RESALE CERTIFICATE Brentwood Park Condominium 904 Martell Court Unit L

Please check Yes/No in the appropriate paragraphs:

Yes <u>No X</u> Is there any knowledge of violations of provisions of the Association's Declaration, By-laws and/or Rules & Regulations with regards to the above referenced unit?

Yes____No_X__ Is there any knowledge of violations of the health or building codes with respect to the common elements of the condominium.

Yes___No_X Is there any effect on the proposed conveyance of any right of first refusal or other restraint on the free alienability of the unit other than any restraint created by the unit owner?

Yes X No keep to be any amount of the common expense assessment and any unpaid common expense or special assessment currently due and payable from the selling unit owner?

Yes No X Are there any other fees payable by the unit owners to the council of unit owners?

Yes____No_X Are there any capital expenditures approved by the council of unit owners' planned at the time of conveyance which are not reflected in the current operating budget?

Yes____No_X_ Are there any judgments against the HOA/Condominium and/or the existence of any pending suits to which the council of unit owners are a party?

Yes___No_X_Does the council of unit owners have any knowledge that any alteration or improvement to the unit or to the limited common elements assigned to the unit violates any provision of the declaration, bylaws, rules or regulations?

Yes____No_X Is any part of the property under a leasehold estate?

<u>N/A</u> Are the recreational facilities or any other facilities to be used by the unit owners or maintained by them or the council of unit owners? And are they part of the common elements?

Association dues are paid <u>X</u> monthly ___quarterly ___semi-annually ___annually Association dues are \$280.00

Managing Agent for Association

Resale Disclaimer

This resale certificate does not delay settlement. If violations are noted above those violations are between the buyer and the seller, a re-inspection is not needed to move forward with settlement on the above-mentioned property. Therefore, updated resale certificates will not be issued.

WELCOME

JC Property Services, Inc. would like to welcome you as a new homeowner. Please take time to read the enclosed documents as they may provide answers to questions you have regarding your association.

The amount of your dues is set by your Board of Directors.

All inquiries should be made to:

JC PROPERTY SERVICES 2741-C FALLSTON ROAD FALLSTON, MD. 21047 410-557-8370 EMAIL: jcproperty@jcpsi.net FAX: 410-692-0034

Please call JC Property Services, Inc. if you are unsure of how your dues are paid or if you are unsure of the amount. As your property management company, we are here to answer your questions and address your concerns. Please call us Monday through Friday 9:00 am to 4:30 pm.

If you should have an after-hours <u>maintenance emergency</u>, please call our office, leave a detailed message and if you need to talk to the on-call maintenance person immediately, follow the instructions on the recording.

BRENTWOOD PARK CONDOMINIUM

BEL AIR, MD 21014

DATA SHEET (PLEASE PRINT)

Name of Resident(s)			
Living in the Condo:	0		
	Owner	Tenant	
Condo Address:			
Resident Phone#: (H)	(W)	(C)	
E-Mail Address(es):			
Owner (if not living in Condo):			
Owners Address:			
Owner's Phone#: (H)			
Emergency Contact:		Phone#:	
Contacts w/Keys: #1		#2	
Address #1:		#2	
Phone #:			
Vehicles-Year & Make:#1			
Model & Color:			
License Number:			
Resident with Physical Limitati			
Limit	ations:	· · · · · · · · · · · · · · · · · · ·	
Pets on Premises: Dog: Name:		Cat: Name:	
Weigh	t:		

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Please Fill Out And Return This Data Sheet To:

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JC Property Services, Inc. 2741-C Fallston Road Fallston, Maryland 21047

Date Received: Mo.____ Yr.____

"Condominium Living is not Apartment Living"

Purchasing/Living in a condominium is no different than purchasing/living in an individual home, the only difference is with a condominium there is no outside maintenance.

The following items listed below are the responsibility of the Condominium Unit Owner and not the Condominium Association.

Water Lines that serve the unit only

Air Conditioner Units – Life expectancy 10 yrs

Air Conditioner Pads

Hot Water Heaters – Life expectancy 10 yrs

Furnaces

Dishwasher – Life expectancy 10 yrs

Toilets

Shower Heads

Condensation Lines – Should be Cleaned twice a year at a minimum.

Dryer Vents – Should Be Cleaned Yearly

Washing Machine hoses & connections – Should Be Checked & Replaced if hoses are cracked or worn same applies to fittings.

Sprinkler Heads

Fireplaces

Storage lockers on the porches of each unit

Interior partitions, interior and exterior doors, windows, pipes conduits, ducts, switches, vents, wiring, ventilation, air conditioning, plumbing, electrical power, lighting, telephone services and television reception.

In the event that a unit owner notices a leak in their unit the unit owner should first determine if the leak is originating from their unit and their pipes alone, if so the unit owner should contact a plumber directly. If the leak appears to be coming from the unit above unit owners should first make contact with the unit(s) above to see if it could be a unit to unit problem prior to contacting the management company. All unit owners should know where their water shut off valves are to their units, and make sure that they are operational. In the event a unit owner notices a leak and you shut the water valve off and the water stops it is more than likely coming from your individual unit.

If a unit owner notices a leak or has a water issue in the 2nd and or 3rd floor be advised that water runs down hill so that there could be very likely that there could be damage to units below, it is that unit owners responsibility to make contact with the unit owners below to make sure damage did not occur to those units. In some cases claims must be made on the association policy.

(OVER)

If the problem originated in a specific unit that owner is responsible for payment of the master association's deductible. In some cases the loss may not reach the deductible therefore no claim will be filed although the unit owner is responsible for payment of necessary repairs.

Unit owners are also reminded that your HVAC and Hot Water Heater which is located in the utility closet should be inspected on a monthly basis at a minimum. This would include changing the air filter.

In the event the management company has to come out to determine where a water source leak is coming from in an individual's unit and it is determined that it is not coming from a unit above and or a main water source, there will be a charge of up to \$200.00 charged to that unit owner.

BRENTWOOD PARK CONDOMINIUM ASSOCIATION

PET REGISTRATION

All Unit Owners have a pet or pets must comply with this Regulation. Present Unit Owners are to have their forms in by September 09,1991. This regulation is in effect as of August 31, 1991.

All persons becoming unit owners after August 1991, must have their pet registration form in within ten (10) days of taking residence.

NAME OF UNIT OWNER(S)/TENANT(S):

UNIT NUMBER:

TYPE OF PET(S)

NAME OF PET (IF APPLICABLE)

COLOR OF DOG OR CAT:

AGE OF DOG OR CAT:

APPROXIMATE WEIGHT OF DOG OR CAT:

I/we hereby agree to abide by all the Rules and Regulations of the Harford County government as well as those set forth by the Board of Directors of the Brentwood Park Condominium Association, regarding the behavior of my pet(s) as well as any and all Rules and Regulations having to do with pets, their restrictions/limitations and behavior. (If you own more than one pet, please use the back of this form as needed).

Please give your pet registration to any of the Board members.

SIGNATURE:

SIGNATURE:

Brentwood Park Condominium Approved Budget 2022

INCOME:		
Condominium Dues	@ \$280.00 per unit/month	\$120,960.00
EXPENSES:		
Insurance: Janitorial Services Accounting/Audits Legal Management Fees Common Electric Grounds Care Snow/Ice Pest Control Maintenance/Repairs Trash Removal Water/Sewer Sprinkler Administrative Bank Fees/Coupon Books Insurance Claims for comm	on areas	\$ 12,000.00 \$ 1,800.00 \$ 500.00 \$ 500.00 \$ 6,900.00 \$ 3,500.00 \$ 9,360.00 \$ 9,360.00 \$ 9,360.00 \$ 25,000.00 \$ 10,000.00 \$ 18,000.00 \$ 1,500.00 \$ 250.00 \$ 250.00 \$ 10,000.00
TOTAL EXPENSES		\$108,010.00
To Reserves @ \$280.00		\$12,950.00

Brentwood Park Condominium Association

Balance Sheet

06/30/2022

<u>Assets</u>

Accounts Receivable	66,088.26
Checking Account	49,336.18
Reserve Account	20,151.09
Total Assets	135,575.53
Liabilities	
Prepaid Accounts Receivable	2,305.00
Total Liabilities	2,305.00
<u>Net Worth</u>	
Current Operation Funds	(56,461.85)
Retained Earnings	88,862.10
Net Income	100,870.28
Total Net Worth	133,270.53
Total Net Worth and Liabilities	135,575.53

(______)

Brentwood Park Condominium Association

Revenues and Expenses Statement

From 01/01/2022 to 06/30/2022

Current Period

Revenues

Condo Fees	60,480.00
Special Assessments	108,000.00
Savings Interest	3.32
Late Fees	555.00

	Total Revenue	169,038.32
Exp	Denses	

Insurance	10,531.36
Accounting/Audits	250.00
Legal Expenses	749.50
Management Fees	3,450.00
Common Electric	2,215.85
Grounds Care	6,576.27
Snow/Ice	4,414.75
Maintenance & Repairs	6,105.48
Trash & Bulk Trash Removal	5,230.00
Water/Sewer	28,622.33
Bank Fees	22.50

	 	 	 ·····
Net Income			100,870.28

Total Expense

68,168.04

JC PROPERTY SERVICES, INC. 2741-C FALLSTON ROAD FALLSTON, MD 21047

410-557-8370

FAX: 410-692-0034

EMAIL: jcproperty@jcpsi.net

October 1, 2020

Dear Condominium Unit Owner,

This letter is sent to advise you that effective October 1, 2020, Maryland law provides that individual condominium unit owners will be responsible for up to \$10,000.00 of the Condominium's master policy insurance deductible if the source of the casualty damage originates from a unit. You are encouraged to check your homeowner's insurance policy and contact your individual insurer to make certain that you are adequately insurance does not cover your personal contents and belongings, any betterments or improvements you may have made to your home, and as noted, the master policy insurance deductible of up to \$10,000.00 for repairs to damaged areas when the source of the damage originates from any part of your unit. That master policy insurance deductible amount is currently \$10,000.00. Most insurers will provide a rider on your policy that will cover that portion of the master policy insurance deductible for which you may be responsible.

You are encouraged to maintain your unit and all mechanical equipment appurtenant to your home in good working order. In this regard, HVAC condensation lines should be cleared on a regular basis, furnace and clothes dryer filters should be regularly cleaned, units should be kept warm enough to prevent freezing of pipes, washer hoses should be replaced before they dry rot and burst, hot water heaters should be checked and repaired and care should be taken concerning what is put into the drainage and sewer systems. Your cooperation in maintaining your home and being a responsible homeowner will assist everyone in keeping the costs of insurance as low as possible and will contribute to the overall well being, health, safety, and financial stability of the Condominium community.

If you have any questions or if you need additional information, feel free to contact J.C. Property Services.

Sincerely,

Jim Conway Property Manager

ACORD

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

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ARTICLES OF INCORPORATION

OF

BRENTWOOD PARK CONDOMINIUM, INC.

THIS IS TO CERTIFY:

FIRST: That I, the subscriber, Donna M. MeMillan, whose fost in office address is Six Montgomery Village Avenue, Suite 402, Gaithersburg, Maryland, 20879, being of full legal age, do under and by virtue of the General Laws of the State of Maryland authorizing the formation of corporations hereby form the following corporation.

SECOND: The name of the Corporation is BRENTWOOD PARK CONDOMINIUM, INC.

THIRD: The Corporation does not contemplate pecuniary gain or profit, direct or indirect to its members. The purposes for which it is formed are to manage, operate and maintain the BRENTWOOD PARK CONDOMINIUM in accordance with the Declaration, By-Laws and Plat of Condominium Subdivision duly filed among the Land Records of Harford County, Maryland, with respect to that certain parcel of real property located in Harford County, Maryland, described in said Declaration, hereinafter referred to as the "Condominium Project".

FOURTH: The post office address of the place at which the principal office of the Corporation in this State will be located, is 809 Gleneagles Court, Suite 111, Towson, Maryland, 21204. The resident agent of the Corporation is Russell Walton, whose post office address is 809 Gleneagles Court, Suite 111, Towson, Maryland, 21204. Said resident agent is a citizen of the State of Maryland and actually resides therein.

FIFTH: Every person, corporation, trust or other legal entity, or any combination thereof, which is a record owner of a condominium unit as provided in the Declaration and By-Laws shall be a member of the Corporation.

SIXTH: The Corporation shall have one class of membership, and each member shall have the right to cast his vote as established in Exhibit C to the Declaration, as amended from time-to-time, for each membership he owns in accordance with the terms and conditions of the By-Laws. The Corporation is not authorized to issue any capital stock.

SEVENTH: Until the second annual meeting of the members of the Corporation, the affairs of the Corporation shall be governed by the Board of Directors, composed of three (3) persons: Daniel M. Ryan, Russell Walton and Steven D. Hill. At the first annual meeting of the members of the Corporation, there shall be added to the bard of Directors two (2) additional directors to be elected from the membership of the unit owners, according to the By-Laws of BRENTWCOD

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PARK CONDOMINIUM, INC. After the second annual meeting c2 the members of the Corporation, the Board of Directors shall be composed of five (5) persons, who shall be members of the Corporation.

These Articles of Incorporation and the By-Laws of the EIGHTH: Corporation may be amended as provided in the By-Laws.

The duration of the Corporation shall be perpetual. NINTH:

IN WITNESS WHEREOF, I have signed the Articles of Incorporation on the <u>54k</u> day of <u>Mark</u>, 19<u>87</u>.

Suna H. H. H. H. U. DONNA M.

WITNESS:

dai G. Karlin

STATE OF MARYLAND COUNTY OF MONTGOMERY

I HEREBY CERTIFY that on the 15th day of March 1989, before me, the subscriber, a Notary Public in and for the State and County aforesaid, personally appeared DONNA M. McMILLAN, who acknowledged the foregoing Articles of Incorporation to be her act.

-2-

WITNESS my hand and notarial seal the day and year just above written.

M. Burger (SEALY Notary Public Jon M. Burger

My Commission Expires: 7/1/90

ARTICLES OF INCORPORATION OF BRENTHOOD PARK CONDOMINIUM, INC.

