provisions of the Condominium Governing Documents with respect to leases and leasing. However, even such arrangements shall be subject to all other terms and conditions of the Condominium Governing Documents. Immediate Family Members, defined as mother, father, step-mother, step-father, mother-in-law, father-in-law, son, daughter, step-son, step-daughter, son-in-law, daughter-in-law and

grandchildren of a Unit Owner, shall not be considered Lessees regardless of whether a written lease exists and regardless of whether the family member pays rent.

Owner Occupancy as Pre-Condition to Leasing a Unit.

- (1) Provided the Unit Owner is permitted to lease the Unit under these leasing provisions, before the Unit Owner may lease his unit, the Unit Owner must hold held legal title to the Unit for 12 consecutive months prior to the lease going into effect, except as provided herein.
- (2) The restrictions contained in subsection (1) herein shall not apply to any Unit Owner who holds legal title to a Unit within the Condominium on or before the Effective Date of this Amendment.
- (3) The restrictions contained in subsection (1) shall not apply to Emergency Situations or Lease to Immediate Family Members as defined herein.

Lease Requirements and Additional Restrictions. If leasing is permitted, the leasing arrangement shall meet the following conditions:

- (1) No subleases will be permitted.
- (2) No Unit may be used as a "Boarding House" or "Rooming House" as that term is currently or may in the future be defined by Baltimore County Zoning Regulations or other local regulations.
- (3) No pets will be permitted in leased Units.
- (4) No Unit may be leased for a period of less than one (1) year.
- (5) All leases shall be in writing and a signed copy thereof and a copy of each renewal, amendment or addendum which is made thereto from time to time shall be delivered to the Board of Directors within 7 days of execution or seven (7) days prior to the commencement of the term.
- (6) Owners who do not reside in their Unit shall provide current addresses and telephone numbers of the Owner and the Tenants to the Condominium.
- (7) The lease cannot be for less than the whole unit and cannot be for transient or hotel purposes, which shall be defined as (A) rental for a period less than one (1) year, or (B) any rental if the occupants of the Unit are provided customary hotel services, such as furnishing laundry and linen, meals, deliveries and other such services.
- (8) Each lease shall be subject to the Condominium Governing Documents and any breach or violation of any Condominium Governing Document by the Tenant shall constitute a default under the lease. The Tenant (as well as the Landlord) shall be

directly liable to, and subject to enforcement action(s) by, the Condominium for any breach or violation by the Tenant of any Condominium Governing Document. Each lease shall provide for the Tenant's acknowledgment of each of the provisions of this paragraph.

- (9) The Condominium, through the Board, shall be entitled, but not obligated, to exercise the default remedies of any Owner, his/her heirs, personal representatives, successors and assigns, as the Landlord under any such lease. Upon any breach or violation by the Tenant of any Condominium Governing Document, after notice to the Owner, his/her heirs, personal representatives, successors and assigns, and Tenant of such breach or violation, and the failure of such Owner, his/her heirs, personal representatives, successors and assigns, and Tenant to correct the same within a reasonable time thereafter, the Board shall be entitled, but not obligated, to summarily evict the Tenant from the leased premises, subject to any applicable laws governing the speedy recovery of possession of lands or tenants in redress of a breach or violation of a lease. Each lease shall provide for the Tenant's acknowledgment of each of the provisions of this section.
- (10) Rental Rules and Lease Addendum. Each lease of a Unit within the Condominium shall contain a Lease Addendum in the form approved and adopted by the Board of Directors, which shall be specifically incorporated into and become a part of the Lease. The Condominium, through the Board of Directors, shall be entitled to adopt rules and regulations to further these provisions or to provide for additional regulations regarding rentals.
- (11) Baltimore County License. Baltimore County regulations require that certain property owners who lease their residential property(ies) must have a license from Baltimore County. If such a license is applicable, in addition to providing a copy of the Lease and the Lease Addendum to Board of Directors, the Unit Owner Landlord shall provide a copy of a current, valid Baltimore County rental license.

2. That except as amended hereby, all other terms and conditions of the By-Laws shall remain in full force and effect.

IN WITNESS WHEREOF, the Secretary of the Board of Directors of 2700/2800 STONECLIFF CONDOMINIUM ASSOCIATION, INC. certifies that she is the Officer designated in the Condominium governing documents to count the votes at a meeting of the Council of Unit Owners and that the foregoing First Amendment to By-Laws was approved by Unit Owners having the required percentage of the votes of the Council of Unit Owners pursuant to Article XVI, Section 1 of the By-Laws. In addition, the Secretary of the Board of Directors of 2700/2800 STONECLIFF CONDOMINIUM ASSOCIATION, INC. certifies that all holders of first mortgages in the Regime were notified of the meeting at which the First Amendment was voted upon by the Unit Owners.

WITNESS:

2700/2800 STONECLIFF CONDOMINIUM  
ASSOCIATION, INC.

Steve Leven  
Steve Leven, President

Judy Selis  
Judy Selis, Secretary

STATE OF MARYLAND  
COUNTY OF Baltimore

I HEREBY CERTIFY that on this 3rd day of February, 2015, before me, the subscriber, a Notary Public of the State aforesaid, personally appeared JUDY SELIS, who acknowledged that she is the Secretary of the Board of Directors of 2700/2800 STONECLIFF CONDOMINIUM ASSOCIATION, INC. and that she, as Secretary, being authorized so to do, executed the foregoing instrument for the purposes contained herein by signing for the Condominium by herself as Secretary.

AS WITNESS, I have hereunto set my hand and Notarial Seal.

Jim Etti  
NOTARY PUBLIC

My Commission Expires: 12/16/2017



**CERTIFICATION**

I HEREBY CERTIFY that this instrument was prepared by me or under my direction and that I am an attorney admitted to practice before the Court of Appeals for the State of Maryland.

  
\_\_\_\_\_  
Cynthia Hitt Kent

AFTER RECORDING  
PLEASE RETURN TO:  
Law Office of Cynthia Hitt Kent, LLC  
10 Crossroads Drive, Suite 107  
Owings Mills, Maryland 21117



# State of Maryland Land Instrument Intake Sheet

0035864 235

☐ Baltimore City ☒ County: Baltimore County  
 Information provided is for the use of the Clerk's Office, State Department of  
 Assessments and Taxation, and County Finance Office Only.  
 (Type or Print in Black Ink Only—All Copies Must Be Legible)

Space Reserved for County Recording Validation

40.00  
20.00  
60.00  
Regt # BAO4 Rpt # 50893  
FILE LL BLK # 1215  
Feb 20, 2015 00:28 am

1	Type(s) of Instruments	( <input type="checkbox"/> Check Box if addendum Intake Form is Attached.)			
		Deed Deed of Trust	Mortgage Lease	<input checked="" type="checkbox"/> Other Amendment to By-Laws	Other
2	Conveyance Type Check Box	Improved Sale Arms-Length [1]	Unimproved Sale Arms-Length [2]	Multiple Accounts Arms-Length [3]	Not an Arms- Length Sale [9]
3	Tax Exemptions (if applicable) Cite or Explain Authority	Recordation			
		State Transfer			
		County Transfer			

4	Consideration and Tax Calculations	Consideration Amount		Finance Office Use Only Transfer and Recordation Tax Consideration	
		Purchase Price/Consideration	\$	Transfer Tax Consideration	\$
		Any New Mortgage	\$	X ( ) % =	\$
		Balance of Existing Mortgage	\$	Less Exemption Amount	\$
		Other:	\$	Total Transfer Tax	\$
		Other:	\$	Recordation Tax Consideration	\$
		Full Cash Value:	\$	X ( ) per \$500 =	\$
		TOTAL DUE		\$	

5	Fees	Amount of Fees	Doc. 1	Doc. 2	Agent:  Tax Bill:  C.B. Credit:  Ag. Tax/Other:
		Recording Charge	\$ 20.00	\$	
		Surcharge	\$ 40.00	\$	
		State Recordation Tax	\$	\$	
		State Transfer Tax	\$	\$	
		County Transfer Tax	\$	\$	
		Other	\$	\$	
		Other	\$	\$	

6	Description of Property SDAT requires submission of all applicable information. A maximum of 40 characters will be indexed in accordance with the priority cited in Real Property Article Section 3-104(g)(3)(i).	District	Property Tax ID No. (1)	Grantor Liber/Folio	Map	Parcel No.	Var. LOG	
		Subdivision Name		Lot (3a)	Block (3b)	Sect/AR (3c)	Plat Ref.	SqFt/Acreage (4)
		2700/2800 Stonecliff Condominium Association, Inc.						
		Location/Address of Property Being Conveyed (2)						
		Other Property Identifiers (if applicable)						
		Water Meter Account No.						
		Residential <input checked="" type="checkbox"/> or Non-Residential <input type="checkbox"/> Fee Simple <input type="checkbox"/> or Ground Rent <input type="checkbox"/> Amount:						
		Partial Conveyance? <input type="checkbox"/> Yes <input type="checkbox"/> No Description/Amt. of SqFt/Acreage Transferred:						
		If Partial Conveyance, List Improvements Conveyed:						

7	Transferred From	Doc. 1 – Grantor(s) Name(s)	Doc. 2 – Grantor(s) Name(s)
		Doc. 1 – Owner(s) of Record, if Different from Grantor(s)	Doc. 2 – Owner(s) of Record, if Different from Grantor(s)

8	Transferred To	Doc. 1 – Grantee(s) Name(s)	Doc. 2 – Grantee(s) Name(s)
		New Owner's (Grantee) Mailing Address	
		See Contact Person Below	

9	Other Names to Be Indexed	Doc. 1 – Additional Names to be Indexed (Optional)	Doc. 2 – Additional Names to be Indexed (Optional)

10	Contact/Mail Information	Instrument Submitted By or Contact Person		<input checked="" type="checkbox"/> Return to Contact Person <input type="checkbox"/> Hold for Pickup <input type="checkbox"/> Return Address Provided
		Name: Cynthia Hitt Kent		
		Firm Law Office of Cynthia Hitt Kent, LLC		
		Address: 10 Crossroads Drive, Suite 107 Owings Mills, Maryland 21117 Phone: (410 ) 363-9600		

11	Assessment Information	IMPORTANT: BOTH THE ORIGINAL DEED AND A PHOTOCOPY MUST ACCOMPANY EACH TRANSFER	
		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Will the property being conveyed be the grantee's principal residence?
		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Does transfer include personal property? If yes, identify:
		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Was property surveyed? If yes, attach copy of survey (if recorded, no copy required).

Assessment Use Only – Do Not Write Below This Line									
Terminal Verification		Agricultural Verification		Whole		Part		Tran. Process Verification	
Transfer Number		Date Received:		Deed Reference:		Assigned Property No.:			
Year	20	20		Geo.		Block			
Land				Zoning		Lot			
Buildings				Use		Occ. Cd.			
Total				Town					
REMARKS:									
<input type="checkbox"/> RECORDATION TAX Per <u>                    </u> ART 11 TITLE 3 SUBTITLE 2, 11-3-202 Date <u>2/6/15</u> T.P. ART 12-108									

Space Reserved for County Validation

BALTIMORE COUNTY CIRCUIT COURT (Land Records) JLE 35864, p. 0235, MSA-CE62-35720, Date available 02/25/2015. Printed 03/03/2015.

## **CC&Rs-Declaration**

**2700-2800 Stonecliff Condominium Association Inc.**



DECLARATION

OF

2700/2800 STONECLIFF CONDOMINIUM ASSOCIATION, INC.

THIS DECLARATION, Made this 2<sup>nd</sup> day of June, 2008, by BEAZER HOMES CORP., hereinafter referred to as the "Developer".

WHEREAS, the Developer is the fee simple owner of certain land situate in Baltimore County, Maryland and described in "Exhibit I" attached hereto and made a part hereof (hereinafter called the "Property") and desires to submit the whole of said land, together with the Building erected thereon and all rights, alleys, ways, privileges, appurtenances and advantages thereunto belonging, or in any way appertaining, to a Condominium Regime established under the provisions of the Maryland Condominium Act, Sections 11-101, et seq., of the Real Property Article of the Annotated Code of Maryland, as amended (hereinafter called the "Act") and hereby to establish for the Property a Condominium Regime (hereinafter called the "Regime"); and

WHEREAS, the Property shall be held, conveyed, divided, subdivided, leased, rented and occupied, improved, hypothecated or encumbered, subject to the covenants, restrictions, uses, limitations, obligations, easements, equitable servitudes, charges and liens, hereafter set forth, including provisions of the By-Laws of 2700/2800 Stonecliff Condominium Association, Inc. intended to be recorded immediately following hereafter among the Land Records of Baltimore County, Maryland and all notes, legends, memoranda and other data appearing on the Condominium Plats hereinafter described, all of which are declared and agreed to be in aid of a plan for the improvement of the Property, and the division thereof into condominium units and common elements and shall be deemed to run with and bind the land, and shall inure to the benefit of and be enforceable by the Developer, its successors and assigns, and any person acquiring or owning an interest in the Property and improvements, including without limitation, any person, group of persons, corporation, trust or other legal entity or any combination thereof which holds such interest solely as security for the performance of an obligation.

NOW THEREFORE, THIS DECLARATION WITNESSETH: That Developer, its successors and assigns, does hereby expressly establish and declare the following:

1. Creation of the Condominium Regime.

A. The Developer hereby submits the land described in "Exhibit I" and the improvements constructed thereon hereinafter described and shown on the Plat of Condominium Subdivision (recorded simultaneously herewith), entitled "2700/2800 Stonecliff Condominium Association, Inc." to a Regime provided for by the Act, and establishes a Regime as therein provided containing one (1) Building having a total of forty-eight (48) Residential Units and common elements, and three (3) Storage Units.

B. The land, as improved by the Buildings and improvements constructed thereon, is more fully described in Plats recorded among the Land Records of Baltimore County simultaneously herewith designated as the "2700/2800 Stonecliff Condominium Association, Inc." (hereinafter referred to as the "Plats"). Said Plats are considered a part hereof as if fully incorporated herein.

2. **Additional Phase.**

A. The Developer intends to construct a maximum of one (1) additional Building and common elements as shown on Sheet 1 of the Condominium Plat aforesaid in one (1) additional area designated thereon as a Future Phase, hereinafter called the "Additional Phase". The Developer hereby reserves the irrevocable right for a period of seven (7) years after the date hereof to add such Additional Phase to the Regime established hereunder, in accordance with the procedure provided herein and in the Act, up to a maximum of forty-eight (48) additional Residential Units, three (3) additional Storage Units and common elements for a total of ninety-six (96) Residential Units.

B. Each Unit Owner in the Regime established hereunder, as the same is constituted from time to time, and each holder of a mortgage on any such Unit or beneficiary of or Trustee in a deed of trust on any Unit, shall be deemed to have acquiesced to the Amendment of this Declaration, and By-Laws and the Supplement to the Condominium Plats as may be required for the purpose of adding the additional Residential Units, Storage Units and Common Elements as set forth above and shall be deemed to have given the Developer, its successors and assigns and Trustees under Deeds of Trust, an irrevocable power of attorney, coupled with an interest, to effectuate such Amendment and to have agreed to and covenanted to execute such further documents, if any, as may be required by the Developer to properly accomplish such Amendment.

C. The submission of the Additional Phase shall be accomplished by the Developer filing among the Land and Plat Records of Baltimore County, Maryland, the appropriate Amendment to this Declaration and Supplement to the Condominium Plats, containing appropriate certifications that the Phase in question has been completed as shown thereon, and thereafter the Developer, its successors and assigns, may convey unto each Residential Unit Owner an undivided interest in the Common Elements of the Phase submitted to the Regime prior to such Amendment, along with an undivided interest in the Common Elements of the Phase to be added by such Amendment. In order to effectuate the foregoing, the undivided interests in the Common Elements in the Phase submitted to the Regime prior to the Amendment in question, which are to be conveyed to Unit Owners in the Phase to be added by such Amendment, shall automatically revert to and be vested in the Developer, its successors and assigns and Trustees under Deeds of Trust, upon the filing of such Amendment.

D. It is the further intent and purpose hereof and it is hereby declared, that as the Additional Phase is added to the Regime, each owner of a Residential Unit in the Regime as the same is constituted prior to the Amendment (and the holder of any mortgages or beneficiary of or Trustee in any Deed of Trust on such Unit, as its interests appear), shall have and be vested with an undivided interest in the Common Elements in the Additional Phase added, such interest to be in proportion to the Percentage Interests as set forth in Paragraph 7 hereof and applicable as therein provided to the Regime after the addition of the Phase submitted by such Amendment, and that such vesting shall

occur immediately and absolutely upon the filing of the Amendment adding the Additional Phase, without the necessity of any separate conveyance of such interests.

E. It is the further intent and purpose hereof, and it is hereby specifically declared, that the provisions of Section 11-120 of the Act shall be applicable to the Regime created hereunder and the Developer does hereby elect to conform to the requirements of Section 11-120.

F. The foregoing notwithstanding, the Developer shall execute and record, from time to time, as may be reasonably required by any Unit Owner or holder of any mortgage or any beneficiary of any Deed of Trust on any Unit, such other and further instruments of conveyance as may be necessary in the circumstances to validly carry out the intent and purpose set forth above with regard to vesting of interests in the Common Elements.

### **3. Units Subject to Village and Master Association Covenants.**

A. The Property is located within the boundaries of Greenspring Quarry Association, Inc. ("Greenspring Quarry Association"). Greenspring Quarry Association has imposed upon all properties located within its boundaries a Declaration of Covenants, Conditions and Restrictions (recorded among the aforesaid Land Records of Baltimore County in Liber 24293, Folio 384) the ("Greenspring Quarry Covenants"). The Property and all Units located within the Condominium shall be subject to the Greenspring Quarry Declaration and the Articles of Incorporation, By-Laws and rules and regulations of Greenspring Quarry Association, all as may be supplemented from time to time.

B. The Property shall be subject to the covenants, conditions and restrictions set forth in a Declaration of Covenants, Conditions and Restrictions, Articles of Incorporation and By-Laws of a Maryland homeowners association known as The Bluffs at Greenspring Quarry Village Association, Inc. (the "Village Association"). The Association shall be comprised of 2700/2800 Stonecliff Condominium Association, Inc. and one (1) or more additional condominium regimes (the "Additional Regimes"). The Village Association shall be responsible for the maintenance, repair, replacement, and operation of certain common amenities shared by the Condominium and the Additional Regimes, as is more fully set forth in the Village Association Declaration.

C. All present and future Owners, tenants, and other occupants of Units shall be subject to, and shall comply with, the provisions of the Act, the Greenspring Quarry Covenants, the Village Association Declaration, this Declaration, the By-Laws, and any Amendments thereto, and the Rules as provided for in the By-Laws, as they may be amended from time to time. The acceptance of a deed of conveyance, the entry into a lease agreement, or the commencement of occupancy of any Unit shall constitute an agreement that the provisions of the Greenspring Quarry Covenants, the Village Association Declaration, this Declaration, the By-Laws and the Rules, as they may be amended from time to time, are accepted and ratified by such Owner, tenant, or other occupant; and all of such provisions shall be deemed and taken to be covenants running with the land, and shall bind any person having any interest or estate in such Unit, as though such provisions were recited and stipulated at length in each and every deed, conveyance or lease thereof.

4. **Description of the Buildings.**

Phase 1 of the Condominium consists of one (1) Building containing a total of forty-eight (48) separately designated and legally described fee simple estates, consisting of forty-eight (48) condominium units ("Residential Units") and three (3) storage units ("Storage Units") as shown on the aforementioned Condominium Plats, which Plats are intended to be recorded simultaneously herewith. The Building containing the Residential Units is a five (5) level structure including a garage level. The Residential Units and Storage Units shall be collectively referred to as the "Condominium Unit(s)" or "Unit(s)."

5. **The Name of the Condominium.**

This Condominium Regime shall be known as:

**2700/2800 STONECLIFF CONDOMINIUM ASSOCIATION, INC.**

6. **Units.**

A. **Units.**

1. Each Unit shall be conveyed by the name of the Condominium and its Unit number, which number is designated on the Plats. The dimensions, area, and location of each Condominium Unit are shown on the Plats as described above.

2. Each Unit shall consist of an enclosed space or spaces designated as a single family dwelling or storage space. The Unit shall occupy that Building or part of the Building as shown on the Plats recorded as aforesaid.

3. Each Unit shall consist of:

a. A three dimensional area generally described by planes as follows, the location of these planes being as specifically designated on the Plats:

i. Bottom. The bottom of the Unit is a horizontal plane through the underside of the floor treatment (excluding any structural slab) and extending in every direction to the points where it closes with the vertical planes forming the perimeter of the Unit;

ii. Top. The top of a Unit is a horizontal plane or planes, the elevation of which coincides with the unexposed surface of the ceiling drywall, extending to intersect the lateral boundaries, as shown on the Plats.

iii. Perimeter. The perimeter of the Unit is circumscribed by vertical planes coinciding with the unexposed surfaces of the interior perimeter drywall, extending to intersect the upper and lower boundaries thereof and the other lateral boundaries of the Unit.

iv. Surfaces. All lath, furring, wallboard, plasterboard, plaster, paneling, tiles, wallpaper, paint, finished flooring, carpet and any other materials constituting any part of the finished surfaces thereof are a part of the Unit and all other portions of the walls and/or ceilings are a part of the General Common Elements.

b. Any air space lying upward from the bottom of the Unit, inward from the perimeter of the Unit and below the top of that Unit;

c. Improvements, which shall include, but not be limited to: interior partitions; Unit and balcony doors (including frames, screens, trim, casings and thresholds); windows, window glass and window frames (including drip caps, sills, sashes, trim, molding and casings), pipes, conduits, ducts, switches, vents which exclusively serve the Unit (regardless of location), wiring, fixtures or other facilities for the provision of heat, ventilation, air conditioning, hot water heater, plumbing, electrical power, lighting (excluding hallway lights which shall be General Common Elements), telephone service or television reception (to the extent such ownership is not retained by the company supplying such service); all plumbing, electrical and mechanical equipment within the Unit designed for use by that Unit only; and any and all other building components, fixtures and/or equipment located within the boundaries of that Unit.

d. The heat pump, heat pump pad, heating and/or air conditioning system, condenser, condenser pad, and the air space above (but extending only up to the plane forming the top of the Unit), as they appear on the aforesaid Plats, even though the same may be within the General or Limited Common Elements as defined herein.

4. Each Unit shall be used only for residential or storage purposes by the Unit Owner or Owners thereof, his family, guests, invitees, or other occupants, or the lessees of the Unit Owner, their families, guests, invitees or other occupants, except as otherwise provided in the By-Laws or the Maryland Condominium Act. The Board of Directors of the Council of Unit Owners (hereinafter, the "Board") may approve (which approval may be rescinded) incidental use of a portion of a particular Unit for professional or personal office use. The Developer, until all Units have been conveyed, may use one or more Units, at its discretion, for model Units for purposes of sales and marketing, and may also maintain a sales office in one or more of the Units, at its discretion, for the same period of time. No Unit may be leased by any Unit Owner for a period of less than six (6) months. No less than the entire Unit may be leased by a Unit Owner.

5. The Storage Units as created herein and as shown on the Plats may be owned, in fee simple, by the Owner of any Residential Unit within this Condominium. No Storage Unit may be owned by any person or entity unless that person or entity is the owner of a Residential Unit in this Condominium. No Owner shall own, at any one time, more than two (2) Storage Units. The Storage

Units shall be used for the sole purpose of storage of personal property, and shall not be utilized for any other purpose whatsoever.

**B. General Provisions Applicable to Units.**

1. It is the intention that each Condominium Unit shall consist of that space shown on the Plats recorded as aforesaid as the Unit area both in the horizontal and in the vertical.

2. Each Unit and the General and Limited Common Elements (described generally hereinafter), are more specifically shown on the Plats and the Developer intends that said Plats shall diagrammatically govern where this Declaration is silent.

3. No building or structure shall ever be erected, constructed, altered, reconstructed, placed or permitted to remain on all or any part of the land of the Condominium other than Residential or Storage Units designed for single family use or occupancy and/or such incidental personal office or professional use as described above, including residential condominium Units in connection with the establishment of a Condominium Regime pursuant to the Act, or buildings or structures rendering service or providing recreational facilities to the Regime, and associated improvements for the exclusive use and benefit of all Unit Owners.

**7. Percentage Interests.**

A. Each Residential Unit shall have the same Percentage Interest in the Common Elements of the Condominium Regime. The Percentage Interest in the Common Elements of the Condominium Regime for each Residential Unit, expressed as a fractional formula, shall always have as its numerator the number 1 and the denominator thereof shall be the total number of Residential Units submitted to the Regime.

B. The Percentage Interest in the Common Expenses and Common Profits for each Residential Unit in each Phase shall be calculated in accordance with the preceding Paragraph 6A. hereof. The Percentage Interests may be changed only in accordance with the Act.

C. The Storage Units shall have no Percentage Interest in the Common Elements of the Condominium Regime. The Storage Units shall be subject to a Storage Assessment, as is set forth in Article IX of the By-Laws.

**8. Description of Common Elements and Common Expenses.**

A. All areas and facilities which are not part of a Unit or not Limited Common Elements comprise the General Common Elements, as graphically shown on the Plats.

B. The Common Elements shall be exclusively owned in common by all of the Unit Owners. The Common Elements shall remain undivided and no Unit Owner shall bring any

action for partition or division of the whole or any part thereof except as otherwise provided by the Act and in that event all mortgagees must, in writing, consent.

C. Except as hereinabove provided, all Common Elements in the Condominium are subject to perpetual easements for the use in common thereof for ingress, egress and utilities. This provision and covenant shall run with the land and the benefits and burdens thereof, and shall inure to the benefit of and be binding upon the Developer, its successors and assigns and the Unit Owners, their heirs, successors, personal representatives and assigns.

D. The cost of maintaining, repairing and replacing the General Common Elements shall be borne by the Council of Unit Owners as an item of Common Expense. In addition, the cost of maintaining, repairing and replacing all sewer, water, storm drainage, downspouts, power, cable and telephone pipes, lines, mains, conduits, meters or other installations and/or equipment exclusively serving the Condominium Regime shall be borne by the Council of Unit Owners as an item of Common Expense, regardless of whether the same may be located upon the Common Elements of an Additional Regime or upon property owned by the Village Association. The Village Association shall be solely responsible for the cost of maintaining, repairing and replacing that portion of the water mains located upon Common Areas of the Village Association serving more than one (1) Condominium Regime.

E. Each Unit Owner, in proportion to his Percentage Interest in the Common Expenses and Common Profits, shall contribute toward payment of the Common Expenses and no Unit Owner shall be exempt from contributing toward said Common Expenses either by waiver of the use or enjoyment of the Common Elements, or by the abandonment of his Unit. The contribution of each Unit Owner toward Common Expenses shall be determined, levied and assessed as a lien, all in the manner set forth in the By-Laws which are being recorded among the Land Records of Baltimore County, Maryland simultaneously herewith (hereinafter called the "By-Laws").

F. As defined in the Act, this Regime has the following Limited Common Elements, which are reserved for the exclusive use of the Residential Unit(s) to which they are declared to be appurtenant by appropriate designation on the Plats:

1. Each Garage Limited Common Element shall consist of the three-dimensional air space within a rectangular box, the base of which is the outline of the Garage Limited Common Elements as shown on the Plat. The lower vertical boundary of any such Parking Space Limited Common Element is a horizontal plane abutting and coincident with but not including the uppermost side of the pavement or concrete, extending to intersect the lateral boundaries thereof. The upper boundary is a horizontal plane or planes, the elevation of which coincides with the unexposed surface of the ceiling above, extending to intersect the lateral boundaries, as shown on the Plat. The perimeter boundaries are circumscribed by vertical planes as shown on the Plats, extending to intersect the upper and lower boundaries thereof and the other lateral boundaries of the Garage Limited Common Elements.

2. All balconies and/or decks, with the exception of the railings thereof, which shall be considered General Common Elements;

9. **Condominium Units and Common Elements.**

A. If any Common Elements, or any part thereof, now or at any time hereafter, encroach upon any Unit, or any Unit encroaches upon any Common Element or other Unit, whether such encroachment is attributable to construction, settlement, or shifting of the Building, or any other reason whatsoever beyond the control of the Board or any Unit Owner, there shall arise, without the necessity of any further or additional act or instrument, a good and valid easement for the maintenance of such encroachment, either for the benefit of the Board or for the Unit Owner, their respective heirs, personal representatives, successors and assigns, to provide for the encroachment and non-disturbance of the Common Element, or the Unit, as the case may be. Such easement shall remain in full force and effect so long as the encroachment shall continue.

B. Conveyance or other disposition of a Unit shall be deemed to include and convey, or be subject to, any easement arising under the provisions of this Paragraph without specific or particular reference to such easement.

10. **Pipes, Ducts, Cables, Wires, Conduits, and Public Utility Lines Located Inside of Units.**

Each Unit Owner shall have an easement in common with the owners of all other Units to use all pipes, wires, ducts, cables, conduits, public utility lines and the like located in any of the other Units and serving his Unit. Each Unit shall be subject to an easement in favor of the Owners of all other Units to use the pipes, ducts, cables, wires, conduits, public utility lines and the like serving such other Units and located in such Unit.

11. **Easements.**

A. In addition to the easements reserved on the Plats aforesaid for the benefit of the Developer, its successors and assigns and Mortgagees, Beneficiaries and Trustees under Deeds of Trust:

1. Developer, for itself, its successors and assigns, hereby declares that every Unit Owner shall have a perpetual easement in, upon, through and over the land shown on the Plat recorded simultaneously herewith, to keep, maintain, use, operate, repair and replace his Unit in its original position and in every subsequent position in which it is located by reason of the gradual forces of settlement, nature and the elements.

2. Developer hereby reserves unto itself, its successors and assigns, an easement in, upon, through and over the Common Elements, for as long as the said Developer, its successors and assigns and Mortgagees, Beneficiaries and Trustees under Deeds of Trust, shall be engaged in the construction, development and sale of Units, which easement shall be for the purpose of construction, installation, maintenance and repair of the existing Buildings and appurtenances thereto, for ingress and egress to all Units and all Common Elements, and for use of all sidewalks,



walkways, roadways, and parking areas, if any, and existing and future model units for sales promotion and exhibition. In addition, Developer hereby reserves the irrevocable right to enter into, upon, over or under any Unit for a period of three (3) years after the date of delivery of the Unit deed for such purposes as may be reasonably necessary for the Developer or its agents to complete the Regime or service any Unit thereof, upon the giving of reasonable notice to the Unit Owner.

3. Developer reserves unto itself, its successors, assigns and agents, an easement in, upon, through and over the land comprising the Common Elements for the purpose of installation, maintenance, repair, and replacement of all sewer, water, power and telephone pipes, lines, mains, conduits, poles, transformers and any and all other equipment or machinery necessary or incidental to the proper functioning of any utility system(s) serving the Regime.

4. Each Unit Owner shall have a perpetual easement for the continuance of any encroachment by his Unit on any adjoining Unit or on any General or Limited Common Element, now existing as a result of construction of the Building or which may come into existence hereafter as a result of the reconstruction of the Building or a Unit after damage by fire or other casualty, or as a result of condemnation or eminent domain proceedings, so that any such encroachment may remain undisturbed so long as the Building stands.

5. Baltimore County, and/or any and all other appropriate governmental or quasi-governmental agency or entity having jurisdiction shall have the right to enter on to any and all areas designated on the Plats as "Storm Water Management Reservation," "Forest Conservation Easement," "Forest Buffer Area," "Storm Drain Easement," "Sanitary Sewer Easement," and/or similar designations to maintain, repair and or replace facilities located thereon or to inspect and determine if such areas are being properly maintained and functioning in the event the Declarant, the Association and their successors and assigns maintain such areas or facilities. Such right of entry shall also include the right to perform maintenance of the aforementioned areas, and assess the costs thereof to the Owner or Owners, which costs shall be a lien on such Owners' property, in the event the Declarant or Association fail to maintain. All actions and responsibilities with respect to said areas shall be in accordance with the provisions of the Baltimore County Code.

B. The Council of Unit Owners or authorized designee shall have an irrevocable right and easement to enter Units and Limited Common Elements to make repairs when the repairs reasonably appear necessary for public safety or to prevent damage to other portions of the Condominium Regime. Except in cases involving manifest danger to public safety or property, the Council of Unit Owners shall make a reasonable effort to give notice to the Owner of any Unit or Limited Common Element to be entered for the purpose of such maintenance and repair. If damage is inflicted on the Common Elements or any Unit through which access is taken, the Unit Owner responsible, or the Council of Unit Owners if it is responsible, shall be liable for the prompt repair thereof. An entry by the Council of Unit Owners for the purposes specified in this Paragraph may not be considered a trespass.

C. The Council shall have the authority to grant such easements, rights-of-way, licenses, leases in excess of one (1) year or similar interest through or over the Common Elements as is provided in the Act.

D. The Council grants to Greenspring Quarry Association and Village Association perpetual easements and right-of-ways across the General Common Elements of the Condominium for the purpose of removal of trash from any trash collection facilities located within the Condominium or other purposes set forth in their respective Declarations.

12. **Membership and Voting in Council of Unit Owners.**

Each owner of a Unit shall automatically, upon becoming the Owner of a Residential Unit or Residential Units, be a member of the Council of Unit Owners of this Condominium Regime (hereinafter referred to as the "Council") and shall remain a member of said Council until such time as his ownership ceases for any reason, at which time his membership in said Council shall automatically cease. Each Residential Unit shall have one (1) vote at meetings of the Council and said one (1) vote is appurtenant to each Residential Unit. There shall be no votes appurtenant to the Storage Units.

13. **Mortgagee Protection.**

A. This Paragraph establishes certain standards and covenants which are for the benefit of holders, insurers and guarantors of certain mortgages, deeds of trust, or other security interests in Units within the Regime. This Paragraph is supplemental to, and not in substitution for, any other provisions of this Declaration and By-Laws but, in the case of conflict, this Paragraph shall control. For the purposes of this Paragraph, the Declaration, and By-Laws, the term "Eligible Mortgagee" shall mean and refer to the holder of a first mortgage, deed of trust or other security interest in a Unit, which has notified the Council, in writing, of its name and address and that it holds a security interest in a Unit. Such notice will be deemed to include a request that the Eligible Mortgagee be given the notice and other rights described in this Paragraph.

B. Wherever in this Declaration or the By-Laws the approval or consent of a specified percentage of Eligible Mortgagees is required, it shall mean the approval or consent of Eligible Mortgagees holding security interests in Units which in the aggregate have allocated to them such specified percentage of votes in the Council as compared to the total allocated to all Units then subject to security interests held by Eligible Mortgagees.

C. The Council shall give prompt written notice to each Eligible Mortgagee of (and each Unit Owner hereby consents to, and authorizes such notice):

1. Any condemnation loss or any casualty loss which affects a material portion of the Common Elements or any Unit in which there is a first security interest held, insured, or guaranteed by such Eligible Mortgagee;

2. Any delinquency in the payment of assessments owed by a Unit Owner whose Unit is subject to a first security interest held, insured, or guaranteed by such Eligible Mortgagee, which remains uncured for a period of sixty (60) days;

3. Any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Council;

4. Any proposed action which would require the consent of a specified percentage of Eligible Mortgagees as set forth in this Paragraph 13.

5. Notwithstanding any provision in the Declaration or By-Laws to the contrary, no amendment of any material provision of the Declaration or By-Laws described herein shall be effective without notice to all Eligible Mortgagees as required in Subparagraph C above and, upon approval of the requisite number of votes of Unit Owners otherwise required in the Declaration and By- Laws, the approval of at least fifty-one (51%) of the Eligible Mortgagees, or any greater Eligible Mortgagee approval required in Section 11-103(c)(1)(i) through (iv) of the Act. A change to any of the following will be considered material:

- a. Voting Rights;
- b. Assessments, Assessment Liens or Priority of Assessment Liens;
- c. Reserves for Maintenance, Repair and Replacement of Common Elements;
- d. Responsibility for Maintenance and Repairs of Units and Common Elements;
- e. Reallocation of percentage interest in the Common Elements, or rights to their use;
- f. Convertibility of Units into Common Elements or vice-versa;
- g. Expansion or contraction of the Regime, or the addition, annexation or withdrawal of property to or from the Regime;
- h. Insurance or fidelity bond;
- i. Leasing of Units;
- j. Imposition of any restrictions on a Unit Owner's right to sell or transfer his Unit;
- k. A decision by the Council to establish self-management;

- l. Restoration or repair of the Regime after a hazard damage or partial condemnation, in a manner other than that specified in the Declaration and By-Laws;
- m. Termination of the Regime after occurrence of substantial destruction or condemnation; and
- n. Any other provision that expressly benefits mortgage holders, insurers, or guarantors.

6. Notwithstanding any provision in the Declaration or By-Laws to the contrary, the Council may not take any action to terminate the Regime for reasons other than substantial destruction or condemnation without notice to all Eligible Mortgagees and approval of at fifty-one (51%) of the Eligible Mortgagees.

7. The failure of an Eligible Mortgagee to respond within sixty (60) days to any written request of the Council delivered by certified or registered mail, return receipt requested, for approval of an addition or amendment to the Declaration or By-Laws, whenever Eligible Mortgagee approval is required, shall constitute an implied approval of the addition or amendment.

14. **Exterior Modifications.**

Unit Owners may not make exterior changes to their Units without first obtaining Council of Unit Owners consent, as set forth in Article XI of the By-Laws, and further without obtaining the consent of the Village Association Architectural Review Committee.

15. **Maintenance, Repair and Replacement.**

A. The following items of maintenance, repair and replacement shall be performed by the Unit Owners and such maintenance, repair and replacement shall not be an item of Common Expense subject to the lien of assessments created herein. Except as set forth below, the Council of Unit Owners shall be responsible for the maintenance, repair and replacement of all other Common Elements:

1. The maintenance, repair and replacement of all glass and glazing in Units including windows and doors; provided, however, that the Council shall be responsible for the maintenance (including washing, repair and replacement of the exterior portions of the windows, including frames, trim, casements and other assemblies or components); and
2. The washing of all (i) interior surfaces of the exterior windows, and glass door lights.
3. The maintenance (but not repair or replacement) of Limited Common Element balconies.

4. The maintenance, repair and replacement of the interior tracks, opening mechanism, hardware and/or locks fixed to the interior of the Storage Unit and Limited Common Element doors.

B. Expenses incurred by the Council for maintenance of Limited Common Elements may be assessed against the Unit Owner(s) who enjoy the exclusive right to use such Limited Common Elements. Assessments for charges incurred pursuant to this Paragraph 15B may be levied and enforced in the same manner as assessments for Common Expenses.

16. **Eminent Domain.**

A. In this paragraph, the term "taking under the power of eminent domain" includes any sale in settlement of any pending or threatened condemnation proceeding.

B. This Declaration specifically provides for an allocation of any award for a taking under the power of eminent domain of all or a part of the Condominium. This Declaration also provides for (1) reapportionment or other change of the percentage interests appurtenant to each Unit remaining after taking; (2) the rebuilding, relocation or restoration of any improvements so taken in whole or in part; and (3) the termination of the Condominium Regime following any taking.

C. Any damages for a taking of all or part of a condominium shall be awarded as follows:

1. Each Unit Owner shall be entitled to the entire award for the taking of all or part of his respective Unit and for consequential damages of his Unit.

2. Any award for the taking of Limited Common Elements shall be allocated to the Owners of the Units to which the use of those Limited Common Elements is restricted in proportion to their respective percentage interests in the Common Elements.