APPROVED AND RECEIVED FOR RECORD BY THE STATE DEPARTMENT OF ASSESSMENTS AND TAXATION

OF MARYLAND MARCH	20,	1989	AT	3:11	O'CLOCK	P M. AS IN CONFORMI	TΥ
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TO THE CLERK OF THE COURT OF

BALTIMORE COUNTY

11 IS HEREBY CERTIFIED, THAT THE WITHIN INSTRUMENT, TOGETHER WITH ALL INDORSEMENTS THEREON, HAS BEEN RECEIVED, APPROVED AND RECORDED BY THE STATE DEPARTMENT OF ASSESSMENTS AND TAXATION OF MARYLAND,

> RETURN TO: DONNA MC MILLAN 6 MONTGOMERY VILLAGE AVE., #402 GAITHERSBURG MD 20879



18103022464



RECORDED IN THE RECORDS OF THE

STATE DEPARTMENT OF ASSESSMENTS

AND TAXATION OF MARYLAND IN LIBER, FOLIO,

Brentwood Park Condominiums, Inc.

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EXHIBIT B

BY-LAWS

BRENTWOOD PARK CONDOMINIUM, INC.

ARTICLE I

Section 1. Name and Location. The name of the Corporation is Brentwood Park Condominium, Inc. Its principal office is located at 809 Gleneagles Court, Suite 111, Towson, Maryland, 21204.

ARTICLE II

Plan of Condominium Regime

Section 1. Council of Unit Owners. This Corporation is the legal entity comprising the council of unit owners of Brentwood Park Condomi ium, Inc., a condominium established pursuant to the Real Propert: Article, Section 11-101 et seg, Annotated Code of Maryland (1988 F pl. Vol.) (the "Maryland Condominium Act") by the recordation of a De laration, these By-Laws, and condominium plats in the Land Records of Harford County. As the council of unit owners of Brentwood Park Condominium, Inc., this corporation shall govern and administer the affairs of the Condominium.

Section 1. Definitions.

(a. <u>Declaration</u>. "Declaration" as used herein, means that certain Declaration made the <u>1544</u> day of <u>October</u>, 1989, by the Grantor therein identified, pursuant to the Maryland Condominium Act, by which certain described premises (including land) are submitted to the condominium property regime and which Declaration is recorded among the Land Records for Harford County, Maryland, immediately prior hereto and to which these By-Laws are appended as an Exhibit.

(b) <u>Mortgages</u>. "Mortgagee", as used herein, means the holder of any recorded mortgage, or the party secured or beneficiary of any recorded deed of trust, encumbering one or more of the condominium units in the condominium. "Mortgage", as used herein shall include deed of trust. "First mortgage", as used herein shall mean a mortgage with priority over other mortgages. As used in these By-Laws, the term "mortga ee" shall mean any mortgagee and shall not be limited to institutional mortgagees. As used in these By-Laws, the term "instit tional mortgagee" or "institutional holder" shall include banks, rust companies, insurance companies, mortgage insurance companies, savings and loan associations, trusts, mutual savings banks, credit nions, pension funds, mortgage companies, Federal National Mortgac. Association ("FNMA"), Government National Mortgage Association ("GNMA', Federal Home Loan Mortgage Corporation ("FHLMC"), all corpore ions and any agency or department of the United States Government at or of any state or municipal government.

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(c) <u>Other Definitions</u>. 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 Maryland Condominium Act.

ARTICLE III

Membership

Bection 1. lembers. Every person, group of persons, corporation, partnership trust or other legal entity, or any combination thereof, which owns a condominium unit within the condominium project shall be a member of the Corporation, provided, however, that any person, corporation, partnership, trust or other legal entity, or any combination thereof which holds such interest solely as security for the performance of any obligation shall not be a member.

Section 2. Liquidation Rights. In the event of any voluntary or involuntary dissolution of the Corporation, each member of the Corporation shall be entitled to receive, out of the assets of the Corporation available for the distribution to the members, an amount equal to the member's prior percentage interest in the common elements, as designated in the Declaration and the Plats.

ARTICLE IV

Meeting of Members

Section 1. <u>lace of Meetings</u>. Meetings of the membership shall be held at the principal office or place of business of the Corporation or at such other suitable place convenient to the membership as may be designated *j* the Board of Directors.

Section 2. <u>innual Meetings</u>. The first annual meeting of the members of the Corp ration shall be held within sixty (60) days after fifty percent (50) of the percentage interests in the condominium have been sold to the initial purchaser of the units and title to the same has been conveyed. Thereafter, the annual meetings of the members of the Corporation shall be held within the same month of each succeeding year. At t : first annual meeting and each succeeding annual meeting there shall be elected by ballot the members of the Board of Directors in accordance with the requirements of Section 4 of Article V of these By-Laws. The members may also transact such other business of the Corporation 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-five percent (25%) of the total percentage interests being presented to the Secretary. The notice of any special meeting shall state the time and place of such meeting and purpose thereof. No business shall be transacted at a special meeting except as stated in the notice unless by consent of four-fifths (4/5) of the members present, eicher in person or by proxy.

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Baction 4. Roster of Unit Owners. The Corporation shall maintain a current roster of the names and addresses of each member to which written notice of meetings of the members shall be delivered or mailed. Each member shall furnish the Corporation with his name and current mailing address.

Section 3. Notice of Meetings. It shall be the duty of the Secretary to mail 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 member of record, at the address shown on the roster on the date of the notice, at least ten (10) days, but not more than ninety (90) days prior t: such meeting. Service may also be accomplished by the delivery of such notice to the member at his dwelling unit or last known a lress. Notice by either method shall be considered as notice served. Notices of all meetings shall be mailed to the Director of the local i suring office of the Federal Housing Administration.

Baction 3. Quorum. The presence, either in person or by proxy, of members representing at least twenty-five percent (25%) of the total percentage interests entitled to be cast shall constitute a quorum for the transaction of business at all meetings of members. If the number of members at a meeting drops below the quorum and the question of lack of quor 1 is raised, no business may thereafter be transacted.

Section 7. 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 fortyeight (48) hours from the time the original meeting was called.

Bection B. Order of Business. The order of business at all meetings of the Corporation shall be as follows:

- (a) Roll Call.
- (t Proof of notice of meeting.

(c: Reading of minutes of preceding meeting.

(d Reports of officers.

(e) Report of Board of Directors.

(1) Report of Federal Housing Administration representative, "if present.

(c Reports of committees.

(h: Appointment of inspector of election (when so required).

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- (i) Nemination of Directors from the floor (when so reguired).
- (j) Election of members of the Board of Directors (when so required).
- (k) Unstinished business.

(1) New business.

In the case of a special meeting, items (a) through (e) shall be applicable, and thereafter the agenda shall consist of the items specified in the notice of the meeting.

Section 9. Voting. The percentages established in Exhibit C to the Declaration shall be applicable to voting rights. At every meeting of the members, each member shall have the right to cast his vote based on the percentages established in Exhibit C of the Declaration for each membership he owns on each question. Members shall be entitled to vote by proxy, but the proxy must be submitted to the Secretary prior to the meeting and be effective only for a maximum period of 180 days following it issuance, unless granted to a mortgagee or lessee. All proxies so granted may be revoked at any time by the member executing such proxy. Only a member voting in person, or a proxy voting for a specific car idate or candidates designated by the member appointing such proxy, ay vote for officers and members of the Board of Directors. "Blank" proxies may be used to vote for all other matters of business afore the Corporation, including obtaining a quorum. A fiduciary stall be the voting member with respect to any unit owned in a fiduciary apacity. In the case of a unit which is owned by more than one person or entity, any or all of such owners may be present at any meeting of the Corporation and may vote or take any other action as a unit owner, either in person or by proxy. If such multiple owners shall be unable to agree upon their vote upon any subject, then if only one votes hi vote binds all, and if more than one votes, the vote of the majority sinds all. If more than one vote and the vote is evenly split on any particular matter: each fraction may vote the interest in question proportionally; or any person voting the interest or any beneficiary may apply to a court of competent jurisdiction to appoint an additional person to act with the persons voting the interest and the interest shall then be voted as determined by a majority of those persons and the person appointed by the court. In the event any condominium unit is owned by a corporation, then the vote appurtenant to such condominium unit shall be cast by a person designated in a certificate signed by the president or any vice president and attested by the secretary or an assistant secretary of such corporation and filed with the Secretary of the Corporation at or prior to the meeting. Any such certificate shall remain valid until revoked or superseded in writing. The vote of the members representing fifty-one percent (51%) of the total percentage interests of those present and voting shall decide any questions brought before such meeting, unless the question is one upon which, by express provision of statute or of the Articles of Incorporation, or of the Declaration or of these By-Laws, different vots is required, in which case such express provision shall

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govern and control. No member shall be eligible to vote or to be elected to the Board of Directors if the Corporation has recorded a statemer of condominium lien on his unit and the amount necessary to release the lien has not been paid at the time of the meeting. No member shall be entitled to vote at the meetings of the Corporation until so d member has furnished to the Secretary his name and current mailing address. No unit owner shall be eligible to vote, or to be elected to the Board of Directors who is shown on the books or management accounts of the Corporation to be more than sixty (60) days delingue ut in any payment due the Corporation.

Section 40. Inspectors of Election. The Board of Directors may, in advance of any annual or special meeting of the members appoint an uneven number of one or more inspectors of election to act at the meeting and at any adjournment thereof. In the event inspectors are not so pointed, the Chairman of any annual or special meeting of members shall appoint such inspectors of election. Each inspector so appointed, before entering upon the discharge of his duties, shall take and sign an oath faithfully to execute the duties of inspector of election at such meeting. The oath so taken shall be filed with the Secretary of the Corporation. No officer or director of the Corporation, and no candidate for Director of the Corporation, shall act as an inspector of election at any meeting of the members if one of the purposes of such meeting is to elect Directors.

Section 11. Rights of Mortgagees. Any institutional mortgagee of any condominium unit in the condominium who desires notice of the annual and special meetings of the members shall notify the Secretary to that effect by Registered Mail-Return Receipt Requested. Any such notice shall contain the name and post office address of such institutional mortgaçe and the name of the person to whom notice of the annual and The Secretary of special meetings of the members should be addressed. the Corporation shall maintain a roster of all institutional mortgagees from whom such notices are received and it shall be the duty of the Secret y to mail or otherwise cause the delivery of a notice of each annual or special meeting of the members to each such institutional mortgacee, in the same manner, and subject to the same requirements and limità ons as are provided in this Article for notice to the members. Any such institutional mortgagee shall be entitled to designate a repres tative to attend any annual or special meeting of the members and su representative may participate in the discussion at any such meeting and may, upon his request made to the Chairman in advance of the me ling, address the members present at any such meeting. Such representative shall have no voting rights at any such meeting. Such repres stative shall be entitled to copies of the minutes of all meetin . of the members upon request made in writing to the Secretary.

ARTICLE V

Directors

<u>Section 1. Number and Qualification</u>. Until the first annual meeting of the members, in accordance with Article IV, Section 2, the Board of Directors shall be composed of those three (3) persons designated in

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the Article. of Incorporation. At the first annual meeting, two (2) additional airectors shall be elected from among the membership of the unit owners to serve until the second annual meeting with those three (3) directors designated in the Articles of Incorporation. From the second annual meeting, forward, the Board of Directors shall be composed of five (5) persons, all of whom shall be members of the corporation.

Section 2. Powers and Duties. The Board of Directors shall have all the powers and duties necessary for the administration of the affairs of the Corporation 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 of Directors shall include, bu' not be limited to, the following:

(a) T: provide for the care, upkeep and surveillance of the project and its common elements and services in a manner consistent with the pr: disions of these By-Laws and the Declaration.

(b) T. establish and provide for the collection of assessments and/or carr, ing charges from the members and for the assessment and/or enforcement of liens therefor in a manner consistent with the provisions of these By-Laws and the Declaration.

(c) T provide for the designation, hiring and/or dismissal of the personnel necessary for the good working order of the project and for the proper care of the common elements and to provide services for the project in a manner consistent with the provisions of these By-Laws and the Dec aration.

(d) T promulgate and enforce such rules and regulations and such restrictions or requirements as may be deemed proper respecting the use, occupancy and maintenance of the project and the use of the common elements.

(e) To authorize, in their discretion, the payment of patronage refunds from residual receipts or common profits when and as reflected in the annual report.

(f) To enter into agreements whereby the Corporation acquires leaseholds, memberships and other possessory or use interests in real or personal property for the purpose of promoting the enjoyment or welfare of the members and to declare expenses incurred in connection therewith to be common expenses of the Corporation.

(g) To purchase insurance upon the condominium in the manner provided for in these By-Laws.

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(h) T repair, restore or reconstruct all or any part of the condominium after any casualty loss in a manner consistent with law and the provisions of these By-Laws and to otherwise improve the condominium

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(i) To lease, grant licenses, easements, rights-of-way and other rights o' use in all or any part of the common elements of the condoming and.

(j) To purchase condominium units in the condominium and to lease, martgage or convey the same, subject to the provisions of these By-Laws and the Declaration.

(K) To appoint the members of the Architectural and Environmental Control Committee provided for in Article XI of these By-Laws and to appoint the members of such other committees as the Board of Directors may from time to time designate.

<u>Bection 3. Management Agent.</u> The Board of Directors shall employ for the Corporation a management agent (the "Management Agent") at a rate of compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall authorize, including, but not necessarily limited to, the duties set out in subsections (a) through (k) of Section 2 of this Article. The Corporation shall not undertake "self-management" or otherwise fail to employ a professional management agent without the prior written approval of all the institutional holders of all first mortgages on the condominium units. The Corporation shall not employ any new management agent wi hout thirty (30) days prior written notice to the institutional holders of all first mortgages on the units. Anv management agreement entered into by the Corporation shall provide inter alia, that such agreement may be terminated by either party, with or witho : cause, upon thirty (30) days written notice thereof. three (3 years following the date on which units have been granted by the developer to unit owners having a majority of the votes in the corporation, any lease, and any management contract, employment contract or other contract affecting the use of, maintenance of or access t all or part of the condominium, to which the council of unit owners is a party, entered into between the date the property subjected to the condominium regime was granted to the developer and the date on which units have been granted by the developer to unit owners having a majority of the votes in the corporation, may be terminated by a majority vote of the council of unit owners without liability for the termination. The termination shall become effective upon 30 days' written stice of the termination from the council of unit owners.