3. Any award for the taking of General Common Elements shall be allocated to all Unit Owners in proportion to their respective Percentage Interests in the Common Elements.

D. Following the taking of a part of the Condominium, the Council of Unit Owners shall not be obligated to replace improvements taken but promptly shall undertake to restore the remaining improvements of the Condominium to a safe and habitable condition. Any costs of such restoration of Common Elements shall be a Common Expense. The cost of restoration of a Unit shall be borne by the Owner of that Unit and shall not be an item of Common Expense.

E. Following the taking of all or a part of any Unit, the Percentage Interests appurtenant to the Unit shall be adjusted in proportion to the amount of floor area of the Unit so taken bears to the floor areas of the Unit prior to the taking. Those Units not the subject of the taking shall have their respective Percentage Interests adjusted accordingly, by computing the revised

Percentage Interest of each such Unit as the percentage for each such Unit after the taking bears to the total number of remaining Units after the taking; thereby assuring that the total Percentage Interests for all Units will always equal one hundred (100%) percent. The Council shall promptly prepare and record an amendment to the Declaration reflecting the new Percentage Interests appurtenant to the Units. Subject to sub-paragraph G, (1) following the taking of part of a Unit the votes appurtenant to that Unit shall be appurtenant to the remainder of that Unit and (2) following the taking of all of a Unit the right to vote appurtenant to the Unit shall terminate.

F. All damages for each Unit shall be distributed in accordance with the priority of interests at law or in equity in each respective Unit.

G. Except to the extent specifically described in the Condemnation Declaration or grant in lieu thereof, a taking of all or part of a Unit may not include any of the Percentage Interests or votes appurtenant to the Unit.

17. **Termination of Regime.**

Each Unit Owner in the Condominium covenants and agrees that abandonment or termination of the Regime herein created is subject solely to and shall be accomplished in strict accordance with the Act.

18. **Administration of Condominium.**

The affairs of the Condominium shall be governed by the Council, an entity incorporated as a non-stock corporation, organized and existing under the laws of Maryland, the members of which shall be the Unit Owners. The Council shall have the rights, powers and duties which are vested in, exercisable by or imposed upon it by the provisions of this Declaration, the By-Laws or applicable law. As provided in the By-Laws, the Unit Owners shall elect a Board of Directors.

19. **Amendment of Declaration.**

Except as may otherwise be provided by the Act, this Declaration may be amended in the following manner:

A. For so long as Developer shall own all of the Units, Developer shall have the sole right to amend this Declaration (including any amendments altering the percentage of ownership in Common Elements) which amendments need only be signed and acknowledged by the Developer and recorded among the Land Records of Baltimore County, Maryland. Such amendment shall specifically refer to the recording date identifying this Declaration.

B. An amendment or amendments to this Declaration may be proposed by the Board, acting upon a vote of the majority of the Directors, or by the Unit Owners holding a majority of votes in the Council as the Council is then constituted, whether meeting as the Council or by

instrument in writing signed by them. Upon any amendment or amendments to this Declaration being proposed by said Board or any Unit Owners, such proposed amendment or amendments shall be transmitted to the President of the Council, or other officers of the Council in the absence of the President, who shall thereupon call a special meeting of the Council for a date not less than ten (10) days nor more than ninety (90) days from receipt by him of the proposed amendment or amendments; and it shall be the duty of the Secretary to give to each Unit Owner written or printed notice of such special meeting, stating the time and place thereof, and reciting the proposed amendment or amendments in reasonably detailed form, which notice shall be mailed not less than ten (10) days, nor more than ninety (90) days before the date set for such special meeting. If mailed, such notice shall be deemed to be properly given when deposited in the United States mail addressed to the Unit Owner at his post office address as it appears on the books of the Council, the first class postage thereon prepaid. Any Unit Owner may, by written waiver of notice signed by such Owner, waive such notice. Such waiver, when filed in the records of the meeting (either before or after the meeting) shall be deemed to satisfy the notice requirement to such member. At such meeting, the amendment or amendments proposed must be approved by an affirmative vote of eighty percent (80%) of all the Unit Owners of the Regime, as then constituted, in order for such amendment or amendments to become effective. Thereupon, such amendment or amendments of this Declaration shall be transcribed and certified by the President and Secretary for the Council as having been duly adopted, and the original or an executed copy of such amendment or amendments, so certified and executed with the same formalities as a deed, shall be recorded in the Land Records of Baltimore County, Maryland. Thereafter, a copy of said amendment or amendments in the form in which the same were placed on record by the Council shall be delivered to all of the Unit Owners and mailed to the holders of mortgages or Trustees under Deeds of Trust listed in the registry to be maintained in accordance with the By-Laws, but delivery and mailing of a copy thereof shall not be a condition precedent to the effectiveness of such amendment or amendments. At any meeting held to consider such amendment or amendments, the written vote of any Unit Owner shall be recognized if such Unit Owner is not in attendance at such meeting, or represented thereat by written proxy, provided such written vote is delivered to the Secretary of the Council at or prior to such meeting.

C. Anything in sub-paragraph B to the contrary notwithstanding, amendments affecting those limitations contained in Section 11-103(c)(1)(i) through (iv) of the Act must be approved by written consent of all Unit Owners of the Regime and all holders or mortgages or Trustees under Deeds of Trust on Units, as provided herein, in order for such amendment or amendments to become effective.

## 20. Invalidity.

The invalidity of any provisions of this Declaration shall not be deemed to impair or affect in any manner the validity, enforceability or effect of the remainder of this Declaration and, in such event, all of the other provisions of this Declaration shall continue in full force and effect as if such invalid provisions had never been included herein.

21. Waiver.

No provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

22. Compliance.

This Declaration is set forth in compliance with the requirements of Section 11-101, et seq. of the Act. In the event of any conflict between the Act and this Declaration, the provisions of the Act shall control.

23. Captions.

The captions and Table of Contents contained in this Declaration are for convenience only, and are not intended in any way to limit or enlarge the terms and provisions of this Declaration.

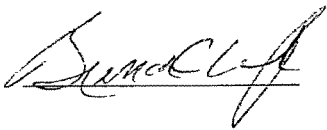
24. Gender, Etc.

Whenever in this Declaration the context so requires, the singular number shall include the plural and the converse; and the use of any gender shall be deemed to include all genders.

WITNESS the hand and seal of said Developer as of the date first herein written.

WITNESS:

BEAZER HOMES CORP.



By: Robert G. Gentry (SEAL)  
Robert G. Gentry  
Vice President, Maryland Division

STATE OF MARYLAND, County OF Howard, TO WIT:

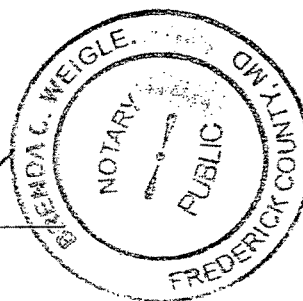
On this 2nd day of June, 2008, before me, the undersigned, a Notary Public of the State aforesaid, personally appeared Robert G. Gentry, who acknowledged himself to be Vice President of the Maryland Division of Beazer Homes Corp., a Tennessee corporation, and that he, as such Vice President, being authorized so to do, executed the foregoing Declaration for the purposes therein contained, as his act.

IN WITNESS WHEREOF the hand and notarial seal.



My Commission Expires: 12-1-09

Notary Public



I hereby affirm under penalty of perjury that the notice requirements of Section 11-102.1 of the Real Property Article, if applicable, have been fulfilled.

**BEAZER HOMES CORP.**

By Robert Gentry (SEAL)  
Robert G. Gentry  
Vice President, Maryland Division

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**Current Unaudited Financial Documents**  
**2700-2800 Stonecliff Condominium Association Inc.**

3706 Crondall Lane  
Suite 105  
Owings Mills MD 21117

Tidewater Property Management  
3706 Crondall Lane  
Suite 105  
Owings Mills MD 21117

	Description	Current Period Actual	Current Period Budget	Current Period Variance	Year-To-Date Actual	Year-To-Date Budget	Year-To-Date Variance	Yearly Budget
	INCOME							
41000	Association Fees	56,832.00	56,832	0.00	511,488.00	511,488	0.00	681,984
44000	Late Charge Fees	(15.00)	21	36.00	60.00	189	129.00	250
45000	Misc. Income	88.63	0	(88.63)	(436.37)	0	436.37	0
45500	Interest Income	261.54	625	363.46	14,041.55	5,625	(8,416.55)	7,500
45555	Misapplied Payment	592.00	0	(592.00)	0.00	0	0.00	0
	INCOME	57,759.17	57,478	(281.17)	525,153.18	517,302	(7,851.18)	689,734
	EXPENSES							
	ADMINISTRATIVE							
50050	Bad Debt	0.00	592	592.00	0.00	5,328	5,328.00	7,104
50300	Legal	1,182.50	1,667	484.50	8,818.68	15,003	6,184.32	20,000
50350	Tax Return/Audit	0.00	125	125.00	1,500.00	1,125	(375.00)	1,500
50650	Village Fees	6,720.00	6,720	0.00	60,480.00	60,480	0.00	80,640
50800	Master Association Contribution	10,752.00	10,752	0.00	96,768.00	96,768	0.00	129,024
51050	Management Fee	2,000.00	2,000	0.00	18,000.00	18,000	0.00	24,000
51150	Office Expense	24.32	83	58.68	989.16	747	(242.16)	1,000
51200	Miscellaneous Administrative	0.00	42	42.00	196.00	378	182.00	500
51350	Contingency	0.00	2,042	2,042.00	14,385.98	18,378	3,992.02	24,500
51830	Committee Supplies	49.71	42	(7.71)	76.58	378	301.42	500
51850	Recreational/Social	69.99	308	238.01	1,568.00	2,772	1,204.00	3,700
52011	Building Operations Committe	0.00	42	42.00	0.00	378	378.00	500
52350	Engineering Services	0.00	1,667	1,667.00	3,065.00	15,003	11,938.00	20,000
53305	Cleaning	335.81	0	(335.81)	335.81	0	(335.81)	0
	ADMINISTRATIVE	21,134.33	26,082	4,947.67	206,183.21	234,738	28,554.79	312,968
	UTILITIES							
55000	Electric	4,178.55	4,000	(178.55)	28,308.26	36,000	7,691.74	48,000
56250	Telephone	483.01	500	16.99	4,608.77	4,500	(108.77)	6,000
56300	Trash Removal	585.00	625	40.00	4,555.00	5,625	1,070.00	7,500
56500	Water and Sewer	0.00	1,250	1,250.00	3,046.32	11,250	8,203.68	15,000
	UTILITIES	5,246.56	6,375	1,128.44	40,518.35	57,375	16,856.65	76,500
	GROUNDS							
60470	Landscape Enhancement	0.00	1,250	1,250.00	14,038.24	11,250	(2,788.24)	15,000
62850	Snow Removal	0.00	42	42.00	0.00	378	378.00	500
	GROUNDS	0.00	1,292	1,292.00	14,038.24	11,628	(2,410.24)	15,500
	BUILDINGS							
65000	Elevator Contract	0.00	1,083	1,083.00	9,782.01	9,747	(35.01)	13,000
65050	Elevator Repairs & Maintenance	0.00	250	250.00	0.00	2,250	2,250.00	3,000
65100	Elevator Inspection	0.00	58	58.00	720.00	522	(198.00)	700
65250	Janitorial Services	3,079.00	3,083	4.00	27,891.30	27,747	(144.30)	37,000
65400	Vent Cleaning	0.00	375	375.00	5,385.00	3,375	(2,010.00)	4,500
65500	Window Cleaning	0.00	1,167	1,167.00	13,650.00	10,503	(3,147.00)	14,000
65600	HVAC Contract	399.75	400	0.25	3,595.50	3,600	4.50	4,800
65650	HVAC Repairs	960.77	417	(543.77)	6,267.72	3,753	(2,514.72)	5,000
65900	Entry System Maintenance	0.00	333	333.00	4,930.14	2,997	(1,933.14)	4,000
66100	Fire Safety Maintenance and Repair	0.00	167	167.00	599.65	1,503	903.35	2,000
66110	Fire Safety Test & Inspection	0.00	650	650.00	4,764.00	5,850	1,086.00	7,800
66120	Fire Safety Monitoring	0.00	106	106.00	1,325.28	954	(371.28)	1,272
66600	Garage System Repairs	0.00	250	250.00	0.00	2,250	2,250.00	3,000
67050	Repairs & Maintenance Interior	1,114.00	2,500	1,386.00	19,342.68	22,500	3,157.32	30,000
67052	Interior Decorating	3,501.92	500	(3,001.92)	9,665.23	4,500	(5,165.23)	6,000
67850	Extermination	150.00	167	17.00	1,350.00	1,503	153.00	2,000
	BUILDINGS	9,205.44	11,506	2,300.56	109,268.51	103,554	(5,714.51)	138,072

Tidewater Property Management  
3706 Crondall Lane  
Suite 105  
Owings Mills MD 21117

[illegible]

3706 Crondall Lane  
Suite 105  
Owings Mills MD 21117

Tidewater Property Management  
3706 Crondall Lane  
Suite 105  
Owings Mills MD 21117

## ASSETS

12520	Operating Account	81,054.74	
12540	Operating Certificates of Depo	83,136.54	
12550	Operating MMAs	140,926.43	
		-----	
	Subtotal Operating		305,117.71
13000	Reserve Certificates of Deposi	970,505.25	
13010	Reserve Money Markets	112,018.87	
13030	Reserves - Other	110.00	
		-----	
	Subtotal Reserves		1,082,634.12
14000	Prepaid Expense	3,715.40	
14030	Prepaid Insurance	37,388.75	
15100	Owner Receivables	562.00	
		-----	
	Subtotal Other Assets		41,666.15
	Total Assets		1,429,417.98

## LIABILITIES & EQUITY

### CURRENT LIABILITIES

22020	Income Taxes Payable	708.00	
22500	Prepaid Owner Assessments	22,822.36	
		-----	
	Subtotal Current Liabilit		23,530.36

### RESERVES

33300	Reserves	1,057,506.73	
33320	Reserve Interest	17,875.29	
		-----	
	Subtotal Reserves		1,075,382.02

### EQUITY

33000	Retained Earnings	282,494.58	
	Current Year Net Income/(Loss)	48,011.02	
		-----	
	Subtotal Equity		330,505.60
	TOTAL LIABLITIES & EQUITY		1,429,417.98

**Insurance Dec Page**  
**2700-2800 Stonecliff Condominium Association Inc.**



TWENT-5

OP ID: AD

# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

09/30/2016

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER <b>Schoenfeld Ins. Assoc., Inc.</b> <b>6225 Smith Ave</b> <b>Baltimore, MD 21209</b>	CONTACT NAME:	
	PHONE (A/C, No, Ext):	FAX (A/C, No):
	E-MAIL ADDRESS:	
	INSURER(S) AFFORDING COVERAGE	NAIC #
	INSURER A : <b>Foremost Insurance</b>	<b>10806</b>
	INSURER B : <b>The Hartford</b>	<b>22357</b>
	INSURER C :	
	INSURER D :	
	INSURER E :	
	INSURER F :	

**COVERAGES****CERTIFICATE NUMBER:****REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> GENERAL LIABILITY			PAS04281723	09/22/2016	09/22/2017	EACH OCCURRENCE \$ <b>1,000,000</b>
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY						DAMAGE TO RENTED PREMISES (Ea occurrence) \$ <b>75,000</b>
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR						MED EXP (Any one person) \$ <b>5,000</b>
	<input checked="" type="checkbox"/> D&O \$1 Million						PERSONAL & ADV INJURY \$ <b>1,000,000</b>
	<input checked="" type="checkbox"/> Fidelity See Note						GENERAL AGGREGATE \$ <b>2,000,000</b>
	GEN'L AGGREGATE LIMIT APPLIES PER:						PRODUCTS - COMP/OP AGG \$ <b>2,000,000</b>
	<input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC						\$
	<b>AUTOMOBILE LIABILITY</b>						COMBINED SINGLE LIMIT (Ea accident) \$
	<input type="checkbox"/> ANY AUTO						BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS	<input type="checkbox"/> SCHEDULED AUTOS					BODILY INJURY (Per accident) \$
	<input type="checkbox"/> HIRED AUTOS	<input type="checkbox"/> NON-OWNED AUTOS					PROPERTY DAMAGE (PER ACCIDENT) \$
							\$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB	<input checked="" type="checkbox"/> OCCUR		PAS04281723	09/22/2016	09/22/2017	EACH OCCURRENCE \$ <b>5,000,000</b>
	<input type="checkbox"/> EXCESS LIAB	<input type="checkbox"/> CLAIMS-MADE					AGGREGATE \$ <b>5,000,000</b>
	DED <input checked="" type="checkbox"/> RETENTION \$ <b>10,000</b>						\$
	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b>						WC STATU-TORY LIMITS
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	Y / N <input type="checkbox"/>	N / A				E.L. EACH ACCIDENT \$
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE \$
							E.L. DISEASE - POLICY LIMIT \$
A	<b>Property Section</b>			PAS04281723	09/22/2016	09/22/2017	<b>Bldg</b> \$ <b>36,059,780</b>
	<b>All Risk Repl.Cost</b>						<b>Ded.</b> \$ <b>5,000</b>

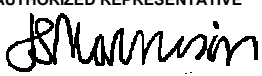
DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

PROOF OF INSURANCE

PROOF OF INSURANCE

PROOF OF INSURANCE

**CERTIFICATE HOLDER****CANCELLATION**

PROOF OF INSURANCE PROOF OF INSURANCE PROOF OF INSURANCE PROOF OF INSURANCE PROOF OF INSURANCE	PROOF OF
	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE 

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# NOTEPAD

INSURED'S NAME 2700/2800 Stone Cliff Condo

TWENT-5

OP ID: AD

PAGE 2

Date 09/30/2016

The Master Policy for 2700/2800 Stone Cliff Condominium is written in accordance with the Maryland Condominium Act, Section 11-114, to include revisions implemented in October 2009, updated/posted in January 2011. Property Section/Replacement Cost of the Master Policy is written on an All Risk/SPECIAL Form basis, excluding ANY Betterments & Improvements installed by Unit owner's, other than the Developer. Homeowners are recommended to purchase a Homeowners Policy designed for Condominium Owners, commonly known as a HO6 Policy.

Fidelity Bond is included, as per the Maryland Condominium Act, Section 11-114, to include the Management Company as an Employee at Full Limit scheduled on the Fidelity Bond Policy.

## Additional Coverage Notes:

96 Residential Units

Wind/Hail Coverage - Included (no separate deductible)

Equipment Breakdown Coverage - Included for Common Areas and Association Responsibility (please refer to Association By Laws)

Ordinance Coverage - Included

Fidelity Bond - \$1,000,000 with a \$5,000 Deductible held with Foremost Insurance, effective 9/22/16-9/22/17.

Additional Fidelity Bond - \$500,000 with a \$1 Million Deductible (Foremost Insurance would apply as Primary Coverage) held with The Hartford Insurance, effective 9/22/15-9/22/18.

Total Fidelity Coverage of \$1,500,000 (Foremost and The Hartford)





TWENT-5

OP ID: AD

# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

09/30/2016

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

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<b>PRODUCER</b> Schoenfeld Ins. Assoc., Inc. 6225 Smith Ave Baltimore, MD 21209		<b>CONTACT NAME:</b> <b>PHONE (A/C, No, Ext):</b> <b>E-MAIL ADDRESS:</b> <b>FAX (A/C, No):</b>	
		<b>INSURER(S) AFFORDING COVERAGE</b>	
		<b>INSURER A : Foremost Insurance</b>	
		<b>INSURER B : The Hartford</b>	
		<b>INSURER C :</b>	
		<b>INSURER D :</b>	
		<b>INSURER E :</b>	
		<b>INSURER F :</b>	

**COVERAGES****CERTIFICATE NUMBER:****REVISION NUMBER:**

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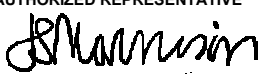
INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> GENERAL LIABILITY			PAS04281723	09/22/2016	09/22/2017	EACH OCCURRENCE \$ 1,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY						DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 75,000
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR						MED EXP (Any one person) \$ 5,000
	<input checked="" type="checkbox"/> D&O \$1 Million			PAS04281723	09/22/2016	09/22/2017	PERSONAL & ADV INJURY \$ 1,000,000
	<input checked="" type="checkbox"/> Fidelity See Note						GENERAL AGGREGATE \$ 2,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						PRODUCTS - COMP/OP AGG \$ 2,000,000
	<input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC						
	<b>AUTOMOBILE LIABILITY</b>						COMBINED SINGLE LIMIT (Ea accident) \$
	<input type="checkbox"/> ANY AUTO						BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS						BODILY INJURY (Per accident) \$
	<input type="checkbox"/> HIRED AUTOS						PROPERTY DAMAGE (PER ACCIDENT) \$
	<input type="checkbox"/> SCHEDULED AUTOS						
	<input type="checkbox"/> NON-OWNED AUTOS						
A	<input checked="" type="checkbox"/> UMBRELLA LIAB			PAS04281723	09/22/2016	09/22/2017	EACH OCCURRENCE \$ 5,000,000
	<input type="checkbox"/> EXCESS LIAB						AGGREGATE \$ 5,000,000
	<input type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION \$ 10,000						
	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b>						WC STATU-TORY LIMITS
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)						OTH-ER
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. EACH ACCIDENT \$
							E.L. DISEASE - EA EMPLOYEE \$
							E.L. DISEASE - POLICY LIMIT \$
A	Property Section			PAS04281723	09/22/2016	09/22/2017	Blkt.Bldg 36,059,780
	All Risk Repl.Cost						Ded. 5,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

Tidewater Property Management is Named as Additional Insured.

Tidewater Property Management is included as an Employee with respects to Fidelity Bond at Full Limit

**CERTIFICATE HOLDER****CANCELLATION**

<b>TIDEWAT</b>  Tidewater Property Management 3706 Crondall Lane, Suite 105 Owings Mills, MD 21117	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.  AUTHORIZED REPRESENTATIVE 
--	---

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# NOTEPAD

INSURED'S NAME 2700/2800 Stone Cliff Condo

TWENT-5

OP ID: AD

PAGE 2

Date 09/30/2016

The Master Policy for 2700/2800 Stone Cliff Condominium is written in accordance with the Maryland Condominium Act, Section 11-114, to include revisions implemented in October 2009, updated/posted in January 2011. Property Section/Replacement Cost of the Master Policy is written on an All Risk/SPECIAL Form basis, excluding ANY Betterments & Improvements installed by Unit owner's, other than the Developer. Homeowners are recommended to purchase a Homeowners Policy designed for Condominium Owners, commonly known as a HO6 Policy.

Fidelity Bond is included, as per the Maryland Condominium Act, Section 11-114, to include the Management Company as an Employee at Full Limit scheduled on the Fidelity Bond Policy.

## Additional Coverage Notes:

96 Residential Units

Wind/Hail Coverage - Included (no separate deductible)

Equipment Breakdown Coverage - Included for Common Areas and Association Responsibility (please refer to Association By Laws)

Ordinance Coverage - Included

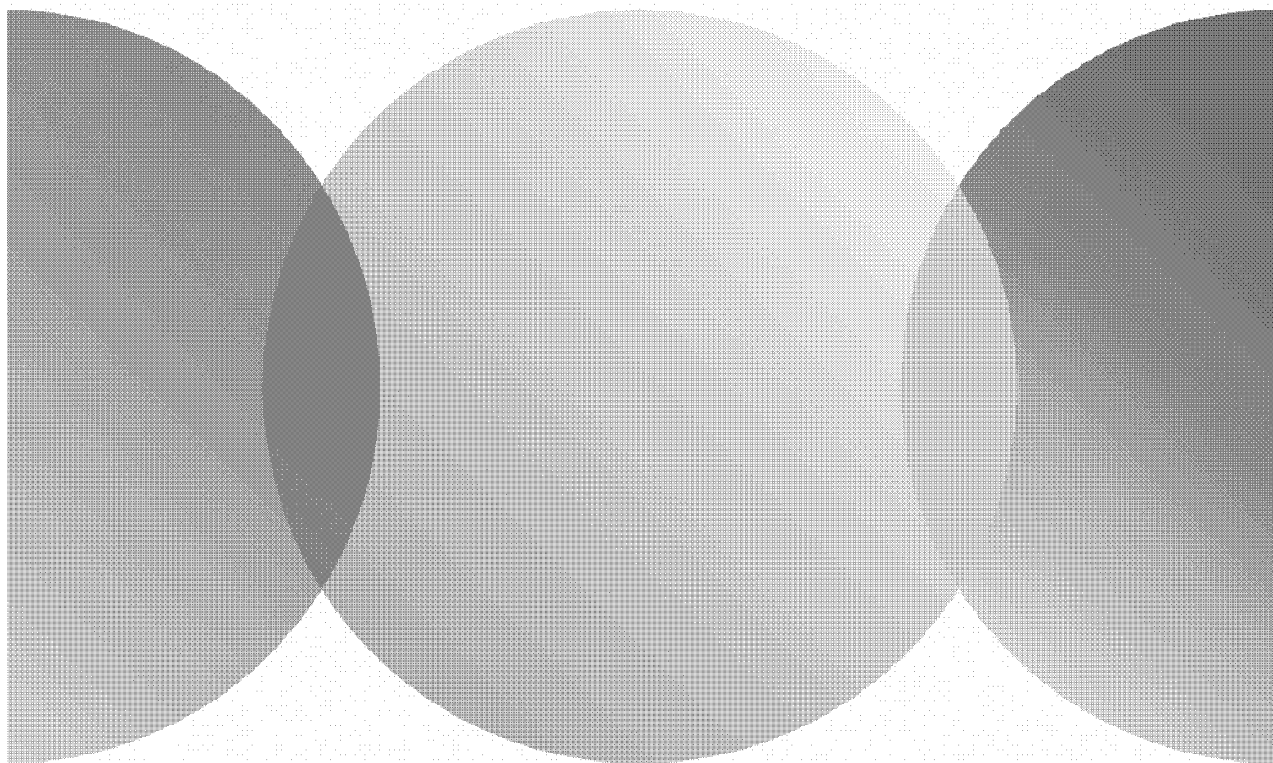
Fidelity Bond - \$1,000,000 with a \$5,000 Deductible held with Foremost Insurance, effective 9/22/16-9/22/17.

Additional Fidelity Bond - \$500,000 with a \$1 Million Deductible (Foremost Insurance would apply as Primary Coverage) held with The Hartford Insurance, effective 9/22/15-9/22/18.

Total Fidelity Coverage of \$1,500,000 (Foremost and The Hartford)

# Small business policy

## Foremost Insurance Company



THIS DISCLOSURE IS ATTACHED TO AND MADE PART OF YOUR POLICY IN RESPONSE TO THE DISCLOSURE REQUIREMENTS OF THE TERRORISM RISK INSURANCE ACT. THIS ENDORSEMENT DOES NOT GRANT ANY COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF ANY COVERAGE UNDER THE POLICY.

## DISCLOSURE OF IMPORTANT INFORMATION RELATING TO TERRORISM RISK INSURANCE ACT

### SCHEDULE

<b>SCHEDULE – PART I</b>	
Terrorism Premium (Certified Acts) \$	<b>740.00</b>
<b>SCHEDULE – PART II</b>	
Federal share of terrorism losses	<u>84</u> % Year: 20 <u>16</u> (Refer to Paragraph <b>B.</b> in this endorsement.)
Federal share of terrorism losses	<u>83</u> % Year: 20 <u>17</u> (Refer to Paragraph <b>B.</b> in this endorsement.)
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

#### A. Disclosure Of Premium

In accordance with the federal Terrorism Risk Insurance Act, we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to coverage for terrorist acts certified under the Terrorism Risk Insurance Act. The portion of your premium attributable to such coverage is shown in the Schedule of this endorsement or in the policy Declarations.

#### B. Disclosure Of Federal Participation In Payment Of Terrorism Losses

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals a percentage (as shown in Part II of the Schedule of this endorsement or in the policy Declarations) of that portion of the amount of such insured losses that exceeds the applicable insurer retention. However, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year, the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.

#### C. Cap On Insurer Participation In Payment Of Terrorism Losses

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of Treasury.

# CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

Insureds Name	Policy Number	Effective Date	Endorsement Number
2700/2800 STONECLIFF CONDOMINIUM ASSOCIATION, INC	PAS 04281723	09/22/2016	

**THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ IT CAREFULLY.**

This endorsement modifies your insurance:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
COMMERCIAL INLAND MARINE COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART  
COMMERCIAL UMBRELLA LIABILITY COVERAGE PART

## **A. Cap On Certified Terrorism Losses**

“Certified act of terrorism” means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a “certified act of terrorism” include the following:

1. The Act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of Treasury.

## **B. Application Of Exclusions**

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss, injury or damage which would otherwise be excluded under this Coverage Part or Policy, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

## Attention

### **\*ACTION REQUIRED\***

Dear Policyholder;

Thank you for choosing Foremost Insurance Group for your Business Insurance needs. We appreciate your business.

To report a claim 24 hours a day, 7 days a week, here are your options:

- Call 1 (800) 435-7764
- File online at [www.farmers.com/claims/](http://www.farmers.com/claims/), Click on "Report a Claim".
- Fax your request to (877) 217-1389
- Email your request to [myclaim@foremost.com](mailto:myclaim@foremost.com)

Thank you for your business. If you have any questions, please call your agent.



## Foremost Insurance Company

A Stock Company  
5600 Beech Tree Lane  
Grand Rapids, Michigan 49316

### PRECISION PORTFOLIO POLICY

For


2700/2800 STONECLIFF CONDOMINIUM ASSOCIATION, INC.  
C/O TIDEWATER PROPERTY MANAGEMENT  
3706 CRONDALL LANE, SUITE 105  
OWINGS MILLS MD 21117

By

SCHOENFELD INSURANCE ASSOC INC  
6225 SMITH AVE  
BALTIMORE MD 21209-3626

In witness whereof, the Company has executed this policy and, where required by law, has caused this policy to be countersigned by its duly Authorized Representative.

  
President

  
Secretary

BILL	POLICY NUMBER	PRODUCER NUMBER	ACCOUNT NUMBER	AUDIT PERIOD
D	PAS 04281723	18006387	F003552863-001-00001	NONE

BRANCH GR GRAND RAPIDS

RENEWAL EFF 09/22/2016



**FOREMOST INSURANCE COMPANY GRAND RAPIDS, MI  
COMMON POLICY DECLARATIONS  
PRECISION AMERICA  
HABITATIONAL PROGRAM - PREFERRED**

This policy consists of the declarations as well as the coverage forms and endorsements listed on the Forms and Endorsements Applicable List.

<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="background-color: #f2f2f2;">NAMED INSURED AND MAILING ADDRESS</th> </tr> <tr> <td>2700/2800 STONECLIFF CONDOMINIUM ASSOCIATION, INC. C/O TIDEWATER PROPERTY MANAGEMENT 3706 CRONDALL LANE, SUITE 105 OWINGS MILLS MD 21117</td> </tr> </table>	NAMED INSURED AND MAILING ADDRESS	2700/2800 STONECLIFF CONDOMINIUM ASSOCIATION, INC. C/O TIDEWATER PROPERTY MANAGEMENT 3706 CRONDALL LANE, SUITE 105 OWINGS MILLS MD 21117	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="background-color: #f2f2f2;">AGENCY NAME AND SERVICING ADDRESS</th> </tr> <tr> <td>SCHOENFELD INSURANCE ASSOC INC 6225 SMITH AVE BALTIMORE MD 21209-3626 (410) 602-2000</td> </tr> </table>	AGENCY NAME AND SERVICING ADDRESS	SCHOENFELD INSURANCE ASSOC INC 6225 SMITH AVE BALTIMORE MD 21209-3626 (410) 602-2000								
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2700/2800 STONECLIFF CONDOMINIUM ASSOCIATION, INC. C/O TIDEWATER PROPERTY MANAGEMENT 3706 CRONDALL LANE, SUITE 105 OWINGS MILLS MD 21117													
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<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="background-color: #f2f2f2;">BRANCH NAME AND SERVICING ADDRESS</th> </tr> <tr> <td>GRAND RAPIDS PO Box 2487 Grand Rapids, MI 49501-2487</td> </tr> </table>	BRANCH NAME AND SERVICING ADDRESS	GRAND RAPIDS PO Box 2487 Grand Rapids, MI 49501-2487	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="background-color: #f2f2f2;">POLICY PERIOD</th> </tr> <tr> <td style="text-align: center;"> <table style="width: 100%;"> <tr> <td style="width: 50%;"><b>FROM</b></td> <td style="width: 50%;"><b>TO</b></td> </tr> <tr> <td style="text-align: center;">09/22/2016</td> <td style="text-align: center;">09/22/2017</td> </tr> <tr> <td style="text-align: center;"><b>12:01 A.M.</b></td> <td style="text-align: center;"><b>12:01 A.M.</b></td> </tr> </table> </td> </tr> <tr> <td colspan="2" style="text-align: center;">Standard Time At Your Mailing Address Shown Above</td> </tr> </table>	POLICY PERIOD	<table style="width: 100%;"> <tr> <td style="width: 50%;"><b>FROM</b></td> <td style="width: 50%;"><b>TO</b></td> </tr> <tr> <td style="text-align: center;">09/22/2016</td> <td style="text-align: center;">09/22/2017</td> </tr> <tr> <td style="text-align: center;"><b>12:01 A.M.</b></td> <td style="text-align: center;"><b>12:01 A.M.</b></td> </tr> </table>	<b>FROM</b>	<b>TO</b>	09/22/2016	09/22/2017	<b>12:01 A.M.</b>	<b>12:01 A.M.</b>	Standard Time At Your Mailing Address Shown Above	
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GRAND RAPIDS PO Box 2487 Grand Rapids, MI 49501-2487													
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<b>FROM</b>	<b>TO</b>												
09/22/2016	09/22/2017												
<b>12:01 A.M.</b>	<b>12:01 A.M.</b>												
Standard Time At Your Mailing Address Shown Above													

**BUSINESS ENTITY:** ASSOCIATIONS

**BUSINESS DESCRIPTION:** CONDOMINIUM ASSOCIATIONS - RESIDENTIAL OCCUPANCY ONLY

**POLICY PREMIUMS**

In return for the payment of the premium, and subject to all the terms of this policy, we agree with you to provide the insurance as stated in this policy.

This policy consists of the following coverage parts for which a premium is indicated. This premium may be subject to adjustment.

	PREMIUM
BUSINESSOWNERS	\$ 34,226.00
EMPLOYMENT PRACTICES LIABILITY COVERAGE	\$ 1,394.00
COMMERCIAL UMBRELLA COVERAGE PART	\$ 2,787.00
TERRORISM PREMIUM	\$ 740.00
<b>TOTAL ANNUAL PREMIUM</b>	<b>\$ 39,147.00</b>

Countersigned by \_\_\_\_\_ Date \_\_\_\_\_

Authorized Representative

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08/21/2016

COMMON

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U-CL-D-100-A CW (06-04)



BILL	POLICY NUMBER	PRODUCER NUMBER	ACCOUNT NUMBER	AUDIT
D	PAS 04281723	18006387	F003552863-001-00001	NONE

BRANCH: GR GRAND RAPIDS

RENEWAL EFF 09/22/2016



**PRECISION PORTFOLIO POLICY  
BUSINESSOWNERS PROPERTY DECLARATIONS  
PRECISION AMERICA  
HABITATIONAL PROGRAM - PREFERRED**

For descriptions of premiums, see the attached Businessowners Property Schedule.

Insurance at the described premises applies only for coverage for which a limit of insurance is shown. These may be found in these declarations and the attached schedules.

PRIMARY PROPERTY COVERAGE	DEDUCTIBLE	LIMITS
BLANKET BUILDINGS	\$5,000	\$36,059,780
ADDITIONAL COVERAGES	DEDUCTIBLE	LIMITS
ACCOUNTS RECEIVABLE - ON PREMISES* / OFF PREMISES	\$5,000	\$25,000/ \$2,500
BACKUP OF SEWERS OR DRAINS	\$5,000	\$500,000
CRIME CONVICTION REWARD	NONE	\$5,000
DEBRIS REMOVAL	N/A	INCLUDED
EDP - EQUIPMENT, MEDIA AND RECORDS*	\$5,000	\$10,000
EMPLOYEE DISHONESTY*	\$5,000	\$1,000,000
FIRE DEPARTMENT SERVICE CHARGE	NONE	\$25,000
FIRE EXTINGUISHER RECHARGE EXPENSE	NONE	\$5,000
FORGERY AND ALTERATION	\$5,000	\$2,500
MASTER KEY	NONE	\$10,000
MONEY ORDERS & COUNTERFEIT PAPER CURRENCY	\$5,000	\$1,000
MONEY AND SECURITIES* INSIDE THE PREMISES AND OUTSIDE THE PREMISES	\$5,000	\$10,000
NEWLY ACQUIRED OR CONSTRUCTED BUILDINGS	\$5,000	\$250,000
OUTDOOR PROPERTY*	\$5,000	\$50,000
OUTDOOR SIGNS*	\$5,000	\$50,000
PERSONAL EFFECTS	\$5,000	\$2,500
PERSONAL PROPERTY AT NEWLY ACQUIRED PREMISES	\$5,000	\$100,000
PERSONAL PROPERTY - OFF PREMISES	\$5,000	\$5,000
POLLUTANT CLEAN UP AND REMOVAL (EACH LOCATION)	\$5,000	\$50,000
PRESERVATION OF PROPERTY	NONE	30 DAYS
VALUABLE PAPERS AND RECORDS - ON PREMISES* / OFF PREMISES	\$5,000	\$25,000/ \$2,500

\* The limits for these coverages may be increased. Contact your agent.