Section 4. Election and Term of Office. The term of the Directors named in the Articles of Incorporation shall expire when their successors have been elected at the second annual meeting of the members. At the first annual meeting of the members, two (2) additional directors, elected from the membership of the unit owners, shall be added to the Board of Directors. A member may nominate himself or any other member to be a Director. 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 at the meeting at which the electior to the Board is held. There shall be no cumulative voting. At the second annual meeting of the members the term of office of the

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Director receiving the greatest number of votes shall be fixed for three (3) years. The term of office of the Directors receiving the second and third greatest number of votes shall be fixed at two (2) years and the term of the Directors receiving the fourth and fifth 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 three (3) years. The first year o: each Director's term shall be deemed to commence as of the annual menting, at which such Director is elected, and to terminate as of the next following annual meeting. The Directors shall hold office until their successors have been elected and hold their first meeting.

Section 5. Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a Director by a vote of the membership shall be filled by vote of the majority of the remaining Directors, e in though they may constitute less than a quorum; and each person so elected shall be a Director until a successor is elected by the members () the next annual meeting to serve out the unexpired portion of the term.

Section 6. Fomoval of Directors. At a regular or special meeting duly called, any i rector may be removed with or without cause by the affirmative t te of the majority of the votes of the members present and voting, in person or by proxy, and a successor may then and there be elected by the membership to fill the vacancy thus created. The term of any Director who becomes more than sixty (60) days delinquent in payment of any assessments or carrying charges due to the Corporation may be terminated by resolution of the remaining Directors and the remaining Directors shall appoint his successor as provided in this Article.

<u>Bection 7.</u> <u>Compensation</u>. No compensation shall be paid to Directors for their services as Directors. However, Directors may be reimbursed for the expenses incurred in the performance of their duties.

Section 8. (ganization Meeting. The first meeting of the newly elected Board of Directors shall be held within ten (10) days of election at Luch 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 whole Board of Directors shall be present.

Section 9. Ligular Meetings. Regular meetings of the Board of Directors 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 four (4) such meetings shall be held during each fiscal year. Notice of open regular meetings of the Board of Directors shall be given to each Director and member, personally or by mail, telephone or telegraph, at least fifteer (15) days prior to the day named for such meeting.

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Section 10. Special Meetings. Special meetings of the Board of Directors may be called by the President or by any two (2) Directors on fifteen (15) days notice to each Director and member, given personally or by m 1, telephone or telegraph, which notice shall state time, place (..., hereinabove provided) and purpose of meeting.

Section 11. Closed Meetings. A meeting of the Board of Directors may be held in closed session only for the following purposes:

(a) discussion of matters pertaining to employees and personnel;

(b) protection of the privacy or reputation of individuals in matters not related to the council of unit owners' business;

(c) consultation with legal counsel;

(d) consultation with staff personnel, consultants, attorneys, or other persons in connection with pending or potential litigation;

(e investigative proceedings concerning possible or actual criminal misconduct;

(1 complying with a specific constitutional, statutory, or judicially imposed requirements protecting particular proceedings or matters from public disclosure; or

(c) on an individually recorded affirmative vote of two-thirds (2/3) (the Board members present, for some other exceptional reason so compliing as to override the general public policy in favor of open meeting.

If a meeting is held in closed session under this Section 11, a statement of the time, place, and purpose of such meeting, the record of the ote of each board member by which such meeting was closed, and the autority under this section for closing such meeting shall be included in the minutes of the next meeting of the Board of Directors.

<u>Bection 12</u>. <u>Waiver of Notice</u>. Before or at any meeting of the Board of Directors, 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 of Directors shall be a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board of Directors, no notice shall be required and any business may be transacted at such meeting.

Section 13. Quorum. At all meetings of the Board of Directors a majori γ of the Directors shall constitute a quorum for the transaction of the 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 of Directors. If at any meeting of the Board of Directors there shall te less than a quorum present, the majority of those present may

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adjourn the meeting from time to time. At any such adjourned 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 of Directors required or permitted to be taken at any meeting may be taken without a meeting if all of the members of the Board of Directors shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board of Directors.

Section 15. Rights of Mortgagees. Any institutional mortgagee of any condominium unit in the condominium who desires notice of the regular and special meetings of the Board of Directors shall notify the Secretary to that effect by Registered Mail - Return Receipt Requested. Any such not se shall contain the name and post office address of such institutiona mortgagee and the name of the person to whom notice of the regular and special meetings of the Board of Directors should be addressed. Ane Secretary of the Corporation shall maintain a roster of all institutional mortgagees from whom such notices are received and it shall be the duty of the Secretary to mail or otherwise cause the delivery of a notice of each regular or special meeting of the Board of Directors to each such institutional mortgagee, in the same manner, and subject to the same requirements and limitations, as are otherwise provided in this Article for notice to the members of the Board of Directors. Any such institutional mortgagee shall be entitled to designate a representative to attend any regular or special meeting of the Board of Directors and such representatives may participate in the discussion at any such meeting any may; upon his request made to the Chairman in advance of the meeting, address the members of the Board of Directors present at any such meeting. Such representative shall be entitled to copies of the minutes of all meetings of the Board of Directors upon request made in writing to the Secretary.

Section 16. Fidelity Bonds. The Board of Directors shall require that all officers, Directors and employees of the Corporation regularly handling or a merwise responsible for the funds of the Corporation shall furnish adequate fidelity bonds or equivalent insurance against acts of dishonesty in accordance with the requirements of Article XII of these By-Laws. The premiums on such bonds or insurance shall be paid by the C operation.

Section 17. Procedure Prior to Imposition of Sanction for Rule Violations. The Board may not impose a fine, suspend voting, or infringe upon any other rights of a member or other occupant for violations of sules until the following procedure is followed:

(a) Writhen demand to cease and desist the alleged violation is served on the alleged violator specifying:

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the alleged violation; (1)

- the action required to abate the violation; and
- (11)
- a time period, not less than ten (10) days, during which the violation may be abated without (111) further sanction if the violation is a continuing one, or a statement that any further violation of the same rule may result in the imposition of sanction after notice and hearing if the violation is not continuing.

(b) Within twelve (12) months of the demand, if the violation continuer past the period allowed in the demand for abatement without penalty, or if the same rule is violated subsequently, the board serves the alleged violator with written notice of a hearing to be held by the Board in session. The notice shall contain:

the nature of the alleged violation;

- (1)the time and place of the hearing, which time may be not less than ten (10) days from the giving of the (11)notice;
- (iii) an invitation to attend the hearing and produce any statement, evidence, and witnesses on his or her behalf; and

the proposed sanction to be imposed. (iv)

A hearing occurs at which the alleged violator has the right to present evidence and present and cross-examine witnesses. The hearing shall be held in executive session pursuant to this notice and shall afford the alleged violator a reasonable opportunity to be heard. Prior to the effectiveness of any sanction, proof of notice and the invitation to be heard shall be placed in the minutes of the meeting. This proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer or director who delivered the notice. The notice requirement shall be deemed satisfied if the alleged violator appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed.

The Board shall register annually pursuant Section 18. Registration. to the provisions of the Condominium Act.

ARTICLE VI

officers

Sectio 1. Designation. The principal officers of the Corporation shall a President, a Vice-President, a Secretary and a Treasurer, all of whom shall be elected by the Board of Directors. Prior to the first annual meeting of unit owners, the officers of the Corporation need not be unit owners. Thereafter, except for the President, the

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officers of the Corporation need not be unit owners. The President shall be eleci, d from among the members of the Board of Directors. The Directors may spoint assistant secretaries and assistant treasurers and such other officers as in their judgment may be necessary.

Section 2. Election of Officers. The officers of the Corporation shall be elected annually by the Board of Directors at the organization meeting of each new Board and shall hold office at the pleasure of the Board of Directors. Election materials prepared with funds of the Corporation shall list candidates in alphabetical order and may not indicate a cancidate preference.

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

Bection 4. President. The President shall be the chief executive officer of the Corporation. He shall preside at all meetings of the members and of the Board of Directors. He shall have all of the general powers and duties which are usually vested in the office of the president of the corporation, including, but not limited to the power to appoint cor ittees from among the membership from time to time as he may, in his discretion, decide is appropriate to assist in the conduct of the affairt of the Corporation.

Bection 5. V: **B President.** The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unat_e to act. If neither the President nor the Vice President is a le to act, the Board shall appoint some other member of the Board to c so on an interim basis. The Vice President shall also perform such c her duties as shall from time to time be imposed upon him by the Board of Directors.

Section 6. Broretary. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the members of the Corporation; he shall have custody of the seal of the Corporatic; he shall have charge of the membership transfer books and of such of er books and papers as the Board of Directors may direct; he shall count votes at the meetings of the members of the Corporation; and he shall, in general, perform all the duties incident to the office of Secretary.

Section 7. Treasurer. The Treasurer shall have responsibility for corporate funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Corporation. He shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit, of the Corporation in such depositories as may from time to time be designated by the Board of Directors. He shall be bonded under a fidelity bond in such amount as may be determined by the Board of Directors.

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Section 3. Registration. The officers of the corporation shall register annually pursuant to the provisions of the Condominium Act.

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ARTICLE VII

Liability and Indemnification of Officers and Directors

Section 1. Liability and Indemnification of Officers and Directors. The Comporation shall indemnify every person who is or was an officer or Director of the Corporation and who was, is or is threatened to be made a named defendant or respondent in any threatened, pending or completed action, suit or proceeding by reason of service in that capacity, whether civil, criminal, administrative or investigative, if that reason (i) acted in good faith; and (ii) prireasonably believed (a) in the case of conduct in that person's official capacity, that the conduct was in the best interests of the Corporation; and (b) in all other cases that the conduct was at least not opposed to the best interests of the Corporation; and (iii) in the case of any criminal proceeting, had no reasonable cause to believe that the conduct was unlawf . The indemnification provided for in this Article is against judgme ts, penalties, fines, settlements and reasonable expenses actually incurred in connection with any such threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative; provided, however, that if any such action, suit or proceeding was one by or in the right of the Corporation, indemnification shall be made only against reasonable expenses and shall not be made in respect of any proceeding in which the person otherwise entitled to indemnification pursuant to the provisions of this Article have been adjudged to be liable to the Corporation. The termination of any such action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent, creates a rebuttable presumption that the person otherwise entitled to indemnification did not meet the requisite standard of conduct set forth in this Article. A person who is or was an officer or Director of the Corporation is not indemnified under the provisions of this Article in respect of any threatened, pending or completed action, suit or proceeding charging improper personal benefit to that person, whether or not involving action in that person's offici capacity, in which the person was adjudged to be liable on the basis that personal benefit was improperly received. The provisions of this Article are intended to provide every person who is or was an office: or Director of the Corporation and who was, is or is threatened to be rade a named defendant or respondent in any threatened, pending or completed action, suit or proceeding by reason of service in that capacity, with indemnification to the extent permitted in Section 2-418(b) of Title 2, Corporations and Associations Article, Annotated Maryland, as from time to time amended or superseded. Code of Indemnification under this Article may not be made by the Corporation unless authorized in the specific case after a determination has been made that indemnification is permissible because the person who is or was an officer or Director of the Corporation has met the standard of conduct set forth in this Article. Such determination shall be made in the manner provided in Section 2-418(e) of Title 2, Corporations and Associations Article, Annotated Code of Maryland, as from time to time

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amended or superseded. Reasonable expenses incurred by any person who is or was an officer or Director of the Corporation and who is a party to any threthened, pending or completed action, suit or proceeding by reason of a rvice in that capacity, may be paid or reimbursed by the Corporation in advance of the final disposition of that proceeding, after a determination that the fact then known to those making the determination would not preclude indemnification under this Article, upon receipt by the Corporation of:

(a) a written affirmation by that person of that person's good faith belief that the standard of conduct necessary for indemnification by the Corporation as authorized in this Article has been met; and

(b) a written undertaking by or on behalf of that person to repay the amount if it shall ultimately be determined that the standard of conduct necessary for indemnification by the Corporation as authorized in this Article has not been met. The undertaking required by this subparagraph (b) shall be an unlimited general obligation of the person making it b, t need not be secured and may be accepted without reference to financial ability to make the repayment.

Determ ation and authorization of payments under this Article shall be in the manner specified in Section 2-418(e) of Title 2, Corporation and Associations Article, Annotated Code of Maryland, as from time to time amended or superseded. The officers and Directors The officers and Directors of the Corporation shall not be liable to the Corporation for any mistake of judgment negligence, or otherwise, except for their own individual willful mist induct 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 except to the extent that such officers or Directors may also be lass A members of the Corporation, and the Corporation shall indem fy 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, except as aforesaid. The provisions of this Article do not limit the power of the Corporation to pay or reimburse expenses incurred by any person who is an officer or Director of the Corporation in connection with an appearance as a witness in any proceeding by reason of service in that capacity, or otherwise involving the Corporation, when that person has not been made a named defendant or respondent in the proceeding. Any right to indemnification provided for in this Article shall be in addition to, and not exclusive of, any other rights to which any person who is or was an officer or Director of the Corporation may be entitled by law, or otherwise. The Corporation may purchase and maintain insurance on behalf of any person who is or was an officer or Director of the Corporation against any liability asserted against and incurred by such person in an such capacity or arising out of such person's position, whether or not the Corporation would have the power to indemnify against such liability pursuant to the provisions of this Article, or otherwise. By indemnification of, or advance of expenses to, any person in accordance with the provisions of this Article, if arising out of a promaeding by or in the right of the Corporation, shall be

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reported in writing to the members of the Corporation with notice of the next annual meeting of members of the Corporation or prior to the next annual meeting of members.