**BUSINESSOWNERS PROPERTY**

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9S1111 Ed. 11-08

BILL	POLICY NUMBER	PRODUCER NUMBER	ACCOUNT NUMBER	AUDIT
D	PAS 04281723	18006387	F003552863-001-00001	NONE
BRANCH: GR GRAND RAPIDS			RENEWAL EFF 09/22/2016	
<p align="center"><b>PRECISION PORTFOLIO POLICY</b>  <b>BUSINESSOWNERS PROPERTY SCHEDULE</b>  <b>PRECISION AMERICA</b>  <b>HABITATIONAL PROGRAM - PREFERRED</b></p>				
<b>LOCATION</b> 01 <b>BUILDING #</b> N/A 2800 STONE CLIFF DR <b>BALTIMORE</b> <b>MD</b>				
<b>PREMISES PRIMARY:</b> <b>OCCUPANCY:</b> CONDOMINIUM ASSOCIATIONS - RESIDENTIAL OCCUPANCY ONLY <b>INSURED'S INTEREST:</b> OWNER/TENANT <b>CONSTRUCTION:</b> Frame <b>PROTECTION CLASS:</b> 003				
		<b>DEDUCTIBLE</b>	<b>LIMIT</b>	
The following coverages apply to the Location stated above:				
BLANKET BUILDINGS	REPLACEMENT COST	\$5,000	PER BLKT	
ASSOCIATION FEES AND EXTRA EXPENSE		NONE	\$400,000	
AUTOMATIC INFLATION GUARD		NONE	4%	
BUILDING ORDINANCE OR LAW				
LOSS TO UNDAMAGED PORTION		\$5,000	INCLUDED	
DEMOLITION COST		\$5,000	\$250,000	
INCREASED COST OF CONSTRUCTION		\$5,000	\$250,000	
EQUIPMENT BREAKDOWN		\$5,000	INCLUDED	
GLASS - EXTERIOR		\$5,000	INCLUDED	
GLASS - INTERIOR (ALL FLOORS)		\$5,000	INCLUDED	
SPECIFIED PROPERTY (POOLS, FENCES, WALLS & WALKWAYS)		\$5,000	\$10,000	
UNIT OWNER COVERAGE - INCLUDED		\$5,000	INCLUDED	
<p>* The limits for these coverages may be increased. Contact your agent.</p>				
<b>BUSINESSOWNERS PROPERTY</b>				

9S1112 Ed. 11-08

BILL	POLICY NUMBER	TC	PRODUCER NUMBER	AC	ACCOUNT NUMBER	AUDIT
D	PAS 04281723		18006387		F003552863-001-00001	NONE
BRANCH			GRAND RAPIDS		RENEWAL EFF 09/22/2016	



**PRECISION PORTFOLIO POLICY  
SUPPLEMENTAL DECLARATIONS  
PRECISION AMERICA**

COVERAGE PART(S) AND FORM OR ENDORSEMENT NUMBER		FORM OR ENDORSEMENT NAME AND FORM OR ENDORSEMENT SUPPLEMENTAL INFORMATION
PROPERTY  E3422-ED3	0302	CONDOMINIUM PROPERTY COVERAGE FORM
		PREM NO.: 1 LIST ADDRESS RANGES FOR THIS COMPLEX: 2700 - 3000 STONE CLIFF DRIVE

**COMMERCIAL PROPERTY**

9S5008 Ed. 3-00

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08/21/2016

BILL	POLICY NUMBER	TC	PRODUCER NUMBER	AC	ACCOUNT NUMBER	AUDIT
D	PAS 04281723		18006387		F003552863-001-00001	NONE
BRANCH			GRAND RAPIDS		RENEWAL EFF 09/22/2016	



**PRECISION PORTFOLIO POLICY  
SUPPLEMENTAL DECLARATIONS  
PRECISION AMERICA  
(CONTINUED)**

COVERAGE PART(S) AND FORM OR ENDORSEMENT NUMBER		FORM OR ENDORSEMENT NAME AND FORM OR ENDORSEMENT SUPPLEMENTAL INFORMATION
PROPERTY  E0018-ED2	0702	PROTECTIVE SAFEGUARDS
		LOC. NO.: 01      PREM NO.: 01  PROTECTIVE SAFEGUARDS SYMBOLS APPLICABLE: P-1  LOC. NO.: 01      PREM NO.: 02  PROTECTIVE SAFEGUARDS SYMBOLS APPLICABLE: P-1

**COMMERCIAL PROPERTY**

9S5008 Ed. 3-00

INSURED'S COPY

08/21/2016

BILL	POLICY NUMBER	PRODUCER NUMBER	ACCOUNT NUMBER	AUDIT
D	PAS 04281723	18006387	F003552863-001-00001	NONE

BRANCH: GR GRAND RAPIDS

RENEWAL EFF 09/22/2016



## PRECISION PORTFOLIO POLICY BUSINESSOWNERS LIABILITY DECLARATIONS

### PRECISION AMERICA HABITATIONAL PROGRAM - PREFERRED

#### COVERAGES AND LIMITS OF INSURANCE

Some of these coverages are sub-limits or are subject to aggregate limits. Refer to your policy to determine how they apply.

Liability and Medical Expenses	\$1,000,000
Liability and Medical Expenses - Aggregate	\$2,000,000
Tenants Liability	\$ 75,000
Medical Expenses (any one person)	\$ 5,000
 DIRECTORS & OFFICERS LIABILITY - EACH CLAIM	 \$1,000,000
DIRECTORS & OFFICERS LIABILITY - ANNUAL AGGREGATE	\$1,000,000
SELF-INSURED RETENTION - EACH CLAIM	\$ 500
RETROACTIVE DATE	09/22/2010
 HIRED AND NON-OWNED AUTO LIABILITY	 \$1,000,000

**BUSINESSOWNERS LIABILITY**

INSURED'S COPY

9S2354 Ed. 11-08

BILL	POLICY NUMBER	PRODUCER NUMBER	ACCOUNT NUMBER	AUDIT
D	PAS 04281723	18006387	F003552863-001-00001	NONE
BRANCH: GR GRAND RAPIDS			RENEWAL EFF 09/22/2016	

**PRECISION PORTFOLIO POLICY  
BUSINESSOWNERS LIABILITY SCHEDULE  
PRECISION AMERICA**

LOC #	CLASS CODE	LOCATION ADDRESS (IF APPLICABLE) CLASSIFICATION NAME	RATING BASIS	ANNUAL EXPOSURE
01	6531R	2800 STONE CLIFF DR BALTIMORE MD ZIP CODE: 21209-3840  CONDOMINIUM ASSOCIATIONS - RESIDENTIAL OCCUPANCY ONLY	NOT APPLICABLE	INCLUDED

**BUSINESSOWNERS LIABILITY**

9S2355 Ed. 11-08

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08/21/2016

PAGE 1 OF 1

BILL	POLICY NUMBER	TC	PRODUCER NUMBER	AC	ACCOUNT NUMBER	AUDIT
D	PAS 04281723		18006387		F003552863-001-00001	NONE
BRANCH GR GRAND RAPIDS					RENEWAL EFF 09/22/2016	



**PRECISION PORTFOLIO POLICY  
SUPPLEMENTAL DECLARATIONS  
PRECISION AMERICA  
HABITATIONAL PROGRAM - PREFERRED**

COVERAGE PART(S) AND FORM OR ENDORSEMENT NUMBER		FORM OR ENDORSEMENT NAME AND FORM OR ENDORSEMENT SUPPLEMENTAL INFORMATION
LIABILITY E3331-ED3	0807	LIMITATION OF COVERAGE TO DESIGNATED PREMISES
		PREMISES: ALL PREMISES DESCRIBED IN THE BUSINESSOWNERS PROPERTY SCHEDULE
LIABILITY E3336-ED2	0702	Hired Auto and Non-Owned Auto Liability
		HIRED AUTO AND NON-OWNED AUTO LIABILITY      Coverage      Additional Premium \$1,000,000      \$90

**COMMERCIAL GENERAL LIABILITY**

9S5008 Ed. 3-00

INSURED'S COPY

08/21/2016

BILL	POLICY NUMBER	TC	PRODUCER NUMBER	AC	ACCOUNT NUMBER	AUDIT
D	PAS 04281723		18006387		F003552863-001-00001	NONE

BRANCH GR GRAND RAPIDS

RENEWAL EFF 09/22/2016



## PRECISION PORTFOLIO POLICY SUPPLEMENTAL DECLARATIONS PRECISION AMERICA

COVERAGE PART(S) AND FORM OR ENDORSEMENT NUMBER	FORM OR ENDORSEMENT NAME AND FORM OR ENDORSEMENT SUPPLEMENTAL INFORMATION
LIABILITY	ADDITIONAL INSURED - MANAGERS OR LESSORS OF PREMISES
E3316-ED2 0902	<p>DESIGNATION OF PREMISES (PART LEASED TO YOU): 2800 STONE CLIFF DR BALTIMORE, MD 21209</p> <p>NAME OF PERSON OR ORGANIZATION (ADDITIONAL INSURED): NAME TIDEWATER PROPERTY MANAGEMENT ADDRESS 3706 CRONDALL LANE, SUITE 105 CITY OWINGS MILLS, STATE MD ZIP 21117</p>

COMMERCIAL GENERAL LIABILITY

9S5008 Ed. 3-00

INSURED'S COPY

08/21/2016



BILL	POLICY NUMBER	PRODUCER NUMBER	ACCOUNT NUMBER	AUDIT				
D	PAS 04281723	18006387	F003552863-001-00001	NONE				
Branch: GR GRAND RAPIDS			RENEWAL EFF 09/22/2016					
<b>EMPLOYMENT PRACTICES INSURANCE COVERAGE DECLARATIONS STANDARD</b>								
<p>THIS IS A CLAIMS MADE AND REPORTED POLICY. SUBJECT TO ITS TERMS, THIS POLICY APPLIES ONLY TO ANY CLAIM FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD OR THE EXTENDED REPORTING PERIOD, IF APPLICABLE, PROVIDED SUCH CLAIM IS REPORTED IN WRITING TO THE INSURER AS SOON AS PRACTICABLE. WITHOUT NEGATING THE FOREGOING REQUIREMENTS, SUCH NOTICE OF CLAIM MUST ALSO BE REPORTED NO LATER THAN 30 DAYS AFTER THE END OF THE POLICY PERIOD OR, IF APPLICABLE, THE EXTENDED REPORTING PERIOD. AMOUNTS INCURRED AS DEFENSE COSTS SHALL REDUCE AND MAY EXHAUST THE LIMIT OF LIABILITY AND ARE SUBJECT TO THE RETENTIONS. THE INSURER SHALL NOT BE LIABLE FOR ANY DEFENSE COSTS OR FOR ANY JUDGMENT OR SETTLEMENT AFTER THE LIMIT OF LIABILITY HAS BEEN EXHAUSTED. PLEASE READ THIS POLICY CAREFULLY AND DISCUSS THE COVERAGE WITH YOUR INSURANCE AGENT.</p>								
<b>Limit of Liability (Includes Cost of Defense)</b>								
<table> <tr> <td>Each Insured Event Limit</td> <td style="text-align: right;">\$ 50,000</td> </tr> <tr> <td>Aggregate Limit of Liability</td> <td style="text-align: right;">\$ 50,000</td> </tr> </table>					Each Insured Event Limit	\$ 50,000	Aggregate Limit of Liability	\$ 50,000
Each Insured Event Limit	\$ 50,000							
Aggregate Limit of Liability	\$ 50,000							
<b>Self Insured Retention (Includes Cost of Defense)</b>								
<table> <tr> <td>Any One Insured Event</td> <td style="text-align: right;">\$ 2,500</td> </tr> </table>					Any One Insured Event	\$ 2,500		
Any One Insured Event	\$ 2,500							
<b>Prior Knowledge Date</b>								
Prior Knowledge Date: <u>09/22/2011</u>								
<b>Retroactive Date</b>								
Retroactive Date: <u>09/22/2011</u>								
<div> <div>EMPLOYMENT PRACTICES</div> <div>9S2356 (11 08)</div> </div>								

# EMPLOYMENT PRACTICES LIABILITY INSURANCE - STANDARD

**THIS IS A CLAIMS MADE AND REPORTED POLICY. AMOUNTS INCURRED AS DEFENSE COST SHALL REDUCE AND MAY EXHAUST THE LIMIT OF LIABILITY AND ARE SUBJECT TO THE RETENTIONS. THE INSURER SHALL NOT BE LIABLE FOR ANY DEFENSE COST OR FOR ANY JUDGMENT OR SETTLEMENT AFTER THE LIMIT OF LIABILITY HAS BEEN EXHAUSTED.**

The consideration for our issuing this policy is the payment of Premium; in issuing the policy, we have relied upon all statements made to us in the **Application** and any attachments and all other information provided to us. The **Application** and attachments are incorporated herein and form a part of this policy.

Throughout this policy the words “**you**” and “**your**” refer to the **Named Insured** shown in the Declarations.

Under this policy the words “**we**”, “**us**” and “**our**” refer to the Underwriters providing this insurance.

The word “Insured” means any person or organization qualifying as such under **WHO IS INSURED**.

**READ THIS POLICY CAREFULLY TO DETERMINE THE EXTENT OF COVERAGE. IMPORTANT: THIS IS A CLAIMS FIRST MADE AND REPORTED POLICY WHICH INCLUDES COSTS OF DEFENSE WITHIN THE LIMIT OF LIABILITY.**

## **I. COVERAGE: WHAT IS COVERED**

**A.** We will pay **Loss** amounts that an **Insured** is legally obligated to pay on account of a **Claim** because of an **Insured Event** to which this policy applies. However, the amount we will pay is limited as described in the **LIMIT OF LIABILITY** and **SELF INSURED RETENTION** sections of this policy.

**B.** This policy applies only if:

- (1)** A **Claim** is first made against an **Insured** in accordance with **WHEN COVERAGE IS PROVIDED**;
- (2)** The **Claim** is reported in accordance with **WHEN COVERAGE IS PROVIDED** and **CONDITIONS** section **VIII.A. Duties in the event of a Claim**;
- (3)** A **Claim** is first made against an **Insured** in accordance with **WHERE COVERAGE IS PROVIDED**; and
- (4)** A **Claim** is first made against an **Insured** based upon an **Insured Event** that first occurred after the Retroactive Date set forth in the Declarations.

**C. Defense.** We have the right and duty to defend any **Claim** for an **Insured Event** made

or brought against any Insured to which this policy applies. We have the right to choose counsel to defend a **Claim** that we are covering. We have no duty to provide other services or take other actions. Our duty to defend any **Claim** ends when the **LIMIT OF LIABILITY** that applies has been exhausted, and in such event, the **Named Insured** shall, upon notice from us, promptly take over control of the defense.

We have the right to investigate and to settle any **Claim** for an **Insured Event** in the manner and to the extent that we believe is proper, contingent upon the consent of the **Named Insured** as defined in this policy. This includes the right to agree to post a notice of compliance, provided such notice does not contain an admission of liability.

You may take over control of any outstanding **Claim** previously reported to us only if we both agree that you should, if required under law or if a court orders you to do so.

If your **LIMIT OF LIABILITY** is exhausted, we will notify you of all outstanding **Claims** so that you can take over control of their defense. We will help to transfer control to you.

**D. During the transfer of control.** We agree to take whatever steps are necessary to continued the defense of any outstanding

**Claim** and avoid a default judgment during the transfer of control to you. If we do so, you agree to pay reasonable expenses that we incur for taking such steps after the **LIMIT OF LIABILITY** is exhausted.

- E. Duty to pay.** We have the duty to pay any **Loss** (after you pay the applicable self-insured retention) that results from any **Claim** for an **Insured Event** made or brought against any **Insured** to which this policy applies. Our duty to pay ends when the applicable **LIMIT OF LIABILITY** has been exhausted. We will not pay more than the applicable **LIMIT OF LIABILITY**.

We have the duty to pay **Defense Costs** incurred (after you pay the applicable self-insured retention) for the defense of any **Claim** that is controlled by us. Any payment of **Defense Costs** is included in the **LIMIT OF LIABILITY**, it is not in addition to the **LIMIT OF LIABILITY**.

- F. Recommended Settlements.** As respects any **Claim** for which we recommend that a settlement offer be accepted but you do not give your consent to such settlement, and the **Claim** later results in a judgment or settlement in excess of the recommended settlement, our liability for **Loss** on account of such **Claim** shall not exceed the recommended settlement amount plus **Defense Costs** incurred as of the date we recommended the settlement. This provision shall not apply unless the total **Loss**, including the recommended settlement, would exceed the applicable Retention amount.

## II. DEFINITIONS

- A. Application** means each and every signed **Application**, any attachments to such **Applications**, other materials submitted therewith and incorporated therein and any other such documents submitted in connection with the underwriting of this policy or the underwriting of any other employment practices liability policy issued by us, or any of our affiliates, of which this policy is a renewal, replacement or which succeed it in time.

- B. Claim(s)** means a written complaint or written charge made against an **Insured** or a written demand made against an **Insured** in which damages are alleged or where specific charges of **Discrimination**, **Harassment**, **Inappropriate Employment Conduct** are brought.

**Claim** includes a civil action, suit or administrative proceeding, to which any

Insured must submit or to which any **Insured** submits with our consent.

But **Claim** shall not mean any labor or grievance arbitration subject to a collective bargaining agreement; or any complaint, writ or other proceeding in which an **Insured** is alleged to have committed or engaged in a criminal offense or violation of a federal, state or local penal law.

- C. Defense Costs** means those reasonable and necessary expenses that result from the investigation, settlement or defense of a specific **Claim** including attorney fees and expenses, the cost of legal proceedings, the cost of appeal bonds, the cost of bonds to release property being used to secure a legal obligation (but only for bond amounts within the **LIMIT OF LIABILITY** that applies). We have no obligation to furnish any bonds.

The following are not **Defense Costs**: costs incurred by any Insured before notice is provided to us; salaries and expenses of your employees, including in-house and/or coverage attorneys, salaries and expenses of our employees, or our in-house or coverage attorneys or the fees and expenses of independent adjusters we hire.

- D. Discrimination** means termination of the employment relationship, a demotion, a failure or refusal to hire or promote, denial of an employment benefit or the taking of any adverse or differential employment action because of race, color, religion, age, sex, disability, pregnancy, sexual orientation, national origin, or any other basis prohibited by federal, state or local law occurring on or after the Retroactive Date as shown in the Declarations.

This policy covers retaliation claims based on unlawful discrimination occurring on or after the Retroactive Date as shown on the Declarations Page, except as excluded in **EXCLUSIONS: WHAT IS NOT COVERED** section **IX**.

- E. Employee** means an individual whose labor or service is engaged by and directed by the Named Insured, or any covered entity. This includes volunteers, part time, seasonal and temporary Employees as well as any individual employed in a supervisory, managerial or confidential position. Independent contractors and sub contractors are not Employees unless they are dedicated agents or representatives of an **Insured**.

**Employees** who are leased to another employer are not **Employees**.

**F. Harassment** means unwelcome sexual or non-sexual advances, requests for sexual or non-sexual favors or other verbal, visual or physical conduct of a sexual or non-sexual nature, where such harassment occurs on or after the Retroactive Date as shown in the Declarations and is based on a factor or category prohibited by law (including sex, race, age, national origin, disability, etc.), that (1) explicitly or implicitly are made a condition of employment, (2) are used as a basis for employment decisions, or (3) create a work environment that interferes with performance.

**G. Inappropriate Employment Conduct** means any of the following occurring on or after the Retroactive Date as shown in the Declarations:

1. actual or constructive termination of an employment relationship in a manner which is alleged to have been against the law or wrongful or in breach of an implied employment contract or breach of the covenant of good faith and fair dealing in the employment contract;
2. allegations of wrongful demotion, or wrongful discipline;
3. allegations of misrepresentation made by an **Employee**, a former **Employee** or an applicant for employment which arise from an **Insured's** employment decision to hire, fire, promote or demote;
4. allegations of infliction of emotional distress, mental injury, mental anguish, shock, sickness, disease or disability made by an **Employee**, a former **Employee** or an applicant for employment which arise from an **Insured's** employment decision to hire, fire, promote or demote;
5. allegations of false imprisonment, detention or malicious prosecution made by an **Employee**, a former **Employee** or an applicant for employment which arise from the **Insured's** an employment decision to hire, fire, promote or demote;
6. allegations of libel, slander, defamation of character or any invasion of right of privacy made by an **Employee**, a former **Employee** or an applicant for employment which arise from an **Insured's**

employment decision to hire, fire, promote or demote; or

7. other personal injury allegations made by an **Employee**, a former **Employee** or an applicant for employment which arise from an **Insured's** employment decision to hire, fire, promote or demote.

**Inappropriate Employment Conduct** shall not include any allegations other than those set forth above.

**H. Insured Event** means actual or alleged acts of **Discrimination**, **Harassment**, and/or **Inappropriate Employment Conduct**, by an **Insured** against an **Employee** or former **Employee** or applicant for employment with an **Insured** entity occurring on or after the Retroactive Date as shown in the Declarations. **Insured Event** shall not include **Claims** for actual or alleged violation of any federal, state or local wage and hour laws or regulations.

**I. Laundry List Notification** means any attempt by an **Insured** to report multiple matters under this policy in a summary fashion that does not comply with **CONDITIONS** section **VIII. A. or B.** By way of example, a **Laundry List Notification** may consist of a report by an **Insured** that lists purported potential claimants, either in the absence of a **Claim**, or in the absence of an oral complaint.

**J. Loss** means damages, judgments (including prejudgment and post judgment interest awarded against an **Insured** on that part of any judgment paid by us), settlements, we authorize or agree to, statutory attorney fees and **Defense Costs**.

However, **Loss** does not include anything specifically excluded in **EXCLUSIONS: WHAT IS NOT COVERED** section **IX**, or any of the following:

1. salary or wages of the **Insured**;
2. non-monetary relief (this provision does not apply to Defense Costs where non-monetary relief is sought for alleged **Harassment**, **Discrimination**, **Inappropriate Employment Conduct**;
3. payment of insurance plan benefits by or on behalf of retired **Employees**, or that to which a claimant would have been entitled as an **Employee** had any **Insured** provided the claimant with a continuation of insurance;

4. liquidated damages where there is a finding of wilfulness;
5. costs incurred by an **Insured** to modify or adapt any building or property in order to make such building or property more accessible or accommodating to any disabled person; costs associated with eliminating non-essential duties from the job description of a disabled person; costs associated with providing a disabled person with reasonable workplace accommodations; and costs associated with lost productivity by an employer as the result of making a reasonable workplace accommodation for a disabled person;
6. matters which may be deemed uninsurable according to the law under which this policy is construed;
7. amounts owed under federal, state or local wage and hour laws;
8. amounts owed under a contract of employment;
9. commissions, bonuses, profit sharing or benefits pursuant to a contract of employment, including but not limited to vacation, holiday, and/or sick pay;
10. severance payments or obligations to make payments;
11. amounts that are sought or deemed to be owed under partnership, stock or other ownership agreements;
12. fines, penalties and taxes; or
13. punitive or exemplary damages.

**K. One Insured Event** means (1) one or more covered allegations of **Discrimination, Harassment** and/or **Inappropriate Employment Conduct** which are related by an unbroken chain of events or (2) class action or multiple claimant or multiple plaintiff suits arising out of related **Insured Events**.

**L. Subsidiary** means any organization more than 50% owned by the Named Insured listed in the **Application**.

### III. WHEN COVERAGE IS PROVIDED

**A.** This policy applies only to **Claims** arising out of an **Insured Event** first made or brought during the **Policy Period** and which are reported to us in accordance with the policy's notice provisions as set forth in **CONDITIONS** section **VIII. A. Duties in the Event of a**

**Claim. Claims** are considered to be first made when it is first served or received by the **Insured**.

- B.** All **Claims** because of **One Insured Event** will be considered to have been made or brought on the date that the first of those **Claims** was first made or brought.
- C.** Limited Reporting Period means the thirty (30) day period after the policy ends, during which **Claims** because of **Insured Events** which happen or commence during the **Policy Period** and are reported in accordance with section **I.** and **VIII.** of the policy can be made.
- D.** Extended Reporting Period. If you cancel this Policy or this Policy is non-renewed, you shall have the right to buy an Extended Reporting Period Endorsement providing an extended reporting period of up to twelve (12) months from the end of the Policy Period, or the effective date of cancellation, whichever is earlier, in exchange for your payment of an additional premium. You do not have this right, however, if we cancel for nonpayment of premium.

The Extended Reporting Period Endorsement will not be issued unless we receive a written request for it within thirty (30) days after this policy is cancelled or non-renewed, nor will it take effect unless the additional Premium is paid within thirty (30) days after this policy is cancelled or non-renewed. Once that Premium is paid the endorsement may not be cancelled and the additional Premium will be fully earned.

The additional premium for a 12 month Extended Reporting Period will be one hundred percent (100%) of the premium charged for the last Policy Period.

However, the Extended Reporting Period will not apply to any **Claim** if other insurance you buy covers you or would cover you if its limits of coverage had not been exhausted.

Coverage under the Extended Reporting Period is with respect to **Claims** first made against an **Insured** during the Policy Period or Extended Reporting Period and first reported by an **Insured** during the Extended Reporting Period, provided always that **Claims** reported during the Extended Reported Period are limited to **Insured Events** which happen or commence before the original Policy Period ends by either cancellation or non-renewal and which are otherwise covered by this policy.

The **LIMIT OF LIABILITY** that applies at the end of the Policy Period is not renewed or increased and the Limits, as shown in the Declarations, shall not be increased in any way by the Limited Reporting Period or the addition of the Extended Reporting Period.

E. If, during the Policy Period, any of the following changes occur:

1. the acquisition of an **Insured**, or of all or substantially all of its assets, by another entity, or the merger or consolidation of an **Insured** into or with another entity such that the **Insured** is not the surviving entity; or
2. the obtaining by any person, entity or affiliated group of persons or entities of the right to elect, appoint or designate over fifty percent (50%) of the directors of an **Insured**

coverage under this policy with respect to such **Insured** will continue in full force and effect with respect to **Claims** for **Insured Events** committed before such change, but coverage with respect to such **Insured** will cease with respect to **Claims** for **Insured Events** committed after such change. After any such change, this policy may not be cancelled, regardless of **CONDITIONS** section **VIII.F.** Cancellation, and the entire Premium for the policy will be deemed fully earned.

#### IV. WHERE COVERAGE IS PROVIDED

This policy covers **Claims** made and **Insured Events** occurring anywhere in the United States of America or its territories.

#### V. WHO IS INSURED

- A. **Individual.** If you are shown in the Declarations as an individual, you and your spouse are **Insureds** but only for the conduct of a business of which you are the sole owner.
- B. **Corporation.** If you are shown in the Declarations as a corporation or organization other than a partnership or joint venture, you are an **Insured**. Your stockholders are also **Insureds**, but only with respect to their liability as your stockholders.
- C. **Partnership or Joint Venture.** If you are shown in the Declarations as a partnership or joint venture, you are an **Insured**. Your partners or co-venturers and their spouses are also **Insureds**, but only for the conduct of your business.

However, no person nor organization is covered for the conduct of any current or past partnership or joint venture not named in the Declarations.

D. **Other.** If you are a Limited Liability Corporation (LLC), or a Limited Liability Partnership ('LLP') of the Named Insured and you are shown in the Declarations as 'Other' you are an **Insured**. Your members, partners and shareholders are also **Insureds** but only with respect to the conduct of your business.

E. **Employees.** Your **Employees**, executive officers, directors and your trustees are **Insureds** only for the conduct of your business within the scope of their employment. Your **Employee's** status as an **Insured** will be determined as of the date of the **Discrimination, Harassment, Inappropriate Employment Conduct**, which caused an **Insured Event**.

F. **Mergers and Acquisitions.** Any organization that you newly acquire, form or merge with while this policy is in effect that has less than 10% of the total number of your **Employees** as of the inception date of this policy shall be an **Insured** at the time of such acquisition, merger or formation if you own at least fifty one percent (51%) of it. Within thirty (30) days prior to the expiration of the policy, the **Insured** shall give us written notice as to all such organizations. If you acquire, form or merge with any organization that has more than 10% of the total number of your **Employees** as of the inception date of this policy, such organization is also an **Insured** if you own at least fifty one (51%) of it; provided, however, no such organization is covered for more than forty five (45) days or the remainder of the Policy Period, whichever is less, from the date acquired, merged or formed unless we agree to cover such acquisition or newly formed organization within such forty five (45) day period in consideration of an additional Premium to be determined by us. Notwithstanding the foregoing, any acquired or formed organization is neither covered for **Loss** that results from an **Insured Event** that happened or first commenced before the **Insured** acquired or formed it; nor for **Loss** covered under any other insurance.

This provision does not apply to a partnership or joint venture. Nor does it apply to any organization once it is shown in the Declarations of this policy.

- G. Subsidiary.** Any organization more than 50% owned by the Named **Insured** and listed in the **Application** shall be an **Insured**.

## VI. LIMIT OF LIABILITY

- A.** The amount shown in the Declarations as the "Each Insured Event Limit" is the most we will pay for **Claims** first made or brought during the Policy Period for **Loss** that results from any **One Insured Event** regardless of the number of **Claims**.
- B.** The amount shown in the Declarations as the "Aggregate Limit of Liability" is the most we will pay for the combined total of all **Claims** first made or brought during the Policy Period for **Loss** that result from all **Insured Events**.

If this Policy Period is extended, the Limits, as shown in the Declarations shall not in any way increase. For purposes of the **LIMIT OF LIABILITY**, any policy extension is considered to be part of and not in addition to the former Policy Period.

## VII. SELF INSURED RETENTION

Our obligation to pay under this policy applies only to covered amounts in excess of any Self Insured Retention amount that the insured must pay, as shown in the Declarations, and the **LIMIT OF LIABILITY** will not be reduced by the amount of such Self Insured Retention.

The Self Insured Retention amount will apply separately to each **Claim** made, however, it will only apply once to all **Claims** arising out of any **One Insured Event** regardless of the number of claimants who allege damages.

If, prior to terminating or demoting an **Employee** the **Insured** consults with and follows the advice of a labor law attorney approved by our Authorized Representative, then the **Insured's** Self Insured Retention is reduced by 50% in the event the **Insured** faces a **Claim** involving such termination or demotion.

## VIII. CONDITIONS

We have no duty to provide coverage under this policy unless there has been full compliance with all the conditions contained in this policy.

### A. Duties in the event of a Claim

1. You must see to it that we or our Authorized Representative are notified as soon as practicable but in no event more than thirty days (30) after any **Insured** who is a principal, partner, officer, director, trustee, in house counsel,

Employee(s) within the HR Risk Management department or **Employee(s)** with personnel and risk management responsibilities, becomes aware that a **Claim** has been made. Your notification should include:

- (a) the identity of the person(s) alleging **Discrimination, Harassment, Inappropriate Employment Conduct;**
- (b) the identity of any Insured(s) who allegedly committed the **Discrimination, Harassment, Inappropriate Employment Conduct;**
- (c) the identity of any witnesses to the alleged **Discrimination, Harassment, Inappropriate Employment Conduct;** and
- (d) the date(s) an **Insured Event** took place.

### 2. You and any other **Insured** must:

- (a) immediately send us or our Authorized Representative copies of any demands, notices, summonses or legal papers received in connection with the **Claim**;
- (b) authorize us or our Authorized Representative to obtain statements, records and other information;
- (c) co-operate with us or our Authorized Representative in the investigation or defense of the **Claim**; and
- (d) assist us or our Authorized Representative in the enforcement of any right against any person or organization which may be liable to an Insured because of **Loss** to which this policy may also apply.

3. No **Insured** will, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent. Subsequent payments that are deemed by us as having been prejudiced by any such voluntary payment will also be the sole responsibility of the **Insured**.

### B. Report of a Potential Claim

Solely at an **Insured's** option, an **Insured** may within the Policy Period report an oral complaint by an **Employee**, former **Employee**

or applicant for employment alleging **Discrimination, Harassment and/or Inappropriate Employment Conduct**. If such report is received by us or our Authorized Representative within the Policy Period then any **Claim** subsequently arising from such oral complaint will be deemed to be made on the date such report was received. Such report must include the identity of the person(s) making the oral complaint. In no event, however, is an **Insured** entitled to coverage under this policy based on a Laundry List Notification.

### C. Legal Action Against Us

1. No person or organization has the right under this policy:
  - (a) to join us as a party or otherwise bring us into a suit asking for damages from an **Insured**; or
  - (b) to sue us on this policy unless all of its terms have been fully complied with.
2. A person or organization may sue us to recover on an agreed settlement or on final judgment against an **Insured** obtained after an actual trial, but we will not be liable for damages that are not payable under the terms of this policy or that are in excess of the applicable **LIMIT OF LIABILITY**. An agreed settlement means a settlement and release of liability signed by us, an **Insured** and the claimant's legal representative.

### D. Other Insurance

This policy shall be deemed primary insurance in connection with covered **Claims** by **Employees** against an **Insured** because of an **Insured Event**. In connection with any other covered **Claim**, this Policy shall apply in excess of all indemnity rights of an **Insured** and in excess of any other valid or collectible insurance available to any **Insured**. Nothing herein is intended to make this policy subject to the terms, conditions and limitations of any other insurance, and nothing herein is intended to limit our or any **Insured's** right to contribution or indemnity from any other party, insurer or indemnitor.

### E. Premium

The Premium shown in the Declarations is for the Policy Period shown in the Declarations.

### F. Cancellation

You may only cancel this policy by mailing to

us written notice stating when, not less than thirty (30) days thereafter such cancellation shall be effective. We may cancel this policy for any reason, including non-payment of Premium, by mailing to the Named Insured at the address shown in the Declarations, written notice stating when, not less than ten (10) days thereafter, such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. The effective date and hour of cancellation as stated in the notice shall become the end of the Policy Period. Delivery of such written notice shall be equivalent to mailing.

If this policy is cancelled, we will send the first Named Insured any unearned premium refund due. If we cancel, the refund will be pro rata. Refund Premium adjustments may be made at the time cancellation becomes effective, but payment or tender of unearned Premium is not a condition of cancellation.

If you cancel, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund. However, Premium shall be deemed fully earned if any **Claim** under this policy is reported to us on or before the date of cancellation.

### G. Representations

By accepting this policy you agree:

1. all statements in the **Application** and any attachments as well as all other information provided to us are true and complete and shall be deemed material to the acceptance of the risk or the hazard assumed by us under this policy;
2. those statements are based upon representations you made to us;
3. we have issued this policy in reliance upon your representations;
4. in the event that any statement or representation in the **Application** is untrue, this Policy in its entirety shall be void at inception and of no effect whatsoever; and
5. to disclose any material facts you become aware of between the time that the **Application** for this policy is signed and the policy inception date.

The truth of any statement or representation in the **Application** shall be determined without regard to whether any **Insured** knew the



**Application** contained such untrue statement or representation.

#### H. When We Do Not Renew

If we decide not to renew this policy, we will mail or deliver to the **Named Insured** shown in the Declarations, written notice of the non-renewal not less than sixty (60) days before the expiration date.

If notice is mailed, proof of mailing will be sufficient notice of non-renewal.

#### I. Transfer Of Rights Of Recovery Against Others to Us

If any Insured has rights to recover all or part of any payments we have made under this policy, those rights are transferred to us; the **Insured** must do nothing after a Loss to impair them. At our request, any **Insured** will bring suit or transfer those rights to us and help us to enforce them.

#### J. Bankruptcy

Bankruptcy or insolvency of any **Insured** or of an **Insured's** estate will not relieve us of our obligations under this policy, except as excluded in **EXCLUSIONS: WHAT IS NOT COVERED** section IX.

#### K. False Or Fraudulent Claims

If any **Insured** shall proffer any **Claim** knowing the same to be false or fraudulent as regards amount or otherwise, this policy will become void in its entirety and all coverage hereunder shall be forfeited.

### IX. EXCLUSIONS: WHAT IS NOT COVERED

**A. Worker's Compensation, ERISA, FLSA, NRLA, WARN, COBRA and OSHA.** This policy does not cover any **Loss** arising out of any **Claim** alleging violation of any: i) worker's compensation, disability benefits or unemployment compensation law, social security and other employment benefits law; ii) the Employee Retirement Income Security Act of 1974 Public Law 93-406; iii) the Fair Labor Standards Act (except the Equal Pay Act); (iv) the National Labor Relations Act; (v) the Worker Adjustment and Retraining Notification Act; (vi) the Consolidated Omnibus Budget Reconciliation Act of 1985; (vii) the Occupational Safety and Health Act; (viii) any other federal, state or local statute or law similar to any statute or law described in (i) through (vii) of this exclusion; provided, however, this exclusion shall not apply to any **Claim** for any actual or

alleged retaliatory treatment of the claimant on account of the claimant's exercise of rights pursuant to such statute, law, rule or regulation.

**B. Contractual Liability.** This policy does not cover any **Loss** based upon, arising out of, directly or indirectly in connection with, related to, or in any way involving any **Claim** any **Insured** is obligated to pay by reason of the assumption of another's liability for an **Insured Event** in a contract or agreement. This exclusion will not apply to liability for damages because of an **Insured Event** that any **Insured** would have without the contract or agreement.

**C. Consequential Loss.** This policy does not cover any **Loss** resulting from or attributable to any allegations made by or solely for the benefit of a claimant's domestic partner, spouse, child, parent, brother or sister.

**D. Wage and Hour Law.** This policy does not cover any **Loss** arising out of a claim based upon, arising out of, directly or indirectly in connection with, related to or in any way alleging violation of any state or local wage and hour law, however, in the event such **Claim** also alleges an **Insured Event** otherwise covered by this policy, notwithstanding the provisions of section **I.C. Defense**, and subject to all other terms, conditions and exclusion contained in this policy, we agree to pay loss solely for that portion of the claim involving such **Insured Event**.

**E. Stock Options.** This policy does not cover any **Loss** resulting from or attributable to stock options, including, without limitation, 1) the failure to grant stock options and/or 2) amounts attributable to unvested stock options which options did not vest because of the actual or alleged wrongful termination of an **Employee**.

**F. Fraud and Collusion.** This policy does not cover any **Loss** based upon, arising out of, directly or indirectly in connection with, related to, or in any way involving any **Claim** alleging fraud, collusion, dishonest, criminal or malicious acts by or at the direction of an **Insured**. Without limiting the foregoing, we will pay **Defense Costs** incurred relating to allegations of fraud, collusion, dishonest, criminal or malicious acts to defend an innocent Insured named in such **Claim** so long as such **Claim** also contains allegations against that innocent **Insured** involving an

**Insured Event** otherwise covered by this policy.

- G. Prior Knowledge.** This policy does not cover any **Loss** arising out of **Insured Events** of which any **Insured** who is a principal, partner, officer, director, trustee, in-house counsel, Employee(s) within the HR or Risk Management department or Employee(s) with personnel and risk management responsibilities was aware by actual knowledge of the facts or circumstances of such **Insured Event** prior to the Prior Knowledge Date, as shown in the Declarations.
- H. Prior Notice.** This policy does not cover any **Loss** arising out of **Insured Events** that have been the subject of any notice given under any other policy prior to the inception date of this policy.
- I. Punitive Damages.** This endorsement does not cover any **Loss** arising out of any fines, penalties, punitive damages, exemplary damages or any additional damages resulting from the multiplication of compensatory damages (referred to herein collectively as "Punitive Damages"), except that if a suit is brought against the Named Insured on a **Claim** falling within the coverage hereof, seeking both compensatory and Punitive Damages, then we will afford a defense to such action, without liability, however, for such Punitive Damages; provided further, that our obligation to provide such defense for Punitive Damages shall terminate when the **Claim** for compensatory damages in such action is terminated or paid through judgment or settlement and, in no event, shall we afford a defense for Punitive Damages after the Limit of Liability for compensatory damages has been paid.
- J. Retroactive Date.** This policy does not cover any **Loss** arising out of any **Insured Events** that first occurred on or before the Retroactive Date as set forth in the Declarations. For the purposes of this exclusion, related **Insured Events** are excluded if the first related **Insured Event** took place or is alleged to have taken place prior to the Retroactive Date.

# Maryland Amendatory Endorsement

## THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

This endorsement modifies insurance provided under the:

### EMPLOYMENT PRACTICES LIABILITY INSURANCE POLICY - STANDARD EMPLOYMENT PRACTICES LIABILITY INSURANCE POLICY - PREFERRED

1. Paragraph **D.** Extended Reporting Period of Clause **III. WHEN COVERAGE IS PROVIDED** is deleted and replaced with the following:

**D.** Extended Reporting Period. We will provide an Extended Reporting Period if:

1. This Policy is canceled or not renewed; or
2. We renew or replace this Policy with insurance that:
  - (a) Has a Retroactive Date later than the date shown in the Declarations; or
  - (b) Does not provide coverage for an **Insured Event** on a claims-made basis.

We will issue an Extended Reporting Period Endorsement if any event described in **1.** Or **2.** above occurs and if the **Named Insured** shown in the Declarations:

1. Makes a written request to purchase the Extended Reporting Period which we receive within 60 days after the end of the policy period; and
2. Promptly pays the additional premium when due.