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The Directors shall exercise their powers and duties in good faith and with a view to the interests of the Corporation. A contract or other transaction between the Corporation and any of its Directors, or between the Corporation and any other corporation, firm or other entity in which any of its Directors is a director or has a material financial interest is not void or voidable solely because of the common directorship or interest, or because the Director is present at the meeting of the Board of Directors which authorizes, approves or ratifient the contract or transaction, or because the vote of the Director was counted for the authorization, approval or ratification of Director was contract or transaction, if any of the following conditions exist:

(a) the fact of the common directorship or interest is disclosed or known to the Board of Directors and the Board of Directors authorizes, approves or ratifies the contract or transaction by the affirmative vote of a majority of disinterested Directors, even if the disinterested Directors constitute less than a quorum; or

(b) the fact of the common directorship or interest is disclosed or known to the members of the Corporation entitled to vote, and the contract or transaction is authorized, approved or ratified by a majority of the votes cast by the members entitled to vote other than the vote, appurtenant to memberships owned by the interested Director or corp(ation, firm or other entity; or

(c) the contract or transaction is fair and reasonable to the Corpora on at the time it was authorized, approved or ratified.

Common or interested Directors or the votes which they are entitle to cast or which are entitled to be cast by an interested corporation, firm or other entity, may be counted in determining the presenc of a quorum at a meeting of the Board of Directors or at a meeting f the unit owners, as the circumstances may require, at which the contract or transaction is authorized, approved or ratified. If a contract or transaction is not authorized, approved or ratified in the manner provided for in subparagraphs (a) or (b) of this Paragraph, the person asserting the validity of the contract or transaction bears the burden proving that the contract or transaction was fair and reasonate to the Corporation at the time it was authorized, approved or ratified.

ARTICLE VIII

Management

Section 1. Management and Common Expenses. The corporation shall manage, operate and maintain the condominium project and, for the benefit of the condominium units and owners thereof, shall enforce the provisions hereof and may pay out of the common expense fund the following:

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(a) The cost of providing water, sewer, garbage and trash collection, electrical and other necessary utility services for the condominium including recreational facilities used by the condominium project and for the condominium units except where individually metered and separately billed to an individual unit.

(b) The cost of fire and extended liability insurance on the project, the cost of such other insurance as the Corporation may affect and the cost of the Treasurer's fidelity bond.

(c) The cost of the services of a person or firm to manage the project to the extent deemed advisable by the Corporation together with the services of such other personnel as the Board of Directors of the Corporation 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 project.

(e) The cost of painting, maintaining, repairing and snow removal of the common elements and such furnishings and equipment for the general common elements as the Board of Directors shall determine are necessary and proper, and the Board of Directors shall have the exclusive right and duty to acquire the same; provided, however, that nothing hermin contained shall require the Corporation to paint, repair or otherwine maintain the interior of any condominium unit, the limited common elements, or any fixtures or equipment located therein.

(f) The cost of any and all materials, supplies, labor, services, maintenance, repairs, taxes, assessments or the like which the Corporation is required to secure or pay for by law, or otherwise, or which in the discretion of the Board of Directors 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 condominium unit or units, the cost thereof may be specially assessed to the owner or owners thereof.

The cost of the maintenance or repair of any condominium unit (q) or the limited common elements in the event such maintenance or repair is reasonably necessary in the discretion of the Board of Directors to protect the general common elements or to preserve the appearance or value of the project or is otherwise in the interest of the general welfare of all owners of the condominium units; provided, however, that no such mai genance or repair shall be undertaken without a resolution by the Boar of Directors and not without reasonable written notice to the owner of the condominium unit or limited common elements proposed to be maintained and provided, further, that the cost thereof shall be assessed against the condominium unit on which such maintenance or repair is postformed and, when so assessed, a statement for the amount thereof sha ... be rendered to the then owner of said condominium, at which time vie assessment shall become due and payable and a continuing lien and obakgation of said owner in all respects as provided in Article IX of these By-Laws.

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() Any amount necessary to discharge any lien or encumbrance levied against the project, or any portion thereof, which may, in the opinic. of the Board of Directors, constitute a lien against any of the common elements rather than the interest of the owner of an individual condom nium unit.

 $(\frac{1}{2})$ The cost of all material and labor incident to the maintemance and/or repair of all exterior paint and/or stain, roof, exteri 'doors, gutter and downspouts, and other items of exterior trim of all condominium units.

Except in the event of a bona fide emergency, if the cost of any item contained in subparagraphs (a) - (i) above will exceed \$2,500.00, the Board of Directors shall not pay or authorize such expense until approved by a majority of the membership.

section 2. Duty to Maintain. It shall be the sole obligation and the exclusive right of the corporation to perform the exterior maintenance and/or repair set forth in Section 1 (i) above. Except for those specific requirements imposed upon the Corporation, the owner of any condominium unit shall, at his own expense, repair and maintain his condominium unit and any and all equipment, fixtures, appliances and utilities therein situate, and its other appurtenances in good order, condition and repair and in a clean and sanitary condition, and shall do all redecorating, painting, repair and the like which may at any time be necessary to maintain the good appearance of his condominium unit. The owner of any condominium unit shall also, at his own expens' maintain and repair any limited common elements which maintain and repair any limited common elements which may be appurtenant to such condominium unit in a clean, orderly and sanitary condition, including but not limited to, the maintenance of the fireplace. All maintenance, repairs and replacements to the general common lements, whether located inside or outside of the units (except when such repairs are required by the negligence, misuse cr neglect of the un : owner, in which case such expense shall be charged to the unit owner) shall be made by the Board of Directors and charged to all the unit owners as a common expense. Each unit owner shall maintain and repair both the interior and exterior glass windows and/or interior f any, located in or about his unit. The exterior and interior doors. surfac .; of all entry doors leading to common elements or limited common elements shall be cleaned, maintained and repaired by and at the expense of the individual unit owners.

Section 3. Access at Reasonable Times. For the purpose solely of performing any of the repairs or maintenance required or authorized by these By-Laws, or in the event of a bona fide emergency involving illness or potential danger to life or property, the Corporation, through its duly authorized agents or employees, shall have the right, after reasonable notice to the owner, to enter any condominium unit or limited common element appurtenant thereto at any hour considered to be reasonable under the circumstances.

Section 4. Easements for Utilities and Related Purposes. Subject to paragraph "Fourth" of the Declaration, the Corporation is authorized and empowered to grant licenses, easements and/or rights-cf-way for

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sewer lines, water lines, electrical cables, telephone cables, television cables, gas lines, storm drains, underground conduits and/or such other purposes related to the provision of the public utilities to the project c. other similar projects as may be considered necessary and appropriate by the Board of Directors for the orderly maintenance, preservation of the health, safety, convenience and/or welfare of the owners of the condominium units. The same may be granted only over those portion of the common elements upon which no building or structure has been erected.

Section 5. I mitation of Liability. The Corporation shall not be liable for any failure of water supply or other services to be obtained by the Corporation or paid for out of the common expense funds, or for injury or damage to person or property caused by the elements or from any pipe, drain, conduit, appliance, or equipment. The Corporation shall not be liable to the owner of any condominium unit for loss or damage, by theft or otherwise, of articles which may be stored upon any of the common elements. No diminution or abatement of common expense assessments, thereinelsewhere provided shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the common elements or from any action taken by the Corporation to comply with any law, ordinance or with the order or directive of any municipal or other governmental authority.

ARTICLE IX

Assessments and Carrying Charges

Bection 1. Annual Assessments and Carrying Charges. Each member shall be liable for all assessments, or installments thereof, coming due while he is the owner of a unit. Each member shall pay to the Corporation, in advance, a monthly sum (hereinafter sometimes referred to as "carryi g charges") equal to one-twelfth (1/12) of the member's proportionate share (determined in accordance with the percentage set forth in Exhibit C to the Declaration) of the sum required by the Corporation, as estimated by its Board of Directors, to meet its annual expenses and for the creation of reserves for the payment of future common expenses 1, including, but in no way limited to, the following:

(a) The cost of all operating expenses of the project and services furn shed, including charges by the Corporation for facilities and services irnished by it.

(b) The cost of necessary management and administration, including fees paid to any management agent.

(c) The amount of all taxes and assessments levied against the Corporation c upon any property which it may own or which it is otherwise rec ired to pay, if any.

(d) The cost of fire and extended liability insurance on the project and the cost of such other insurance as the Corporation may effect.

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(e) The cost of furnishing water, sewer, electricity, garbage and trash collisction and/or other utilities.

(f) The cost of funding all reserves established by the Corporation.

(g) The estimated cost of repairs, maintenance and replacements of the project to be made by the Corporation.

The regular (as opposed to special) assessments determined pursuant to this Article shall include an adequate reserve fund for maintenance, repairs and replacement of those common elements that must be replaced on a regular basis. The Board of Directors shall determine the amount of the assessment annually, so as to equal the estimated annual operating expenses, and may do so at more frequent intervals should circumstances so require. In addition, a working capital fund shall be established, which fund shall be funded by an initual capital contribution by each unit owner equal to two (2) months' assessment, and payable by each unit owner to the Council of Unit Owners upon the purchase of a unit from the grantor. Such fund shall be a working capital and shall not reduce future assessments.

The Board of Directors of the Corporation shall make reasonable efforts to fix the amount of the assessment against each member for each assessment period at least thirty (30) days in advance of such date or period and shall, at that time, prepare a roster of the membership and assessments applicable thereto which shall be kept at the off.ce of the Corporation and shall be open to inspection by any owner upon reasonable notice to the Board. Written notice of the assessment shall thereupon be sent to the members. The failure of the Board of Directors to fix the said assessments or to notify the members thereof ; efore the expiration of any assessment period, shall not be deemed waiver or modification in any respect of the provasions of this Article, or a release of any member from the obligation to pay the assessment, or any installment thereof, for that or any subsequent assessment period, but the assessment fixed for the preceding period shall continue until a new assessment is fixed. No member may exempt himself from liability for assessments or carrying charges by a waiver of the use or enjoyment of any of the common elements or by abandonment of the condominium unit belonging to him.

Bection 2. Epecial Assessments. In addition to the regular assessments authorized by this Article, the Corporation 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 project, including the necessary fixtures and personal property related thereto, or for such other purpose as the Board of Directors may consider appropriate, provided that any such assessment shall have the assent of the members representing sixty-seven percent (67%) of the votes of the project. A meeting of the members shall be duly called for this purpose, written

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notice of which shall be sent to all members at least fifteen (15), but not more than thirty (30) days in advance of such meeting, which notice shall set f rth the purpose of the meeting.

Section 3. Non-Payment of Assessment. Any assessment levied pursuant to these By Laws, or any installment thereof, which is not paid on the date when G a shall be delinquent and shall, together with interest, late charges, if any, the actual costs of collection, and reasonable attorneys' wees, be enforced by the imposition of a lien on the unit in accordance with the provisions of the Maryland Contract Lien Act. Suit for any defaciency following foreclosure may be maintained in the same proceeding, and suit to recover any money judgment for unpaid assessments may also be maintained in the same proceeding, without waiving the right to seek to impose a lien under the Maryland Contract Lien Act. * member shall be liable for all assessments, or installment thereof, 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 against the grantor for his share of the common expenses up to the time of the voluntary grant for which a statement of 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. Liability for assessments may not be avoided by waiver of the use or enjoyment of any common element or by abandonment of the unit for which the assessments are made.

If a member fails to pay a monthly installment when due, the Corporation may demand payment of the remaining annual assessment coming due within that fiscal year. Such a demand by the Corporation is not enfor eable unless the Corporation, within fifteen (15) days of a member's filure to pay a monthly installment, notifies the member that if the member fails to pay the monthly installment within fifteen (15) days of the notice, full payment of the remaining annual assessment will then be due and shall constitute a lien on the unit as provided in this section.

Any assument levied pursuant to these By-Laws, or any installment "hereof, which is not paid when due shall bear interest at the rate of ghteen percent (18%)' per annum from the date when due until paid, and the Corporation may bring an action at law against the member person lly obligated to pay the same, or foreclose the lien against the anner provided for in the Maryland Contract Lien Act, in either of which even is interest, costs, and reasonable attorneys' fees of not less than fingher percent (15%) of the sum claimed shall be added to the amount of each assessment. No action may be brought to foreclose the lien unless brought within three (3) years following the recordation of the statement of condominium lien. If any assessment, or installment thereof, is not paid when due, the Board of Directors may also impose a late charge of fifteen dollars (\$15.00) or one-tenth (1/10) of the total amount of any delinquent assessment or installment, whichever is greater, provided the charge may not be imposed if the delinquency has continued for at least fifteen (15) calendar days.

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The personal obligation of the member to pay such assessment shall remain his personal obligation for the statutory period and a suit to recover a money judgment for non-payment of any assessments levied pursuant to these By-Laws, or any installment thereof, may be maintained without recording the Statement of Lien, foreclosing or waiving the lien herein and by the aforesaid statute created to secure the same.

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Baction 4. Assessment Cartificates. The Corporation shall upon demand at any time furnish to any member liable for any assessment levied pursuant to these By-Laws (or any other party legitimately interested in the same) a certificate in writing signed by an officer of the Corporation, 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 Thirty Dollars (\$30.00) may be levied in advance of the Corporation for each certificate so delivered, except that no charge shall be levied against any institutional mortgagee of any condominium unit in the condominium who requests such a certificate.

Section ... Priority of Lien. The lien hereinabove set forth shall be inferior only to deeds of trust, mortgages or other encumbrances recorded prior to the date of the recording of the Statement of Lien, or recorded promptly after receipt of a written statement from the Board of Directors that payments due on said unit were current as of the date f such written statement.

Upon the voluntary sale or conveyance of a unit there shall be paid or provided from the sale proceeds an amount sufficient to satisfy any unpaid portion of the assessments due as of the date of sale or conveyance. Any purchaser or mortgagee in connection with any such sale or conveyance shall be entitled to a statement furnished by the Board of Directors setting forth in detail the amount of any unpaid assessments owed by the seller or borrower, and such purchaser or mortgagee shall be entitled to rely on such statement and shall have no liability for, nor shall the unit be encumbered with, an amcunt of unpaid assessments greater than that shown on such statement. A mortgagee who takes title by virtue of foreclosure of a mortgage, or by deed or assignment in lieu of foreclosure of a mortgage, or any purchase at a foreclosure sale, will take the unit free of any claims for unpaid assessments and charges by the Council against the unit which accrue prior to the time such mortgagee or purchaser takes title of the unit.