The Extended Reporting Period Endorsement will not take effect unless the additional premium is paid when due. If that premium is paid when due, the endorsement may not be cancelled.

The Extended Reporting Period is available for an unlimited duration, starting with the end of the Limited Reporting Period of this policy.

The additional premium for the Extended Reporting Period Endorsement will not exceed 200% of the annual premium for the last Policy Period.

However, the Extended Reporting Period will not apply to any **Claim** if other insurance you

buy covers you or would cover you if its limits of coverage had not been exhausted.

Coverage under the Extended Reporting Period is with respect to **Claims** first made against an **Insured** during the Policy Period or Extended Reporting Period and first reported by an **Insured** during the Extended Reporting Period, provided always that **Claims** reported during the Extended Reporting Period are limited to **Insured Events** which happen or commence before the original Policy Period ends by either cancellation or non-renewal and which are otherwise covered by this policy.

The **LIMIT OF LIABILITY** that applies at the end of the Policy Period is not renewed or increased and the Limits, as shown in the Declarations, shall not be increased in any way by the Limited Reporting Period or the addition of the Extended Reporting Period.

2. The second sentence of Clause **VIII. CONDITIONS F. Cancellation.** is deleted and replaced with the following:

If this policy been in effect for forty-five (45) days or less, and is being canceled for a reason other than nonpayment of premium, we may cancel this policy by mailing written notice of cancellation to the **Named Insured** at the address shown in the Declarations at least fifteen (15) days before the effective date of cancellation. The notice will state clearly and specifically the reasons for the cancellation.

If the policy has been in effect more than forty-five (45) days, and is being canceled for a reason other than nonpayment of premium, we may cancel this policy by mailing written notice to the **Named Insured** at the address shown in the Declarations at least forty-five (45) days before the effective date of cancellation. The notice shall provide the following:

1. the actual reason that is clear and specific;
2. an offer to provide additional information in support of the proposed cancellation and an address where you can submit a written request for the additional information;
3. you must submit a written request for the information and the request must be sent not more than thirty (30) days from the date of the notice of cancellation; and
4. upon receiving a written request from you for additional information and prior to the effective date of the proposed cancellation, we will provide a response in writing within fifteen (15) days.

The cancellation notice for a policy in effect for more than forty-five (45) days shall be sent by certificate of mail or by a commercial mail delivery service. We will maintain proof of mailing in a form authorized or accepted by the United States Postal Service or a commercial mail delivery service. Notice given to the **Named Insured** by an insurance producer on our behalf is deemed to have been given by us for purposes of this section. We are not required to provide notice of cancellation if the **Named Insured** has replaced the coverage.

We may cancel this policy for non-payment of premium by mailing written notice to the **Named Insured** at the address shown in the Declarations at least ten (10) days prior to the effective date of cancellation. The notice shall be sent by certificate of mail. We will maintain proof of mailing in a form authorized or accepted by the United States Postal Service.

2. The first sentence of the last paragraph of **Clause VIII. CONDITIONS F. Cancellation.** is deleted and replaced with the following:

If you cancel, the refund will be calculated using a customary short rate table.

3. The first paragraph of **Clause VIII. Conditions H. When We Do Not Renew.** is amended to add the following:

4. The notice shall provide the following:
  1. the actual reason that is clear and specific;
  2. an offer to provide additional information in support of the proposed nonrenewal and an address where you can submit a written request for the additional information;
  3. you must submit a written request for the information and the request must be sent

not more than thirty (30) days from the date of the notice of nonrenewal; and

4. upon receiving a written request from you for additional information and prior to the effective date of the proposed nonrenewal, we will provide a response in writing within fifteen (15) days.

The notice shall be sent by certificate of mail or by a commercial mail delivery service. We will maintain proof of mailing in a form authorized or accepted by the United States Postal Service or a commercial mail delivery service. Notice given to the **Named Insured** by an insurance producer on our behalf is deemed to have been given by us for purposes of this section. We are not required to provide notice of nonrenewal if the **Named Insured** has replaced the coverage

5. **Clause VIII. CONDITIONS L. Increases in Premium** is added and shall read as follows:

#### **L. Increases in Premium**

If we decide to increase the renewal premium on this policy, we shall mail written notice to the **Named Insured** at the address shown in the Declarations, and to the insurance producer, if any, at least forty-five (45) days before the end of the Policy Period. The notice shall provide the following:

1. the expiring policy premium and the renewal policy premium;
2. the telephone number for us or the insurance producer, if any; and
3. a statement that you may call to request additional information about the premium increase.

However, we are not required to provide such notice when the renewal policy premium exceeds \$1,000 and the increase over the expiring policy premium is the lesser of three percent (3%) or \$300.

In determining the amount of the premium increase under this provision, we are not required to include premium increase resulting from:

1. an increase in the units of exposure;
2. the application of an experience rating plan;
3. the application of a retrospective rating plan;

4. a change made by the **Named Insured** that increases our exposure; or
5. an audit of the **Named Insured**.

If our rating methodology requires you to provide information to calculate the renewal policy premium, we shall provide a reasonable estimate of the renewal policy premium if we requested the required information from you and we have not received the requested information.

6. Clause **VIII. CONDITIONS M. Reduction in Coverage** is added and shall read as follows:

#### **M. Reduction in Coverage**

If upon renewal we initiate any change in the policy which is not at your request and which results in an elimination of or reduction in benefits including any increase in deductible, we will provide, in general terms, written notice of the change in the policy. We may mail or deliver notice to you, or we may authorize a representative to mail or deliver notice to you, in which case we will provide the authorized representative with the appropriate notice.

BILL	POLICY NUMBER	PRODUCER NUMBER	ACCOUNT NUMBER	AUDIT PERIOD
D	PAS 04281723	18006387	F003552863-001-00001	NONE
BRANCH GR GRAND RAPIDS			RENEWAL EFF 09/22/2016	



**PRECISION AMERICA**  
**HABITATIONAL PROGRAM - PREFERRED**  
**COMMERCIAL UMBRELLA DECLARATIONS**

This coverage part consists of this declarations form and the coverage form and endorsements indicated as applicable on the forms list.

LIMITS OF INSURANCE	
GENERAL AGGREGATE LIMIT	\$5,000,000
PRODUCTS AND COMPLETED OPERATIONS AGGREGATE LIMIT	\$5,000,000
EACH OCCURRENCE LIMIT	\$5,000,000
RETAINED LIMIT (NOT COVERED BY UNDERLYING INSURANCE)	\$10,000

**SCHEDULE OF UNDERLYING INSURANCE**

TYPE	CARRIER/POLICY NUMBER	POLICY PERIOD	LIMITS OF INSURANCE	
Commercial Automobile Liability	EXCLUDED			
Commercial General Liability	FOREMOST INSURANCE COMPANY GRAND RAPIDS, PAS 04281723	09/22/2016	General Aggregate Limit	\$2,000,000
		09/22/2017	Products & Completed Operations Aggregate Limit	\$2,000,000
			Personal and Advertising Injury Limit	\$1,000,000
			Each Occurrence Limit	\$1,000,000
Employers Liability	EXCLUDED		Bodily Injury Each Accident	
			Bodily Injury By Disease Policy Limit	
			Bodily Injury By Disease Each Employee	
AUTO LIABILITY HIRED & NON-OWNED	FOREMOST INSURANCE COMPANY GRAND RAPIDS, PAS 04281723	09/22/2016 09/22/2017	EACH OCCURRENCE	\$1,000,000
Directors and Officers Liability	FOREMOST INSURANCE COMPANY GRAND RAPIDS, PAS 04281723	09/22/2016	Each Claim	\$1,000,000
		09/22/2017	Annual Aggregate	\$1,000,000

BILL	POLICY NUMBER	TC	PRODUCER NUMBER	AC	ACCOUNT NUMBER	AUDIT
D	PAS 04281723		18006387		F003552863-001-00001	NONE
BRANCH GRAND RAPIDS					RENEWAL EFF 09/22/2016	

**PRECISION PORTFOLIO POLICY  
FORMS AND ENDORSEMENTS APPLICABLE  
PRECISION AMERICA  
FOREMOST INSURANCE COMPANY GRAND RAPIDS, MI**

FORM NUMBER	PROP	LIAB	AUTO	UMB	FORM OR ENDORSEMENT NAME
S2701-ED2	0210	X			MARYLAND CHANGES - LIABILITY FOR HAZARDS OF LEAD
* 9S5008	0300	X	X		SUPPLEMENTAL DECLARATIONS
* 9S1111	1108	X			BUSINESSOWNERS PROPERTY DECLARATIONS
* 9S1112	1108	X			BUSINESSOWNERS PROPERTY SCHEDULE
J6612-ED2	0515	X			EQUIPMENT BREAKDOWN COVERAGE ENDORSEMENT
E0119-ED4	1207	X			BACK UP OF SEWERS AND OVERFLOW OF DRAINS
E0018-ED2	0702	X			PROTECTIVE SAFEGUARDS
E2031-ED1	0204	X			OTHER TYPES OF LOSS ENDORSEMENT
* 9S2354	1108	X			BUSINESSOWNERS LIABILITY DECLARATIONS
* 9S2355	1108	X			BUSINESSOWNERS LIABILITY SCHEDULE
E3314-ED3	0602	X			CONDOMINIUM LIABILITY COVERAGE FORM
E0147-ED1	0403	X			WAR LIABILITY EXCLUSION
E2038-ED3	0115	X			CONDITIONAL EXCLUSION OF TERRORISM (RELATING TO DISPOSITION OF FEDERAL TERRORISM RISK INSURANCE ACT)
E3336-ED2	0702	X			Hired Auto and Non-Owned Auto Liability
E3422-ED3	0302	X			CONDOMINIUM PROPERTY COVERAGE FORM

\* These forms are attached. Remaining forms were attached to a previous copy of the policy.

**COMMON**

9S5009 Ed. 3-00

08/21/2016

BILL	POLICY NUMBER	TC	PRODUCER NUMBER	AC	ACCOUNT NUMBER	AUDIT
D	PAS 04281723		18006387		F003552863-001-00001	NONE
BRANCH GRAND RAPIDS					RENEWAL EFF 09/22/2016	

**PRECISION PORTFOLIO POLICY  
FORMS AND ENDORSEMENTS APPLICABLE  
PRECISION AMERICA  
FOREMOST INSURANCE COMPANY GRAND RAPIDS, MI  
(CONTINUED)**

FORM NUMBER	PROP	LIAB	AUTO	UMB	FORM OR ENDORSEMENT NAME
9S1126	1010	X			CONDOMINIUM PREFERRED PACKAGE ENDORSEMENT
E3418-ED2	0602	X			Condominium Association Unit Coverage Endorsement
E6278-ED2	1010	X			BLANKET LIMITS FOR BUILDINGS AND BUSINESS PERSONAL PROPERTY
E0104-ED1	0903		X		BUSINESS LIABILITY COVERAGE - TENANTS LIABILITY
E4009-ED4	1203		X		MOLD AND MICROORGANISM EXCLUSION
J6316-ED1	1106	X			EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA
J6350-ED1	0707	X			EMPLOYEE DISHONESTY - PROPERTY MANAGER
E6288-ED2	0909		X		EXCLUSION - BUILDING CONVERSIONS
* 9S2356	1108		X		EMPLOYMENT PRACTICES INSURANCE COVERAGE DECLARATIONS - STANDARD
J6347-ED1	0107		X		EXCLUSION - VIOLATION OF STATUTES THAT GOVERN E-MAILS, FAX, PHONE CALLS OR OTHER METHODS OF SENDING MATERIAL OR INFORMATION
J6353-ED2	0608		X		CHANGES TO LIMITS OF INSURANCE
J6829-ED 1	0310	X			LIMITED COVERAGE FOR FUNGI, WET ROT, DRY ROT AND BACTERIA
983109	0804			X	FUNGI OR BACTERIA EXCLUSION ENDORSEMENT
E3331-ED3	0807		X		LIMITATION OF COVERAGE TO DESIGNATED PREMISES
E3316-ED2	0902		X		ADDITIONAL INSURED - MANAGERS OR LESSORS OF PREMISES

\* These forms are attached. Remaining forms were attached to a previous copy of the policy.

**COMMON**

9S5009 Ed. 3-00

08/21/2016



BILL	POLICY NUMBER	TC	PRODUCER NUMBER	AC	ACCOUNT NUMBER	AUDIT
D	PAS 04281723		18006387		F003552863-001-00001	NONE
BRANCH GRAND RAPIDS			RENEWAL EFF 09/22/2016			

**PRECISION PORTFOLIO POLICY  
FORMS AND ENDORSEMENTS APPLICABLE  
PRECISION AMERICA  
FOREMOST INSURANCE COMPANY GRAND RAPIDS, MI  
(CONTINUED)**

FORM NUMBER	PROP	LIAB	AUTO	UMB	FORM OR ENDORSEMENT NAME
E9122-ED5	1010	X			DIRECTORS AND OFFICERS LIABILITY COVERAGE FORM (CONDOMINIUMS AND COOPERATIVES)
* J6577-ED3	0912	X			EMPLOYMENT PRACTICES LIABILITY INSURANCE-STANDARD
W2216-ED1	1210	X			MARYLAND CHANGES - DIRECTORS AND OFFICERS LIABILITY COVERAGE
E9126-ED5	0909	X			DIRECTORS AND OFFICERS LIABILITY COVERAGE AMENDMENT OF B. EXCLUSIONS
* S2768-ED2	1112	X			MARYLAND AMENDATORY ENDORSEMENT
983104	0900			X	EMPLOYMENT-RELATED PRACTICES EXCLUSION
985021	0300			X	AMENDMENT OF INSURING AGREEMENT - KNOWN INJURY OR DAMAGE
983153	1105			X	EXCLUSION-VIOLATION OF STATUTES THAT GOVERN E-MAILS, FAX, PHONE CALLS OR OTHER METHODS OF SENDING MATERIAL OR INFORMATION
* 982001	0196			X	COMMERCIAL UMBRELLA DECLARATIONS
988020	1208			X	MARYLAND AMENDATORY ENDORSEMENT
982003	0196			X	COMMERCIAL UMBRELLA COVERAGE FORM
CU 21 44	0115			X	CONDITIONAL EXCLUSION OF TERRORISM (RELATING TO DISPOSITION OF FEDERAL TERRORISM RISK INSURANCE ACT)
983139	1202			X	WAR EXCLUSION
983004	0196			X	ALL HAZARDS IN CONNECTION WITH DESIGNATED PREMISES EXCLUSION - AUTOMOBILE EXCEPTION
984037	1110			X	CONDOMINIUMS AND COOPERATIVES DIRECTORS AND OFFICERS LIABILITY INSURANCE EXCESS LIMITS - FOLLOW FORM ENDORSEMENT (CLAIMS MADE COVERAGE)

\* These forms are attached. Remaining forms were attached to a previous copy of the policy.

COMMON

9S5009 Ed. 3-00

08/21/2016

BILL	POLICY NUMBER	TC	PRODUCER NUMBER	AC	ACCOUNT NUMBER	AUDIT
D	PAS 04281723		18006387		F003552863-001-00001	NONE
BRANCH GRAND RAPIDS			RENEWAL EFF 09/22/2016			

**PRECISION PORTFOLIO POLICY**  
**FORMS AND ENDORSEMENTS APPLICABLE**  
**PRECISION AMERICA**  
**FOREMOST INSURANCE COMPANY GRAND RAPIDS, MI**  
**(CONTINUED)**

FORM NUMBER	PROP	LIAB	AUTO	UMB	FORM OR ENDORSEMENT NAME
983146	0604			X	SILICA OR SILICA MIXED DUST EXCLUSION
983065	0909			X	WATERCRAFT LIABILITY EXCLUSION
983157	0909			X	CROSS SUIT OR CROSS CLAIM EXCLUSION
983158	0909			X	MOLD AND MICROORGANISM EXCLUSION
983159	0909			X	PUNITIVE OR EXEMPLARY DAMAGES EXCLUSION
983160	0909			X	LEAD POISONING AND CONTAMINATION EXCLUSION
983162	0909			X	EXCLUSION - BUILDING CONVERSIONS
983164	0909			X	PROFESSIONAL SERVICES EXCLUSION
983165	0909			X	NO COVERAGE FOR CERTAIN COMPUTER RELATED LOSSES
985025	0909			X	SUPPLEMENTARY PAYMENTS AMENDATORY ENDORSEMENT
984004	0196			X	AUTOMOBILE LIABILITY FOLLOWING FORM ENDORSEMENT
985013	0901			X	UMBRELLA AMENDATORY ENDORSEMENT

\* These forms are attached. Remaining forms were attached to a previous copy of the policy.

**COMMON**

9S5009 Ed. 3-00

08/21/2016



## **Owner Forms**

**2700-2800 Stonecliff Condominium Association Inc.**

# UNIT OWNER INFORMATION FORM

**Please complete this form in full and return to Tidewater within ten (10) days of receipt!**

It is important that your Association has this information on file in the event of a fire, security and/or medical emergency. Please complete the following form and return it to:

**Tidewater Property Management, Inc., 3706 Crondall Lane, #105, Owings Mills, MD 21117-2231.**

You may also complete and **fax the form to: 443-548-0196.**

**Community Name:** \_\_\_\_\_

**Owners Full Name:** (1) \_\_\_\_\_

**Owners Full Name:** (2) \_\_\_\_\_

**Address:** \_\_\_\_\_

**Parking Space (If Applicable):** \_\_\_\_\_

**Mailing Address (if different from above):** \_\_\_\_\_

<b>Phone Numbers:</b> (1) Day _____	(2) Day _____
Evening _____	Evening _____
Cell _____	Cell _____

**Primary E-mail Address:** \_\_\_\_\_

Do you have a pet or pets residing in the home? Yes \_\_\_\_\_ No \_\_\_\_\_

If yes, please give the type of animal and description:

\_\_\_\_\_  
\_\_\_\_\_

If your condominium or home is rented, please provide the following information about your tenants **and attach a photocopy of the lease in accordance with your association documents:**

**Name of Lessee:** (1) \_\_\_\_\_

**Phone Numbers:** Day \_\_\_\_\_ Evening \_\_\_\_\_

**Name of Lessee:** (2) \_\_\_\_\_

**Phone Numbers:** Day \_\_\_\_\_ Evening \_\_\_\_\_

Name(s) of all person(s) residing in the unit:

1) Name: _____	Age: _____
2) Name: _____	Age: _____
3) Name: _____	Age: _____
4) Name: _____	Age: _____

In case of emergency contact:

Name: \_\_\_\_\_ Relationship \_\_\_\_\_

Address: \_\_\_\_\_

Phone Number: Day \_\_\_\_\_ Evening \_\_\_\_\_

**Please contact your Property Manager if you have any questions concerning this form.**

## **Reserve Study**

**2700-2800 Stonecliff Condominium Association Inc.**

# CAPITAL RESERVE STUDY

## FOR THE

### 2700/2800 Stone Cliff Drive Condominium

### Baltimore, Maryland

## **Table of Contents**

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## **Executive Summary**

2700/2800 Stone Cliff Condominium Association is a 96 unit complex consisting of two, four-story buildings, located in Baltimore, Maryland. The community is located off Stone Cliff Drive, which is off Greenspring Avenue and accessible from Interstate 695.

This complex contains stacked one story, garden style dwelling units of various models and sizes. The units exist as one story units with grade level units having concrete patios. The second to fourth story units have been provided with balconies. A parking garage is located beneath each building structure at grade level.

The buildings' exterior facing surfaces are a mixture of adhered stone veneer and vinyl siding with architectural trim in panelized assemblies of PVC lumber elements.

The roofs are constructed of timber trusses and are asphalt shingled. Attic ventilation is achieved through the use of soffit venting provisions, and venting fixtures on the roof deck. Attic space insulation is of blown-in material. Attic and roof access is provided through a top floor doorway in the common area hallways on the uppermost level of each building.

Cast-in-place concrete sidewalks are located around the building where necessary to provide access. A one level parking garage with storage areas is located below each building. Additional resident and guest parking has been provided in parking areas at the front of both buildings.

All utility service is underground. Electrical service is from surface mounted transformers. Residences have individual gas and electric service.

Roof drainage is provided by gutters and leaders which are directed away from the buildings by underground piping or released at grade on splash blocks. Concrete curbing enhances parking area gutter drainage to storm water catch basins.

Level of Service	Full Service with Site Visits
Fiscal Year of Study	2013
Total First Year Contribution Per Funding Method	
Component Method	\$100,602*
5% Threshold Funding Contribution	\$87,643*
10% Threshold Funding Contribution	\$89,385*
Present Reserve Fund	\$511,645
Required Reserve Fund (Based on Component Method)	\$259,272
Percent Funded (Based on Component Method)	197%
Month Contributions Commence	January 2013

\* Please note that this is the contribution for the period of January 2013 through December 2013.

## Reserve Study Disclosures

**General** - Becht Engineering is not aware of any involvement with this Association that would lead to an actual or perceived conflict of interest.

**Physical Analysis** - The inspections performed to determine the current physical condition of the common elements were visual in nature; no destructive testing or invasive inspections were performed. Quantities were taken from a combination of field counts/measurements and plan take-offs.

**Personnel Credentials** - Preparation of this Reserve Study was performed by a CAI designated Reserve Specialist and licensed Building Inspector.

**Completeness** - This Reserve Study assumes that proper preventative and corrective maintenance has been and will continue to be performed on the common elements. Failure to properly maintain the common elements may lead to premature failure. It should be noted that higher rates of inflation, lower earned interest rates or prematurely failing components can result in a negative closing cash balance. In addition, it is important to note that the capital fund contributions each year are assumed to rise at the assumed rate of inflation. Failure to raise the annual contributions with inflation will reduce the closing balance and may lead to a future shortfall.

**Reliance on Client Data** – This Reserve Study was prepared based on certain information provided by the Association. This information typically includes the current asset balance of the Reserve Fund, the ages of the common elements and dates of most recent replacements, and the interest and inflation rates which must be provided to us.

**Scope** – This Reserve Study is a reflection of the information provided to us and assembled for the Association's use for budgeting purposes, not for the purpose of performing an audit, quality/forensic analysis or background checks of historical records.

**Reserve Balance** – The actual and projected Reserve Fund Balance is based upon information provided by the Association.

**Component Quantities** – Where this Reserve Study is an update of a previously prepared Study, the Association is considered to have deemed previously developed component listings and quantities as accurate and reliable.

**Reserve Projects** – While the information provided in this Study is to be considered reliable, on-site inspections are not to be considered a project audit or quality inspection.

## **Introduction**

The purpose of a Capital Reserve Study is to estimate the amount of money that must be funded to replace those common element components that will require replacement before the end of the effective life of the project.

Mortgage lenders recognize the conditions of inadequate reserves. Reserves are important in preserving the qualities of a particular complex or building and therefore can affect property values. Consequently, capital reserves are directly related to the security and risk of a lender's investment and the marketability of the property.

The Capital Reserve Study develops a recommended basic annual contribution based upon current replacement costs. Inflation may increase future costs, and the accumulation of interest on the reserve fund deposits increases available funds. Accurate projection of these factors is not possible. However, the effects of inflation and interest are shown via cash flow projections using assumed inflation and interest rates. Accurate reserve funding requires regular updates. The Community Associations Institute recommends yearly reviews and a formal study every three years.

## **Project Narrative**

2700/2800 Stone Cliff Condominium Association is a 96 unit complex consisting of two, four-story buildings, located in Baltimore, Maryland. The community is located off Stone Cliff Drive, which is off Greenspring Avenue and accessible from Interstate 695.

This complex contains stacked one story, garden style dwelling units of various models and sizes. The units exist as one story units with grade level units having concrete patios. The second to fourth story units have been provided with balconies. A parking garage is located beneath each building structure at grade level.

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Roof drainage is provided by gutters and leaders which are directed away from the buildings by underground piping or released at grade on splash blocks. Concrete curbing enhances parking area gutter drainage to storm water catch basins.

### **Capital Reserve Methodology**

In preparing this study, when provided, we reviewed the master deed and offering statement to identify the common element components. The interpretation of inconsistencies and contradictions which may exist within the designations and definition of the Common Elements of the property, as presented in the Governing Documents, are not the purview of the Engineering firm. In circumstances where uncertainties exist, the Becht study will incorporate the common element designations which are provided to us by the client.

These building and site components are owned by the Association. Only components with estimated remaining lives of 30 years or less have been included in the capital reserve fund. Components with estimated remaining lives that are greater than 30 years, such as building structures, piping and electrical wiring are usually replaced during a major renovation and financed at that time. Including these components in the reserve fund would result in an unrealistically high-recommended annual contribution to the capital reserve. The general accepted practice is to not include these items in reserve studies.

Quantities of the components to be included in the reserve fund were then determined by either field measurements or from available building and site plans.

Estimates of the costs to replace each component were derived from published industry standards, including the R.S. Means Company cost-estimating guides. In addition, the costs were reviewed for accuracy based on our experience of similar replacement projects.

Finally, estimated remaining lives were determined for each of the included components based on the present age, available industry data related to typical useful lives and the condition of the component, as determined by our physical inspection.

The capital reserve fund is not intended to cover annual maintenance. If maintenance items are included in the Capital Reserve Study, the tax status of the reserve fund can be jeopardized. However, expected lives are based on the assumption that proper annual maintenance is being performed. Therefore, this annual maintenance should be included in the Association's maintenance fee. Without proper maintenance, accelerated deterioration can be expected, with shortened lives. Please note, it is only possible to reserve for future expenditures and that a current need must be financed separately by borrowing or assessments.

This Capital Reserve Study is developed as an aid in the proper financial planning of the Association. As such, the common element components included are evaluated for their physical condition and only for the purpose of estimating their remaining lives. Identification of possible deficient conditions is beyond the intent and scope of the Capital Reserve Study.

## Capital Reserve Calculation

We have provided two Capital Reserve calculation methods. The first method provided in this reserve study is what is known as the Component Method. This is the most conservative approach to calculating the reserve requirement. The Component Method analyzes each component individually and assumes that the money collected for each item will only be used to replace that item. Our program uses assumed rates of interest and inflation in the calculation of the annual contribution and fully funded balance. The assumed inflation rate is 3.00% and the assumed interest rate is 1.00%.

The second calculation method is known as the Threshold Funding Method. This method pools all the components and assumes that the money contributed to the fund is available for replacement of any item. The annual contribution is determined by lowering the contribution until the closing balance for any given year drops below a pre-determined threshold. This minimizes the annual contribution while maintaining a minimum closing balance. Determining the optimum minimum closing balance is a subjective task. Certainly, the lower the minimum acceptable balance is the greater the risk that the fund will experience a deficit.

The **Reserve Summary (A-1)** outlines the categories included in the study. This sheet lists the estimated **Replacement Costs** for all components in each category at the time of the study. The **Present Fund** column is the amount presently on deposit for the replacement of the components in these categories. The **Required Fund**, which is the amount we have determined should be on deposit at this time, is calculated as the **Present Age** of the components multiplied by the **Basic Annual Contribution**. The **Basic Annual Contribution** is the amount that should be reserved each year, in current dollars, to replace the components included in these categories.

The **Component Schedule (A-2 through A-3)** shows the amount necessary to replace individual components, which are grouped in the categories shown on the **Reserve Summary**. **Present Age** is the age of the component at the time of the study. The **Estimated Remaining Life** is the anticipated number of years before replacement of this component can be expected to be necessary. This is based on the normal life, the current age, and an engineering assessment that considers site specific conditions if a site visit is included in our scope of work. The **Typical Life** column represents the anticipated number of years that a component may be expected to provide adequate service. These figures are based on industry standards; a component may outlive, or require replacement prior to, its typical life. The **Percentage of Total** is the percent of total **Required Fund**. This shows the significance of specific components relative to the total fund. The **Present Fund** refers to the amount



currently set aside for replacement. If present funds are not reserved for specific components but are an unallocated pool, the total present fund is allocated between the components according to a calculation that takes into account the **Percentage of Total** column. The **Required Fund** is the amount necessary for each component to be considered fully funded. The **Surplus (Deficit)** column is a calculation of the **Present Fund** minus the **Required Fund**. A positive number means a surplus of cash reserves have been set aside to date. A negative number indicates that there is a deficit in the Present Fund. **Years to Make-Up** is simply the Estimated Remaining Life or the amount of time left to fully fund a particular component before the money is anticipated to be required to replace the component. Finally, the **Contribution Adjustment** signifies, if a deficit exists, the increase in annual contributions above the recommended **Basic Annual Contribution** required to eliminate the deficit. If a surplus exists, this is the decrease in annual contributions that would offset the over-funded condition. The Annual Make-Up is based on the assumption the reserve for the item must be fully funded before the item must be replaced.

The **Disbursement Schedule (A-8 through A-10)** lists the years in which each component will require replacement. In addition, this schedule shows the replacement cost in current dollars and the adjusted cost based on the assumed inflation factor.

The Reserve Fund **Scenario(s) (A-11 through A-13)** are schedules that approximate actual cash flows. Since this is a plan of accumulating deposits to fund the cost of replacing these capital components in future years, it is necessary to consider the interest earned on the deposited money and the effect of inflation on the costs of the replacement work. A-11 shows a 30-year scenario of the component method calculation, using the assumed rates of interest and inflation. Deposits into the fund and expenditures out of the fund are shown on an annual basis. It is very important to note that these scenarios assume that the annual contributions to the capital reserve fund will be increased at the rate of inflation. A-12 through A-13 show a 30-year scenario using the same rates of interest and inflation with a minimized Annual Contribution resulting in a closing balance, which never goes below the established threshold.

The **Component Detail Pages (A-4 through A-7)** show further details of the individual components, including the quantities.

## Capital Reserve Recommendations

The 2700/2800 Stone Cliff Drive Condominium has a total of 40 components in the reserve fund with a current Replacement Cost of \$1,790,082. The Association presently has a total of \$511,645 in the reserve fund. Using the Component Method, we have determined that the Basic Annual Contribution to the reserve fund should be \$124,753. The fully funded balance required is \$259,272. This leaves a surplus of \$252,373 in the reserve fund. The surplus will be offset on an annual basis, for each reserve component, based on the estimated remaining lives. The total of the next budget year contribution to the Contribution Adjustment is \$-

24,151. This results in a Total Contribution to the reserve fund for the next budget year of \$100,602.

For the Threshold Funding calculations, as directed by the Association, we have used minimum closing balances of 5% and 10% of the Total Replacement Cost of all reserve components. This means that, using the given assumptions; the closing balance will never go below these minimum balances. The Threshold Funding Method results in first year Basic Annual Contributions of \$87,643 and \$89,385.

Based on your evaluation of the preferred calculation method, we suggest that you plan your annual contributions over the next few years according to the appropriate cash flow schedule. Each year, for the next three years, you may choose to review these assumptions. At no later than three years, we suggest that you contact us for an update based on a proper engineering review of the facility and replacement costs.

It should be noted that higher rates of inflation, lower earned interest rates or prematurely failing components can result in a negative closing cash balance. In addition, it is important to note that the capital fund contributions each year are assumed to rise at the assumed rate of inflation. Failure to raise the annual contributions with inflation will reduce the closing balance.

We recommend that the Association review this Capital Reserve Study with their Certified Public Accountant to be utilized in the preparation of their annual budget.

## **Component Narrative**

### **Architectural**

BALCONY DECK MEMBRANE (UNITS)-This component is 2 years old and we estimate a remaining useful life of 8 years.

CARPETING-This component is 2 years old and we estimate a remaining useful life of 8 years.

CONCRETE BALCONY SURFACING-This component is 2 years old and we estimate a remaining useful life of 28 years.

DOOR ALLOWANCE-This component is 2 years old and we estimate a remaining useful life of 8 years.

GARAGE DOORS-This component is 2 years old and we estimate a remaining useful life of 18 years.



GUTTERS-This component is 2 years old and we estimate a remaining useful life of 23 years.

LEADERS-This component is 2 years old and we estimate a remaining useful life of 23 years.

MARBLE FLOORING (ALLOWANCE)-This component is 2 years old and we estimate a remaining useful life of 28 years.

ROOF, SHINGLES-This component is 2 years old and we estimate a remaining useful life of 18 years.

RUBBER STAIR TREADS-This component is 2 years old and we estimate a remaining useful life of 18 years.

SUSPENDED CEILING(PARKING GARAGE)-This component is 2 years old and we estimate a remaining useful life of 23 years.

### **Electrical**

CEILING FANS-This component is 2 years old and we estimate a remaining useful life of 13 years.

CHANDELIERS-This component is 2 years old and we estimate a remaining useful life of 23 years.

ELEVATOR, OVERHAUL-This component is 2 years old and we estimate a remaining useful life of 28 years.

EMERGENCY LIGHTING-This component is 2 years old and we estimate a remaining useful life of 18 years.

EXIT SIGNS-This component is 2 years old and we estimate a remaining useful life of 18 years.

FIRE PROTECTION SYSTEM(GN1)-This component is 2 years old and we estimate a remaining useful life of 18 years.

HEATERS (STAIRWELL)-This component is 2 years old and we estimate a remaining useful life of 18 years.

LANDSCAPE/SIGN LIGHTING-This component is 2 years old and we estimate a remaining useful life of 18 years.

LIGHTS, CEILING (HALLS)-This component is 2 years old and we estimate a remaining useful life of 23 years.

LIGHTS, EXTERIOR-This component is 2 years old and we estimate a remaining useful life of 18 years.

LIGHTS, GARAGE-This component is 2 years old and we estimate a remaining useful life of 23 years.

LIGHTS, INT. WALL (HALLS)-This component is 2 years old and we estimate a remaining useful life of 23 years.

LIGHTS, STAIRWELL-This component is 2 years old and we estimate a remaining useful life of 23 years.

MOTOR (GARAGE LOBBY DOORS)-This component is 2 years old and we estimate a remaining useful life of 13 years.

MOTOR (LOBBY ENTRY DOORS)-This component is 2 years old and we estimate a remaining useful life of 13 years.

MOTOR EQUIP. (FIRE DOORS)-This component is 2 years old and we estimate a remaining useful life of 18 years.

MOTOR EQUIP. (GARAGE DOORS)-This component is 2 years old and we estimate a remaining useful life of 13 years.

SECURITY/ENTRY CALL BOX-This component is 2 years old and we estimate a remaining useful life of 18 years.

## **Mechanical**

COMPRESSOR (FIRE SP. ROOM)-This component is 2 years old and we estimate a remaining useful life of 18 years.

EXHAUST FANS - GARAGE-This component is 2 years old and we estimate a remaining useful life of 18 years.

FIRE PUMP-This component is 2 years old and we estimate a remaining useful life of 23 years.

HVAC (COMMON HALLS)-This component is 2 years old and we estimate a remaining useful life of 13 years.

HVAC (ELEVATOR/LOBBY)-This component is 2 years old and we estimate a remaining useful life of 13 years.

HVAC (GARAGE)-This component is 2 years old and we estimate a remaining useful life of 13 years.

HWH (GARAGE)-This component is 2 years old and we estimate a remaining useful life of 13 years.

TRASH COMPACTOR EQUIP. REHAB-This component is 2 years old and we estimate a remaining useful life of 18 years.

#### **Site**

LOBBY/HALL FURNISHINGS-This component is 2 years old and we estimate a remaining useful life of 13 years.

PARK GARAGE CONCRETE REHAB-This component is 2 years old and we estimate a remaining useful life of 3 years.

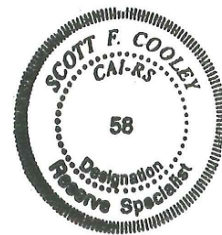
SLATE ENTRYWAY REHAB-This component is 2 years old and we estimate a remaining useful life of 8 years.