Section Subordination and Mortgage Protection. Notwithstanding any other provisions hereof to the contrary, the lien of any assessment levied provisions hereof to the contrary, the lien of any assessment project shall be subordinate to, and shall in no way effect the rights of the h der of any indebtedness secured by any recorded mortgage upon such interest 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 condominism unit pursuant to a decree of foreclosure, or any other

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proceeding on lieu of foreclosure. Such sale or transfer shall not relieve the urchaser at such sale or the condominium unit from liability for any assessments thereafter accruing and becoming due, nor from the light of any such subsequent assessment, which said lien, if any, shall have the same effect and be enforced in the same manner as provided herein.

No amendment to this Section 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.

Section 7. Additional Rights of Mortgagess - Notice. The Corporation shall promptly notify the holder of the first mortgage on any condominium unit for which any assessment levied pursuant to the Declaration or these By-Laws, or any installment thereof, becomes delinquent for a period in excess of thirty (30) days and the Corporation shall promptly notify the holder of the first mortgage on any condominium unit with respect to which any default in any provision of the Declaration or these By-Laws remains uncured for a period in excess of thirty (30) days following the date of such default. Any failure to give any such notice shall not affect the priorities established by this Article, the validity of any assessment levied pursuant to the Declaration or these By-Laws or the validity of any lien to sect a the same.

No suit or other proceeding may be brought to foreclose the lien for any asse sment levied pursuant to the Declaration or these By-Laws except after ten (10) days' written notice to the holder of the first mortgage on he condominium unit which is the subject matter of such suit or proceeding.

Section 8. Sudget. The Board of Directors, with the assistance and counsel of the Management Agent, shall prepare and adopt a budget for each annual assessment period which shall include estimates of the funds requir 1 by the Corporation to meet its annual expenses for that period. The sudget 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 Corporation, as hereinafter in these By-Laws provided for, and shall provide for sufficient estimates on a monthly basis, to permit comparison to and analysis of deviations from the various periodic reports of the actual results of operations and the actual financial condition of the Corporation, 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 the institutional holder of any first mortgage on any condominium unit in the condominium, and by their duly authorized agents and attorneys during normal business hours for purposes reasonably related to their respective interests.

Section 9. Weloper/Builder Assessments. The Developer and Builder shall pay full assessments on all units owned by the Developer/Builder.

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ARTICLE X

Use Restrictions

Section 1. Residential Use. Except as provided in Section 3, all condominium units shall be used for private residential purposes exclusively, except for such temporary non-residential uses as may be permitted by the Board of Directors from time to time.

Section : Leasing. With the exception of a lender in possession of a condomi ium unit following a default in a mortgage foreclosure proceeding, or any deed or other arrangement in lieu of foreclosure, no unit owner shall lease his unit for transient or hotel purposes, or in any eve t, for any periods less than three months. No unit owner shall lease 1 iss than the entire unit. All leases shall provide that the lease i subject in all respects to the provisions of the Declaration and By- Bws, and that a failure by the lessee to comply with the terms of such documents shall be a default of the lease.

Section 3. Prohibited Uses and Nuisances.

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(a No noxious or offensive trade or activity shall be carried on within the project or within any condominium unit or any common elements (general or limited) situate thereon, nor shall anything be done therein or thereon which may be or become an annoyance to the neighborhood or the other owners.

(b) There shall be no obstruction of any common elements. Nothing shall be stored upon any common elements without the approval of the Board of Directors.

(c) Nothing shall be done or maintained in any condominium unit or upon any limited or general common elements which will increase the rate of insurance of any condominium unit or common elements, or result in the ancellation thereof, without the prior written approval of the Board of Directors. Nothing shall be done or maintained in any condominium unit or upon the limited or general common elements which would be in violation of any law. No waste shall be committed upon any limited, or general common elements.

(a, No structural alteration, construction, addition or removal of any ondominium unit or limited or general common elements shall be comment d or conducted except in strict accordance with the provisions of the: By-Laws, or Title 11 of the Real Property Article of the Annotated Code of Maryland.

(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 condominium unit or upon any limited or general common elements, except that this shall not prohibit the keeping of dogs, cats and/or caged birds as domestic pets provided they are not kept, bred or maintained for commercial purposes subject to the rules and regulations.

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(f) E tept for any units owned by Grantor or its assigns, no signs of an character shall be erected, posted or displayed upon, in, from or abo is any condominium unit or limited or general common elements, provided, however, that one temporary real estate sign of customary and reasonable dimensions may be displayed upon, in or from any condominium unit placed on the market for sale or rent. Grantor may employ whatever means are appropriate in its sole discretion to sell units (including the use of common elements and the use of "model" units) and may continue its sales operation in the same manner until all units in Phase I and/or future phases are sold.

(g) No boats, boat trailers, recreational vehicles, trucks of a capacity of one ton or more, or unlicensed vehicles may be parked upon any limited or general common elements. The recreational vehicle parking areas provided by the Grantor shall be used exclusively for the parking of Loats, boat trailers and recreational vehicles. The Corporation shall have the right to establish a fee to be charged to those unit conners who utilize said parking area to cover the cost of operation and maintaining same. Bicycles shall not be stored on the balconies, 1 tios or terraces.

(h) No part of the limited or general common elements shall be used for co: sercial activities of any character (except as provided in (f), above)

(i) No burning of any trash and no unreasonable or unsightly accumulation or storage of litter, new or used building materials, or materials or trash of any other kind shall be permitted within any condominium unit (including balconies and terraces) or upon any limited or general common elements. Trash and garbage containers shall not be permitted to remain in public view, and all trash shall be deposited into the central trash collection area designated by the Grantor. All members shall abide by the rules and regulations regarding the use of the trash enclosure.

(j) No structure of a temporary character, trailer, tent, shack, barn or other outbuildings shall be maintained upon any limited or general common elements at any time. No clothing, laundry, or the like shall be hung from any part of any condominium unit or upon any of the common elements.

(k) No outside television or radio aerial or antenna, or other aerial or antenna, for reception or transmission, shall be maintained upon any condominium unit or upon any limited or general common elements wit out the prior written consent of the Architectural and Environmental Control Committee and under such reasonable limitations and conditions as it may establish.

(1) There shall be no violation of any rules or regulations for the use of t a units or common elements which may from time to time be adopted by the Board of Directors and promulgated among the membership by them in writing.

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Section 4. First Refusal. The right of any unit owner to sell, transfe or otherwise convey his unit shall not be subject to any right of first refusal or any similar restriction in favor of the Council. Should a unit owner reserve to himself the right of first refusal or similar restriction in the sale of his unit, any mortgages who obtains title to the unit pursuant to the remedies provided in the mortgag or foreclosure of the mortgage, or deed (or assignment) in lieu of foreclosure, shall be exempt from any such right of first refusal or similar restriction.

ARTICLE XI

Architectural Control

Section 1. Architectural Control. Except for the original construction of the condominium units situate within the project and any improvements to any limited or general common elements accomplished concurrently with said construction, and except for purposes of proper maintenance and repair or as otherwise in these By-Laws provided, it shall be prohibited to install, erect, attach, apply, paste, hinge, screw, nail, build, alter, remove or construct any lighting, shades, screens, awnings, patio covers, decorations, aerials, anternas, radio or television broadcasting or receiving devices, slabs, sidewalks, curbs, gutters, patios, porches, driveways, fences, walls, or to make any change to or otherwise alter (including any alteration in color) in any manner whatsoever the exterior of any condominium unit or any of the limited or general common elements within the project, or to remove or alter any windows, exterior doors of any condominium unit, or to make an change or alteration within any unit which will a ter the structural integrity of the building or otherwise affect the property, interes" or welfare of any other unit owner, or materially increase the cost of perating or insuring the project, without the written consent of the oard of Directors or by an Architectural and Environmental Control Committee designated by the Board of Directors.

Section 2. Architectural and Environmental Control Committee -Operation. The Architectural and Environmental Control Committee shall be composed of an uneven number of three (3) or more natural persons designated from time to time by the Board of Directors of the Corporation, and such persons shall serve at the pleasure of the Board of Directors. In the event the Board of Directors fails to appoint an Archite Sural and Environmental Control Committee, then the Board of Directors; shall constitute the Committee. The affirmative vote of a majority of the members of the Architectural and Environmental Control Committee shall be required in order to adopt or promulgate any rule or regulation, or to make any finding, determination, ruling or order, or to issue any permit, consent, authorization, approval or the like pursuant to the authority contained in this Article

Section 3. Approvals, etc. Upon approval of the Architectural and Environmental Control Committee of any plans and specifications submitted pursuant to the provisions of this Article, a copy of such plans and specifications, as approved, shall be deposited among the permanent records of such Committee and a copy of such plans and

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specifications bearing such approval, in writing, shall be returned to the applicant submitting same. In the event the Architectural and Environmental Control Committee fails to approve or disapprove any plans and specifications which may be submitted to it pursuant to the provisions of this Article within sixty (60) days after such plans and specifications (and all other materials and information required by the Architectural and Environmental Control Committee) have been submitted to it in writing, then approval will not be required and this Article will be dee 3d to have been fully complied with.

Section 4. Limitations. Construction or alterations in accordance with the plans and specifications approved by the Architectural and Environment ... Control Committee pursuant to the provisions of this Article shall be commenced within six (6) months following the date upon which the same are approved by the Architectural and Environmental Control Comettee (whether by affirmative action or by forbearance from action, as a Section 3 of this Article provided for), and shall be substantial ' completed within twelve (12) months following the date of commencement, or within such longer period as the Architectural and Environment & Control Committee shall specify in its approval. In the event construction is not commenced within the period aforesaid, then approval of the plans and specifications by the Architectural and Environmental Control Committee shall be conclusively deemed to have lapsed and mpliance with the provisions of this Article shall again be required There shall be no deviation from plans and specifications approved by the Architectural and Environmental Control Committee without the prior written consent in writing of the Architectural and Environmental Control Committee. Approval of any particular plans and specifications or design shall not be construed as a waiver of the right of the Architectural and Environmental Control Committee to disapprove such plans and specifications, or any elements or features thereof, in the event such plans and specifications are subsequently submitted for use in any other instance.

Section 5. Certificate of Compliance. Upon the completion of any construction or alteration or other improvements or structure in accordance with plans and specifications approved by the Architectural and Environmental Control Committee in accordance with the provisions of this Article, the Architectural and Environmental Control Committee shall, at the request of the unit owner affected; issue a certificate of compliance which shall be prima facie evidence that such construction alteration or other improvements referenced in such certificate ave been approved by the Architectural and Environmental Control Committee and constructed or installed in full compliance with the provisices of this Article and with such other provisions of these By-Laws as Lay be applicable.

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regulations, statements, criteria or the like shall be construed as a waiver of the provisions of this Article or any other provision or require ant of the Declaration or these By-Laws. The Architectural and Environmental Control Committee may charge and collect a reasonable fee for the examination of any plans and specifications submitted for approval pursuant to the provisions of this Article. The decisions of the Arc dectural and Environmental Control Committee shall be final except that any unit owner who is aggrieved by any action or forbeartince from action by the Architectural and Environmental Control Committee may appeal the decision of the Architectural and Environmental Control Committee to the Board of Directors of the Corporation and, upon the request of such unit owner, shall be entitled to a hearing before the Board of Directors.

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ARTICLE XII

Insurance

Bection 1. Insurance. The Board of Directors shall obtain and maintain, to the extent reasonably available, at least the following:

(a) casualty or physical damage insurance in an amount equal to the ful replacement value (i.e. 100% of "replacement cost" exclusive of land, foundation and excavation) of the condominium project (including all building service equipment and the like) with an "Agreed Amount' endorsement, a "Condominium Replacement Cost" endorsement and a "Continent Liability from Operating of Building Laws" endorsement, without deduction or allowance for depreciation (as determined annually by the oard of Directors with the assistance of the insurance company afford g such coverage), such coverage to afford protection against at least e following:

- (i) loss or damage by fire or other hazards covered by the standard extended coverage endorsement together with coverage for common expenses with respect to condominium units during any period of repair or reconstruction;
- (ii) such other risks as shall customarily be covered with respect to projects similar in construction, location and use, including, but not limited to, cost of demolition, vandalism, malicious mischief, windstorm, water damage, machinery explosion or damage, and such other insurance as the Board of Directors may from time to time determine; and

(b) public liability insurance with a "Severability of Interest" endorsement in such amounts and in such forms as may be considered appropriate by the Board of Directors (but not less than One Million and Ne/100 Dollars (\$1,000,000.00) covering all claims for bodily injuri s and/or property damage arising out of a single occurrence) including, but not limited to, water damage, legal liability, hired

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automobile, non-owned automobile, liability for property of others, and any and all other liability incident to the ownership and/or use of the condominium project or any portion thereof;

(c) workmen's compensation insurance to the extent necessary to comply with any applicable law;

(d) a "Legal Expense Indemnity" endorsement, or its equivalent, affording protection for the officers and directors of the Corporation from expenses and fees incurred by any of them in defending any suit or settling any claim, judgment or cause of action to which any officer or director shall have been made a party by reason of his or her services as such; and

(e) Fidelity Bonds in an amount not less than 150% of the estimated andual operating expenses, including reserves, for all directors, officers and employees of the Corporation regularly handling or otherwise responsible for the funds of the Corporation. Such other policies of surance as are or shall hereafter be considered appropriate by the Board of Directors.

Section 2. Limitations. Any insurance obtained pursuant to the requirements of this Article shall be subject to the following provisions:

(a) all policies shall be written or reinsured with a company or companies licensed to do business in the State where the condominium project is located and holding a rating of "A+AAAA" or better in the current edition of Best's Insurance Guide;

(b) exclusive authority to negotiate losses under said policies shall be vested in the Board of Directors, as a trustee for the owners of the condor nium units, or its authorized representative, including any trustee with which the Corporation may enter into any Insurance Trust Agreement, or any successor trustee, each of which shall be hereinelsewhere referred to as the "Insurance Trustee";

(c) in pevent shall the insurance coverage obtained and maintained pursuant to the requirements of this Article be brought into contribution ith insurance purchased by the owners of the condominium units or thei mortgagees, as herein permitted and any "no other insurance" or similar clause in any policy obtained by the Corporation pursuant to the requirements of this Article shall exclude such policies from consideration;

(d) sucas policies shall contain no provision relieving the insurer from Mability because of loss occurring while the hazard is increased in the building, whether or not within the control or knowledge of the Board of Directors and shall contain no provision relieving the ansurer from liability by reason of any breach of warranty or condition caused by the Board of Directors or any owner of any condominium unit, and/or their respective agents, employees, tenants, mortgagees or invitees or by reason of any act of neglect or negligence on the part of any of them;

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(e) all policies shall provide that such policies may not be canceled r substantially modified (including cancellation for nonpayment of premium) without at least thirty (30) days prior written notice to any and all insureds named thereon, including any and all mortgagees of the condominium units;

(f) all policies of casualty insurance shall provide that, notwithstanding any provisions thereof which give the carrier the right to elect to restore damage in lieu of making a cash settlement, such option shall not be exercisable without the prior written approval of the Board of Directors (or any Insurance Trustee);

(g) all policies shall contain a waiver of subrogation by the insurer as to any and all claims against the Corporation, the Board of Directors, the owner of any condominium unit and/or their respective agents, employees or tenants, and of any defenses based upon coinsurance or invalidity arising from the acts of the insured;

(h) all policies of casualty insurance shall contain the standard mortgage clause except that any loss or losses payable to named mortgagecs shall be payable in the manner set forth in Article XIII of these By-Laws. Such mortgagee clause shall provide for notice in writing to the mortgagee of any loss paid as aforesaid; and

(i) any other insurance required by Title 11 of the Real Property Article of the Annotated Code of Maryland.

Section 5. Individual Policies. The owner of any condominium unit (including the holder of any mortgage thereon) may obtain additional insurance (including a "Condominium Unit-Owner's Endorsement" for improvements and betterments to the condominium unit made or acquired at the entenses of the owner) at his own expense. Such insurance shall be written by the same carrier as that purchased by the Board of Directors pursuant to this Article or shall provide that it shall be without contribution as against the same. Such insurance shall contain the same waiver of subrogation provision as that set forth in Section 2(g) of this Article.

The owner of any condominium unit shall notify the Board of Directors in writing of any and all improvements and betterments made to the condominium unit at the expense of such owner, the value of which is in excess of Two Thousand and No/100 Dollars (\$2,000.00).

Section 4. Endorsements, etc. The Board of Directors, at the request of any owner of any condominium unit in the project or at the request of the mortgagee of any such condominium unit, shall promptly obtain and forward to such owner or mortgagee (a) an endorsement to any of the policies aforementiioned in this Article showing the interest of such owner or wortgagee as it may appear; (b) certificates of insurance relating to any of such policies; and (c) copies of such policies, duly certified by the insurer or its duly authorized agent.

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Section 5. Inspection of Insurance Policies. The Corporation shall maintain at 'make available for inspection a copy of all insurance policies maintained by the Corporation.

Article XIII

Casualty Damage - Reconstruction or Repair

<u>Section 1.</u> Use of Insurance Proceeds. In the event of damage or destruction by fire or other casualty the same shall be promptly repaired or reconstructed in substantial conformity with the original plans and sectifications with the proceeds of insurance available for that purpose if any, unless the council of unit owners elects to use one option contained in subsection 11-114(g) of the Real Property Article of the Annotated Code of Maryland.

Section 2. Proceeds Insufficient. In the event that the proceeds of insurance are not sufficient to repair damage or destruction by fire or other casualty, or in the event such damage or destruction is caused by any casualty not herein required to be insured against, then the repair or reconstruction of the damaged common elements shall be accomplished promptly by the Corporation at its common expense (pursuant to such conditions and subject to such controls as the mortgagee, as defined in Section 4 of this Article, may require) and the repair or reconstruction of any condominium unit shall be accomplished promptly by the Corporation at the expense of the owner of the affected condominium unit. The ratable share of the expense of such repairs or reconstruction may be assessed and the lien for the same shall have all the priorities provided for in Article IX of these By-Laws. In the event that the proceeds of casualty insurance are paid to any Insurance Trustee pure ant to the requirements of Section 4 of this Article, then all funds collected from the owners of the condominium units pursuant to this Section 2 shall likewise be paid over to such Insurance Trustee and shall be disbursed by such Insurance Trustee in accordance with the provisions of Section 4 of this Article.

Section 3. Instoration Not Required. The condominium need not be restored in he event the condominium is terminated, or repair or replacement of the condominium would be illegal under any state or local health or safety statute or ordinance, or eighty percent (80%) of the unit owners, including every owner of a unit or assigned limited common eleme a, which will not be rebuilt, vote not to rebuild or replace. If the entire condominium is not repaired or replaced, then 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; and the insurance proceeds attributable to units and limited common elements which are not rebuilt, shall be distributed to the owners of those units and the owners of the units to which those limited common elements were assigned; and the remainder of the proceeds shall be distributed to all unit owners in proportion to their percentage interest in the common elements. 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 are automatically reallocated upon the

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vote, as f the unit had been condemned under Section 11-112 of the Real Property Article of the Annotated Code of Maryland, and the council of unit owners promptly shall prepare, execute and record an amendment to the Declaration reflecting the reallocations.

Insurance Trustee. Except for losses involving the damage Section . or destriction of more than two-thirds (2/3) of the condominium project, where the members do not resolve to proceed with the repair or reconstruction, as in Section 3 of this Article provided for, in the event the cost of reconstruction or repair (as estimated by the Board of Directors) shall exceed an amount equal to two and one-half percent (2 1/2%) f the full replacement value of the condominium project, as estimated by the Board of Directors and the insurer pursuant to the requirements of Section 1(a) of Article XII of these By-Laws for the period during which such loss was sustained, and the institutional holder of any mortgages or other obligations secured by any condominium unit or units in the aggregate principal sum of more than \$150,000.00 (hereinafter in this Section 4 called the "mortgagee") shall so require all proceeds of insurance shall be paid over to a trust company or bank (the "Insurance Trustee") having trust powers and authorized to engage in trust business in the jurisdiction wherein the condominium project is located, selected by the Board of Directors with the approval of the mortgagee, and shall be paid out from time to time as the reconstruction or repair progresses in accordance with the provisions of an Insurance Trust Agreement satisfactory in form and substance to the morty gee and which contains, inter alia, the following provisions:

(a) the reconstruction or repair shall be in charge of an architect or engineer, who may be an employee of the Corporation, satisfacing to the mortgagee, and hereinafter in this Section 4 called the "architect".

(b) prior to the commencement of the reconstruction or repair, other that such work as may be necessary to protect the condominium project om further damage, the mortgagee shall have approved the plans an specifications for such reconstruction or repair, which approval shall not be unreasonably withheld or delayed.

(c) unless otherwise required by the mortgagee, each request for an advance of the proceeds of insurance shall be made to the mortgages at least en (10) days prior to delivery to the Insurance Trustee and shall be ccompanied by a certificate from the architect to the effect that (i) all work then completed has been performed in accordance with the plans and specifications and all building codes or similar governmental requirements; and (ii) the amount requested to be advanced is required to reimburse the Board of Directors for payments previously made by the Board of Directors or is due to the contractor responsible for the restoration or repair, or to subcontractors, materialmen, laborers, engineers, architects or to other persons responsible for "services or materials in connection with such restoration or repair, or for fees of the like necessarily incurred in connection with the same; and (iii) when added to amounts previously advanced by the Insurance Trustee, the amount requested to be advanced does not unreasonably exceed the value of the work done and materials delivered to the date

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of such request; and (iv) funds remaining available to the Insurance Trustee for the purpose are sufficient to complete the reconstruction or repair.

(d) each request for an advance of the proceeds of insurance shall, if required by the mortgagee, be accompanied by satisfactory waivers of Liens covering that portion of the repair or reconstruction for which payment or reimbursement is being requested, together with appropriate evidence from a title insurance company or the like to the effect that there has not been filed with respect to the condominium project any mechanic's or other lien, or notice of intention to file the same, which has not been dismissed or satisfied of record.

(e) the fees and expenses of the Insurance Trustee, as agreed upon by the Board of Directors and the Insurance Trustee, shall be paid by the Corporation as a common expense, and such fees and expenses may be deducted from any insurance proceeds in the hands of the Insurance Trustee, pro rata as the reconstruction or repair progresses.

(f) such other provisions not inconsistent with the provisions hereof as the Board of Directors, the Insurance Trustee or the mortgagee magine reasonably require.

Upon completion of the reconstruction or repair and payment in full of all amounts due on account thereof, any proceeds of insurance then in the hands of the Insurance Trustee shall be paid to the Board of Directors and shall be considered as one fund and shall be divided among the owners of all of the condominium units in the same proportion as that previously established for ownership of appurtenant undivided interest in the common elements, after first paying out of the share of the owner of any condominium unit, to the extent such payment is required by the lienor and to the extent the same is sufficient for the payment of all liens upon said condominium unit.

ARTICLE XIV

Parking

Section 1. General Requirements. All parking areas within the condominium ball be considered part of the general common elements. Parking may a regulated by the Board of Directors and parking spaces may initially be assigned by the Grantor and thereafter by the Board of Directors. No unit owner shall make use of any parking space other than the space or spaces appurtenant or assigned to his condominium unit by the chard of Directors, if any, without the express written consent of brach the unit owner to whom such space has been assigned and the Board of Directors, nor shall any unit owner invite, encourage or permit the use by his guests of parking spaces appurtenant or assigned to condominium units other than his own. No vehicle belonging to any unit owner, or to any guest or employee of any unit owner, shall be parked in a thick unreasonably interferes with or impedes ready vehicular access to any parking space assigned to any other unit owner. Nothing shall be stored upon any parking space nor shall the same be parmitted to accumulate trash or debris.

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Es 'h unit owner shall comply in all respects with such supplementary rules and regulations which are not inconsistent with the provisions of these By-Laws which the Board of Directors may from time to time adopt and promulgate with respect to parking and traffic control within the condominium and the Board of Directors is hereby, and elsewhere in these By-Laws authorized to adopt such rules and regulations.

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In the event the Board of Directors elects to assign parking spaces within the condominium, the Board of Directors may make reasonable efforts to assign parking spaces in a manner calculated to make reasonable adjustments to accommodate the elderly and handicapped.

ARTICLE XV

Fiscal Management

Bection 1. Fiscal Year. The fiscal year of the Corporation shall begin on the first day of January every year, except that the first fiscal year of the Corporation shall begin at the date of incorporation. The commencement date of the fiscal year herein establ: hed shall be subject to change by the Board of Directors should corpor: a practice subsequently dictate.

Bection 2. Books and Accounts. Books and accounts of the Corporation shall 1. kept under the direction of the Treasurer in accordance with good at ounting practices on a consistent basis. The same shall include books and detailed accounts, in chronological order, of receip: and of the expenditures affecting the project and its administration and shall specify the maintenance and repair expenses of the conston elements and services and any other expenses incurred. That amount of any assessment required for payment on any capital expend ures of the Corporation shall be credited upon the Books of the Corpor ion to the "Paid-In-Surplus" account as a capital contribution by the tembers. Every record kept by the Corporation shall be maintained in Maryland or within fifty (50) miles of its borders and shall be available at some place designated by the Corporation within Harford County for examination and copying by any member, his mortgagee, and their respective duly authorized agents or attorneys, during normal business hours, and after reasonable notice.

<u>Bection 3.</u> <u>Annual Proposed Budget</u>. The Corporation shall cause to be prepared and submitted to the members an annual proposed budget as V least thirty (30) days before its adoption. This annual budget shall provide for at least the following items:

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(*) income;

(,) administration:

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- (c) maintenance;
- (d) ut lities;
- (e) ge eral expenses;
- (f) re erves; and
- (g) carltal items.

The budget shall be adopted at an open meeting of the members of any other body to which the members delegate responsibilities for preparing an adopting the budget.

Any exp. additure made, other than those made because of conditions which, if nor corrected, could reasonably result in a threat to the health or safety of the members or a significant risk of damage to the condominium, that would result in an increase in an amount of assessments for the current fiscal year of the condominium in excess of fifteen percent (15%) of the budgeted amount previously adopted, shall be approved by an amendment to the budget adopted at a special meeting, upon not less than ten (10) days written notice to the members.

Section 4. Auditing. At the close of each fiscal year, the books and records of the Corporation shall be audited by an independent accountant whose report shall be prepared in accordance with generally accepted aud ting standards. Based upon such report, the Corporation shall furnis. its members with an annual financial statement including the income a d disbursements of the Corporation. Upon receipt of a written request signed by owners of at least five percent (5%) of the units, the (rporation shall cause an audit of the books and records to be made by : independent certified public accountant, provided an audit shall e made not more than once in any consecutive twelve (12) month period The cost of the audit shall be a common expense.

Section 5. <u>xecution of Corporate Documents</u>. With the prior authorizatic of the Board of Directors, all notes and contracts shall be executed n behalf of the Corporation by either the President or Vice President, and all checks shall be executed on behalf of the Corporation y such officers, agents or other persons as are from time to time authorized by the Board of Directors.

ARTICLE XVI

Amendment

<u>Bection 1.</u> <u>Amendments</u>. These By-Laws may be amended by the affirmative vote of members having at least sixty-six and two-thirds percent (66 2/3%) of the total percentage interests at a meeting of the Council called for that purpose; provided, however, that all mortgagees shall be given thirty (30) days notice of all proposed amendments, and shall be effective only upon recordation in accordance with Title 11 of the Real Property Article of the Annotated Code of Maryland. The following spacific types of amendments shall require the consent of all

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unit owners: (i) any change in the pro rata interest or obligations of any individual unit for the purpose of levying assessments or charges of allocating distribution of hazard insurance proceeds or condemnation awards, or in determining the pro rata share of ownership of each unit in the common elements; (ii) any partition or subdivision of any condominium unit; (iii) any abandonment partition, subdivision, condominium unit; (iii) any abandonment partition, subdivision, encumbrance, sale or transfer of the common elements. The granting of easements for public utilities or other public purposes consistent with the intended use of the common elements by the condominium shall not be deemed a transfer within the meaning of this clause; (iv) use of hazard insurance proceeds for losses to any condominium property (whether to units or to common elements) for other than repair, replacement or recons, function of such improvements, except as provided in Article XIII in the case of substantial loss to the units and/or common elements of the condominium.