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William Hasselman  
Associate

October 25, 2012



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Scott F. Cooley, RS  
Senior Project Manager  
CAI Reserve Specialist #58

October 25, 2012

## Capital Reserve Calculations

## Reserve Summary

<b>Project Name:</b>	2700/2800 Stone Cliff Drive Condominium		
<b>Project Location:</b>	Baltimore, Maryland		
<b>Project Number:</b>	11-1068	<b>Interest Rate:</b>	1.00%
<b>Date of Study:</b>	April 2012	<b>Inflation Rate:</b>	3.00%
<b>Month Contributions Commence:</b>	January 2013		

Category	Replacement Cost	RESERVES			CONTRIBUTION		
		Present Fund	Required Fund	Surplus (Deficit)	Basic Annual	Adjustment*	Total
Architectural	\$1,124,232	\$360,562	\$182,712	\$177,850	\$85,973	(\$18,591)	\$67,383
Electrical	\$447,550	\$87,935	\$44,560	\$43,375	\$22,505	(\$2,416)	\$20,089
Mechanical	\$198,300	\$53,593	\$27,158	\$26,435	\$13,793	(\$2,122)	\$11,671
Site	\$20,000	\$9,555	\$4,842	\$4,713	\$2,482	(\$1,023)	\$1,460
<b>TOTALS</b>	\$1,790,082	\$511,645	\$259,272	\$252,373	\$124,753	(\$24,151)	\$100,602

\* FIRST YEAR CONTRIBUTION ADJUSTMENT CAN DIFFER EACH YEAR

## Component Schedule

**Project Name:** 2700/2800 Stone Cliff Drive Condominium  
**Project Location:** Baltimore, Maryland  
**Project Number:** 11-1068  
**Date of Study:** April 2012

**Interest Rate:** 1.00%  
**Inflation Rate:** 3.00%

Description	Replacement Cost	Present Age	Est. Rem. Life	Typical Life	Basic Annual Contrib.	Percent Total	Present Fund	Required Fund	Surplus (Deficit)	Contrib. Adjustment
<b>Architectural</b>										
BALCONY DECK MEMBRANE (UNITS)	\$279,000	2	8	10	\$32,397	24.41%	\$124,879	\$63,281	\$61,598	(\$8,732)
CARPETING	\$74,670	2	8	12	\$7,380	10.89%	\$55,703	\$28,227	\$27,476	(\$3,895)
CONCRETE BALCONY SURFACING	\$30,000	2	28	30	\$1,330	1.02%	\$5,209	\$2,640	\$2,569	(\$121)
DOOR ALLOWANCE	\$10,000	2	8	10	\$1,161	0.87%	\$4,476	\$2,268	\$2,208	(\$313)
GARAGE DOORS	\$8,000	2	18	20	\$506	0.39%	\$1,971	\$999	\$972	(\$67)
GUTTERS	\$15,840	2	23	25	\$825	0.63%	\$3,223	\$1,633	\$1,590	(\$89)
LEADERS	\$11,760	2	23	25	\$613	0.47%	\$2,393	\$1,212	\$1,180	(\$66)
MARBLE FLOORING (Allowance)	\$15,000	2	28	30	\$665	0.51%	\$2,604	\$1,320	\$1,285	(\$61)
ROOF, SHINGLES	\$486,712	2	18	20	\$30,806	23.44%	\$119,927	\$60,772	\$59,155	(\$4,103)
RUBBER STAIR TREADS	\$20,000	2	18	20	\$1,266	0.96%	\$4,928	\$2,497	\$2,431	(\$169)
SUSPENDED CEILING(Parking Garage)	\$173,250	2	23	25	\$9,024	6.89%	\$35,249	\$17,862	\$17,387	(\$974)
<b>Electrical</b>										
CEILING FANS	\$1,800	2	13	15	\$146	0.11%	\$567	\$287	\$280	(\$26)
CHANDELIERS	\$4,000	2	23	25	\$208	0.16%	\$814	\$412	\$401	(\$22)
ELEVATOR, OVERHAUL	\$260,000	2	28	30	\$11,526	8.82%	\$45,143	\$22,876	\$22,267	(\$1,050)
EMERGENCY LIGHTING	\$27,300	2	18	20	\$1,728	1.31%	\$6,727	\$3,409	\$3,318	(\$230)
EXIT SIGNS	\$12,000	2	18	20	\$760	0.58%	\$2,957	\$1,498	\$1,458	(\$101)
FIRE PROTECTION SYSTEM(GN1)	\$20,000	2	18	20	\$1,266	0.96%	\$4,928	\$2,497	\$2,431	(\$169)
HEATERS (STAIRWELL)	\$5,500	2	18	20	\$348	0.26%	\$1,355	\$687	\$668	(\$46)
LANDSCAPE/SIGN LIGHTING	\$5,000	2	18	20	\$316	0.24%	\$1,232	\$624	\$608	(\$42)
LIGHTS, CEILING (HALLS)	\$28,800	2	23	25	\$1,500	1.15%	\$5,860	\$2,969	\$2,890	(\$162)
LIGHTS, EXTERIOR	\$7,500	2	18	20	\$475	0.36%	\$1,848	\$936	\$912	(\$63)
LIGHTS, GARAGE	\$25,200	2	23	25	\$1,313	1.00%	\$5,127	\$2,598	\$2,529	(\$142)
LIGHTS, INT. WALL (HALLS)	\$26,250	2	23	25	\$1,367	1.04%	\$5,341	\$2,706	\$2,634	(\$148)
LIGHTS, STAIRWELL	\$5,000	2	23	25	\$260	0.20%	\$1,017	\$516	\$502	(\$28)
MOTOR (GARAGE LOBBY DOORS)	\$1,000	2	13	15	\$81	0.06%	\$315	\$160	\$155	(\$14)
MOTOR (LOBBY ENTRY DOORS)	\$1,000	2	13	15	\$81	0.06%	\$315	\$160	\$155	(\$14)
MOTOR EQUIP. (FIRE DOORS)	\$3,000	2	18	20	\$190	0.14%	\$739	\$375	\$365	(\$25)

## Component Schedule

**Project Name:** 2700/2800 Stone Cliff Drive Condominium  
**Project Location:** Baltimore, Maryland  
**Project Number:** 11-1068  
**Date of Study:** April 2012

**Interest Rate:** 1.00%  
**Inflation Rate:** 3.00%

Description	Replacement Cost	Present Age	Est. Rem. Life	Typical Life	Basic Annual Contrib.	Percent Total	Present Fund	Required Fund	Surplus (Deficit)	Contrib. Adjustment
MOTOR EQUIP. (GARAGE DOORS)	\$2,200	2	13	15	\$179	0.14%	\$693	\$351	\$342	(\$32)
SECURITY/ENTRY CALL BOX	\$12,000	2	18	20	\$760	0.58%	\$2,957	\$1,498	\$1,458	(\$101)
<b>Mechanical</b>										
COMPRESSOR (FIRE SP. ROOM)	\$3,600	2	18	20	\$228	0.17%	\$887	\$450	\$438	(\$30)
EXHAUST FANS - GARAGE	\$28,000	2	18	20	\$1,772	1.35%	\$6,899	\$3,496	\$3,403	(\$236)
FIRE PUMP	\$51,000	2	23	25	\$2,656	2.03%	\$10,376	\$5,258	\$5,118	(\$287)
HVAC (COMMON HALLS)	\$46,200	2	13	15	\$3,756	2.85%	\$14,559	\$7,378	\$7,182	(\$662)
HVAC (ELEVATOR/LOBBY)	\$17,600	2	13	15	\$1,431	1.08%	\$5,546	\$2,811	\$2,736	(\$252)
HVAC (GARAGE)	\$35,200	2	13	15	\$2,862	2.17%	\$11,093	\$5,621	\$5,472	(\$504)
HWH (GARAGE)	\$1,700	2	13	15	\$138	0.10%	\$536	\$271	\$264	(\$24)
TRASH COMPACTOR EQUIP. REHAB	\$15,000	2	18	20	\$949	0.72%	\$3,696	\$1,873	\$1,823	(\$126)
<b>Site</b>										
LOBBY/HALL FURNISHINGS	\$10,000	2	13	15	\$813	0.62%	\$3,151	\$1,597	\$1,554	(\$143)
PARK GARAGE CONCRETE REHAB	\$5,000	2	3	5	\$1,089	0.81%	\$4,166	\$2,111	\$2,055	(\$723)
SLATE ENTRYWAY REHAB	\$5,000	2	8	10	\$581	0.44%	\$2,238	\$1,134	\$1,104	(\$156)
<b>TOTALS</b>	\$1,790,082				\$124,753	100.00%	\$511,645	\$259,272	\$252,373	(\$24,151)

**General Notes:**

**GN1 - THIS INCLUDES ALL SMOKE/HEAT DETECTORS, SPRINKLER HEAD, FIRE COMMUNICATION PANEL, AND FIRE STROBES.**



## Component Detail

**Project Name:** 2700/2800 Stone Cliff Drive Condominium  
**Project Location:** Baltimore, Maryland  
**Project Number:** 11-1068  
**Date of Study:** April 2012

**Interest Rate:** 1.00%  
**Inflation Rate:** 3.00%

### Architectural

	Quantity	Replacement Cost	RESERVES			CONTRIBUTION	
			Present Fund	Required Fund	Surplus (Deficit)	Basic Annual	Total
BALCONY DECK MEMBRANE (UNITS)	11,160 SF	\$279,000	\$124,879	\$63,281	\$61,598	\$32,397	\$23,665
CARPETING	1,965 SY	\$74,670	\$55,703	\$28,227	\$27,476	\$7,380	\$3,485
CONCRETE BALCONY SURFACING	1 LS	\$30,000	\$5,209	\$2,640	\$2,569	\$1,330	\$1,209
DOOR ALLOWANCE	1 LS	\$10,000	\$4,476	\$2,268	\$2,208	\$1,161	\$848
GARAGE DOORS	4 EA	\$8,000	\$1,971	\$999	\$972	\$506	\$439
GUTTERS	2,112 LF	\$15,840	\$3,223	\$1,633	\$1,590	\$825	\$736
LEADERS	1,680 LF	\$11,760	\$2,393	\$1,212	\$1,180	\$613	\$546
MARBLE FLOORING (Allowance)	1 LS	\$15,000	\$2,604	\$1,320	\$1,285	\$665	\$604
ROOF, SHINGLES	170,776 SF	\$486,712	\$119,927	\$60,772	\$59,155	\$30,806	\$26,702
RUBBER STAIR TREADS	1 LS	\$20,000	\$4,928	\$2,497	\$2,431	\$1,266	\$1,097
SUSPENDED CEILING(Parking Garage)	49,500 SF	\$173,250	\$35,249	\$17,862	\$17,387	\$9,024	\$8,050
<b>TOTALS</b>		\$1,124,232	\$360,562	\$182,712	\$177,850	\$85,973	\$67,383

## Component Detail

**Project Name:** 2700/2800 Stone Cliff Drive Condominium  
**Project Location:** Baltimore, Maryland  
**Project Number:** 11-1068  
**Date of Study:** April 2012

**Interest Rate:** 1.00%  
**Inflation Rate:** 3.00%

### Electrical

	Quantity	Replacement Cost	RESERVES			CONTRIBUTION	
			Present Fund	Required Fund	Surplus (Deficit)	Basic Annual	Total
CEILING FANS	8 EA	\$1,800	\$567	\$287	\$280	\$146	\$121
CHANDELIERS	8 EA	\$4,000	\$814	\$412	\$401	\$208	\$186
ELEVATOR, OVERHAUL	4 EA	\$260,000	\$45,143	\$22,876	\$22,267	\$11,526	\$10,477
EMERGENCY LIGHTING	78 EA	\$27,300	\$6,727	\$3,409	\$3,318	\$1,728	\$1,498
EXIT SIGNS	80 EA	\$12,000	\$2,957	\$1,498	\$1,458	\$760	\$658
FIRE PROTECTION SYSTEM(GN1)	1 LS	\$20,000	\$4,928	\$2,497	\$2,431	\$1,266	\$1,097
HEATERS (STAIRWELL)	20 EA	\$5,500	\$1,355	\$687	\$668	\$348	\$302
LANDSCAPE/SIGN LIGHTING	1 LS	\$5,000	\$1,232	\$624	\$608	\$316	\$274
LIGHTS, CEILING (HALLS)	192 EA	\$28,800	\$5,860	\$2,969	\$2,890	\$1,500	\$1,338
LIGHTS, EXTERIOR	1 LS	\$7,500	\$1,848	\$936	\$912	\$475	\$411
LIGHTS, GARAGE	144 EA	\$25,200	\$5,127	\$2,598	\$2,529	\$1,313	\$1,171
LIGHTS, INT. WALL (HALLS)	210 EA	\$26,250	\$5,341	\$2,706	\$2,634	\$1,367	\$1,220
LIGHTS, STAIRWELL	40 EA	\$5,000	\$1,017	\$516	\$502	\$260	\$232
MOTOR (GARAGE LOBBY DOORS)	2 EA	\$1,000	\$315	\$160	\$155	\$81	\$67
MOTOR (LOBBY ENTRY DOORS)	2 EA	\$1,000	\$315	\$160	\$155	\$81	\$67
MOTOR EQUIP. (FIRE DOORS)	2 EA	\$3,000	\$739	\$375	\$365	\$190	\$165
MOTOR EQUIP. (GARAGE DOORS)	4 EA	\$2,200	\$693	\$351	\$342	\$179	\$147
SECURITY/ENTRY CALL BOX	1 LS	\$12,000	\$2,957	\$1,498	\$1,458	\$760	\$658
<b>TOTALS</b>		\$447,550	\$87,935	\$44,560	\$43,375	\$22,505	\$20,089

## Component Detail

**Project Name:** 2700/2800 Stone Cliff Drive Condominium  
**Project Location:** Baltimore, Maryland  
**Project Number:** 11-1068  
**Date of Study:** April 2012

**Interest Rate:** 1.00%  
**Inflation Rate:** 3.00%

### Mechanical

	Quantity	Replacement Cost	RESERVES			CONTRIBUTION	
			Present Fund	Required Fund	Surplus (Deficit)	Basic Annual	Total
COMPRESSOR (FIRE SP. ROOM)	2 EA	\$3,600	\$887	\$450	\$438	\$228	\$198
EXHAUST FANS - GARAGE	8 EA	\$28,000	\$6,899	\$3,496	\$3,403	\$1,772	\$1,536
FIRE PUMP	2 EA	\$51,000	\$10,376	\$5,258	\$5,118	\$2,656	\$2,370
HVAC (COMMON HALLS)	7 EA	\$46,200	\$14,559	\$7,378	\$7,182	\$3,756	\$3,094
HVAC (ELEVATOR/LOBBY)	4 EA	\$17,600	\$5,546	\$2,811	\$2,736	\$1,431	\$1,179
HVAC (GARAGE)	4 EA	\$35,200	\$11,093	\$5,621	\$5,472	\$2,862	\$2,358
HWH (GARAGE)	2 EA	\$1,700	\$536	\$271	\$264	\$138	\$114
TRASH COMPACTOR EQUIP. REHAB	1 LS	\$15,000	\$3,696	\$1,873	\$1,823	\$949	\$823
<b>TOTALS</b>		\$198,300	\$53,593	\$27,158	\$26,435	\$13,793	\$11,671

## Component Detail

**Project Name:** 2700/2800 Stone Cliff Drive Condominium  
**Project Location:** Baltimore, Maryland  
**Project Number:** 11-1068  
**Date of Study:** April 2012

**Interest Rate:** 1.00%  
**Inflation Rate:** 3.00%

Site	Quantity	Replacement Cost	RESERVES			CONTRIBUTION	
			Present Fund	Required Fund	Surplus (Deficit)	Basic Annual	Total
LOBBY/HALL FURNISHINGS	1 LS	\$10,000	\$3,151	\$1,597	\$1,554	\$813	\$670
PARK GARAGE CONCRETE REHAB	1 LS	\$5,000	\$4,166	\$2,111	\$2,055	\$1,089	\$366
SLATE ENTRYWAY REHAB	1 LS	\$5,000	\$2,238	\$1,134	\$1,104	\$581	\$424
<b>TOTALS</b>		\$20,000	\$9,555	\$4,842	\$4,713	\$2,482	\$1,460

## Disbursement Schedule

**Project Name:** 2700/2800 Stone Cliff Drive Condominium  
**Project Location:** Baltimore, Maryland  
**Project Number:** 11-1068  
**Date of Study:** April 2012

**Interest Rate:** 1.00%  
**Inflation Rate:** 3.00%

Year	Description	Base Cost	Future Replacement Cost
<b>2016</b>			
	PARK GARAGE CONCRETE REHAB	\$5,000	\$5,464
		<b>\$5,000</b>	<b>\$5,464</b>
<b>2021</b>			
	BALCONY DECK MEMBRANE (UNITS)	\$279,000	\$353,429
	CARPETING	\$74,670	\$94,590
	DOOR ALLOWANCE	\$10,000	\$12,668
	PARK GARAGE CONCRETE REHAB	\$5,000	\$6,334
	SLATE ENTRYWAY REHAB	\$5,000	\$6,334
		<b>\$373,670</b>	<b>\$473,354</b>
<b>2026</b>			
	CEILING FANS	\$1,800	\$2,643
	HVAC (COMMON HALLS)	\$46,200	\$67,846
	HVAC (ELEVATOR/LOBBY)	\$17,600	\$25,846
	HVAC (GARAGE)	\$35,200	\$51,692
	HWH (GARAGE)	\$1,700	\$2,497
	LOBBY/HALL FURNISHINGS	\$10,000	\$14,685
	MOTOR (GARAGE LOBBY DOORS)	\$1,000	\$1,469
	MOTOR (LOBBY ENTRY DOORS)	\$1,000	\$1,469
	MOTOR EQUIP. (GARAGE DOORS)	\$2,200	\$3,231
	PARK GARAGE CONCRETE REHAB	\$5,000	\$7,343
		<b>\$121,700</b>	<b>\$178,721</b>
<b>2031</b>			
	BALCONY DECK MEMBRANE (UNITS)	\$279,000	\$474,979
	COMPRESSOR (FIRE SP. ROOM)	\$3,600	\$6,129
	DOOR ALLOWANCE	\$10,000	\$17,024
	EMERGENCY LIGHTING	\$27,300	\$46,476
	EXHAUST FANS - GARAGE	\$28,000	\$47,668
	EXIT SIGNS	\$12,000	\$20,429
	FIRE PROTECTION SYSTEM(GN1)	\$20,000	\$34,049
	GARAGE DOORS	\$8,000	\$13,619
	HEATERS (STAIRWELL)	\$5,500	\$9,363

## *Disbursement Schedule*

<b>Project Name:</b>	2700/2800 Stone Cliff Drive Condominium		
<b>Project Location:</b>	Baltimore, Maryland		
<b>Project Number:</b>	11-1068	<b>Interest Rate:</b>	1.00%
<b>Date of Study:</b>	April 2012	<b>Inflation Rate:</b>	3.00%

<i>Year</i>	<i>Description</i>	<i>Base Cost</i>	<i>Future Replacement Cost</i>
	LANDSCAPE/SIGN LIGHTING	\$5,000	\$8,512
	LIGHTS, EXTERIOR	\$7,500	\$12,768
	MOTOR EQUIP. (FIRE DOORS)	\$3,000	\$5,107
	PARK GARAGE CONCRETE REHAB	\$5,000	\$8,512
	ROOF, SHINGLES	\$486,712	\$828,595
	RUBBER STAIR TREADS	\$20,000	\$34,049
	SECURITY/ENTRY CALL BOX	\$12,000	\$20,429
	SLATE ENTRYWAY REHAB	\$5,000	\$8,512
	TRASH COMPACTOR EQUIP. REHAB	\$15,000	\$25,536
		<b>\$952,612</b>	<b>\$1,621,758</b>
<b>2033</b>			
	CARPETING	\$74,670	\$134,862
		<b>\$74,670</b>	<b>\$134,862</b>
<b>2036</b>			
	CHANDELIERS	\$4,000	\$7,894
	FIRE PUMP	\$51,000	\$100,653
	GUTTERS	\$15,840	\$31,262
	LEADERS	\$11,760	\$23,209
	LIGHTS, CEILING (HALLS)	\$28,800	\$56,839
	LIGHTS, GARAGE	\$25,200	\$49,734
	LIGHTS, INT. WALL (HALLS)	\$26,250	\$51,807
	LIGHTS, STAIRWELL	\$5,000	\$9,868
	PARK GARAGE CONCRETE REHAB	\$5,000	\$9,868
	SUSPENDED CEILING(Parking Garage)	\$173,250	\$341,924
		<b>\$346,100</b>	<b>\$683,058</b>
<b>2041</b>			
	BALCONY DECK MEMBRANE (UNITS)	\$279,000	\$638,332
	CEILING FANS	\$1,800	\$4,118
	CONCRETE BALCONY SURFACING	\$30,000	\$68,638
	DOOR ALLOWANCE	\$10,000	\$22,879
	ELEVATOR, OVERHAUL	\$260,000	\$594,861

## *Disbursement Schedule*

<b>Project Name:</b>	2700/2800 Stone Cliff Drive Condominium	<b>Interest Rate:</b>	1.00%
<b>Project Location:</b>	Baltimore, Maryland	<b>Inflation Rate:</b>	3.00%
<b>Project Number:</b>	11-1068		
<b>Date of Study:</b>	April 2012		

<i>Year</i>	<i>Description</i>	<i>Base Cost</i>	<i>Future Replacement Cost</i>
	HVAC (COMMON HALLS)	\$46,200	\$105,702
	HVAC (ELEVATOR/LOBBY)	\$17,600	\$40,268
	HVAC (GARAGE)	\$35,200	\$80,535
	HWH (GARAGE)	\$1,700	\$3,889
	LOBBY/HALL FURNISHINGS	\$10,000	\$22,879
	MARBLE FLOORING (Allowance)	\$15,000	\$34,319
	MOTOR (GARAGE LOBBY DOORS)	\$1,000	\$2,288
	MOTOR (LOBBY ENTRY DOORS)	\$1,000	\$2,288
	MOTOR EQUIP. (GARAGE DOORS)	\$2,200	\$5,033
	PARK GARAGE CONCRETE REHAB	\$5,000	\$11,440
	SLATE ENTRYWAY REHAB	\$5,000	\$11,440
		<b>\$720,700</b>	<b>\$1,648,909</b>

## Reserve Fund Scenario

**Project Name:** 2700/2800 Stone Cliff Drive Condominium    **Calculation Method:** Component  
**Project Location:** Baltimore, Maryland  
**Project Number:** 11-1068    **Interest Rate:** 1.00%  
**Date of Study:** April 2012    **Inflation Rate:** 3.00%  
**Month Contributions Commence:** January 2013

Year	Opening Balance	Annual Contribution	Contribution Adjustment	Disbursements	Earned Interest	Closing Balance
2013	\$511,645	\$124,753	(\$24,151)	\$0	\$5,658	\$617,905
2014	\$617,905	\$128,496	(\$24,875)	\$0	\$6,740	\$728,265
2015	\$728,265	\$132,350	(\$25,621)	\$0	\$7,861	\$842,855
2016	\$842,855	\$136,321	(\$25,600)	\$5,464	\$9,029	\$957,141
2017	\$957,141	\$140,411	(\$26,368)	\$0	\$10,189	\$1,081,373
2018	\$1,081,373	\$144,623	(\$27,159)	\$0	\$11,450	\$1,210,287
2019	\$1,210,287	\$148,962	(\$27,974)	\$0	\$12,758	\$1,344,033
2020	\$1,344,033	\$153,430	(\$28,813)	\$0	\$14,116	\$1,482,766
2021	\$1,482,766	\$158,033	(\$13,087)	\$473,354	\$15,612	\$1,169,970
2022	\$1,169,970	\$162,774	(\$13,480)	\$0	\$12,508	\$1,331,772
2023	\$1,331,772	\$167,658	(\$13,884)	\$0	\$14,151	\$1,499,696
2024	\$1,499,696	\$172,687	(\$14,301)	\$0	\$15,858	\$1,673,940
2025	\$1,673,940	\$177,868	(\$14,730)	\$0	\$17,624	\$1,854,702
2026	\$1,854,702	\$183,204	(\$12,717)	\$178,721	\$19,470	\$1,865,938
2027	\$1,865,938	\$188,700	(\$13,099)	\$0	\$19,610	\$2,061,149
2028	\$2,061,149	\$194,361	(\$13,492)	\$0	\$21,591	\$2,263,609
2029	\$2,263,609	\$200,192	(\$13,897)	\$0	\$23,646	\$2,473,550
2030	\$2,473,550	\$206,198	(\$14,313)	\$0	\$25,776	\$2,691,210
2031	\$2,691,210	\$212,384	(\$5,361)	\$1,621,758	\$28,033	\$1,304,507
2032	\$1,304,507	\$218,755	(\$5,522)	\$0	\$14,201	\$1,531,941
2033	\$1,531,941	\$225,318	(\$5,688)	\$134,862	\$16,509	\$1,633,218
2034	\$1,633,218	\$232,077	(\$5,859)	\$0	\$17,558	\$1,876,995
2035	\$1,876,995	\$239,040	(\$6,034)	\$0	\$20,032	\$2,130,032
2036	\$2,130,032	\$246,211	(\$2,430)	\$683,058	\$22,621	\$1,713,376
2037	\$1,713,376	\$253,597	(\$2,503)	\$0	\$18,494	\$1,982,964
2038	\$1,982,964	\$261,205	(\$2,578)	\$0	\$21,228	\$2,262,819
2039	\$2,262,819	\$269,041	(\$2,655)	\$0	\$24,072	\$2,553,277
2040	\$2,553,277	\$277,112	(\$2,735)	\$0	\$27,018	\$2,854,672
2041	\$2,854,672	\$285,426	\$0	\$1,648,910	\$30,093	\$1,521,281
2042	\$1,521,281	\$293,989	\$0	\$0	\$16,805	\$1,832,074
2043	\$1,832,074	\$302,808	\$0	\$0	\$19,962	\$2,154,844



## Reserve Fund Scenario

<b>Project Name:</b>	2700/2800 Stone Cliff Drive Condominium	<b>Calculation Method:</b>	5% of Repl. Cost
<b>Project Location:</b>	Baltimore, Maryland	<b>Minimum Balance</b>	\$89,504
<b>Project Number:</b>	11-1068	<b>Interest Rate:</b>	1.00%
<b>Date of Study:</b>	April 2012	<b>Inflation Rate:</b>	3.00%
<b>Month Contributions Commence:</b>	January 2013		

Year	Opening Balance	Annual Contribution	Contribution Adjustment	Disbursements	Earned Interest	Closing Balance
2013	\$511,645	\$87,643	\$0	\$0	\$5,591	\$604,879
2014	\$604,879	\$90,272	\$0	\$0	\$6,538	\$701,688
2015	\$701,688	\$92,980	\$0	\$0	\$7,521	\$802,189
2016	\$802,189	\$95,769	\$0	\$5,464	\$8,541	\$901,035
2017	\$901,035	\$98,643	\$0	\$0	\$9,545	\$1,009,223
2018	\$1,009,223	\$101,602	\$0	\$0	\$10,643	\$1,121,467
2019	\$1,121,467	\$104,650	\$0	\$0	\$11,782	\$1,237,898
2020	\$1,237,898	\$107,789	\$0	\$0	\$12,963	\$1,358,650
2021	\$1,358,650	\$111,023	\$0	\$473,354	\$14,188	\$1,010,507
2022	\$1,010,507	\$114,354	\$0	\$0	\$10,724	\$1,135,586
2023	\$1,135,586	\$117,784	\$0	\$0	\$11,994	\$1,265,364
2024	\$1,265,364	\$121,318	\$0	\$0	\$13,311	\$1,399,992
2025	\$1,399,992	\$124,957	\$0	\$0	\$14,677	\$1,539,627
2026	\$1,539,627	\$128,706	\$0	\$178,721	\$16,093	\$1,505,706
2027	\$1,505,706	\$132,567	\$0	\$0	\$15,775	\$1,654,048
2028	\$1,654,048	\$136,544	\$0	\$0	\$17,280	\$1,807,872
2029	\$1,807,872	\$140,641	\$0	\$0	\$18,841	\$1,967,354
2030	\$1,967,354	\$144,860	\$0	\$0	\$20,458	\$2,132,672
2031	\$2,132,672	\$149,206	\$0	\$1,621,758	\$22,135	\$682,254
2032	\$682,254	\$153,682	\$0	\$0	\$7,655	\$843,591
2033	\$843,591	\$158,292	\$0	\$134,862	\$9,293	\$876,314
2034	\$876,314	\$163,041	\$0	\$0	\$9,646	\$1,049,001
2035	\$1,049,001	\$167,932	\$0	\$0	\$11,400	\$1,228,333
2036	\$1,228,333	\$172,970	\$0	\$683,058	\$13,220	\$731,466
2037	\$731,466	\$178,159	\$0	\$0	\$8,280	\$917,905
2038	\$917,905	\$183,504	\$0	\$0	\$10,173	\$1,111,582
2039	\$1,111,582	\$189,009	\$0	\$0	\$12,140	\$1,312,731
2040	\$1,312,731	\$194,680	\$0	\$0	\$14,182	\$1,521,592
2041	\$1,521,592	\$200,520	\$0	\$1,648,909	\$16,302	\$89,504
2042	\$89,504	\$206,536	\$0	\$0	\$2,014	\$298,054
2043	\$298,054	\$212,732	\$0	\$0	\$4,133	\$514,918

## Reserve Fund Scenario

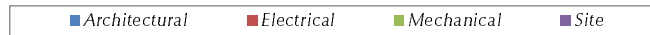
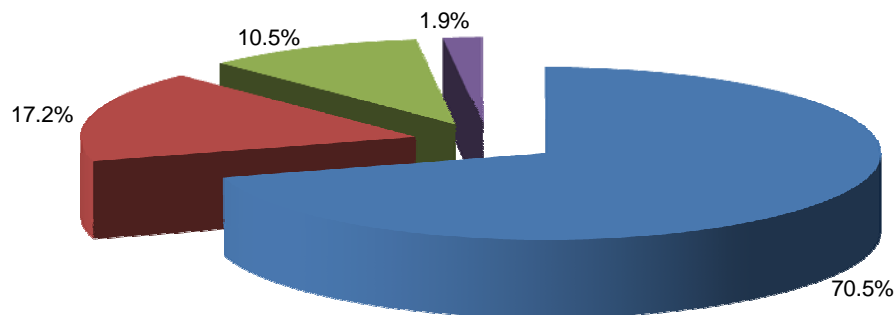
<b>Project Name:</b>	2700/2800 Stone Cliff Drive Condominium	<b>Calculation Method:</b>	10% of Repl. Cost
<b>Project Location:</b>	Baltimore, Maryland	<b>Minimum Balance</b>	\$179,008
<b>Project Number:</b>	11-1068	<b>Interest Rate:</b>	1.00%
<b>Date of Study:</b>	April 2012	<b>Inflation Rate:</b>	3.00%
<b>Month Contributions Commence:</b>	January 2013		

Year	Opening Balance	Annual Contribution	Contribution Adjustment	Disbursements	Earned Interest	Closing Balance
2013	\$511,645	\$89,385	\$0	\$0	\$5,601	\$606,630
2014	\$606,630	\$92,066	\$0	\$0	\$6,565	\$705,261
2015	\$705,261	\$94,828	\$0	\$0	\$7,566	\$807,656
2016	\$807,656	\$97,673	\$0	\$5,464	\$8,606	\$908,471
2017	\$908,471	\$100,603	\$0	\$0	\$9,630	\$1,018,703
2018	\$1,018,703	\$103,621	\$0	\$0	\$10,748	\$1,133,073
2019	\$1,133,073	\$106,730	\$0	\$0	\$11,909	\$1,251,712
2020	\$1,251,712	\$109,932	\$0	\$0	\$13,113	\$1,374,756
2021	\$1,374,756	\$113,230	\$0	\$473,354	\$14,361	\$1,028,993
2022	\$1,028,993	\$116,627	\$0	\$0	\$10,922	\$1,156,541
2023	\$1,156,541	\$120,125	\$0	\$0	\$12,216	\$1,288,883
2024	\$1,288,883	\$123,729	\$0	\$0	\$13,559	\$1,426,171
2025	\$1,426,171	\$127,441	\$0	\$0	\$14,952	\$1,568,564
2026	\$1,568,564	\$131,264	\$0	\$178,721	\$16,397	\$1,537,504
2027	\$1,537,504	\$135,202	\$0	\$0	\$16,107	\$1,688,814
2028	\$1,688,814	\$139,258	\$0	\$0	\$17,642	\$1,845,715
2029	\$1,845,715	\$143,436	\$0	\$0	\$19,234	\$2,008,385
2030	\$2,008,385	\$147,739	\$0	\$0	\$20,884	\$2,177,008
2031	\$2,177,008	\$152,171	\$0	\$1,621,758	\$22,594	\$730,015
2032	\$730,015	\$156,736	\$0	\$0	\$8,149	\$894,901
2033	\$894,901	\$161,439	\$0	\$134,862	\$9,823	\$931,301
2034	\$931,301	\$166,282	\$0	\$0	\$10,214	\$1,107,796
2035	\$1,107,796	\$171,270	\$0	\$0	\$12,006	\$1,291,072
2036	\$1,291,072	\$176,408	\$0	\$683,058	\$13,866	\$798,288
2037	\$798,288	\$181,700	\$0	\$0	\$8,967	\$988,956
2038	\$988,956	\$187,151	\$0	\$0	\$10,903	\$1,187,010
2039	\$1,187,010	\$192,766	\$0	\$0	\$12,914	\$1,392,691
2040	\$1,392,691	\$198,549	\$0	\$0	\$15,002	\$1,606,242
2041	\$1,606,242	\$204,505	\$0	\$1,648,909	\$17,170	\$179,008
2042	\$179,008	\$210,641	\$0	\$0	\$2,931	\$392,580
2043	\$392,580	\$216,960	\$0	\$0	\$5,101	\$614,641

### *Present Fund By Category*

**Project Name:** 2700/2800 Stone Cliff Drive Condominium  
**Project Location:** Baltimore, Maryland  
**Project Number:** 11-1068  
**Date of Study:** April 2012

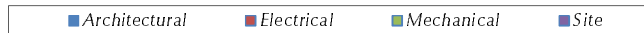
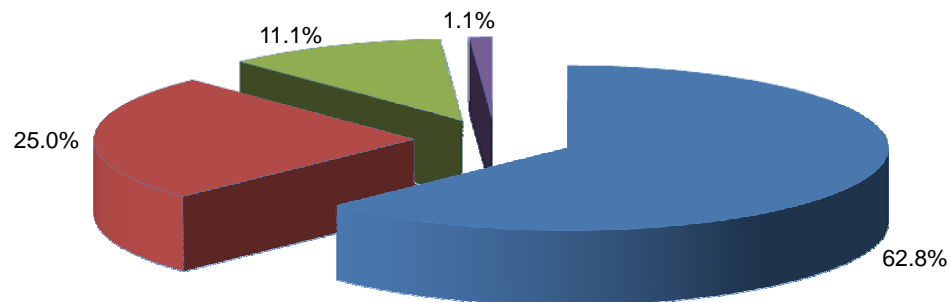
**Interest Rate:** 1.00%  
**Inflation Rate:** 3.00%



### *Current Replacement Cost by Category*

**Project Name:** 2700/2800 Stone Cliff Drive Condominium  
**Project Location:** Baltimore, Maryland  
**Project Number:** 11-1068  
**Date of Study:** April 2012

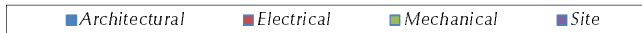
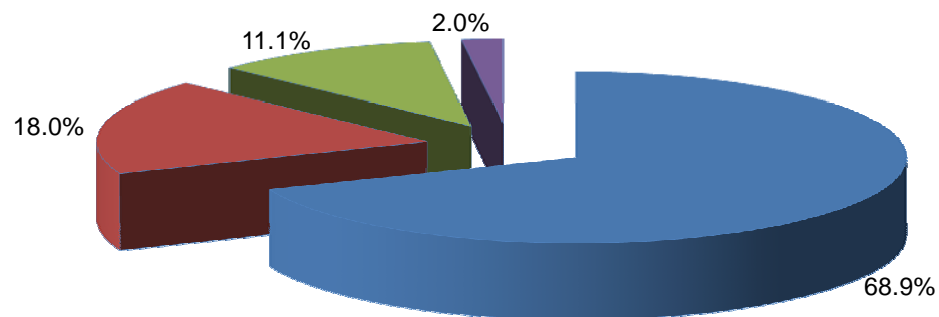
**Interest Rate:** 1.00%  
**Inflation Rate:** 3.00%



### *Annual Contribution by Category*

**Project Name:** 2700/2800 Stone Cliff Drive Condominium  
**Project Location:** Baltimore, Maryland  
**Project Number:** 11-1068  
**Date of Study:** April 2012

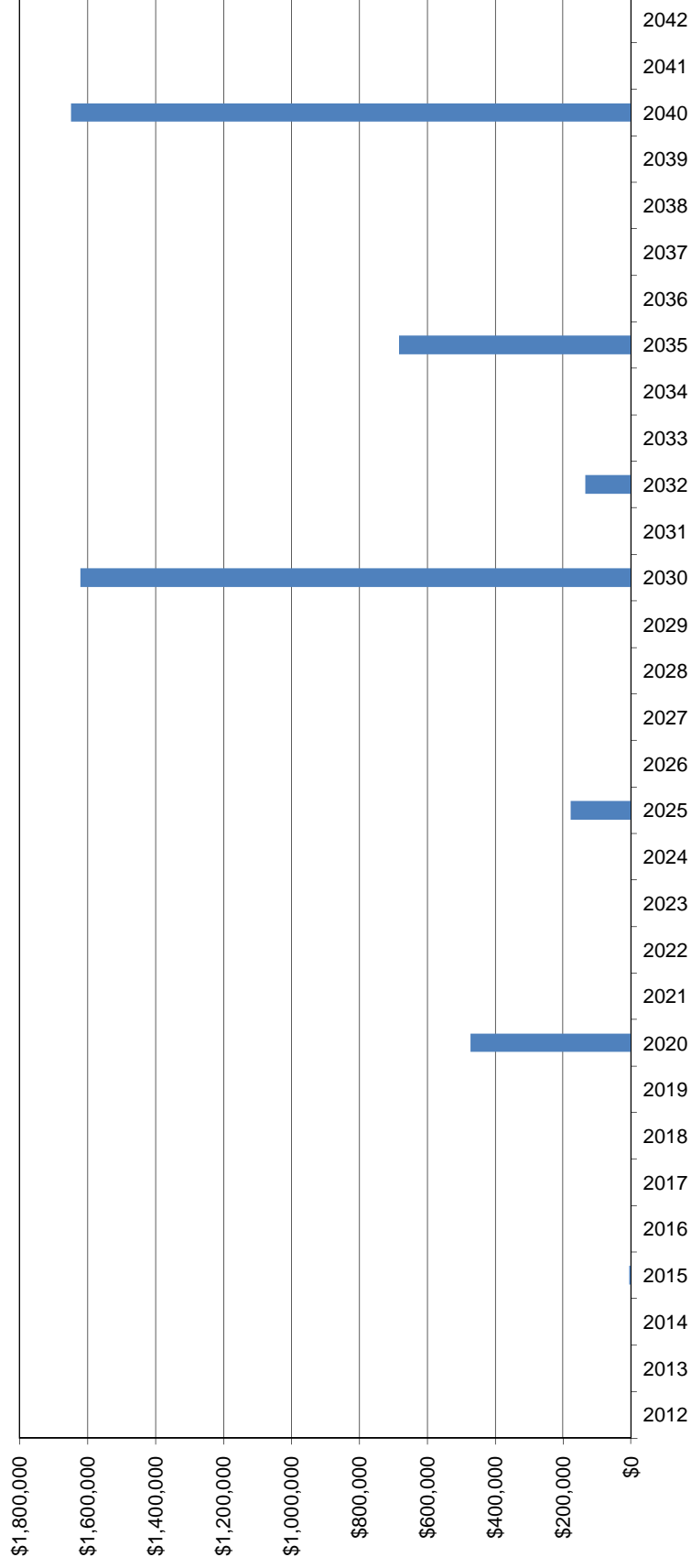
**Interest Rate:** 1.00%  
**Inflation Rate:** 3.00%





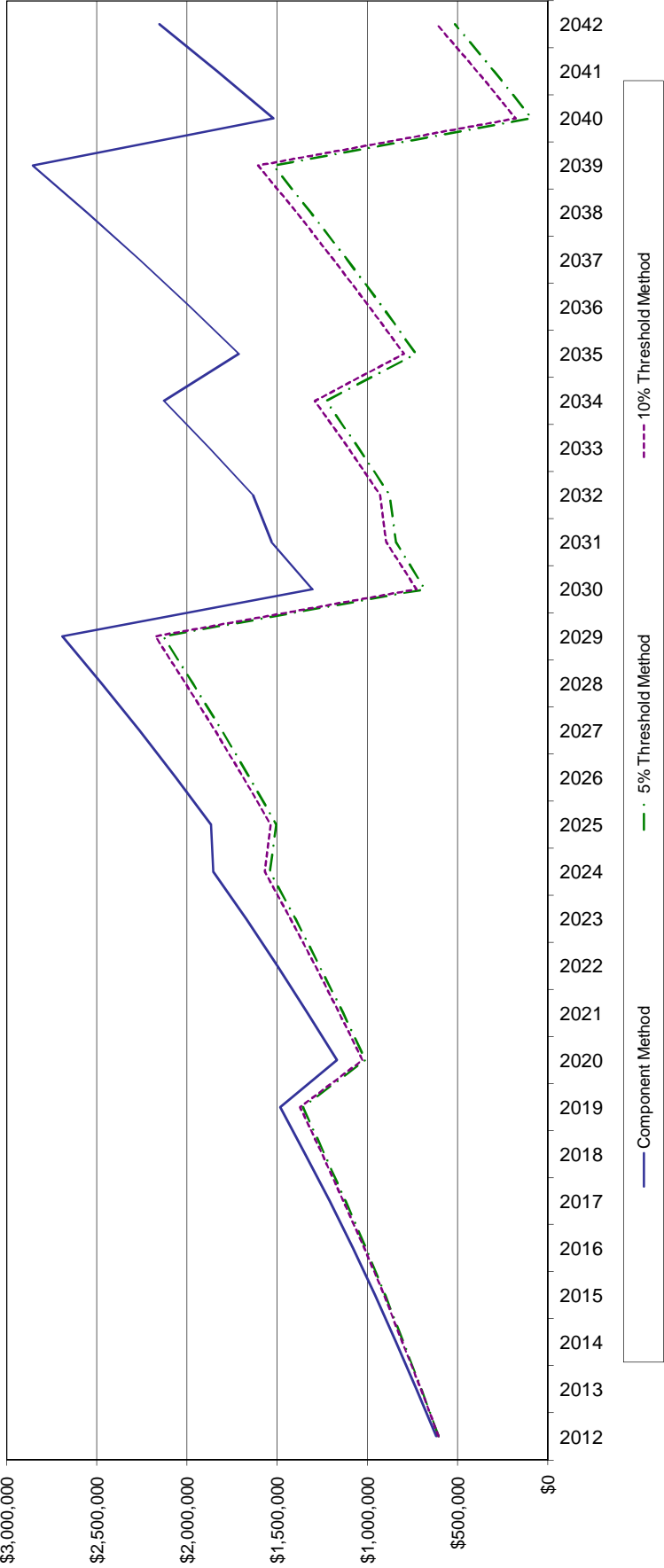
## Disbursements by Year

**Project Name:** 2700/2800 Stone Cliff Drive Condominium  
**Project Location:** Baltimore, Maryland  
**Project Number:** 11-1068  
**Date of Study:** April 2012  
**Interest Rate:** 1.00%  
**Inflation Rate:** 3.00%



# *Reserve Fund Closing Balance Component vs. Cash Flow*

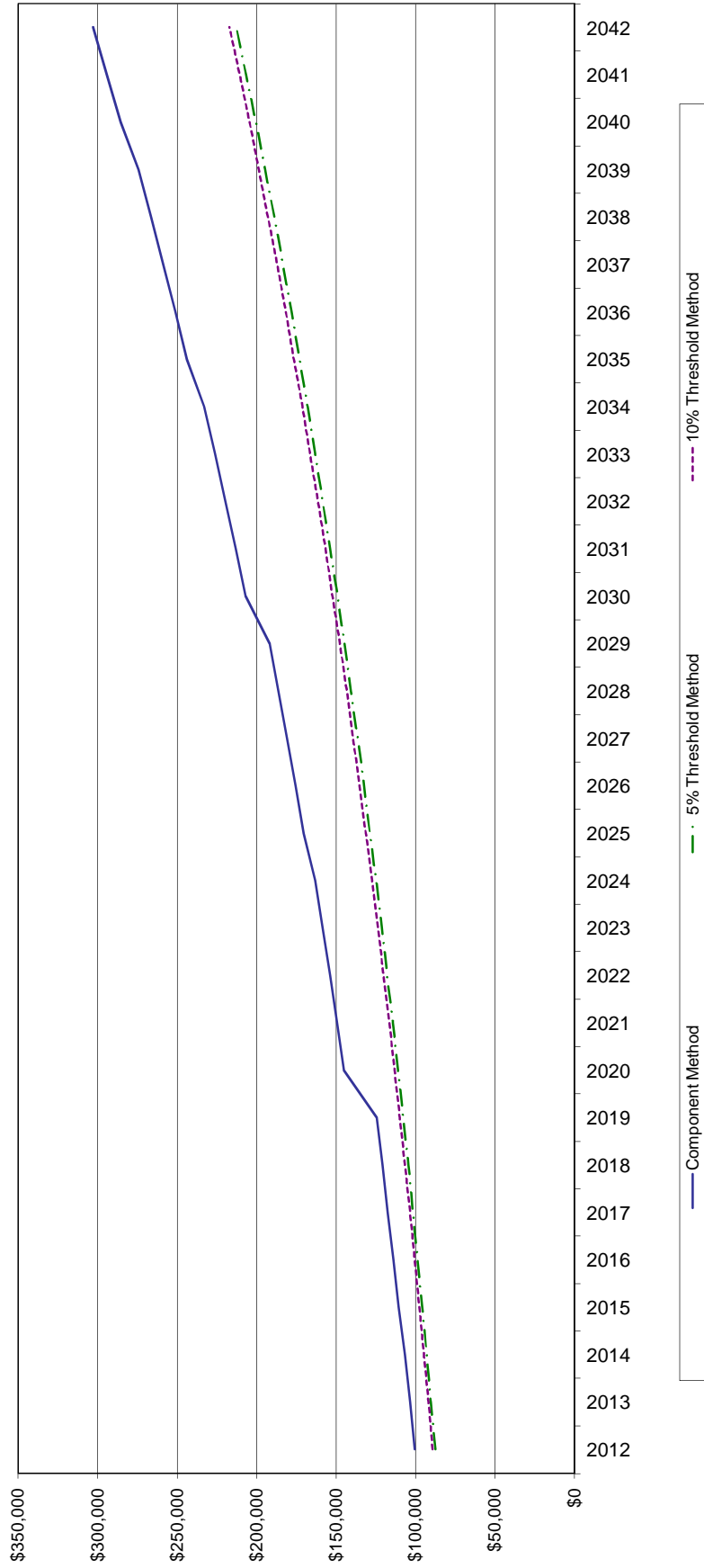
**Project Name:** 2700/2800 Stone Cliff Drive Condominium  
**Project Location:** Baltimore, Maryland  
**Project Number:** 11-1068  
**Date of Study:** April 2012  
**Interest Rate:** 1.00%  
**Inflation Rate:** 3.00%





## Reserve Fund Contributions Component vs. Cash Flow

**Project Name:** 2700/2800 Stone Cliff Drive Condominium  
**Project Location:** Baltimore, Maryland  
**Project Number:** 11-1068  
**Date of Study:** April 2012  
**Interest Rate:** 1.00%  
**Inflation Rate:** 3.00%





## Appendix

## **Definitions**

**Base Cost** - See definition "Current Replacement Cost Allowance". This calculation, based on current costs, is increased according to the assumed rates of inflation in the "Disbursement Schedule".