Bectica 2. Proposal of Amendments. Amendments to these By-Laws may be proposed by the Board of Directors of the Corporation or by a petition signed by members representing at least twenty-five percent (25%) of the to al percentage interests of the Corporation, which petition shall be delivered to the Secretary. A description of any proposed amendment shall a company the notice of any annual or special meeting of the members at which such proposed amendment is to be considered and voted upon.

ARTICLE XVII

Mortgages

Bectica 1. Notice to Board of Directors. A member who mortgages his unit shall in writing notify the Board of Directors of the name and address of his mortgagee (as defined in the Declaration), and shall file a conformed copy of the note and mortgage with the Board of Directors. The Board of Directors shall maintain such information in a book entitled "Mortgages of Units".

Section 2. Notice of Unpaid Common Charges or other Default. The Board of Directors, whenever so requested in writing by a mortgagee of a unit whose name and address is listed in the "Mortgages of Units", shall promptly report any then unpaid annual and/or special assessments due from, or any other default by, the owner of the mortgaged unit, which is not cured within thirty (30) days.

<u>Bectic: 3.</u> Notice of Default. The Board of Directors, when giving notice to a member of a default in paying common expenses or other defauit, shall send a copy of such notice to each mortgagee with respert to such unit whose name and address has theretofore been furnished to the Board of Directors, as aforesaid.

Becti 14. Notice of Loss. The Board of Directors shall promptly notif, all mortgagees in the event of substantial damage to or destription of any unit or the common elements. "Substantial" shall be deemed to include damage to a unit in excess of \$1,000,000.00 and damage to common elements in excess of \$10,000.00.

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<u>Section 5.</u> <u>I camination of Books</u>. Each member, mortgagee, and their duly authorized agents or attorneys shall be permitted to examine the books and records of account of the Corporation during normal business hours. Upon equest, each mortgagee shall receive an annual audited financial stitement of the condominium within ninety (90) days following the end of any fiscal year of the condominium. Upon request, each mortgagee shall be entitled to written notice of all meetings of the Council and shall be entitled to designate a representative to attend such the stings, but said representative shall not have the power to vote.

ARTICLE XVIII

Eminent Domain

Section 1. Meaning of "taking under the power of eminent domain". In this Article, the term "taking under the power of eminent domain" includes any sale in settlement of any pending or threatened condemnation proceedings.

Section 2. Allocation of Award.

(a) 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 to his unit.

(b) An award for the taking of limited common elements shall be allocated to he unit 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.

(c) An award for the taking of general common elements shall be allocated to all unit owners in proportion to their respective percentage i crests in the common elements.

Section 3. Reconstruction Following Taking. Following the taking of all or a part of a condominium, the Corporation promptly shall undertake to restore the improvements of the condominium to an architectura whole. Any costs of such restoration shall be a common expense.

Section 4. Adjustment of Percentage Interests Following Taking: Effect of Taking on Votes Appurtenant to Unit. Following the taking of all or a part of any unit, the percentage interests appurtenant to the unit shall be adjusted in proportion as the amount of floor area of the unit so taken bears to the floor area of the unit prior to the taking. The council of unit owners promptly shall prepare and record an amendment to the Declaration reflecting the new percentage interests appurtenant to the unit. Subject to Section 6, following the taking of part of a unit, the votes appurtenant to that unit shall be appurtenant to the remainder of that unit; and following the taking of all of a unit, the right to vote appurtenant to the unit shall terminate.

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Section C. Priority in Distribution of Damages for Each Unit. All damages for each unit shall be distributed in accordance with priority of inter ts at law or in equity in each respective unit.

Section ... Taking Not to Include Percentage Interests or Voies. Except to the extent specifically described in the condemnation declaration or grant in lieu therefor, a taking of all or part of a unit may not include any of the percentage interests or votes appurtement to the unit.

<u>Section 7. Notice of Condemnation</u>. If a unit or portion thereof or the common elements or portion thereof is made the subject matter of any condemnation or eminent domain proceeding or otherwise sought to be acquired by a condemning authority, the Council shall give timely written notice to all mortgagees of such proceeding or proposed acquisition.

ARTICLE XIX

Compliance - Interpretation - Miscellaneous

Section to Compliance. These By-Laws are set forth in compliance with the requirements of the Maryland Condominium Act.

Bection Conflict. These By-Laws are subordinate and subject to all provisions of the Declaration and to the provisions of the Maryland Condomin Im Act. All of the terms hereof, except where clearly repugnant to the context, shall have the same meaning as in the Declaration or the aforesaid statute. In the event of any conflict among the Maryland Condominium Act, the Declaration, Plat, or By-Laws, the provisions of each shall control in succession listed hereinbefore commencing with "Maryland Condominium Act".

<u>Bection</u> . <u>Resident Agent</u>. Russell Walton, of 809 Gleneagles Court, Suite 112, Towson, Maryland, 21204, shall be designated as the person authorized to accept service of process in any action relating to two or more condominium units or to the common elements as authorized under the Maryland Condominium Act. The resident agent shall register annually pursuant to the provisions of the Condominium Act.

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 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.

Bection 6. Captions. The captions contained in these By-Laws are for conventince only and are not a part of these By-Laws and are not intende in any way to limit or enlarge the terms and provisions of these By-Laws.

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Boction 7. 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 both genders.

Bection 8. Rules and Regulations. The Board of Directors may adopt rules for the condominium. Proposed rules are attached hereto as Schedule 1.

(a) Each member shall have mailed or delivered to him a copy of the proposed rule, notice that members are permitted to submit written comments on the proposed rule, and notice of the proposed effective date of the proposed rule. Before a vote of the Board is taken on the proposed rule, an open meeting shall be held to allow each member or tenant to comment on the proposed rule. Each member shall receive written notice of this open meeting at least fifteen (15) days before said meeting. A quorum of the Board of Directors shall be present at such open meet_ng.

(b) A regular or special meeting of the Board of Directors shall be held at which the vote on the proposed rule shall be taken. Notice of this meetin shall be given as provided in Article V, Sections 9 and 10 of these B₁ Laws. The proposed rule shall be passed on the affirmative v(a of a majority of the Directors present and voting.

(c) The vote on the proposed rule shall be final unless within fifteen (15) days of the vote to adopt the proposed rule, fifteen percent (15%) f the members sign and file a petition with the Board of Directors, calling for a special meeting. Such special meeting shall be held between fifteen (15) and thirty (30) days after the day the petition is given by the Board of Directors to the resident agent of the Corporation. Members and their mortgagees shall receive at least fifteen (15) days written notice of such special meeting. The proposed rule shall be disapproved if a quorum of the members attends the meeting, and fifty percent (50%) of the members present and voting disapprove the proposed rule, and the members voting to disapprove are more than thirty-three percent (33%) of the total votes of the condominium. During such meeting, members, tenants, and mortgagees may comment on the proposed rule.

(d) Each member or tenant may request an individual exception to a rule adopted while the individual was the unit owner or tenant of the condominium. Such a request for an individual exception shall be made in writing and filed with the Board of Directors within thirty (30) days after the effective date of the rule.

(e) Each rule adopted under this Section 8 shall state that the rule was adopted under the provisions of this Section and Section 11-111 of the Miryland Condominium Act.

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(f) The "House Rules and Regulations of Brentwood Park. Condomi um", attached to these By-Laws as Schedule 1, are proposed initial rules and regulations governing the condominium. Any additions, deletions or changes to these Rules and Regulations shall be made by the Board of Directors as provided above.

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Schedule 1

RULES AND REGULATIONS

OF

BRENTWOOD PARK CONDOMINIUM, INC.

1. The Council of Unit Owners of Brentwood Park Condominium, Inc., (hereinafter referred to as the "COUNCIL") has adopted the following Rules and Regulations (hereinafter referred to as "REGULATIONS"). These REGULATIONS may be amended from time to time as provided in Article XIX, Section 8 of the By-Laws.

2. Wherever in these REGULATIONS there is reference to "CO-OWNERS", such term shall be intended to apply to the OWNER of any condominium unit, to his tenants in residence, and to any guests, invitees or licensees of such OWNER or tenant of such OWNER. Wherever in these REGULATIONS reference is made to the COUNCIL, such reference shall include the COUNCIL and the management agent where such authority is delegated by the COUNCIL to such management agent.

3. The CO-OWNERS shall comply with all the rules and regulations hereinafter set forth governing the buildings, their corridors, balconies, lobbies, drives, recreational areas, and building, grounds, parking areas and any other appurtenances and any alterations or changes in the rules and regulations which the COUNCLL, in its discretion, hereafter may adopt in accordance with the provisions of the By-Laws for the said buildings. The CO-OWNERS agree that all CO-OWNERS, their families, tenants, guests, invitees and licensees will at all times observe all such rules and regulations.

4. The Board of Directors may alter, amend, or modify these rules and regulations as provided in the By-Laws, and the CO-OWNERS agree to abide by any such alterations, amendments or modifications.

5. All COUNCIL charges are due and payable on the first day of each month. Payment shall be mailed to the office of the management agent to arrive by the first of each month.

6. All garbage and trash must be placed in the containers provided therefor in the common elements. CO-OWNERS are not permitted to place any containers or bags of any kind in public halls for collection.

7. Except in the recreational areas designated as such by the Board of Directors, no playing or lounging shall be permitted, nor shall baby carriages, velocipedes, bicycles, playpens, wagons, toys, benches, chairs or other articles of personal property be left unattended in public areas of the Buildings or passageways, parking areas, courts, sidewalks or lawns or elsewhere on the Common Elements.

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8. No Unit Owner shall make or permit any disturbing noises in the Buildings or do or permit anything which will interfere with the rights, comforts or convenience of any other Unit Owners. All Owners shall keep the volume of any radio, television or musical instrument in their Units sufficiently reduced, at all times, so as not to disturb other Owners. Despite such reduced volume, no Unit Owners shall operate, or permit to be operated, any such sound-producing devices in a Unit between the hours of eleven o'clock p.m., and the following eight o'clock a.m., if the same shall disturb or annoy other occupants of the Buildings.

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9. The use of charcoal burners is a violation of the Fire Prevention Code and will not be permitted on the balconies, due to the danger of fire and smoke and of disturbing neighbors.

10. CO-OWNERS are cautioned against excessive use of soaps and other detergents, which may cause overflow of suds in their or other condominium units.

11. No laundry, clothing, rugs or other items are to be hung on or upon the exterior of any building. No clothes line, clothes rack or any other device may be used to hang any such items on any balcony or window. CO-OWNERS shall not permit anything to be thrown out of the windows of the premises, or down upon the paties or balconies of any Building, or the dusting or shaking of mops, brooms or other cleaning material out of either the windows or the doors of the premises and shall not permit anything to be placed in or hung from the outside of said windows. Flower boxes are prohibited on the balconies, without the prior written consent of the COUNCIL.

12. The planting of plants, flowers, trees, shrubbery and crops, of any type, is prohibited in the common elements of the condominium, without written consent of the COUNCIL.

13. Solicitors are not permitted in any of the Buildings. If you are contacted by one, please notify the management office, immediately.

14. All personal property placed in any portion of any Building, or any place appurtenant thereto, shall be at the sole risk of the CO-OWNER and the COUNCIL shall, in no event, be liable for the loss, destruction, theft or damage to such property.

15. All CO-OWNERS must observe and abide by all parking traffic regulations, as posted by the COUNCIL and/or local authorities. Vehicles parked in violation of any parking rules or regulations will be towed away at the owner's sole risk and expense.

16. Parking, so as to block sidewalks or driveways, is not permitted. Each CO-OWNER expressly agrees that, if he or any member of his family, tenants, guests, invitees or licensees shall illegally park or abandon any vehicles referred to in this paragraph, he will hold the COUNCIL harmless for any and all damagos or losses that may ensue, and expressly waives any and all rights, notices, and resources, in

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connection therewith, that he may have under the provisions of State, County, or City laws and ordinanaces.

17. The water closets and other water and sewer apparatus shall not be used for the purposes, other than those for which they were designed; and no sweepings, matches, rags, ashes or other improper articles shall be thrown therein. The cost of repairing any damage resulting from misuse of any of the same shall be borne by the CO-OWNER causing such damage.

18. Complaints regarding the management of this condominium and/or regarding actions of other CO-OWNERS should be made, in writing, to the management office.

19. CO-OWNERS shall not permit any act or thing deemed extrahazardous on account of fire or that will increase the rate of insurance on said premises. CO-OWNERS shall not keep any gasoline or other explosives or highly inflammable materials in said premises or storage areas.

20. All persons using any of the recreational facilities do so at their own risk and sole responsibility. The COUNCIL does not assume responsibility for any accident or injury in connection with such use. CO-OWNERS covenant and agree with the COUNCIL, for and in consideration of the use of these facilities, and other good and valuable consideration, to make no claim against the COUNCIL, nor it servants, agents and/or employees, for or on account of any loss or damage of life, limb or property sustained as a result of, or in connection with, such use of any of the recreational facilities. The CO-OWNERS agree to hold harmless the COUNCIL from any and all liabilities and any action, of whatsoever nature, by any tenants, guests, invitees or licensees of the CO-OWNERS growing out of the use of the recreational facilities, except where such loss, injury or damage can be clearly proved to have resulted from and been proximately caused by the direct negligence of the COUNCIL, or its agents, servants or employees in the operation, care or maintenance of these facilities.

21. Any damage to the buildings, recreational areas, facilities or other common areas or equipment, caused by a CO-OWNER, his children, relatives, guests, tenants or pets, shall be repaired at the expense of the CO-OWNER.

22. <u>SUSPENSION OF RIGHTS FOR THE USE OF RECREATIONAL FACILITIES</u>. In addition to all other rights which it has for non-payment of assessments, the Board of Directors of the COUNCIL of CO-OWNERS shall have the right to suspend the use by a CO-OWNER, his family, guests or tenants, of any of the recreational facilities for failure to make payment of any assessment or fees due, as provided for in the By-Laws of the this condominum.

23. If any of these Rules and Regulations contradict or conflict with any provisions of the condominium By-Laws, as amended, the provisions of the By-Laws shall control.

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BRENTWOOD PARK CONDONINIUM, INC.