**Basic Annual Contribution** - This is the amount that should have been contributed each year, while considering assumed rates of interest and inflation, to accumulate a reserve equal to the Current Replacement Cost Allowance at the anticipated replacement time (end-of-life).

**Contribution Adjustment** - If the capital reserve fund for a component is not fully funded, this is the increase in annual contributions that would be required to fully fund the reserve before the estimated end-of-life. If the capital reserve fund for a component is over-funded, this is the decrease in annual contributions that would offset the over-funded condition.

**Contribution, Total** - This is the recommended Basic Annual Contribution plus the "Annual Make-Up" (see definition) required to make up for past underfunding before replacement of the component is estimated to be required. The amount can decrease in future years because the required Annual Make-Up decreases each year in which a reserve fund for a capital component is fully funded.

**Current Replacement Cost** - The cost to replace the component at the time of this Study.

**Estimated Remaining Life** - The anticipated number of years before replacement of this component can be expected to be necessary. This is based on the normal life, the current age, and an engineering assessment that considers site-specific conditions.

**Deficit** - This shows the amount that the Present Fund is undercapitalized. It is the present fund minus the Required Fund. A positive number (surplus) means excess cash reserves have been set aside to date. A negative number indicates a deficit in the Present Fund; this underfunding can be made up in one of two ways: 1) an increase in the annual fees to catch up or, 2) a special assessment between now and when the component requires replacement. This Study assumes the second method is used and recommends annual makeup on that basis.

**Interest** - Interest accumulated on the capital reserve fund deposit based on the assumed interest rate listed at the top of the "Projected Cash Flow" pages.

**Inflation** – The increased cost of future replacement expenditures are based on an assumed rate of inflation.

**Opening Balance** - On the "Projected Cash Flow" pages, this is the reported total reserve fund on deposit for the condominium Association.

**Percentage Of Total** - Percent of total recommended Basic Annual Contribution. This shows the significance of specific components relative to required contributions to the capital reserve fund.

**Present Age** - Age of the component at the time of this Study.

**Present Fund** - Present funds set aside for capital component replacement at this time. If present fund are not reserved for specific components but are an unallocated pool, the total present fund is allocated between the components according to the Percentage Of Total column.

**Required Fund** - this amount should have been set aside for each component in the fund to be considered fully funded.

**Surplus** - This shows the amount that the Present Fund is overcapitalized. It is the present fund minus the Required Fund. A positive number (surplus) means excess cash reserves have been set aside to date.

**Typical Life** - The anticipated number of years that a component may be expected to provide adequate service. Please note that this is based on industry standards. A component may outlive, or require replacement prior to, its typical life.

**Abbreviations:**

**EA** - Each

**LF** - Linear Foot

**LS** - Lump Sum

**SF** - Square Foot

**SY** - Square Yard

## **Rules and Regulations**

**2700-2800 Stonecliff Condominium Association Inc.**

# CORPORATE CHARTER APPROVAL SHEET

**\*\* KEEP WITH DOCUMENT \*\***

DOCUMENT CODE

02

BUSINESS CODE

04

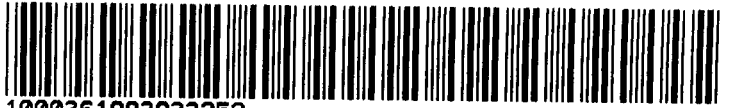
# \_\_\_\_\_

Close \_\_\_\_\_ Stock \_\_\_\_\_ Nonstock ☒

P.A. \_\_\_\_\_ Religious \_\_\_\_\_

Merging (Transferor) \_\_\_\_\_

Surviving (Transferee) \_\_\_\_\_



1000361993933252

ID # D11610391 ACK # 1000361993933252  
LIBER: B01036 FOLIO: 0078 PAGES: 0008  
THE BLUFFS AT GREENSPRING QUARRY VILLAGE  
ASSOCIATION, INC.

MAIL  
BACK

09/13/2006 AT 08:54 P W O # 0001288711

New Name \_\_\_\_\_

## FEES REMITTED

Base Fee: 100

Org. & Cap. Fee: 20

Expedite Fee: \_\_\_\_\_

Penalty: \_\_\_\_\_

State Recordation Tax: \_\_\_\_\_

State Transfer Tax: \_\_\_\_\_

Certified Copies \_\_\_\_\_

Copy Fee: \_\_\_\_\_

Certificates \_\_\_\_\_

Certificate of Status Fee: \_\_\_\_\_

Personal Property Filings: \_\_\_\_\_

Other: \_\_\_\_\_

TOTAL FEES: 120

Credit Card \_\_\_\_\_ Check ☒ Cash \_\_\_\_\_

8 Documents on 8 Checks

Approved By: 02

Keyed By: CRZ

COMMENT(S):

Change of Name  
Change of Principal Office  
Change of Resident Agent  
Change of Resident Agent Address  
Resignation of Resident Agent  
Designation of Resident Agent  
and Resident Agent's Address  
Change of Business Code

Adoption of Assumed Name

Other Change(s)

Code 199

Attention: \_\_\_\_\_

SISKIND, GRADY, ROSEN, HOOVER & LEVIN,  
BRUCE D BROWN ATTY AT LAW  
STE 1100  
2 HOPKINS PLZ  
BALTIMORE

MD 21201-2930

CUST ID: 0001845673  
WORK ORDER: 0001288711  
DATE: 09-13-2006 06:12 PM  
AMT. PAID: \$1,000.00

UB

**ARTICLES OF INCORPORATION**  
**OF**  
**THE BLUFFS AT GREENSPRING QUARRY VILLAGE ASSOCIATION, INC.**

RECEIVED  
DEPT. OF  
ASSESSMENTS & TAXATION  
2009 SEP 13 A 8:54

The undersigned subscriber, BRUCE D. BROWN, whose post office address is 2 Hopkins Plaza, Suite 1100, Baltimore, Maryland 21201, being at least eighteen (18) years of age, does hereby act as Incorporator with the intention of forming a corporation under and by virtue of the General Laws of the State of Maryland, and for such purpose hereby makes, executes, and adopts the following Articles of Incorporation:

**ARTICLE I.** The name of this corporation shall be:

**THE BLUFFS AT GREENSPRING QUARRY VILLAGE ASSOCIATION, INC.**

**ARTICLE II.** The post office address of the principal place of business of this corporation shall be located in Howard County, State of Maryland, at 8965 Guilford Road, Suite 290, Columbia, Maryland 21046. ✓

**ARTICLE III.** The resident agent of this corporation shall be Bruce D. Brown, whose address is 2 Hopkins Plaza, Suite 1100, Baltimore, Maryland 21201. Said resident agent is a citizen and actual resident of the State of Maryland. ✓

**ARTICLE IV.** The Corporation does not contemplate pecuniary gain or profit to the members thereof, and the specific purposes for which it is formed are to provide for the reconstruction, management, maintenance, and preservation of the Common Areas to be acquired; and for the control of certain property located in Baltimore County, Maryland; and to promote the health and welfare of the owners of the lots; and for that purpose to:

(a) exercise all of the powers and privileges and to perform all of the duties and obligations of the Corporation as set forth in that certain Declaration of Covenants, Conditions and Restrictions of The Bluffs at Greenspring Quarry Village Association, Inc. (hereinafter called the "Declaration") applicable to the Property and recorded or to be recorded in the Land Records of Baltimore County, Maryland, by the Beazer Homes Corp., as the Declaration may be amended from time to time as therein provided, said Declaration being incorporated herein as if set forth at length;

(b) fix, levy, collect and enforce payment by any lawful means of all charges or assessments pursuant to the terms of the Declaration; to pay all expenses incident to the conduct of the business of the Corporation, including all licenses, taxes or governmental charges levied or imposed against the property of the Corporation;

(c) acquire (by gift, purchase or otherwise), own, hold, improve, build on, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Corporation;

(d) dedicate, sell or transfer all or any part of the Common Areas, if any, to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument has been signed by two-thirds (2/3) of the members, agreeing to such dedication, sale or transfer;

(e) have and to exercise any and all powers, rights and privileges which a corporation organized under the Non-Stock Corporation Law of the State of Maryland by law may own or hereafter have or exercise.

## **ARTICLE V. MEMBERSHIP AND VOTING RIGHTS**

Membership. Every Subassociation, as that term is defined in the provisions of the Declaration of Covenants, Conditions and Restrictions of the Association, shall be a member of the Association.

Voting Rights. Each Subassociation member shall be entitled to one (1) vote. Such vote shall be exercisable by the representative of the Subassociation member who shall be elected by that Subassociation's Board of Directors. The representative may, but does not necessarily have to be, a member of the Subassociation's Board.

**ARTICLE VI.** The Corporation shall have a lien on each Unit (as that term is defined in the Declaration) owned in order to secure payment of any sums which shall be due or become due from the holders thereof for any reason whatsoever. Owners shall be assessable as provided in the Declaration and By-Laws.

**ARTICLE VII.** In the event any Owner sells, assigns, or otherwise transfers of record the fee simple interest in any Unit in which he holds an interest, such Owner shall be deemed to have contemporaneously assigned the ownership interest appurtenant to said Unit to the transferee of the Unit and delivered it to him for transfer on the books of the Corporation. The foregoing requirement shall not apply in the event a Unit is transferred as aforesaid merely as security for the performance of an obligation.

## **ARTICLE VIII.**

(a) This Corporation shall not be operated for profit. There shall be no distributions of gains, profits or dividends to any of the members nor shall any part of the income of the Corporation be distributed to its Board of Directors or officers. In the event there are any excess



receipts over disbursements as a result of performing services, such excess shall be applied against future expenses. The Corporation may pay compensation to its directors and officers for services rendered, upon approval of sixty-six and two-thirds percent (66-2/3%) of the members. The Corporation may pay compensation to the directors constituting the original Board of Directors, upon an affirmative vote of a majority of the original Board. Upon dissolution or final liquidation, the Corporation may make distribution to its members as is permitted by the Court having jurisdiction thereof, and no such payment, benefit or distribution shall be deemed to be a dividend or distribution of income.

(b) This Corporation shall issue no shares of stock of any kind or nature whatsoever. Membership in the Corporation and the transfer thereof, as well as the number of members, shall be upon such terms and conditions as provided in the Declaration and By-Laws. The members of this Corporation shall not be personally liable for the debts, liabilities or obligations of this Corporation. The voting rights of the members shall be as set forth in the Declaration and By-Laws.

**ARTICLE IX.** The affairs of the Corporation shall be managed by a Board of Directors. The number of directors shall never be less than three (3) and shall increase in accordance with the total number of Subassociations which are members of the Association, so that the Board will be comprised of one (1) Director from each Subassociation. The names and addresses of the persons who are to serve as the initial directors until their successors are duly chosen and qualified are as follows:

<u>NAME</u>	<u>ADDRESS</u>
David Meacham	8965 Guilford Road, Suite 290 Columbia, Maryland 21046

Edwin Howe

8965 Guilford Road, Suite 290  
Columbia, Maryland 21046

David Roesler

8965 Guilford Road, Suite 290  
Columbia, Maryland 21046

The qualifications, powers, duties, and tenure of the directors and the manner by which they are to be chosen shall be as set forth in the By-Laws of the Corporation. Officers of this Corporation shall be elected by the directors and shall serve as provided in the By-Laws.

**ARTICLE X.** The internal affairs of the Corporation shall be regulated by duly adopted By-Laws. The By-Laws shall be made and adopted by the original Board of Directors of the Corporation.

**ARTICLE XI.** The Corporation may be dissolved with the assent given in writing and signed by all of the members. Upon dissolution of the Corporation, other than incident to a merger or consolidation, the assets of the Corporation shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Corporation was created. In the event that such dedication is refused, such assets shall be granted, conveyed, and assigned to any nonprofit corporation, association, trust or other organization to be devoted to such similar purposes.

**ARTICLE XII.**

(c) The Corporation shall indemnify every officer and director of the Corporation against any and all expenses, including counsel fees, reasonably incurred by or imposed upon any officer or director in connection with any action, suit or other proceeding (including settlement of any such suit or proceeding if approved by the then Directors) to which he may be made a party by reason of being or having been an officer or director at the time such expenses are incurred. The

officers and directors of the Corporation shall not be liable to the members of the Corporation for any mistake in judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The officers and directors of the Corporation shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Corporation and the Corporation shall indemnify and forever hold each such officer and director free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer or director of the Corporation, or former officer or director of the Corporation, may be entitled.

(d) The directors shall exercise their powers and duties in good faith and with a view to the best interests of the Corporation. No contract or other transaction between the Corporation and one or more of its directors, or between the Corporation and any other corporation, firm or association in which one or more of the directors of this Corporation are directors and officers or are pecuniarily or otherwise interested, is either void or voidable because such director or directors are present at the meeting of the Board or any committee thereof which authorizes or approves the contract or transaction, or because his or their votes are counted for such purpose, if any of the conditions specified in any of the following paragraphs exist:

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

(2) the fact of the common directorate or interest is disclosed or known to the members, or a majority thereof, and they approve or ratify the contract or transaction in good faith by a vote sufficient for the purpose; or

(3) the contract or transaction is commercially reasonable to the Corporation at the time it is authorized, ratified, approved or executed.

(e) Common or interested directors may be counted in determining the presence of a quorum of any meeting of the Board or committee thereof which authorizes, approves or ratifies any contract or transaction, and may vote thereat to authorize any contract or transaction with like force and effect as if he were not such director or officer of such other corporation, or not so interested.

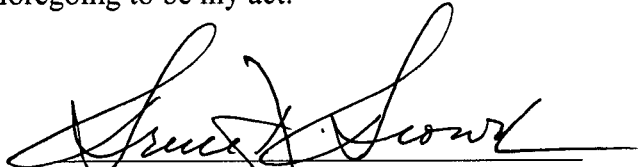
**ARTICLE XIII.** The Corporation shall exist perpetually.

**ARTICLE XIV.** Amendment of these Articles shall require the approval of all of the members.

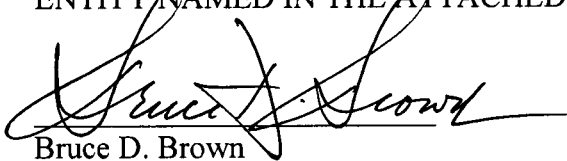
IN WITNESS WHEREOF, I have hereunto affixed my hand and seal on this 12 day of September 2006, and acknowledged the foregoing to be my act.

WITNESS:

  
Elizabeth B. Greer

  
BRUCE D. BROWN

I HEREBY CONSENT TO ACT AS RESIDENT AGENT IN MARYLAND FOR THE ENTITY NAMED IN THE ATTACHED INSTRUMENT.

  
Bruce D. Brown

9/12/06  
Date

CUST ID:0001845673  
WORK ORDER:0001288711  
DATE:09-13-2006 06:12 PM  
AMT. PAID:\$1,000.00

**BY-LAWS  
OF  
THE BLUFFS AT GREENSPRING QUARRY VILLAGE ASSOCIATION, INC.**

**ARTICLE I  
NAME AND LOCATION**

Section 1. Name and Location. The name of this Corporation is **THE BLUFFS AT GREENSPRING QUARRY VILLAGE ASSOCIATION, INC.** Its principal place of business and mailing address is 8965 Guilford Road, Suite 290, Columbia, Maryland 21046. Said principal office may be changed by the Board of Directors at any time and from time to time. The corporation is a non-profit, non-stock corporation organized under the laws of the State of Maryland. The Corporation may have such other offices within or without the State of Maryland as the Board of Directors or the Members may from time to time designate. This Corporation shall be the Association described in the Declaration, and for purposes of identification shall be hereinafter referred to in these By-Laws as the "Corporation".

Section 2. Applicability. These By-Laws and each provision thereof shall be applicable to all Lot Owners within this community known as The Bluffs at Greenspring Quarry Village Association, Inc., situate in Baltimore County, Maryland, and described in the Declaration.

**ARTICLE II  
DEFINITIONS**

Section 1. "Declaration" as used herein, means that certain Declaration of Covenants, Conditions and Restrictions of The Bluffs at Greenspring Quarry Village Association, Inc. made the \_\_\_\_\_ day of \_\_\_\_\_, 2006 by Beazer Homes Corp., recorded among the Land Records of Baltimore County, Maryland, and any declaration amendatory or supplementary thereto.

Section 2. "Manager" or "Management Agent" shall mean and refer to that person, company or other entity retained by the Association to provide maintenance and management services (including the collection and disbursing of Association funds upon appropriate direction therefor) for the Association.

Section 3. "Other Definitions" any other term used in these By-Laws shall have the same meaning as set forth in the Declaration except where said meaning is clearly inappropriate.

**ARTICLE III  
MEETING OF MEMBERS**

Section 1. Place of Meeting. Meetings of the Membership shall be held at the principal office or place of business of the Association or at such other suitable place convenient to the

membership as may be designated by the Board of Directors. The Board is authorized to pay from the Association's funds the cost of rental of a meeting facility.

Section 2. Annual Meetings. The first annual meeting of the Members of the Association shall be held at such time as the Board of Directors shall determine but shall be held, in any event, within one (1) year following the date of filing of the Articles of Incorporation with the State Department of Assessments and Taxation of Maryland. Thereafter, the annual meetings of the Members of the Association shall be held on such date as the Board of Directors may determine but not less than three (3) nor more than five (5) months after the last day of the Association's fiscal year. If the Board of Directors shall fail to set a date for the annual meeting, in any year, then such meeting for that year shall be held at 7:00 p.m. on the third (2nd) Wednesday of May. At such meeting there shall be elected by ballot of the Members a Board of Directors in accordance with the requirements of Article V, Section 5 of these By-Laws. The Members may also transact such other business of the Association as may properly come before them.

Section 3. Special Meetings. It shall be the duty of the President to call a special meeting of the Members as directed by resolution of the Board of Directors or upon a petition signed by Members representing at least twenty percent (20%) of the total Membership entitled to vote having been presented to the Secretary. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 4. Notice of Meetings. It shall be the duty of the Secretary to mail a notice of each meeting or special meeting, stating the purpose thereof as well as time and place where it is to be held, to each Member of record, at its address as it appears on the membership books of the Association, or if no address appears, at its last known place of address, at least fifteen (15) but not more than forty-five (45) days prior to such meeting. Attendance by a Member at any meeting of the members shall be a waiver of notice by him of the time, place and purpose thereof.

Section 5. Quorum. The presence, either in person or by proxy, of Members entitled to cast twenty-five percent (25%) of the votes of the Membership shall be requisite for, and shall constitute a quorum for the transaction of business at all meetings of Members unless a greater number is provided by the Declaration, Articles of Incorporation or these By-Laws.

Section 6. Adjourned Meetings. If any meeting of Members cannot be organized because a quorum has not attended, the Members who are present, either in person or by proxy, may, except as otherwise provided by law, adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called.

Section 7. Voting. At every meeting of the Members, each of the Members shall have the right to cast one (1) vote for each membership which it owns on each question. The vote of the Members representing fifty-one percent (51%) of the Membership present and voting at the meeting, in person or by proxy, shall be necessary to decide any question brought before such meeting, unless the question is one upon which, by express provision of statute or of the Declaration, the Articles of

Incorporation, or these By-Laws, a different vote is required, in which case such express provision shall govern and control. No Member shall be eligible to vote by proxy.

Section 8. Selection of Directors. Each Subassociation Member shall select one person to be a member of the Association's Board of Directors. At the annual meeting, the representative of the Subassociation Member shall submit the Subassociation Member's selection for Director. The Director selected by each Subassociation shall be an Owner in that particular Subassociation, and shall have been elected by a majority vote of the Subassociation's Board of Directors.

Section 9. Order of Business. The order of business at a regularly scheduled meetings of the Members shall be as follows:

- (a) Roll call and certification of proxies.
- (b) Proof of notice of meeting or waiver of notice.
- (c) Reading of minutes of preceding meeting.
- (d) Reports of officers, if any.
- (e) Reports of committees, if any.
- (f) Selection of Directors.
- (g) Unfinished business.
- (h) New business.

In the case of a special meeting, items (a) and (b) shall be applicable and thereafter the agenda shall consist of the items specified in the notice of the meeting.

#### **ARTICLE IV** **DIRECTORS**

Section 1. Numbers. The affairs of the Corporation shall be managed by a Board of Directors. The number of directors shall never be less than three (3) and shall increase in accordance with the total number of Subassociations which are members of the Association so that the Board will be comprised of one (1) Director from each Subassociation.

Section 2. Powers and Duties. The Board shall have all the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by law or by these By-Laws directed to be exercised and done by the Members. The powers and duties of the Board shall include, but not be limited to the following:

To provide for the:

(a) care and upkeep of the Common Areas in a manner consistent with the law, the provisions of these By-Laws, and the Declaration.

(b) establishment and collection of assessments and/or carrying charges from the members and for the assessments and/or enforcement of liens therefor in a manner consistent with

law and the provisions of these By-Laws and the Declaration.

(c) designation, hiring, and/or dismissal of personnel necessary for the good working order of the Association, for the proper care of the Common Areas, and to provide services for the Association in a manner consistent with law and the provisions of these By-Laws and the Declaration.

(d) promulgation and enforcement of such rules (including imposition of fines for violations thereof) as may be deemed proper respecting the use, occupancy and maintenance of Common Areas and Units, all of which shall be consistent with applicable Maryland law, the provisions of these By-Laws and the Declaration.

Section 3. Management Agent. The Board shall employ for the Association a Management Agent at a rate of compensation approved by the Board of Directors to perform such duties and services as the Board shall from time to time authorize in writing. During the Development Period, the Declarant, and her or its agents, employees, subsidiaries, and/or affiliates may be employed as Management Agent by the Association. Any agreement with any Management Agent shall provide for a maximum term of one year and be terminated upon thirty (30) days written notice, with or without cause.

Section 4. Budget. The Board of Directors, with the assistance of the Management Agent, shall prepare and adopt a budget for each annual assessment period which shall include estimates of the funds required by the Association to meet its annual expenses for that period and shall include reasonable reserves for repair and replacement. The budget herein required to be prepared and adopted by the Board of Directors shall be in a format consistent with the classification of the accounts of the Association, and shall provide for sufficient estimates, on a consistent periodic basis, to permit comparison to and of deviations from the various periodic reports of the actual results of operation and the actual financial condition of the Association, on both a current basis and for prior corresponding periods, all in accordance with generally accepted accounting practices, consistently applied. Copies of the budget shall be available for examination by the members and by their duly authorized agents and attorneys, and by any Mortgagee of any Unit and by their duly authorized agents and attorneys, during normal business hours, for purposes reasonably related to their respective interests, and upon reasonable notice.

Section 5. Term of Office. Directors may be selected for a term of one year, two years or three years, and staggered terms are permitted as the Members may decide at the annual meeting at which the selection of Directors takes place.

Section 6. Vacancies. Vacancies on the Board caused by any reason other than an increase in the number of Directors shall be filled by vote of the Subassociation's Board of Directors whose Director vacated the position or was removed therefrom. Each such person so elected as a Director shall serve until a successor is selected at the next annual meeting.

Section 7. Removal. After the first annual meeting of the Association, any Director may



be removed from the Board, with or without cause, by a majority vote of the Members of the Association. Prior to the first annual meeting of the Association, any Director may be removed from the Board, with or without cause, by the Declarant.

Section 8. Compensation. Except for those directors named as such in Section 1 of this Article, and any of their successors elected prior to the first annual meeting of the Members, no remuneration shall be paid to any director for services performed by him for the Association in any other capacity unless approved by a vote of two-thirds (2/3) of the Members. However, any director and/or officer may be reimbursed for his or her actual expenses incurred in the performance of his or her duties on behalf of the Association.

Section 9. Organizational Meeting. The first meeting of a newly elected Board shall be held within ten (10) days of election at such place as shall be fixed by the directors at the meeting at which such directors were elected, and no notice shall be necessary to the newly elected directors in order legally to constitute such meeting, provided a majority of the entire Board shall be present.

Section 10. Regular Meetings. Regular meetings of the Board may be held at such time and place as shall be determined by a majority of the directors, but at least two (2) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each director and all members, personally or by mail or telephone, at least seven (7) days prior to the day named for such meeting.

Section 11. Special Meetings. Special meetings of the Board of Directors may be called by the President of the Board on three (3) days' notice to each director, given personally or by mail or telephone, which notice shall state the time, place (as hereinabove provided) and purpose of the meeting. Special meetings of the Board shall be called by the President or Secretary in like manner and on like notice on the written request of at least one-third (1/3) of the directors.

Section 12. Waiver of Notice. Before or at any meeting of the Board, any director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board shall be waiver of notice by him of the time, place and purpose thereof. If all the directors are present at any meeting of the Board no notice shall be required and any business which may properly come before the Board at such meeting may be transacted.

Section 13. Quorum. At all meetings of the Board, a majority of the directors shall constitute a quorum for the transaction of business, and the acts of the majority of the directors present and voting at a meeting at which a quorum is present shall be the acts of the Board. If at any meeting of the Board there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 14. Action Without Meeting. Any action by the Board required or permitted to be taken at any meeting may be taken without a meeting if all of the members of the Board shall

individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board of Directors.

Section 15. Fidelity Bonds. The Board shall require that all officers, agents and employees of the Association handling or responsible for association, corporate or trust funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Association.

## **ARTICLE V**

### **OFFICERS**

Section 1. Designation. The principal officers of the Association shall be a President, a Vice President, a Secretary, and a Treasurer, or a Secretary/Treasurer, all of whom shall be elected by the Board and none of whom shall be related by marriage or otherwise. Prior to the first annual meeting of Members, the officers of the Association need not be Owners in the Association. Thereafter, all officers of the Association shall be Owners; provided that until the expiration of the Development Period, the officers may also be officers, agents, or employees of the Declarant.

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

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

Section 4. President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Members and of the Board. He shall have all of the general powers and duties which are usually vested in the office of president of a corporation, including but not limited to the power to appoint committees from among the Membership from time to time as he may, in his discretion, decide is appropriate to assist in the conduct of the affairs of the Association.

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

Section 6. Secretary. The Secretary shall keep the minutes of all meetings of the Board and the minutes of all meetings of the Members of the Association; he shall have custody of the seal of the Association; he shall have charge of the Membership transfer books and of such other books and papers as the Board may direct; and he shall, in general, perform all the duties incident to the office of Secretary.

Section 7. Treasurer. The Treasurer shall have responsibility for Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible for the deposit of all moneys and other valuable effects in the name, and to the credit, of the Association, in such depositories as may from time to time be designated by the Board.

## **ARTICLE VI**

### **LIABILITY AND INDEMNIFICATION OF OFFICERS AND DIRECTORS**

Section 1. Liability and Indemnification of Officers and Directors. The Association shall indemnify every officer and director of the Association against any and all expenses, including counsel fees reasonably incurred by or imposed upon any officer or director in connection with any action, suit or other proceeding (including the settlement of any such suit or proceeding if approved by the then Board of the Association) to which he may be made a party by reason of being or having been an officer or director of the Association whether or not such person is an officer or director at the time such expenses are incurred. The Officers and Directors of the Association shall not be liable to the Members of the Association for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The officers and Directors of the Association shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association (except to the extent that such officers or directors may also be Owners of Units) and the Association shall indemnify and forever hold each such Officer and Director free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any Officer or Director of the Association, or former Officer or Director of the Association may be entitled.

Section 2. Common or Interested Directors. The Directors shall exercise their powers and duties in good faith and with a view to the best interests of the Association. No contract or other transaction between the Association and one or more of its directors, or between the Association and any corporation, firm or association (including the Declarant) in which one or more of the Directors of this Association are Directors or Officers or are pecuniarily or otherwise interested, is either void or voidable because such Director or Directors are present at the meeting of the Board or any committee thereof which authorizes or approves the contract for such purposes, if any of the conditions specified in any of the following subparagraphs exist:

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

(b) The fact of the common directorate or interest is disclosed or known to the members, or a majority thereof, and they approve or ratify the contract or transaction in good faith by a vote sufficient for the purpose; or

(c) The contract or transaction is commercially reasonable to the Association at the time it is

authorized, ratified, approved or executed.

(d) Common or interested directors may be counted in determining the presence of a quorum at any meeting of the Board or committee thereof which authorizes, approves or ratifies any contract or transaction, and may vote thereat to authorize any contract or transaction with like force and effect as if he were not such a director or officer of such corporation or not so interested.

## **ARTICLE VII** **MANAGEMENT**

Section 1. Management and Common Expenses. The Association, acting by and through its Board, shall manage, operate and maintain the Common Facilities and, for the benefit of the Units and the Owners thereof, shall enforce the provisions hereof and shall pay out of the common expense fund provided for herein, the following:

(a) The cost of providing utility services for the Common Areas.

(b) The cost of directors and officers, liability, fire, hazard, and extended liability insurance for the Common Areas and the cost of such other insurance as the Association may effect, or deem appropriate.

(c) The cost of the services of a person or firm to manage the project together with the services of such other personnel as the Board shall consider necessary for the operation of the project.

(d) The cost of providing such legal and accounting services as may be considered necessary to the operation of the Association.

(e) The cost of painting, maintaining, replacing, repairing, landscaping, and making additions and/or changes of and to the Common Areas and such furnishings and equipment as the Board shall determine are necessary and proper, and the Board shall have the exclusive right and duty to acquire the same.

(f) The cost of any and all other materials, supplies, labor, services, maintenance, repairs, taxes, assessments or the like, which the Association is required to secure or pay for by law, or otherwise, or which in the discretion of the Board shall be necessary or proper for the operation of the Association and its property.

Section 2. Management Agent. The Association may, by contract in writing, delegate any of its ministerial duties, powers or functions to a Management Agent. The Association and the Board shall not be liable for any omission or improper exercise by the Management Agent of any such duty, power or function so delegated.

Section 3. Fiscal Year. The fiscal year of the Association shall be from January 1st

through December 31st of each year.

Section 4. Books and Accounts. Books and accounts of the Association shall be kept under the direction of the Treasurer in accordance with good accounting practices. The same shall include books with detailed accounts, in chronological order, of receipts and of the expenditures affecting the project and its administration and shall specify the maintenance and repair expenses of the Common Areas and services, and of any other expenses incurred. The amount of any assessment required for payment of any capital expenditures of the Association shall be credited upon the books of the Association to the "Paid-in-Surplus" account as a capital contribution by the members, or as otherwise designated by an accountant engaged by the Association.

Section 5. Auditing. At the close of each fiscal year, the books and records of the Association shall be audited by an independent Certified Public Accountant whose report shall be prepared and certified in accordance with generally accepted auditing standards. Based upon such report, the Association shall furnish its members with an annual financial statement, including the income and disbursements of the Association.

Section 6. Inspection of Books. The books and accounts of the Association, and vouchers accrediting the entries made thereupon, shall be available for examination by the members of the Association, attorneys representing any of the members, and to any Mortgagee of any Unit and/or its duly authorized agents or attorneys, during normal business hours and for purposes reasonably related to their interests, as they may appear.

Section 7. Execution of Association Documents. With the prior authorization of the Board, all notes and contracts shall be executed on behalf of the Association by either the President or Vice President, and all checks shall be executed on behalf of the Association by such officers, agents or other persons as are from time to time authorized by the Board of Directors.

## **ARTICLE VIII**

### **AMENDMENT AND APPROVALS**

Section 1. Amendments by Members. These By-Laws may be amended by the affirmative vote of Members representing sixty-six and two-thirds percent (66-2/3%) or more of the votes at any meeting of the members duly called for such purpose. Any amendment during the Development Period shall also require the written consent of the Declarant.

Section 2. Amendments by Declarant. During the Development Period, the Declarant reserves the right to unilaterally amend these By-Laws to meet the requirements of the Federal Housing Administration, Veteran's Administration, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, title insurance company or any other governmental or quasi-governmental agency, or to meet the requirements of any mortgage lender; PROVIDED, HOWEVER, that any such amendment shall not materially adversely affect the substantive rights hereunder of any member other than Declarant. Any such amendment shall be distributed to all

members.

Section 3. FHA\VA Approval. Notwithstanding anything contained herein to the contrary, the Declarant shall have the absolute unilateral right, power and authority to modify the provisions of this Declaration, if such modification is required by the Veterans Administration or the Federal Housing Administration or any successor agencies thereto or any other Federal, State or County or local government agencies, as a condition precedent to the approval of the Property or any part thereof or any Units thereon, for mortgage financing qualification under the applicable government mortgage financing programs. If the Federal Housing Administration or Veterans Administration (or any successor agency or any similar governmental agency) has approved the property or any part thereof or any Units thereon for any applicable mortgage financing programs, and if approval by the FHA or the VA (or any successor agency or any similar governmental agency) of an amendment is required by applicable law or regulation for qualification under such financing programs, then any amendments to this Declaration shall also require the consent of any such approving agency.

## **ARTICLE IX**

### **INTERPRETATION - MISCELLANEOUS**

Section 1. Conflict. These By-Laws are subordinate and subject in all respects to the provisions of the Declaration. All of the terms hereof, except where clearly repugnant to the content, shall have the same meaning as in the Declaration. In the event of any conflict between these By-Laws and the Declaration, the provisions of the Declaration shall control. The provisions of the Declaration are incorporated herein by reference.

Section 2. Notices. Unless another type of notice is specifically provided for, herein, any and all notices called for in the Declaration and in these By-Laws shall be given in writing.

Section 3. Severability. In the event any provision or provisions of these By-Laws 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 4. Waiver. No condition, obligation or provision of these By-Laws shall be deemed to have been abrogated or waived by reason of any failure or failures to enforce the same.

Section 5. Captions. The captions and headings contained in these By-Laws are for convenience only and are not a part of these By-Laws and are not intended in any way to limit or enlarge the terms and provisions of these By-Laws.

Section 6. Gender, Etc. Whenever in these By-Laws the context so requires, the singular number shall include the plural and the converse; and the use of any gender shall be deemed to include all genders.

IN WITNESS WHEREOF, all of the Directors of The Bluffs at Greenspring Quarry Village

IN WITNESS WHEREOF, all of the Directors of The Bluffs at Greenspring Quarry Village Association, Inc., have hereunto set their hands this \_\_\_\_\_ day of \_\_\_\_\_, 2006.

WITNESS:

\_\_\_\_\_

\_\_\_\_\_  
David Meacham

\_\_\_\_\_

\_\_\_\_\_  
Alfred R. Guerieri, Jr.

\_\_\_\_\_

\_\_\_\_\_  
David Roesler

**CERTIFICATION**

I, the undersigned, do hereby certify:

1. That I am the duly elected and acting Secretary of The Bluffs at Greenspring Quarry Village Association, Inc., and;

2. That the foregoing By-Laws constitute the original By-Laws of said Corporation, as duly adopted at a meeting of the Board of Directors thereof, held on the \_\_\_\_ day of \_\_\_\_\_, 2006.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Corporation this \_\_\_\_ day of \_\_\_\_\_, 2006.

\_\_\_\_\_  
Secretary

2100.012\By-Laws.TheBluffs.3606



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**DECLARATION OF COVENANTS,  
CONDITIONS AND RESTRICTIONS**

**FOR**

**THE BLUFFS AT GREENSPRING QUARRY VILLAGE ASSOCIATION, INC.**

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**THE BLUFFS AT GREENSPRING QUARRY VILLAGE ASSOCIATION, INC.****DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS**

**THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS** (the "Declaration") is made on this 11 day of May, 2007, by Beazer Homes Corp., a Tennessee Corp. herein referred to as the "Declarant".

**EXPLANATORY STATEMENTS**

1. The Declarant is the owner of certain real property located in Baltimore County, State of Maryland, more particularly described in "Exhibit A" hereof and on the Plats, as that term is hereafter defined.

2. The Declarant desires to provide for the preservation of values and amenities in the community being developed on the Property and for maintenance of certain Common Areas; and to this end desires to subject the Property, as hereinafter defined, and as described in the aforesaid Plats, to the covenants, conditions, easements, liens, charges, and restrictions, hereinafter set forth, each and all of which is and are for the benefit of the Property and the subsequent owners.

3. The Declarant has deemed it desirable, for the efficient preservation of the values and amenities in the community to create an association to which are delegated and assigned the powers and duties of maintaining and administering the Common Areas, as hereinafter defined, administering and enforcing the within covenants and restrictions and collecting and disbursing the charges and assessments hereinafter created.

4. The Declarant has formed (or intends to form) The Bluffs at Greenspring Quarry Village Association, Inc., a homeowners association as that term is defined in Title 11B of the Real Property Article, Annotated Code of Maryland, for the purposes of carrying out the powers and duties aforesaid.

**NOW, THEREFORE**, Declarant hereby declares that the Property shall be held, conveyed, hypothecated, encumbered, sold, leased, rented, used, occupied and improved subject to the covenants, conditions, restrictions and easements set forth in this Declaration, which are for the purpose of protecting the value and desirability of, and which shall run with such Property and be binding on all parties having any right, title or interest in all or any portion of the Property, their heirs, personal representatives, successors, transferees and assigns, and which shall inure to the benefit of each Owner thereof.

**ARTICLE 1**  
**DEFINITIONS**

**Section 1.1**     *"Association"* shall mean and refer to The Bluffs at Greenspring Quarry Village Association, Inc., a nonstock Maryland corporation, its successors and assigns.

**Section 1.2**     *"Common Expenses"* shall mean and refer to the actual and estimated expenses of operating the Association including, without limitation, a reasonable reserve and expenses for the maintenance of the Common Areas in accordance with the provisions of Article 6 hereof, all as may be found to be necessary or appropriate by the Board of Directors of the Association pursuant to this Declaration, the Articles of Incorporation and the By-Laws of the Association.

**Section 1.3**     *"Common Areas"* shall mean all real property now or hereafter owned, leased, or maintained by the Association (including the improvements thereto) for the common use and enjoyment of the Owners. The Common Areas shall include the following:

(a)     All real property (including the improvements located or constructed thereon) now or hereafter owned by the Association;

(b)     All entry monuments and features of the Association, recreational facilities, tot lot(s), and other amenities and improvements, if and to the extent constructed and/or installed and identified as a Common Area by the Declarant (regardless of whether such facilities are located within the boundaries of any Subassociation, as that term is hereinafter defined);

(c)     All private roadways located upon the Property, unless such roadways are shown and designated as (1) common elements upon any recorded plat of any condominium Subassociation or (2) common area fee simple property owned by the Master Association (as that term is hereinafter defined).

**Section 1.4**     *"Community-Wide Standard"* shall mean the standard of conduct, maintenance or other activity generally prevailing in the Project. Such standard may be more specifically determined and set forth by the Board of Directors.

**Section 1.5**     *"Declarant"* shall mean Beazer Homes Corp., and its successors and assigns, but only to the extent that all or any portion of the rights, reservations, easements, interests, exemptions, privileges and/or powers of the Declarant as to all or any portion of the Property are specifically assigned or transferred to any such successors or assigns by an instrument in writing.

**Section 1.6**     *"Development Period"* shall mean that period of time commencing with the date of this Declaration and ending on the latter to occur of (a) the tenth (10<sup>th</sup>) anniversary date thereof, or (b) the issuance of a use and occupancy permit by Baltimore County for the occupancy of a Dwelling on at least ninety percent (90%) of the anticipated Units in the Property subject to this



Declaration. The "anticipated number of Units in the Property subject to this Declaration" at this time means two hundred forty (240) dwelling units, which number shall be subject to increase or decrease based on final record plats and final build-out of the Property. Notwithstanding the foregoing, at any time the Declarant may sign a written instrument stating the Development Period shall be officially terminated as of a date certain.

Section 1.7 "*Dwelling*" shall mean any unit of a building constructed on any portion of the Property intended for use and occupancy as a residence in accordance with applicable subdivision, building and zoning laws, codes, ordinances and regulations.

Section 1.8 "*Eligible Mortgage Holder*" shall mean a holder, insurer, or guarantor of a Mortgage on a Unit who has submitted a written request for notice from the Association of amendments to the Association documents or other significant matters which would affect the interests of the mortgagee.

Section 1.9 "*Master Association*" shall mean and refer to Greenspring Quarry Association, Inc., a non-profit, non-stock Maryland Corporation, its successors and assigns.

Section 1.10 "*Master Declaration*" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions of Greenspring Quarry Association, Inc., recorded among the aforesaid Land Records, as amended from time to time.

Section 1.11 "*Member*" shall mean every Subassociation in the Property.

Section 1.12 "*Mortgagee*" shall mean the holder of any recorded mortgage or the party secured or beneficiary of any recorded deed of trust, encumbering a Unit or Lot. "Mortgage," as used herein, shall include deeds of trust. As used in this Declaration, the term "mortgagee" shall mean any mortgagee and shall not be limited to institutional mortgagees. In the event any mortgage is insured by the Federal Housing Administration ("FHA") or guaranteed by the Department of Veterans Affairs ("VA"), then as to such mortgage the expressions "mortgagee" and "institutional mortgagee" shall include the FHA or the VA as the circumstances may require, acting, respectively, through the Federal Housing Commission and the Secretary of Veterans Affairs or through other duly authorized agents.

Section 1.13 "*Owner*" shall mean and refer to the record owner, whether one or more persons or entities, of fee simple title to any Unit or Lot which is a part of the Property, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 1.14 "*Plats*" shall mean and refer to those certain plats described in "Exhibit A" hereof, as may be revised, amended, and/or modified in the future, recorded or intended to be recorded among the Plat Records of Baltimore County.

Section 1.15 "*Project*" as used in this Declaration shall refer to the Property.

Section 1.16 "Property" shall mean and refer to that certain real property described in "Exhibit A."

Section 1.17 "Subassociation" shall mean and refer to any Maryland nonstock corporation or unincorporated association (other than the Association) located upon the Property, and its successors and assigns, established in accordance with the Maryland Homeowners Association Act or the Maryland Condominium Act. It is the present intention of the Declarant (which intention may be modified in the sole discretion of the Declarant) to construct and establish a maximum of three (3) separate condominium regimes upon the Property in separate phases of the Property.

Section 1.18 "Units" shall mean any enclosed space or spaces in all or a portion of a building shown on any recorded subdivision Plat of the Property intended for the development, use and occupancy of one single family residential condominium dwelling and shall otherwise have the meaning ascribed to it by the governing documents of the condominium regime to which it belongs.

## ARTICLE 2

### DECLARANT'S RIGHT TO SUBJECT PROPERTY TO DECLARATION

Section 2.1 Property Subject to this Declaration. The Property shall be held, conveyed, hypothecated, encumbered, sold, leased, rented, used, occupied and improved subject to this Declaration.

Section 2.2 Common Area. As of the date of recordation of this Declaration, the Common Area owned by the Association is as described in Article 1, Section 1.3 hereof.

## ARTICLE 3

### PROPERTY RIGHTS

Section 3.1 Owners' Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Areas, including an easement for the use and enjoyment of the streets, sidewalks, and walkways which comprise the Common Areas, which shall be appurtenant to and shall pass with the title to every Unit subject to the following provisions:

- (a) the right of the Association to charge reasonable and uniform admission and other fees for the use of the Common Areas;
- (b) the right of the Association to limit the number of guests of Owners utilizing the Common Areas;
- (c) the right of the Association to establish uniform rules and regulations pertaining to the use of the Common Areas;

(d) the right of the Association, the Declarant, utility companies and other owners with respect to the easements established by this Declaration;

(e) the right of the Association, in accordance with its Articles of Incorporation and By-Laws, and with the consent of two-thirds (2/3rds) of the Members, to borrow money for the purpose of improving the Common Areas in a manner designed to promote the enjoyment and welfare of the Owners;

(f) the right of the Declarant, as more fully set forth in this Declaration, to grant easements, to utilize reserved rights and easements, and to otherwise utilize the Common Areas as it deems appropriate in connection with the development of the Project;

(g) the right of the Association, acting by and through its Board, to grant easements, licenses or other rights of use of the Common Areas to persons or entities that are not Members or Owners of the Association for such consideration and on such terms and conditions as the Board may from time to time consider appropriate or in the best interest of the Association or the Property.

Section 3.2 Delegation of Use. Any Owner may delegate his right of enjoyment to the Common Areas to any person or persons residing on or in his Unit, including the family members, lessees or contract purchasers, subject to such rules and regulations which the Association, by and through its Board, may from time to time adopt; provided, however, that such delegation shall not abrogate (a) the duty of the Owner, if any, to pay assessments as provided in Article 6 hereof; (b) the duty of the Owner, his family members, lessees and/or contract purchasers to abide by the covenants, conditions and restrictions contained in this Declaration; and (c) the duty of the Owner, his family members, lessee and/or contract purchasers to abide by rules and regulations, if any adopted from time to time by the Association.

Section 3.3 Encroachments. In the event that any portion of any Dwelling encroaches upon the Common Areas and amenities, if any located thereon, as a result of the construction, reconstruction, repair, shifting, settlement or movement of any portion of the aforesaid dwelling, a valid easement for such encroachment and for the maintenance of same shall exist so long as such encroachment exists.

#### ARTICLE 4 MEMBERSHIP AND VOTING RIGHTS

Section 4.1 Membership. Every Subassociation within the Property shall be a Member of the Association.

Section 4.2 Voting Rights. Each Subassociation shall be entitled to one (1) vote. Such vote shall be exercisable by the representative of the Subassociation Member who shall be elected by

the Subassociation's Board of Directors. The representative may be, but does not necessarily have to be, a member of the Subassociation's Board.

## **ARTICLE 5**

### **DEVELOPMENT RIGHTS**

Section 5.1    Property Subject to Declaration.    The real property which is, and shall be held, conveyed, hypothecated or encumbered, sold, leased, rented, used, occupied and improved subject to this Declaration is located in Baltimore County, Maryland is shown on Exhibit A. No other real property shall be subject to this Declaration until annexed pursuant to the provisions of Section 2 below, it being understood that the Declarant, its successors and assigns, have the right to freely develop any real property owned by it and not annexed pursuant to the provisions of Section 2 in any fashion and for any use not prohibited by law or governmental regulation and have no obligation to develop any real property not so annexed.

#### Section 5.2    Annexation.

(a)    Additional property outside the boundaries of the land described on Exhibit A may be annexed only with the consent of a 2/3rds majority of the Members having approval by two-thirds (2/3rds) of the Owners of the Member, such Owners voting in person or by proxy at a regular or special meeting duly called for such purpose following the notice and quorum requirements for approval of such matters by the Subassociation.

(b)    Any annexations made pursuant to this Article, or otherwise, shall be made by recording an Amendment to this Declaration among the Land Records of Baltimore County, Maryland, which Amendment shall extend the scheme of these covenants, conditions and restrictions to such annexed property. Any such Amendment may contain additions and modifications to the covenants, conditions and restrictions set forth in this Declaration as may be necessary to reflect the different character or use, if any, of such annexed property.

#### Section 5.3    De-annexation

(a)    During the Development Period, the Declarant, its successors and assigns, may unilaterally de-annex any property owned by it from the Property. Such de-annexed property shall no longer be subject to the covenants, conditions and restrictions of this Declaration except for any easements, rights, reservations, power or privileges reserved to the Declarant pursuant to this Declaration which affect the de-annexed property. Such de-annexation shall be made by recording an Amendment to this Declaration among the Land Records of Baltimore County, Maryland withdrawing the effect of the covenants, conditions and restrictions of this Declaration from the de-annexed property. Such de-annexed property may be utilized by the Declarant, or any successor, assign or transferee thereof, for any lawful purpose or use.

(b)    In the event any portion of the Property has been approved for federally

insured mortgage financing purposes by the Federal Housing Administration or the Veterans Administration, or a successor government agency, no de-annexation shall be made pursuant to this Article, or otherwise, except following a determination by the approving agency that the de-annexation is not contrary to a general plan for the development of the community previously approved or, if no such general plan was previously approved by the agency, except following the prior written approval of the agency.

## ARTICLE 6 COVENANT FOR MAINTENANCE ASSESSMENTS

Section 6.1    Creation of the Lien and Personal Obligation for Assessments . There are hereby created assessments for Common Expenses as may be from time to time specifically authorized by the Board to be commenced at the time and in the manner set forth in this Article. Each Owner of any Unit, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (I) annual assessments or charges, and (ii) special assessments. The annual and special assessments, together with interest, costs, late fees and reasonable attorneys' fees, shall be a charge on the Unit (including all improvements thereon but excluding any and all Storage Units now or hereinafter constructed in any Subassociation), and shall be a continuing lien upon the property against which each such assessment is made, provided the requirements of the Maryland Contract Lien Act, if applicable, have been fulfilled. Each such assessments, together with interest, costs, late fees and reasonable attorneys' fees, shall also be the personal obligation of the person who was the Owner of the Unit at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to a prior Owner's successors in title unless expressly assumed by such successors.

Section 6.2    Purpose of Assessments . The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents of the Property and for the improvement, maintenance, repair and replacement of the Common Areas, the payment of real estate taxes, assessments and utility services for the Common Areas, management fees, administration expenses, insurance and all other costs and expenses incurred by the Association in the proper conduct of its activities, including, without limitation, reserves for replacements or contingencies, and charges accruing under any cross-easement or other agreement (including, without limitation, any such agreement for the maintenance of any storm water management facility). The assessments may also be used for the maintenance, repair and replacement of any property or facilities serving or appurtenant to the Property which the Association is obligated or elects to maintain, whether or not such property or facilities are owned by the Association or are located within the Property (including, without limitation, any property or facilities which the Association is authorized to maintain pursuant to this Declaration). Neither annual or special assessments shall be utilized for the construction of capital improvements if such capital improvements are otherwise required to be constructed by the Developer.

Section 6.3    Maximum Annual Assessments . The initial maximum annual assessment applicable to the Units shall be Seven Hundred Twenty Hundred Dollars (\$720.00) per Unit (the

Maximum Annual Assessment"). From and after the first assessment year, the permitted Maximum Annual Assessment may be increased each assessment year by not more than ten percent (10%) above the Maximum Annual Assessment for the previous assessment year, such increase to be determined by the Board, without the necessity of a vote by the membership of the Association. At any time after January 1 of the year immediately following the conveyance of a Unit to an Owner, and as often as is necessary or desirable, the Maximum Annual Assessment may be increased above the amount permitted above by adoption of a budget approved by the affirmative vote of Members entitled to cast not less than fifty-one percent (51%) of the total authorized vote of the Association.

If the Board determines that the functions of the Association may be properly funded by an annual assessment less than the applicable Maximum Annual Assessment for any fiscal year of the Association, then the Board may levy such lesser assessment as it deems appropriate. The levy of an annual assessment less than the applicable Maximum Annual Assessment for any fiscal year shall not affect the right of the Board to levy an annual assessment equal to the full amount of the applicable Maximum Annual Assessment for that year or any subsequent year.

The Board shall make a reasonable effort to prepare a budget at least thirty (30) days before the beginning each fiscal year. The budget shall include the estimated costs of operating the Association during the coming year and shall also include an amount sufficient to establish and maintain a reserve fund in accordance with a reserve fund budget separately prepared by the Board prepared pursuant to Section 6.11 hereof. The Board shall cause a copy of the budget, and the amount of the assessments to be levied against each Unit for the following year, to be delivered to each Owner at least fourteen (14) days prior to the commencement date of the new assessments. The budget and the assessments shall become effective unless a special meeting of the Association is duly held and at such special meeting the total budget and assessments are disapproved by a vote of at least a majority of the Association Membership. Notwithstanding the foregoing, however, in the event the Membership disapproves the budget or the Board fails for any reason to determine the budget for any fiscal year of the Association, then and until such time as a budget shall have been determined as provided herein, the budget in effect for the then current fiscal year shall continue for the succeeding fiscal year. Upon resolution of the Board, installments of annual assessments may be levied and collected on a monthly, quarterly, semi-annual or annual basis. Any Owner may prepay one or more installments of any annual assessment levied by the Association, without premium or penalty.

Section 6.4 Special Assessments. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment or special assessments applicable to that year for such purposes as the Board may deem appropriate; provided that any such assessment apportioned among all Lots and Units which exceeds, in the aggregate, Twenty Thousand Dollars (\$20,000.00) shall be approved by the affirmative vote of seventy-five percent (75%) of the Members of the Association at a meeting duly called for this purpose. Any special assessment of Twenty Thousand Dollars (\$20,000.00) or less may be approved by majority vote of the Board. The Association may also levy a special assessment against any Owner to reimburse the Association for costs incurred in bringing any Owner or his Unit into compliance with the provisions of this Declaration, the Articles of Incorporation, the By-Laws and/or the rules and regulations of the

Association. Such a special assessment may be levied upon the vote of the Board, after notice to the Owner and an opportunity for a hearing before the Board.

**Section 6.5 Notice and Quorum.** Written notice of any meeting called for the purpose of increasing the Maximum Annual Assessment above the amount specified in Section 6.3 hereof, or for the purpose of establishing a special assessment in accordance with Section 6.4 hereof, shall be sent to all Members not less than fifteen (15) days nor more than forty-five (45) days in advance of such meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast sixty percent (60%) of all of the votes of the Membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement and the required quorum at the subsequent meeting shall be one-half (½) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

**Section 6.6 Declarant Duty to Fund Deficits.** Any and all Lots or Units owned by the Declarant shall be exempt from assessment pursuant to this Article 5. During any fiscal year in which the Declarant owns one or more Lots or Units, it shall be obligated to or for the account of the Association, at such time or times is reasonably required by the Association an aggregate amount equaling the lesser of (a) the total amount which Developer would have owed to the Association if such Units had been eligible for assessment during that fiscal year, or (b) the amount, if any, by which the expenses of the Association exceed the assessment levied against all Units eligible for assessment for that fiscal year. Declarant shall be entitled to meet such funding obligations, by making, or causing one or more cash payments or in-kind distributions of goods or services, or any combinations thereof, and the Association shall have the right to enter into written or oral contracts with the Declarant for contribution of such goods or services. Nothing in this paragraph or elsewhere in this Declaration shall be deemed to impose upon the Association or Declarant any duty whatsoever to refrain from increasing the respective amounts of any assessments from fiscal year to fiscal year or from levying any special assessment, all to the extent otherwise permitted by this Declaration.

**Section 6.7 The Date of Commencement of Annual Assessments.** The annual assessments provided for herein shall commence as to each Unit on the first day of the month following the date such Unit is conveyed to an Owner. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board shall make reasonable efforts to fix the amount of the annual assessment against each Unit least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject hereto. The due date shall be established by the Board. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Unit have been paid. A properly executed certificate of the Association with the status of assessments on the Units, shall be binding on the Association as of the date of its issuance.

**Section 6.8 Working Capital Fund.** The Declarant may establish a working capital fund for the initial operation of the Association. Such working capital fund may be funded by a one-time

assessment per Unit and shall be payable, if established, upon conveyance of title to such Unit from a Declarant to a third party.

**Section 6.9 Effect of Non-Payment of Assessments.** Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date until paid at a rate determined by the Board, up to the rate of eighteen percent (18%) per annum (or such lesser sum as VA and/or FHA may specify if any Unit subject to this Declaration is then encumbered by a deed of trust or mortgage which is guaranteed by VA or insured by FHA). The Association may also charge a reasonable late fee against any Owner (and/or such Owner's Unit) who is more than ten (10) days delinquent in the payment of any assessment, up to a maximum of ten percent (10%) of the annual assessment or installment then due. Additionally, the entire balance of the unpaid annual assessments for the remainder of the fiscal year may be accelerated at the option of the Board and be declared due, payable and collectable in the same manner as the delinquent portion of such annual assessment. The Association may bring an action at law against the Owner personally obligated to pay the same, and/or foreclose the lien against the Unit (and all improvements thereon), provided the provisions of the Maryland Contract Lien Act, if applicable, are substantially fulfilled. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Areas, or abandonment of such Owner's Unit. The Owner shall also be obligated to pay attorneys' fees, court costs and administrative costs incurred in connection with the collection of assessments not paid when due. This Section shall not be deemed to limit or waive, and shall be without prejudice to, any and all rights, remedies, or recourses as may be available to the Association for non-payment of assessments.

**Section 6.10 Subordination of Lien to Mortgages.** The lien of the assessments provided for herein shall be subordinate to the lien of any Mortgage or deed of trust. Sale or transfer of any Unit shall not affect the assessment lien. However, the sale or transfer of any Unit pursuant to a mortgage or deed of trust foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer, except for liens or claims for a pro-rata share of such assessments resulting from a pro-rata reallocation of such assessments to all Units, including the Mortgaged Unit. No sale or transfer shall relieve such Unit from liability for any assessments thereafter becoming due or from the lien thereof. No amendment to this Section shall affect the rights of the holder of any Mortgage on any Unit (or the indebtedness secured thereby) recorded prior to recordation of such amendment, unless the holder thereof (or the indebtedness secured thereby) shall join in the execution of such amendment.

**Section 6.11 Reserve Fund Budget and Contribution.** The lien of the assessments provided for herein shall be subordinate to the lien number and nature of the replaceable assets of the Association, the expected life of each asset, and the expected repair or replacement cost of each asset. The Board shall set the required reserve fund contribution, if any, in an amount sufficient to meet the projected reserve needs of the Association, as shown on the reserve fund budget, with respect both to amount and timing by the imposition of annual assessments over the period of the budget. The reserve fund contribution shall be fixed by the Board and included within the budget and assessment, as provided in Section 6.3. Such reserve fund contribution shall be payable as part of the annual assessment, applicable to all Units, to the extent such reserve fund will be utilized to



replace assets which are determined by the Board to benefit substantially all Owners. Reserves may also be maintained for operating contingencies and insurance deductibles. A copy of the reserve fund budget shall be distributed to each Owner in the same manner as the operating budget.

**Section 6.12 Assessment of Units Subject to Subassociation.** With respect to any annual assessment or special assessments which are payable by the Owners of Units which have been subjected to a Subassociation, the Board may elect by resolution to collect such assessments directly from the governing body of the Subassociation. In such event, payment of the annual assessments and special assessments provided for herein shall be an obligation of such Subassociation; provided, however, that each Owner shall remain personally liable for all assessments against such Owner's Unit and each such Unit shall remain subject to the lien for the assessments established by this Declaration. If the Board elects to collect assessments from the Subassociation, then all notices regarding assessments against such Units shall be sent to the governing body of the Subassociation; provided, however, that notice of any action to enforce an Owner's personal obligation to pay assessments or to foreclose the lien against such Owner's Unit shall also be sent to the Owner of the Unit. This Section shall not be deemed to limit or waive, and shall be without prejudice to, any rights, remedies or recourses available to the Association for non-payment of assessments. In the event the Association elects to collect assessments directly from the Subassociations, the Subassociations shall automatically be assigned all rights of the Association to collect unpaid assessments and other permitted charges from the Unit Owner conferred upon the Association pursuant to this Article 6.

**Section 6.13 Master Association Assessments.** In addition to the assessments set forth above, the Units within the Association are or may be subject to assessment by the Master Association, pursuant to the provisions of the Master Declaration. The Owner of any Unit, by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, covenants and agrees to pay to the Master Association any and all assessments levied pursuant to the provisions of the Master Declaration. In the event that the Master Association delegates its rights to collect such assessments to the Association, the Association shall have all of the rights and privileges of collections set forth in the Master Declaration.

## **ARTICLE 7**

### **DECLARATION OF EASEMENTS AND RIGHTS**

**Section 7.1 Declaration of Easements and Rights.** The following easements and rights are hereby declared or reserved:

(a) During the Development Period, the Declarant reserves the right to grant easements, both temporary and permanent, to all public authorities and utility companies over any part of the Common Areas.

(b) each Subassociation within the Property is hereby declared to have a perpetual easement, not exceeding one foot (1') in width over all adjoining Subassociations for the purpose of accommodating any encroachment due to engineering errors, errors in original construction,

settlement or shifting of buildings, or other similar cause. There shall be valid easements for the maintenance of said encroachments so long as they shall exist, and the rights and obligations of Owners shall not be altered in any way by said encroachment, settlement or shifting; provided, however, that in no event shall a valid easement for encroachment be created in favor of a Owner or Owners if said encroachment occurred due to the willful misconduct of said Owner or Owners. In the event a structure in any Subassociation is partially or totally destroyed and then repaired or rebuilt, the Owners of each Subassociation agree that minor encroachments over adjoining Subassociations shall be permitted and there shall be valid easements for the maintenance of said encroachments so long as they shall exist.

(c) there is hereby reserved unto the Declarant (and its successors and assigns to whom such easement has been specifically assigned in writing), for the benefit of the Property and for the benefit of the Declarant, a non-exclusive, perpetual blanket easement upon, across and under the Property provided such easement does not encroach upon any building within the Property or unreasonably interfere with the use and enjoyment of the Property, for vehicular and pedestrian ingress and egress, curb cuts, slope, or grading easements, completion of construction of buildings and improvements, and the installation, replacement, repair and maintenance of all utilities, including, but not limited to, water, sewer, drainage, storm water detention and/or siltation, gas, cable television, telephone and/or electricity, and further including the right to connect to and use any such utilities which may exist or be located upon the Property from time to time. By virtue of this easement, it shall be expressly permissible to erect and maintain the necessary poles, pipes, lines, service boxes and other equipment on the Property, to affix and maintain electrical or telephone wires and conduits, sewer and water drainage lines, on, above, or below any portion of the Property, including any improvements constructed thereon, and have construction vehicles, equipment and the like exercise the aforesaid right of ingress and egress over the Property. There is further reserved unto the Declarant the right to erect entry features, promotional and other similar items within the Property, provided they do not unreasonably interfere with the use, operation and enjoyment of the Property. There is further reserved unto the Declarant the right to grant specific easements, both temporary and permanent, to any person or entity, including all public authorities and utility companies, over any part of the Property in furtherance of the blanket easement created by this Subsection.

(d) the Property is hereby subject to a perpetual non-exclusive easement and right of passage for the benefit of the Owners of the Association, for ordinary and reasonable pedestrian ingress and egress over, across and upon any sidewalks or walkways or the replacement thereof constructed within the Property that may reasonable be deemed to have been constructed or intended for pedestrian use, or for access to the Common Areas.

(e) a perpetual easement is hereby reserved to the Declarant to enter into the Common Areas for the purpose of carrying out any obligations it may have, or assume, with respect to the curing of any defects in workmanship or in materials in the Property or the improvements thereon. There is further reserved unto the Declarant and its agents a non-exclusive easement over, across and through all the Common Areas for the purpose of access, the storage of building supplies and materials and equipment and, without limitation, for any and all purposes reasonably related to the

completion of the development, construction, rehabilitation and repair of the Property.

(f) During the Development Period, the Declarant reserves a blanket easement and right, on, over and under the Property to establish, maintain, change and correct drainage of surface water in order to maintain reasonable standards of health, safety and appearance. Any provision to the contrary notwithstanding, the Declarant shall have no obligation whatsoever to perform any work or to take any action regarding drainage of surface water within the Property. Such right expressly includes the right to cut any trees, bushes or shrubbery, make any gradings of the soil, or to take any other similar action reasonably necessary, following which the Declarant shall restore the affected property to its original condition as nearly as practicable. The Declarant shall give reasonable notice of intent to take such action to all affected Owners, unless in the opinion of the Declarant an emergency exists which precludes such notice.

(g) The Association is hereby granted a perpetual non-exclusive easement and right of passage on, through, over, under and across the Property to maintain, repair and replace any of the Common Areas.

(h) Baltimore County, and/or any and all other appropriate governmental or quasi-governmental agency or entity having jurisdiction shall have the right to enter on to any and all areas designated on the Plats as "Storm Water Management Reservation," "Forest Conservation Easement," "Forest Buffer Area," "Storm Drain Easement," "Sanitary Sewer Easement," and/or similar designations to maintain, repair and or replace facilities located thereon or to inspect and determine if such areas are being properly maintained and functioning in the event the Declarant, the Association and their successors and assigns maintain such areas or facilities. Such right of entry shall also include the right to perform maintenance of the aforementioned areas, and assess the costs thereof to the Owner or Owners, which costs shall be a lien on such Owners' property, in the event the Declarant or Association fail to maintain. All actions and responsibilities with respect to said areas shall be in accordance with the provisions of the Baltimore County Codes (depending upon where the property in question is located), and any and all applicable state and local laws and regulations.

Section 7.2 Association Easements. The Board of Directors of the Association shall have the right to grant easements, rights-of-way, licenses and similar interest over any part of the Common Areas, if any, for any lawful purpose which the Board determines, in its sole discretion, to be in the best interest of the Association.

## **ARTICLE 8**

### **MAINTENANCE**

The Association shall also have the right to enter onto any Subassociation property, or Unit, without the consent of the Owner and/or occupant thereof, to conduct any maintenance, repairs or replacement as are necessary for the maintenance and protection of the Common Areas.

**ARTICLE 9**  
**INSURANCE**

**Section 9.1 Required Coverage.** The Board of Directors of the Association, or its duly authorized agent, shall be required to obtain, maintain and pay the premiums, as a Common Expense, upon a policy of hazard insurance covering the Common Areas and any property required to be insured by the best interest of the Association pursuant to any easement or lease agreement, including buildings and fixtures to the extent that they are part of the Common Areas of the Association or such other property which the Association may insure, as well as common personal property and supplies.

The hazard insurance policy shall afford, as a minimum, protection against loss or damage by fire and all other perils normally covered by the standard extended coverage endorsement, as well as all other perils which are customarily covered with respect to projects similar in construction, location and use, including all perils normally covered by the standard "all risks" endorsement, where such is available, and shall name the Association as a named insured. The insurance should cover one hundred percent (100%) of the current replacement costs (less a reasonable deductible) of the insured property. Coverage need not include land, foundations, excavations or other items which are usually excluded from insurance coverage. Unless a higher maximum amount is required pursuant to the laws of the State of Maryland, the maximum deductible amount for coverage of the Common Areas is the lesser of Ten Thousand Dollars (\$10,000.00) or one percent (1%) of the policy face amount. The funds to cover this deductible amount should be included as a Common Expense in the Association's operating reserve account.

Each hazard insurance policy must be written by a hazard insurance carrier which has a current rating by the Best's Key Rating Guide of B/III or better (or its equivalent). Each insurer must be specifically licensed or authorized by law to transact business within the State of Maryland. The policy contract shall provide that no assessment made be made against the mortgagee, and that any assessment made against others may not become a lien on the mortgage Lots superior to the First Mortgage.

The hazard insurance policy must provide that the insurance carrier shall notify the Association and each mortgagee named in the mortgagee clause in writing at least thirty (30) days before it cancels or substantially changes the Association's coverage. In addition, each Eligible Mortgage Holder shall receive timely written notice of any lapse, material modification or cancellation of any insurance policy covering the Common Areas.

The Association shall obtain and maintain a comprehensive general liability policy of insurance covering all of the Common Areas, public ways and other areas that are under the Association's supervision. The policy should provide coverage for bodily injury (including death) and property damage that results from the operation, maintenance or use of the Common Areas and any legal liability that results from law suits related to employment contracts in which the Association is a party. Liability coverage shall be at least One Million Dollars (\$1,000,000.00) per occurrence for bodily injury and property damage, unless higher amounts of coverage are required by

a mortgagee. The liability policy must provide that the insurance carrier shall notify the Association in writing at least thirty (30) days before it cancels or substantially modifies the Association's coverage.

**Section 9.2 Fidelity Coverage.** To the extent reasonably available, blanket fidelity insurance shall be maintained by the Board for all officers, directors, managers, trustees, employees and volunteers of the Association and all other persons handling or responsible for funds held or administered by the Association, whether or not they receive compensation for their services. Where the Board has delegated some or all of the responsibility for the handling of funds to a management agent, such management agent shall be covered by its own fidelity insurance policy which must provide the same coverage as fidelity insurance maintained by the Board. Except for fidelity insurance that a management agent obtains for its personnel, all other fidelity insurance policies should name the Association as the insured and should have their premiums paid as a Common Expense by the Association. Fidelity insurance obtained by a management agent shall name the Association as an additional insured. The total amount of fidelity coverage required should be sufficient to cover the maximum fund (including reserve funds) that will be in the custody of the Association or management agent at any time while the fidelity insurance policy is in force, and should at least equal the sum of three (3) months aggregate assessments on all Units within the Association, plus any reserves. Fidelity insurance policy should contain waivers by the insurers of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees," or similar terms or expressions. The fidelity insurance policies should provide that they cannot be cancelled or materially modified (including cancellation for non-payment of premium) without at least ten (10) days prior written notification to Eligible Mortgage Holders.

**Section 9.3 Repair and Reconstruction of Common Areas After Fire or Other Casualty.** In the event of damage to or destruction of any portion of the Common Areas covered by insurance payable to the Association as a result of fire or other casualty, the Board shall arrange for the prompt repair and restoration thereof, and shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration, as appropriate. Promptly after a casualty causing damage or destruction of any portion of the Common Areas for which the Association has the responsibility of maintenance, repair, and/or replacement, the Board shall obtain reliable and detailed estimates of the costs to place the damaged portions of the Common Areas in as a good a condition as existed prior to the casualty. Such costs may include, without limitation, professional fees and premiums for such bonds as the Board may desire.

## **ARTICLE 10 MANAGEMENT**

**Section 10.1 Management Agent.** The Board shall employ for the Association a management agent or manager (the "management agent") at a rate of compensation established by the Board to perform such duties and services as the Board shall from time to time authorize in writing, including, but not limited to the following:

- (a) to establish (with the approval of the Board) and provide for the collection of

the annual assessments and any other assessments provided for in this Declaration and to provide for the enforcement of liens therefor in a manner consistent with law and the provisions of this Declaration;

(b) to provide for the care, upkeep, maintenance and surveillance of the Common Areas; and

(c) to designate, hire, and dismiss such personnel as may be required for the good working order, maintenance and efficient operation of the Common Areas; and

(d) to promulgate (with the approval of the Board) and enforce such rules and regulations and such restrictions and requirements as may be deemed proper respecting the use of the Common Areas, Lots and Units; and

(e) to provide such other services (including legal and accounting services) for the Association as may be consistent with law and the provisions of this Declaration and requirements as may be deemed proper respecting the use of the Common Areas; and

Section 10.2 Duration of Management Agreement. Any Management Agreement entered into by the Association shall provide, inter alia, that such Agreement may be terminated with or without cause by either party upon thirty (30) days written notice thereof to the other party. The term of any such Management Agreement shall not exceed one (1) year; provided however, that the term of such Management Agreement may be renewable by mutual agreement of the parties for successive one (1) year.

## ARTICLE 11 ARCHITECTURAL STANDARDS

### Section 11.1 Creation.

(a) There shall be an architectural committee (referred to as the "Architectural Standards Committee" or "Committee") for the Property. The Committee shall have a minimum of three (3) members, each of whom shall (notwithstanding the expiration of the period referred to in the provisions of subsection (b) of this Section 1) serve as such until the earlier to occur of:

(i) his resignation from the Committee, or

(ii) his replacement pursuant to the following provisions of this Section by the Declarant or the Board.

(b) The Declarant shall have the exclusive right from time to time to designate and replace the members of the Committee until the later to occur of:

(i) the expiration of the Development Period, or

(ii) the conveyance of record by the Declarant to one or more persons of the title to at least ninety percent (90%) of the Lots and Units.

(c) Thereafter, the Board shall have the exclusive right to designate and replace the members of the Architectural Committee who will serve at the pleasure of the Board.

(d) The Committee shall have the authority to promulgate architectural standards which it deems necessary to govern its internal operation and the approval process referred to in Subsection 11.2 of this Article. The Committee shall also have the right, from time to time, to adopt architectural standards governing the nature, installation, and appearance of Improvements installed or located upon the Subassociation Units.

Section 11.2 Approval.

(a) Except for any improvements constructed, installed and/or maintained by the Declarant, no building, balcony, fence, wall, sign, deck, patio, walkway, shed, pool, hot tub, whirlpool, gazebo, driveway, landscaping, garden, play equipment, kennel, structural addition, lighting fixture, tennis, basketball or other sports court, or other structure, fixture, or apparatus of any kind whatsoever (each of which is hereinafter referred to as an "Improvement") shall be constructed, reconstructed, placed, maintained or modified (other than, (1) exterior repainting in the same color as the existing color, upon prior written approval of the Board and (2) interior painting or other modifications not visible from or affecting the exterior of the Dwellings in any Subassociation, and no landscaping in a Subassociation shall be altered, unless such action and such Improvement has been approved expressly and in writing by the Architectural Standards Committee, which shall have the absolute right to refuse to grant such approval for any aesthetic or other reasonable cause, and to withhold such approval until plans and specifications, showing in reasonable detail the nature, kind, shape, height, materials, location and approximate cost of such Improvement, have been submitted to and approved by the Committee expressly and in writing. In considering whether to grant any such approval, the Committee may consider the suitability of such proposed Improvement with relation to such Subassociation, Unit and the other Subassociations, Units, and may base such consideration upon such, if any, information concerning the nature, kind, shape, heights, materials, location and approximate cost of such Improvement as is furnished to the Committee, as aforesaid, all to the end that such Improvement shall be in harmony with, and have no adverse affect upon, its immediate surroundings and the other Subassociations, and Units.

(b) If any Owner submits to the Committee a written application for approval of any Improvement as aforesaid, and if the Committee has not disapproved, in writing, said application within sixty (60) days of receipt hereof, such approval shall thereupon be deemed to have been given.

(c) The affirmative vote of a majority of the members of the Committee shall be required for it to take any action; provided, that such majority may designate one member to act for it.

(d) The above provisions to the contrary notwithstanding, the provisions set forth in

this Article shall not apply to any Improvements commenced, erected or maintained by Declarant within the Property until after completion thereof by the Class B Member and conveyance to a Class A Member.

## ARTICLE 12 PROHIBITED USES AND NUISANCES

Section 12.1 Itemization. Except for the activities of the Declarant during original development, construction and marketing period:

(a) No noxious or offensive trade or activity shall be carried on upon the Property, nor shall anything be done therein or thereon which may be or become an annoyance or nuisance to the neighborhood or the other Owners;

(b) No burning of any trash and no accumulation or storage of litter, new or used building materials or trash of any kind shall be permitted on the Property;

(c) Except as herein elsewhere provided, no inoperable vehicle, junk vehicle, commercial vehicle (including but not limited to any vehicle displaying signs, logos, advertisements or the like pertaining to any commercial entity and/or enterprise or upon which vehicle commercial or vocational equipment such as ladders, pipes, or other equipment is attached or stored), trailer, panel truck, taxi cab, step van, camper, camp truck, truck (except non-commercial pickup truck), house trailer, recreational vehicle, boat, vehicle which does not display current registration, or the like shall be kept upon the Property except as determined by the Board (except for bona fide emergencies), nor shall the repair or extraordinary maintenance of automobiles or other vehicles be carried out thereon. The Association may, in the discretion of the Board, provide and maintain a suitable areas designated for the parking of such vehicles and such other activities with respect to such vehicles as the Board may determine. In the event a vehicle in violation of these restrictions is parked or maintained on any portion of the Property including, but not limited to, individual Lots, the Board may, in its sole or absolute discretion, cause such offending vehicle to be towed or otherwise removed from the Property, at the sole cost and expense of its owner.

(d) No structurally sound or healthy trees shall be removed from the Property without written approval of the Association acting through its Board or duly appointed committee.

(e) No structure of a temporary character, trailer, tent, shed, shack, barn or other outbuilding shall be used on any of the Property at any time unless approved by the Architectural Standards Committee. Temporary playhouses or the like may be so maintained provided their primary purpose is the maintenance and/or promotion of juvenile recreation, subject to application to and approval by the Architectural Standards Committee;

(f) No signs of any character shall be erected, posted, or displayed upon, in or about any Common Areas, except as permitted by applicable law or regulation.



**ARTICLE 13**  
**GENERAL PROVISIONS**

**Section 13.1 Common Areas Responsibility.** The Association, subject to the rights of the Owners as set forth in this Declaration, shall be responsible for the exclusive management and control of the Common Areas and any property, real or personal, which the Association has delegated the responsibility for pursuant to an easement or lease agreement, and all improvements thereon, and shall keep the Common Areas and any such other property in good, clean, attractive and sanitary condition, order and repair, pursuant to the terms and conditions hereof. The Association shall accept title to any real estate or personal property offered to the Association by the Declarant. The Declarant's obligation to maintain the Common Areas shall automatically cease, and the Association's obligation to assume maintenance responsibilities under the terms of this Declaration shall commence upon recordation of a Deed of the Common Area, or any portion thereof, from the Declarant to the Association. The Association shall be responsible for monitoring compliance with the requirements of any conservation easements and other restrictions imposed upon the Property by Baltimore County, Maryland, or such other governmental agency or authority having jurisdiction thereover.

**Section 13.2 Limitation of Liability.** The Association shall not be liable for any failure of any services to be obtained by the Association or paid for out of the Common Expense funds or for injury or damage to persons or property caused by the elements or resulting from water which may leak or flow from any portion of the Common Areas, or from any wire, pipe, drain, conduit or the like. The Association shall not be liable to any Owner or Subassociation member for any loss or damage by theft or otherwise of articles which may be stored upon the Common Areas or other property within the control or supervision of the Association. No diminution or abatement of assessments, as herein elsewhere provided for, shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs to the Common Areas, or from any action taken by the Association to comply with any of the provisions of this Declaration or with any law or ordinance or with the order or directive of any municipal or other governmental authority.

**Section 13.3 Enforcement.** The Association, or any Owner, shall have the right to enforce, by any proceeding at law and/or in equity, all restrictions, covenants, reservations, easements, liens, charges or other obligations or terms now or hereafter imposed by the provisions of this Declaration, or the Articles of Incorporation or By-Laws of the Association or any rule or regulation promulgated by the Association pursuant to its authority, as provided in this Declaration, the Articles of Incorporation or By-Laws. Failure by the Association or by any Owner to enforce any covenants herein contained or any provision of the By-Laws, Articles of Incorporation or rules and regulations of the Association shall in no event be deemed a waiver of the right to do so thereafter. There shall be and there is hereby created and declared to be a conclusive presumption that any violation or breach or attempted violation or breach of any of the within covenants or restrictions or any provision of the Articles of Incorporation or By-Laws of the Association cannot be adequately remedied by action at law or exclusively by recovery of damages. If the Association or any Owner successfully brings an action to extinguish a violation or otherwise enforce the provisions of this

Declaration or the Articles of Incorporation or the By-Laws of the Association, the costs of such action, including legal fees, shall become a binding personal obligation of the Owner committing or responsible for such violation, and such costs shall be a lien upon the Unit of such Owner, provided that the requirements of the Maryland Contract Lien Act are substantially fulfilled.

Section 13.4 Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions, which shall remain in full force and effect.

Section 13.5 Amendment and Termination. The covenants, conditions and restrictions of this Declaration shall run with, bind and burden the Property for a term of forty (40) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years, unless terminated by an instrument signed by all of the Members following approval by fifty-one percent (51%) of each Subassociation Member's Owners and fifty-one percent (51%) of each Subassociation Member's Eligible Mortgagees and recorded among the Land Records of Baltimore County, Maryland. This Declaration may be amended during the first ten (10) years by an instrument signed by all of the Members following approval by not less than seventy-five percent (75%) of each Subassociation Member's Owners and seventy-five percent (75%) of each Subassociation Member's Eligible Mortgagees whose right, title and interest hereunder would be adversely affected thereby, and thereafter by not less than two-thirds (2/3rds) of each Subassociation Member's Owners and two-thirds (2/3rds) of each Subassociation Member's Eligible Mortgagee whose right, title and interest thereunder would be adversely affected thereby. Any instrument amending the Declaration during the Development Period must also be approved and signed by the Declarant. Any Amendment must be properly recorded among the Land Records of Baltimore County, Maryland.

Until the fortieth (40<sup>th</sup>) anniversary date hereof, this Declaration and the Plats may be terminated only by an instrument signed by the Declarant (or the assignee or assignees of all of the Declarant's rights and powers hereunder) and all of the Owners and all of the Mortgagees of all of the Lots and Units in the Property.

If the Association sends prior written notification to all Eligible Mortgagees entitled or required to give consent to an Amendment to this Declaration and the Eligible Mortgagee fails to return written consent to such Amendment within sixty (60) days, such Eligible Mortgagees shall be deemed to have consented to such an Amendment and written consent shall not be required. The instrument amending the Declaration shall contain a certification by an officer of the Association of the date and manner in which the certification was sent and the response, if any, received by the Eligible Mortgagee(s). The provisions set forth above with respect to automatic approval by an Eligible Mortgagee shall not apply (a) in the event of a proposed termination of this Declaration; or (b) in the event applicable Federal, State, County or local law, rules, regulations or ordinances (including regulations of the Federal Housing Administration or Veterans Administration, or any successor agencies thereto) require otherwise.

Section 13.6 FHA/VA Approval. Notwithstanding anything contained herein to the

contrary, the Declarant shall have the absolute unilateral right, power and authority to modify the provisions of this Declaration, if such modification is required by the Veterans Administration or the Federal Housing Administration or any successor agencies thereto or any other Federal, State or County or local government agencies, as a condition precedent to the approval of the Property or any part thereof or any Units thereon, for mortgage financing qualification under the applicable government mortgage financing programs. If the Federal Housing Administration or Veterans Administration (or any successor agency or any similar governmental agency) has approved the property or any part thereof or any Lots or Units thereon for any applicable mortgage financing programs, and if approval by the FHA or the VA (or any successor agency or any similar governmental agency) of an amendment is required by applicable law or regulation for qualification under such financing programs, then any amendments to this Declaration shall also require the consent of any such approving agency.

**Section 13.7 Casualty Losses.** In the event of substantial damage or destruction of any of the Common Areas, the Board of Directors of the Association shall give prompt written notice of such damage or destruction to the Eligible Mortgage Holders who hold Mortgages of record on the Lots or Units. No provision of this Declaration or of the Articles of Incorporation or By-Laws shall entitle any Member to any priority over the holder of any Mortgage of record on his or her Unit with respect to the distribution to such Member of any insurance proceeds paid or payable on account of any damage or destruction of any of the Common Areas.

**Section 13.8 Condemnation or Eminent Domain.** In the event any part of the Common Areas is made the subject matter of any condemnation or eminent domain proceeding, or is otherwise sought to be acquired by any condemning authority, then the Board shall give prompt written notice of any such proceeding or proposed acquisition to the Eligible Mortgage Holders who hold Mortgages of record on the Lots or Units. No provision of this Declaration or of the Articles of Incorporation or By-Laws shall entitle any Member to any priority over the holder of any Mortgage of record on his or her Unit with respect to the distribution to such Member of the proceeds of any condemnation or settlement relating to a taking of any of the Common Areas, if any.

**Section 13.9 Successors of Declarant.** Any and all rights, reservations, easements, interest, exemptions, privileges and powers of the Declarant hereunder, or any part of them, may be assigned and transferred (exclusively or non-exclusively) by the Declarant by an instrument, in writing, without notice to the Association.

**Section 13.10 Declarant Reserved Rights.** No Amendment to this Declaration may remove, revoke or modify any right, reservations or privilege of the Declarant without the prior written consent of the Declarant or any successors and assigns (pursuant to Section 13.9) of the Declarant.

**Section 13.11 Perpetuities.** If any of the covenants, restrictions, or other provisions of this Declaration shall be unlawfully void, or voidable for violation of the Rule against Perpetuities, then such provisions shall continue only to twenty-one (21) years after the death of the last survivor of the now living descendants of Elizabeth II, Queen of England.

Section 13.12 Declarant Development. As long as the Declarant has an interest in developing all or any part of the Property as shown on the Plat, the Association and Subassociations will not oppose any development activities reasonably consistent with the general intention as shown on the Subdivision Plats, Development Plans and Refinements thereto and/or Reclassification Proceedings before the Zoning Commission or County Board of Appeals of Baltimore County of record as of the date of this Declaration. Nothing in this Section shall be construed to limit the rights of Owners to act as individuals or in affiliation with other Owners or other groups.

Section 13.13 Applicable Law. This Declaration and the other documents affecting the Property shall be given effect and construed by application of the law of Maryland (without regard to the principles thereof governing conflicts of laws), and any action or proceeding arising hereunder shall be brought in the courts of Maryland, except that if under the Constitution, laws or treaties of the United States of America, or due to a diversity of citizenship between the parties thereto, it is to be brought in a United States District Court, it shall be brought in the United States District Court for the District of Maryland or any successor Federal Court having original jurisdiction.

Section 13.14 Captions and Gender. The captions contained in this Declaration are for convenience only and are not a part of this Declaration and are not intended in any way to limit or enlarge the terms and provisions of this Declaration. Whenever the context so requires, the male shall include all genders and the singular shall include the plural.

WITNESS, the hand and seal of the Declarant, with the intent that this shall be deemed an instrument under seal.

WITNESS:

BEAZER HOMES CORP.

Laurin McLean

By: Robert Gentry (SEAL)  
Robert G. Gentry  
Vice President, Maryland Division

STATE OF MD, CITY/COUNTY OF Howard TO WIT:

On this 11 day of May, 2007, before me, a Notary Public in for the jurisdiction aforesaid, personally appeared Robert G. Gentry, Vice President of the Maryland Division of Beazer Homes Corp., who being duly sworn, acknowledged that he is the Vice President of the Declarant named in the foregoing Declaration of Covenants, Conditions and Restrictions, and in my presence, signed and sealed the same and acknowledged the same to be the act and deed of the Declarant.

WITNESS my hand and notarial seal the date first above written.

*Ramon M. Llan*  
Notary Public

My Commission expires: 5/1/2011

2100.012\Decl.TheBluffs.5.8.07


Reviewed for compliance with  
Baltimore County Code  
Section(s) 32-4-271 only.  
Not reviewed for compliance  
with any other Baltimore County  
requirements.

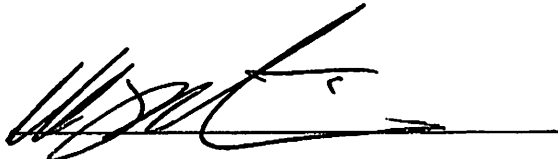
*Patricia S. St*  
Assistant County Attorney  
Baltimore County Office of Law

## JOINDER OF TRUSTEE/MORTGAGEE

The undersigned Trustee(s) pursuant to a certain Deed of Trust recorded among the Land Records of Baltimore County in Liber \_\_\_\_\_, Folio \_\_\_\_\_, made by Beazer Homes Corp. do hereby consent to the terms of the Declaration of Covenants, Conditions and Restrictions for The Bluffs at Greenspring Quarry Village Association, Inc. and subordinate the aforesaid Deed of Trust to the legal operation and effect thereof.

WITNESS

  
Terence E. Shiffr

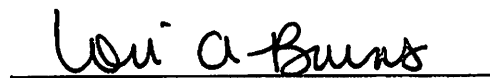
  
Name: M. FERENTINOS  
Trustee or Authorized Agent

STATE OF Maryland, CITY/COUNTY OF Montgomery

TO WIT:

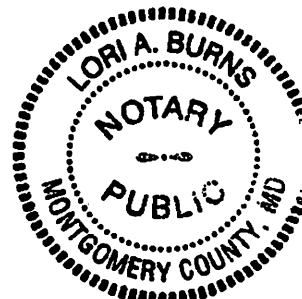
On this 10<sup>th</sup> day of May, \_\_\_\_\_, 2007, before me, the undersigned Officer, personally appeared M. Ferentinos, Trustee(s) or Authorized Agent for the benefit of RFC Construction Funding, duly authorized to be the person whose name is subscribed to the within instrument and acknowledged that he/she, on behalf of RFC Construction Funding and being authorized so to do, executed the same for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

  
Notary Public

My Commission Expires: 7/12/2009

2100.012\The Bluffs\JoinderTrustee.5.8.07



0025670 0311

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS**

**Condominium Village (Area K)**

Being the 15.146-acre area designated as "Area K" as shown on a plat entitled "Area K, Greenspring Quarry" and recorded among the Land Records of Baltimore County, Maryland, in Plat Book 77 at Page 126.

00000000 0002

# State of Maryland Land Instrument Intake Sheet

☐ Baltimore City ☒ County: BALTIMORE

Information provided is for the use of the Clerk's Office, State Department of Assessments and Taxation, and County Finance Office Only.  
(Type or Print in Black Ink Only—All Copies Must Be Legible)

1	Type(s) of Instruments	<input type="checkbox"/> Check Box if addendum Intake Form is Attached. <input type="checkbox"/> Deed <input type="checkbox"/> Mortgage <input type="checkbox"/> Other <input type="checkbox"/> Other <input checked="" type="checkbox"/> Deed or Trust <input type="checkbox"/> Lease <input type="checkbox"/> Multiple Accounts <input type="checkbox"/> Not an Arms-Length Sale <input type="checkbox"/> Arms-Length [1] <input type="checkbox"/> Arms-Length [2] <input type="checkbox"/> Arms-Length [3] <input type="checkbox"/> Arms-Length [9]	
2	Conveyance Type Check Box	<input type="checkbox"/> Improved Sale <input type="checkbox"/> Unimproved Sale <input type="checkbox"/> Multiple Accounts <input type="checkbox"/> Not an Arms-Length Sale <input type="checkbox"/> Arms-Length [1] <input type="checkbox"/> Arms-Length [2] <input type="checkbox"/> Arms-Length [3] <input type="checkbox"/> Arms-Length [9]	
3	Tax Exemptions (if Applicable)	Recordation <input type="checkbox"/> State Transfer <input type="checkbox"/> County Transfer <input type="checkbox"/>	
4	Consideration and Tax Calculations	Consideration Amount Purchase Price/Consideration \$ <u>N/A</u> Any New Mortgage \$ <u>N/A</u> Balance of Existing Mortgage \$ <u>N/A</u> Other: \$ <u>N/A</u> Other: \$ <u>N/A</u> Full Cash Value: \$ <u>N/A</u>	
5	Fees	Finance Office Use Only Transfer and Recordation Tax Consideration Transfer Tax Consideration \$ <u>N/A</u> X ( ) % = \$ <u>N/A</u> Less Exemption Amount = \$ <u>N/A</u> Total Transfer Tax = \$ <u>N/A</u> Recordation Tax Consideration \$ <u>N/A</u> X ( ) per \$500 = \$ <u>N/A</u> TOTAL DUE \$ <u>N/A</u>	
6	Description of Property	District <u>374</u> Property Tax ID No. (1) <u>5177</u> Parcel No. <u>120</u> Var. LOG <input type="checkbox"/> (5) Subdivision Name <u>JACOB'S PARK SUBDIVISION</u> Lot (3a) <u>1</u> Block (3b) <u>1</u> Sect/AB (3c) <u>1</u> Plat Ref. <u>1</u> SqFt/Acreage (4) <u>1</u> Location/Address of Property Being Conveyed (2) <u>THE BLUFFS AT JACOB'S PARK</u> Other Property Identifiers (if applicable) <u>N/A</u> Water Meter Account No. <u>N/A</u> Residential <input type="checkbox"/> or Non-Residential <input type="checkbox"/> Fee Simple <input type="checkbox"/> or Ground Rent <input type="checkbox"/> Amount: <u>N/A</u> Partial Conveyance? <input type="checkbox"/> Yes <input type="checkbox"/> No Description/Amt. of SqFt/Acreage Transferred: <u>N/A</u> If Partial Conveyance, List Improvements Conveyed: <u>N/A</u>	
7	Transferred From	Doc. 1 - Grantor(s) Name(s) <u>BECKER HOMES CORP</u> Doc. 2 - Grantor(s) Name(s) <u>BECKER HOMES CORP</u> Doc. 1 - Owner(s) of Record, if Different from Grantor(s) <u>N/A</u> Doc. 2 - Owner(s) of Record, if Different from Grantor(s) <u>N/A</u>	
8	Transferred To	Doc. 1 - Grantee(s) Name(s) <u>N/A</u> Doc. 2 - Grantee(s) Name(s) <u>N/A</u> New Owner's (Grantee) Mailing Address <u>N/A</u>	
9	Other Names to Be Indexed	Doc. 1 - Additional Names to be Indexed (Optional) <u>N/A</u> Doc. 2 - Additional Names to be Indexed (Optional) <u>N/A</u>	
10	Contact/Mail Information	Instrument Submitted By or Contact Person Name: <u>DAVIDE DORON</u> Firm: <u>SISKIND GRIFFIN ET AL</u> Address: <u>2 HOPKINS PLZ. STE 100</u> <u>BALTIMORE, MD 21201</u> Phone: <u>410-539-6696</u> <input type="checkbox"/> Return to Contact Person <input type="checkbox"/> Hold for Pickup <input checked="" type="checkbox"/> Return Address Provided	
11	Assessment Information	IMPORTANT: BOTH THE ORIGINAL DEED AND A PHOTOCOPY MUST ACCOMPANY EACH TRANSFER Yes <input type="checkbox"/> No <input type="checkbox"/> Will the property being conveyed be the grantee's principal residence? Yes <input type="checkbox"/> No <input type="checkbox"/> Does transfer include personal property? If yes, identify: <u>N/A</u> Yes <input type="checkbox"/> No <input type="checkbox"/> Was property surveyed? If yes, attach copy of survey (if recorded, no copy required). Assessment Use Only - Do Not Write Below This Line <input type="checkbox"/> Terminal Verification <input type="checkbox"/> Agricultural Verification <input type="checkbox"/> Whole <input type="checkbox"/> Part <input type="checkbox"/> Tran. Process Verification Transfer Number: <u>20</u> Date Received: <u>20</u> Deed Reference: <u>TAX NOT REQUIRED</u> Assigned Property No.: <u>N/A</u> Year: <u>20</u> Geo. <u>N/A</u> Sub <u>N/A</u> Block <u>N/A</u> Land <u>N/A</u> Zoning <u>N/A</u> Director <u>N/A</u> Budget and Finance <u>N/A</u> Lot <u>N/A</u> Buildings <u>N/A</u> Use <u>N/A</u> BALTIMORE COUNTY, MARYLAND <u>N/A</u> Occ. Cd. <u>N/A</u> Total <u>N/A</u> Ex. St. <u>N/A</u> Ex. Cd. <u>N/A</u> REMARKS: <u>COUNTY TRANSFER TAX</u> <u>Per \$10,000.00 ART 11 TITLE 9</u> <u>RECORDATION TAX</u> <u>Per \$10.00 ART 12-108</u> <u>DATE 5-21-07</u>	

BA CIRCUIT COURT (Land Records) (MSA CE 62-25528) SM 25673, p. 0032 Printed 5/21/07

Distribution:  
 White - Clerk's Office  
 Canary - SDAT  
 Pink - Office of Finance  
 Goldenrod - Preparer  
 ADC-CC-300 (6/95)



## **MAINTENANCE AND COST SHARING AGREEMENT**

**THIS MAINTENANCE AND COST SHARING AGREEMENT** (this "Agreement") made this \_\_\_\_\_ day of \_\_\_\_\_, 2012 by and between **THE BLUFFS AT GREENSPRING QUARRY VILLAGE ASSOCIATION, INC.**, a Maryland corporation (the "Village"), **2700/2800 STONECLIFF CONDOMINIUM ASSOCIATION, INC.**, a Maryland corporation ("2700/2800 Stonecliff"), **2900/3000 STONECLIFF CONDOMINIUM ASSOCIATION, INC.**, a Maryland corporation ("2900/3000 Stonecliff") and **3100 STONECLIFF CONDOMINIUM ASSOCIATION, INC.**, a Maryland corporation ("3100 Stonecliff").

### **EXPLANATORY STATEMENTS**

A. The Bluffs at Greenspring Quarry Village Association, Inc. is an incorporated homeowner association established pursuant to the provisions of the Declaration of Covenants, Conditions and Restrictions for The Bluffs at Greenspring Quarry Village Association, Inc., recorded among the Land Records of Baltimore County in Liber 25673, folio 1, et seq. (the "Village Declaration"). The Village is comprised of three (3) condominiums, 2700/2800 Stonecliff, 2900/3000 Stonecliff and 3100 Stonecliff, each condominium regime being a Subassociation Member of the Village as those terms are defined in the Village Declaration. Pursuant to the provisions of the Village Declaration, the Village is charged with certain maintenance obligations including, but not limited to, maintenance of Common Areas located within its boundaries.

B. 2700/2800 Stonecliff is the incorporated Council of Unit Owners of 2700/2800 Stonecliff Condominium Association, Inc. and is comprised of two (2) buildings which contain residential units (the "Buildings"). 2700/2800 Stonecliff is responsible for the maintenance, repair and/or replacement of certain common elements ("Common Elements") located appurtenant to the front, sides and rear of its Buildings.

C. 2900/3000 Stonecliff is the incorporated Council of Unit Owners of 2900/3000 Stonecliff Condominium Association, Inc. and is currently comprised of two (2) Buildings containing residential units. 2900/3000 Stonecliff is responsible for the maintenance, repair and/or replacement of certain Common Elements located appurtenant to the front, sides and rear of its Buildings.

D. 3100 Stonecliff is the incorporated Council of Unit Owners of 3100 Stonecliff Condominium Association, Inc. and is currently not comprised of any Buildings. Upon its establishment, 3100 Stonecliff will be responsible for the maintenance, repair and/or replacement of certain Common Elements located appurtenant to the front, sides and rear of its Building.

E. Pursuant to the respective Declarations establishing the Subassociations, each are responsible for the maintenance, repair and/or replacement of certain Common Elements located within the boundaries of their respective regimes. In certain instances, the Common Elements,

improvements and plantings located upon them adjoin and are contiguous to Common Areas owned and maintained by the Village.

F. In order to benefit from competitive contract pricing and to ensure and maintain uniform appearance and consistent maintenance and upkeep of said Common Elements and Common Areas, the Subassociations and Village have agreed to delegate the responsibility of some of the Subassociations' Common Elements to the Village and have further agreed that the Subassociations will pay their respective share of the resulting expenses of said maintenance in exchange for the Village's performance of same.

**NOW, THEREFORE, WITNESSETH** that for and in consideration of the mutual terms and promises herein contained, the parties agree as follows:

1. **Explanatory Statements.** The Explanatory Statements set forth above are incorporated into this Agreement by reference, as if their terms were expressly set forth herein.

2. **Undertakings of the Village.** In addition to the performance of its maintenance obligations under the Village Declaration, the Village will also perform the following undertakings:

(a) Landscaping, planting and replanting of shrubs, bushes, annuals and perennials, pruning, trimming, and mowing of all Common Element areas surrounding the Buildings located within the Subassociations, as specified by the terms of the annual maintenance contract negotiated by the Village, in the areas shown and shaded on the typical building plans attached hereto and incorporated herein as collective **Exhibit A**. The Village shall not be responsible for the maintenance of any above-ground plantings or landscaping features erected, placed, or installed upon Subassociation Common Elements in planters, flower boxes, or other similar containers or devices. A Subassociation shall be permitted to enhance, at its own expense, the planting and landscaping features within the areas to be maintained by the Village, provided such enhancement (which may include additional flowers, plants and/or shrubs) is (i) approved by the Subassociation Board of Directors, (ii) planted by the Subassociation or its contractor(s) and (iii) pruned, trimmed, mulched or otherwise maintained by the Subassociation or its contractors.

(b) Snow removal from all exterior Common Element paved surfaces in the Subassociation Common Element areas, as shown and shaded on the typical building plan attached hereto and incorporated herein as **Exhibit B**. The Common Element areas to be maintained as described in Subparagraphs (a) and (b) of this Paragraph 2 shall be collectively referred to as the "Maintenance Areas".

(c) Maintenance, repair and/or replacement of street lights located within the boundaries of the Village (including those which may be located within the boundaries of any Subassociation), to the extent such street lights are not independently maintained by Greenspring Quarry Association, Inc. The Village will not be responsible for paying any electrical or other utility expense incurred in the operation of said street lights.

(d) The Village shall employ all personnel and contractors necessary to operate and maintain the Maintenance Areas, such personnel and contractors to be considered employees and/or contractors of the Village. As employees and/or contractors of the Village, the Village shall have the sole responsibility and right to direct the performance of their maintenance undertakings.

(e) Preparation and distribution of an annual budget of the expenses associated with the maintenance of the Maintenance Areas.

(f) The cost of repairs or replacement of any Subassociation Common Elements shall not be responsibility of the Village, but shall remain the obligation of the Subassociation, unless the necessity for such repairs arise by reason of the negligent or willful act of the Village, its employees and/or contractors.

### 3. **Budget and Payment.**

(a) The Village shall prepare an annual estimated budget of expenses which it anticipates will be incurred to perform its undertakings under this Agreement (the "Estimated Maintenance Expenses"). The Village will complete its preparation of the annual budget and distribute it to each Subassociation Member in writing on or before November 1<sup>st</sup> of each calendar year, to assist each Subassociation Member in the preparation of its own annual budget. Each Subassociation shall be responsible for payment to the Village of its proportionate share of the Actual Maintenance Expenses (as defined in Paragraph 3(b)) based upon a formula, the numerator of which is the number of Buildings which comprise the Subassociation and the denominator of which will be the total number of Buildings currently located in the Village. No Building shall be included in this proportionate allocation unless and until it has become a legally recognized phase within its respective condominium regime. At the time of this Agreement, the respective shares of the Maintenance Expenses are as follows:

(i) 2700/2800 Stonecliff: 1/2 based upon two (2) Buildings located within its boundaries and four (4) total Buildings located within the Village;

(ii) 2900/3000 Stonecliff: 1/2 based upon two (2) Buildings located within its boundaries and four (4) Buildings located with the Village;

(iii) 3100 Stonecliff: 0/5ths, based upon no Buildings currently located within the boundaries of the Village;

(b) The Village will provide to each Subassociation a Statement of Maintenance Expenses on a monthly basis itemizing the actual expenses which it has incurred for the month to perform the work contemplated under this Agreement (the "Actual Maintenance Expenses"). Each Subassociation shall be responsible for remitting payment of its proportionate

share of Actual Maintenance Expenses to the Village within thirty (30) days from its receipt of the Statement.

(c) The Village shall maintain a system of books and accounts in a manner reasonably satisfactory to the Subassociations, showing and reflecting the actual costs and expenses of maintaining the Maintenance Areas. All such books shall be available for inspection by representatives of each Subassociation during normal business hours, upon forty-eight (48) hours advanced notice. At the end of each calendar year, the Village shall provide to each Subassociation a detailed accounting showing the actual costs and expenses of operating and Maintenance Areas for the prior calendar year..

4. **Easements.** Each Subassociation grants to the Village a perpetual easement in, upon, over, under, and through its Common Elements for the purpose of providing access to the Maintenance Areas and in order to permit the Village, its employees and contractors to perform the maintenance obligations set forth in Paragraph 2 hereof. Nothing in the provisions of this Agreement shall be deemed in any way to grant an easement in, over, under or through any other land or improvements whatsoever. All covenants, conditions and agreements contained herein are made for the direct, mutual and reciprocal benefit of the Village and Subassociations, and shall create reciprocal rights and obligations between and among them, their Unit Owners, occupants, successors and assigns.

5. **Remedies.** The Village and each Subassociation may proceed at law or in equity to enforce all of the rights and/or undertakings set forth herein, in the event of any violation of the provisions of this Agreement. All costs and expenses of prosecuting any proceeding at law or in equity brought to enforce the provisions of this Agreement, including reasonable attorneys' fees and expenses, shall be assessed against the party against whom a decision is rendered. Failure of any party to enforce the terms of this Agreement or to enforce any available remedy hereunder shall not constitute a waiver by that party of any right available to it upon future occurrence or continuance of the same or a different violation.

6. **Modification.** This Agreement may not be modified except by the unanimous express written consent of the respective Boards of Directors of the Village and all Subassociations.

7. **Miscellaneous.** This Agreement shall be governed by the Laws of the State of Maryland. Each party warrants, covenants and represents that it has read and understood and has been given the opportunity to review this Agreement with counsel of its choice, and that the Agreement is entered into voluntarily. This Agreement is the result of negotiations between the parties, and no party shall be deemed the drafter of this Agreement. The language of this Agreement shall in all cases be construed as a whole, according to its fair meaning, and not strictly for or against any party. This Agreement sets forth the entire agreement between the parties with respect to the subject matter hereof and there are no additional agreements or understandings, whether oral or written, between the parties except as set forth herein. It is the parties' intention that this Agreement may be signed in counterparts and while this Agreement must be executed by all parties before it is valid, the signature of all parties need not appear on

the same document. It is sufficient that the signatures appear on copies of this document and those documents may be exchanged by hand, by mail, by facsimile, or by electronic messaging.

**IN WITNESS WHEREOF**, the parties have executed this Agreement on the date(s) set forth below:

**WITNESS/ATTEST:**

\_\_\_\_\_

**Date:** \_\_\_\_\_

**THE BLUFFS AT GREENSPRING  
VILLAGE ASSOCIATION, INC.**

**BY:** \_\_\_\_\_

**Name:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**WITNESS/ATTEST:**

\_\_\_\_\_

**Date:** \_\_\_\_\_

**2700/2800 STONECLIFF  
CONDOMINIUM ASSOCIATION, INC.**

**BY:** \_\_\_\_\_

**Name:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**WITNESS/ATTEST:**

\_\_\_\_\_

**Date:** \_\_\_\_\_

**2900/3000 STONECLIFF  
CONDOMINIUM ASSOCIATION, INC.**

**BY:** \_\_\_\_\_

**Name:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**WITNESS/ATTEST:**

\_\_\_\_\_

**Date:** \_\_\_\_\_

**3100 STONECLIFF  
CONDOMINIUM ASSOCIATION, INC.**

**BY:** \_\_\_\_\_

**Name:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**2700/2800 STONECLIFF CONDOMINIUM ASSOCIATION, INC.**

**CONDOMINIUM UNIT LEASE ADDENDUM**

**THIS CONDOMINIUM UNIT LEASE ADDENDUM** ("Addendum") to a certain lease ("Lease") of the Condominium Unit having an address of \_\_\_\_\_ ("Unit") located within the condominium property known as 2700/2800 Stonecliff Condominium in Baltimore County, Maryland is made as of \_\_\_\_\_, 20\_\_\_\_, by and between \_\_\_\_\_ ("Landlord") and \_\_\_\_\_ ("Tenant").

**WHEREAS**, Landlord and Tenant have entered into the Lease for the Unit and Landlord and Tenant enter into this Addendum, in order to comply with the leasing requirements of 2700/2800 Stonecliff Condominium Association, Inc. ("Association").

**NOW, THEREFORE**, in consideration of the mutual covenants and promises and contained in the Lease and herein, Landlord and Tenant hereby agree as follows:

1. **Addendum to Lease.** This Addendum modifies, is part of, and is hereby incorporated into, the Lease. To the extent there is, or may ever be, any conflict or inconsistency between the terms of this Addendum and the terms of any other provisions of the Lease, the terms of this Addendum shall govern and control.

2. **Applicability of Condominium Governing Documents.**

a. **Condominium Governing Documents.** The Lease is subject and subordinate in all respects to, and Tenant shall comply with, all of the provisions of, the Declaration, Articles of Incorporation, Bylaws and Rules and Regulations of the Association (collectively, "Condominium Governing Documents") as may be amended or adopted by the Association or the Board of Directors (the "Board") from time to time. Tenant, by execution of this Addendum, acknowledges receiving a copy of the Condominium Governing Documents from Landlord.

b. **Condominium Assessments and Fees.** Landlord remains primarily responsible for direct payment to the Association of all condominium fees and assessments applicable to the Unit. However, if at any time during the term of the Lease, including any extension, renewal or holdover term, Landlord becomes delinquent in the payment of any assessments or other amounts owed to the Association ("Delinquent Unit Debt"), the Association, at its option, as long as such delinquency continues, may demand that Tenant make full payment of such Delinquent Unit Debt directly to the Association. Any such payment made by Tenant to the Association shall be deemed to constitute a payment of rent by Tenant to Landlord under the Lease and shall be credited against the rent owed by Tenant to Landlord under the Lease. Tenant shall begin making payment of Delinquent Unit Debt to the Association, in lieu of paying rent to Landlord under the Lease, upon Tenant's receipt of a letter signed by an authorized officer of the Association stating that Landlord is delinquent in the payment of debt owed to the Association and demanding payment from Tenant pursuant to this provision, and Tenant shall continue making such payments to the Association in monthly installments equal to the monthly installments of rent due under the Lease until advised in writing by the Association that all Delinquent Unit Debt has been paid. Landlord hereby assigns to the Association the right to receive the rent directly from Tenant in the event of non-payment of assessments by the Landlord and to take legal action against Tenant for non-payment of rent under the Lease if Tenant fails to pay the Association any amounts due

pursuant to this paragraph; provided, however, that the Association shall not be obligated to take any such action, and provided further that Landlord shall under no circumstances be released from any of Landlord's payment or other obligations to the Association by virtue of the provisions herein.

c. **Violation of Condominium Governing Documents.** Landlord remains legally responsible for compliance by all Tenant Parties with the Condominium Governing Documents. Any violation of the provisions of the Condominium Governing Documents by Tenant, Tenant's family, guests, agents, employees, licensees, or invitees (collectively, "Tenant Parties") (any such violation, a "Tenant Violation"), and all fines and charges imposed by the Board or Association resulting from any Tenant Violation shall constitute an assessment and lien, in favor of the Association, against the Unit. Further, any Tenant Violation shall constitute a default of the Lease. In the event of a Tenant Violation, or in the event Tenant fails to make payment of rent to the Association pursuant to Paragraph 2 b. above, the Association shall have the right, but not the obligation, to pursue legal action and remedies against Landlord, Tenant, or both, including, without limitation, legal action on behalf of Landlord, as agent of Landlord to terminate the Lease and obtain possession of the Unit, and Landlord and Tenant hereby expressly authorize the Association to take any such action. Upon written demand by the Association, Landlord shall pay to the Association, all costs and attorney's fees incurred by the Association in enforcing the Condominium Governing Documents and in exercising all rights and remedies of the Association set forth herein.

d. **Indemnification.** Tenant and Landlord, jointly and severally, shall indemnify, defend and hold harmless the Board and the Association from and against all damages including, without limitation, attorney's fees, incurred by the Association as a result of the violation by Landlord, Tenant, or any Tenant Parties of the Condominium Governing Documents, or any other provision of the Lease.

3. **Lease Restrictions under Condominium Governing Documents.** Landlord and Tenant each understand, acknowledge, and agree that, pursuant to the Condominium Governing Documents:

a. **Occupants.** Landlord and Tenant agree that Tenant shall supply the Landlord and the Condominium with a list of the names of and contact information for, and other reasonably required information about, the persons who will occupy the premises covered by this Lease.

b. **Amendment to Lease.** In the event Landlord and Tenant agree to amend this Lease during or after the initial term thereof, then a true and complete copy of such amended Lease shall be submitted to the Board for its approval in conformity with the applicable Condominium Governing Documents.

c. **Conditions for Tenant's Occupancy.** Landlord and Tenant covenant and agree that Tenant will not occupy the premises covered by this Lease or move into the premises any furniture or other personal property of whatever kind prior to the approval of the Lease by the Board and before all other requirements of the Condominium Governing Documents have been met.

d. **Right of Entry.** Tenant and Landlord do hereby grant a right of entry to the Association or its agents or to any other person authorized by the Board in the event of either an actual or apparent emergency originating in or threatening the premises covered by this Lease or the common elements of the Condominium building, whether Tenant is present at the time or not, and at other times not involving an actual or apparent emergency, upon reasonable notice of a request for entry into the premises for the purpose of making structural or other repairs as the Association may reasonably deem necessary for the safety, convenience, and benefit of the unit owners, residents and guests.

e. **Pets.** No pets will be permitted in leased Units.

f. **No Subleasing.** There shall be no subleasing of the Unit.

g. **No Boarding House or Rooming House use.** No Unit may be used as a “Boarding House” or “Rooming House” as that term is currently or may in the future be defined by Baltimore County Zoning Regulations or other local regulations.

4. **Enforcement by Association.** Landlord and Tenant each acknowledge and agree that (i) the Condominium Governing Documents and Rules require that this Addendum be made a part of this Lease, (ii) the terms and provisions of this Addendum are primarily for the benefit of the Association, which is a third party beneficiary of this Addendum, (iii) the Association may enforce the terms and provisions of this Addendum against Landlord and Tenant, (iv) if the Association does not take action to enforce its rights under this Addendum in connection with any event or circumstance where it may have the right to do so, this shall not constitute a waiver or release by the Association of its right to take future enforcement action in connection with such event or circumstance (unless otherwise agreed in writing by an authorized representative of the Association), nor in connection with any other event or circumstance where the Association would have the right to take enforcement action, and (v) this Addendum may not be terminated or amended without the express written consent of the Association evidenced in writing by a duly authorized representative of the Association.

**IN WITNESS WHEREOF**, the parties hereto have caused this Addendum to be duly executed on the date first written above.

**LANDLORD:**

**TENANT:**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Address

\_\_\_\_\_  
Address

\_\_\_\_\_  
Address

\_\_\_\_\_  
Address

Condominium Governing Documents given to Tenant on \_\_\_\_\_

Copy of Lease and Addendum forwarded to the Association on \_\_\_\_\_

Copy of Lease and Addendum received by the Association on \_\_\_\_\_