	Unit	Square Footage	Percentage Interest	Tote
Phase 1	A	1186 sq. ft.	3.9432	. 1
	B	1185 sq. ft.	3.9399	1
	Č.	1189 sq. ft.	3.9532	1
900 Martell		1188 sq. ft.	3.9499	1
Court	Е	1183 sq. ft.	3.9332	1
	F	1182 sq. ft.	3,9299	1
	Ĝ	1188 sq. ft.	3.9499	1
	н	1190 sq. ft.	3.9565	1
	· •	1185 sq. ft.	3.9399	i
	' I J	1180 sq. ft.	3,9233	1
· ·	, K	1620 Bg. ft.	5.3862	1
	L	1623 sq. ft.	5.3962	1
	Α.	1170 sq. ft.	3.8900	1
902 Martell	B	1177 sq. ft.	3.9133	. 1
	č.	1193 sq. ft.	3,9665	1
Court	D.	1190 sq. ft.	3.9565	1
	Е	1182 sq. ft.	3,9299	1
	F	1182 sq. ft.	3.9299	1
	Ĝ	1197 sq. ft.	3,9798	1
	H	1187 sq. ft.	3.9465	1
	Ĩ	1550 sq. ft.	5.1534	1
	I J	1582 sq. ft.	5.2598	1
	ĸ	1188 sq. ft.	3,9499	1
	Ĺ.	1180 sq. ft.	3,9233	· _ 1
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HARFORD COUNTY CIRCUIT COURT (Land Records) CGH 1588, p. 0831, MSA_CE54_1475. Date available 06/22/2005. Printed 03/19/2010.



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EXHIBIT "D"

Lot numbered 18A as shown on a plat of subdivision entitled, "PARTIAL REVISION ONE - FINAL PLAT ONE, BRENTWOOD PARK CONDOMINIUM" which plat is recorded among the Plat Records of Harford County, Maryland in Liber C.G.H. No. 65 at Folio 25, Which plat supercedes part of "FINAL PLAT ONE - BRENTWOOD PARK CONDOMINIUMS" recorded among the Plat Records of Harford County, Maryland in Liber C.G.H. No. 64 at Folio 69; saving and excepting Lot No. 18B.

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Part of Lot No. 17 subdivided into Phases 3 through and including Phase 8 as shown on a Plat of subdivision entitled "PARTIAL REVISION TWO - FINAL PLAT ONE, BRENTWOOD PARK CONDOMINIUMS" which Plat is recorded among the Plat Records of Harford County, Maryland in Liber C.G.H. No. 65 at Folio 93 which Plat supercedes part of "FINAL PLAT ONE - BRENTWOOD PARK CONDOMINIUMS" recorded among the Plat Records of Harford County, Maryland in Liber 64, at Folio 69; and,

Part of Lot No. 17 subdivided into Phases 9 through and including Phase 12 as shown on a Plat of subdivision entitled "PARTIAL REVISION THREE - FINAL PLAT ONE, BRENTWOOD PARK CONDOMINIUMS" which Plat is recorded among the Plat Records of Harford County, Maryland in Liber C.G.H. No. 65 at Polio 94, which Plat supercedes part of "FINAL PLAT ONE - BRENTWOOD PARK, CONDOMINIUMS" recorded among the Plat Records of Harford County, Maryland in Liber 64, at Folio 69.

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BRENTWOOD PARK CONDOMINIUM, INC.

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DECLARATION OF CONDOMINIUM

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THIS DECLARATION OF CONDOMINIUM is made this dsv4 dam.of (NOI ROI 710/19 October, 1989, in Harford County, Maryland, by NVR-LAZEROV ERENTWOOD ASSOCIATES, a Maryland general partnership and NVHOMES, L.P., a limited partnership organized and existing under the laws 11713/89 of the Commonwealth of Virginia, also known as NVHomes Limited Partnership, hereinafter sometimes collectively referred to as

WITNESSETH:

WHEREAS, Grantor is the owner, in fee simple, of that certain real property located in Harford County, Maryland described in Exhibit A attached hereto and made a part hereof (the "Property");

WHEREAS, NVHomes L.P. has constructed or will construct upon the property two (2) connected condominium buildings (the "Building") containing twenty-four (24) condominium units; and

WHEREAS, the Grantor desires to, and by these presents does hereby submit the said Property together with the Building now or to be erected thereon, into a condominium regime pursuant to the provisions of the Real Property Article, Title 11, Section 11-101, \underline{et} seq., of the Annotated Code of Maryland (1988 Repl. Vol.) ("the Maryland Condominium Act"); and

whereas, the Grantor has heretofore filed on the $3\frac{1}{2}$ day of <u>Morenchan</u>, 1989, in the Office of the Clerk of the entitled (PHASE 1) BRENTWOOD PARK CONDOMINIUM" condininum plats (5) sheets (the "Plats"), prepared by Morris & Ritchie Associates, Inc., dated March 9, 1989, which Plats are recorded in Liber C.G.H. No. <u>3</u> at folio <u>55</u>, et. seq., and which Plats are incorporated herein and by this reference, made a part of this

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Grantor hereby declares that all of the Property described in Exhibit A attached hereto, together with all improvements heretofore constructed thereon, and all appurtenances thereto, shall be held, conveyed, divided or subdivided, leased, rented and occupied, improved, hypothecated or encumbered, subject to the covenants, restrictions, uses, limitations, obligations, easements, equitable servitudes, charges and liens (hereinafter sometimes referred to as "covenants and restrictions") hereinafter set forth, including the provisions of the By-Laws of Brentwood Park Condominium, Inc., (the By-Laws) attached hereto as Exhibit B and incorporated herein, all of which are declared and agreed to be in aid of a

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plan for the improvement of said Property, and the division thereof into condominiums and shall be deemed to run with and bind the land, and shall inure to the benefit of and be enforceable by the Grantor, its successors and assigns, and any person acquiring or owning an interest in said Property and improvements.

FIRST: Definitions: Unless the context shall plainly require otherwise, the following words used in this Declaration and/or any and all exhibits hereto shall have the following meanings:

(a) "unit" or "condominium unit" means a unit defined by the Maryland Condominium Act and this Declaration, and consists of any one of those parts of the Building which is separately described on the Plats and in paragraph "Third" below.

(b) "condominium" or "condominium project" means the property subject to this Declaration.

(c) "unit owner" means any person, group of persons, corporation, partnership, trust or other legal entity, or any legal combination thereof, which owns a condominium unit within the condominium project, provided, however, that any person, group of persons, corporation, partnership, trust or other legal entity, or any combination thereof, which holds such an interest solely as security for the payment of a debt or performance of an obligation shall not be a unit owner solely by reason of such interest.

(d) "common elements" means all of the condominium except the units.

(e) "general common elements" means all the common elements except the limited common elements.

(f) "limited common elements" means those common elements identified in this Declaration or in the Plats as reserved for the exclusive use of one or more but less than all of the unit owners.

(g) "common expenses" and "common profits" means the expenses and profits, respectively, of the Corporation.

(h) "council of unit owners" means the governing body of the condominium and is comprised of all unit owners of Brentwood Park Condominium.

(i) "percentage interests" means the interest expressed as percentages, established in accordance with paragraph "Fifth" below.

(j) "mortgagee" means the holder of any recorded mortgage, or the beneficiary of any recorded deed of trust encumbering one or more units.

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SECOND: <u>Name of Condominium</u>: This Condominium shall be known as "Brentwood Park Condominium".

THIRD: <u>Condominum Property and Description of Condominum</u> **units:** The property which is, and shall be, conveyed, divided or subdivided, hypothecated or encumbered, sold, leased, rented, used, occupied, and improved subject to this Declaration and the provisions of the Maryland Condominum Act is located in the County of Harford, State of Maryland, and is more particularly described on Exhibit A attached hereto and by this reference made a part hereof. Annexed hereto and made part hereof as Exhibit C is a list of all units in the Building, their unit designations, and the percentage interest of each unit in the common elements. The approximate areas and elevations of the units, the Building, and the Property and the immediate common elements to which each unit has access is shown on the Plats. Each Condominium unit in the Building shall consist of an enclosed space of one or more rooms occupying part of one floor in the Building of one or more floors or stories. The lower vertical boundary of any such condominium unit is a horizontal plane or planes, the elevation of which coincides with the upper surfaces of the floor, extending to intersect the lateral boundaries thereof. The upper vertical boundary is a horizontal plane or planes, the elevation of which coinciding with the unexposed surfaces of the unit. If any wall corresponding to intersect the lateral boundaries thereof. The lateral boundaries of such units are the vertical planes coinciding with the unexposed surfaces of the unit. If any wall corresponding to the boundary for that part of the unit, then the lateral boundary for that part of the unit, then the lateral boundary for that part of the unit, then the lateral boundary for that part of the unit, then the lateral boundary for that part of the finished surfaces thereof are a part of the unit, and all other portions of the shown on the Plats, each condominium unit shall include all the space, facilities and equipment located within the area above described for such

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FOURTR: (A) <u>General Common Elements</u>: The general common elements shall include the real property, improvements, facilities and systems described in Exhibit A and the Plats, which are not a part of any condominium unit and which are not designated limited common elements. The general common elements shall include but not be limited to, streets, curbs, sidewalks, walks, parking areas, play areas, lawn and garden areas, trees, shrubbery, recreational areas, foundations, stairwells and stairways,

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part of any condominium unit and which are not designated limited common elements. The general common elements shall include but not be limited to, streets, curbs, sidewalks, walks, parking areas, play areas, lawn and garden areas, trees, shrubbery, recreational areas, foundations, stairwells and stairways, hallways, and roofs. The general common elements shall also include the components of the electrical power, water, telephone and sever systems, which are not located within any unit or which are located within the unit but serve more than one unit or the common elements, including without limitation, the pipes, ducts, water mains, chutes, conduits, utility mains, storm drainage, sewer pipes, cables, and wires which are a part of said systems.

(B) Limited Common Elements: The limited common elements include those designated as such on the Plats, such as balconies, patios, and terraces, and, as limited common elements, are reserved for the exclusive use of the owners of the unit or units to which they are declared to be appurtenant by appropriate designation on the Plats. The limited common elements appurtenant to a unit shall include the portion of the fireplace flue which is located outside of the unit containing the fireplace it serves. The lateral boundaries of the limited common elements are the vertical planes coinciding with the outermost boundary of the limited common elements as shown on the Plats. The upper and lower vertical boundaries of all limited common elements except the fireplace flues are horizontal planes, the elevations of which coincide with the upper and lower vertical boundaries of the units appurtenant thereto. Any shutters, awnings, window boxes, doorsteps, stoops, porches, balconies, patics, storage rooms, and all exterior doors and windows or other fixtures designated to serve a single unit, but located outside the unit's boundaries, are limited common elements shall not include any utility mains, pipes, ducts, water mains and other utility lines which may lie within the boundaries of the limited common elements. Said utility mains, pipes, etc., shall remain common elements and as such, shall not be obstructed, damaged or interfered with by any unit owner. Any unit owner of a unit to which the use of any limited common element is restricted may grant by deed the use of the limited common element to any other unit owner. Thereafter, the Grantor shall have no further right to use the limited common element.

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(C) <u>Easement for Support and Access</u>: Each unit owner shall have an easement in common with the owners of all other units for the use of any pipes, wires, ducts, flues, chutes, cables, conduits, public utility lines and other common elements located in any of the other units to serve his unit. Each unit shall be subject to an easement in favor of the owners of all other units for the use of any pipes, ducts, flues, chutes, cables, wires, conduits, public utility lines and other common elements which

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serve such other units but are located in such unit. Every portion of a unit which contributes to the structural support of the Building shall be burdened with an easement of structural support for the benefit of all other units and the common elements.

(D) <u>Zasements, Rights-of-Way, Licenses</u>: The Board of Directors may grant specific easements, rights-of-way, licenses, and similar interests affecting the common elements for public utilities or other public purposes consistent with the use of the common elements by the condominium, pursuant to the provisions contained in the Maryland Condominium Act.

FIFTH: Percentage Interests.

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(A) The Condominium Units Each condominium unit in the condominium shall have all of the incidents of real property.

(B) Percentage Interests. The owner of any condominium unit shall have a common right to a share, with the other co-owners, of an undivided interest in the common elements equivalent to the percentage interest of each condominium unit in the common elements as set forth in Exhibit C attached hereto and by this reference made a part hereof. The percentage interest of each unit in the common elements as designated on Exhibit C, is also the percentage interest of each unit in the common elements, herein established, shall not be changed without the written consent of all of the unit owners and their mortgages. Any change shall be evidenced by an amendment to the Declaration, recorded among the Land Records of Harford County, Maryland. The percentage interests may not be separated from the unit to which they appertain. Any instrument, matter, circumstance, action, occurrence, or proceeding in any manner affecting a unit also shall affect, in like manner, the percentage interests appurtenant to the unit. Subject to the applicable provisions of the By-Laws of the Council of Unit Owners, an owner may, pursuant to and in accordance with Section 11-107(d) of the condominium Act, grant a part of his unit to another unit owner and the part of the unit, accordingli, Such grant or subdivision must be evidenced by an Amendment to this Declaration, specifically describing the part granted or the resulting units, the percentage interests reallocate and the new percentage interest reallocate, but the second of the second or such other unit, or he may subdivide his unit, whereupon he shall reallocate a portion of his percentage interest in the common profits and common expenses of the Council of Unit Owners, and the percentage interests reallocate and the new percentage interests reallocate and the new percentage interests reallocate and the new percentage interest in the common provision must be evidenced by an Amendment to this Declaration, specifically describing the part granted or the resulting units, the percentage inte

(C) <u>Votes</u>. Each unit shall have one (1) vote appurtenant to it, which vote cannot be separated from the unit to which it is appurtenant.

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(D) <u>Voting Rights</u>. At any meeting of the Council of Unit Owners, each unit shall be entitled to cast one (1) vote on each question which comes before the meeting.

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SIXTH: <u>Covenant Against Partition</u>: The common elements shall remain undivided. No owner of any condominium unit or any other person shall bring any action for partition or division thereof except as may be provided for herein and in the Maryland Condominium Act.

BEVENTH: (A) <u>Reservation of Right to Expand</u>: Grantor reserves the right to expand the condominium without the consent of the unit owners or mortgagees by annexing to the Property additional land and improvements. This right to expand the condominium shall expire ten (10) years from the date of the recording of the Declaration.

(B) <u>conditions</u>: The Condominium may be expanded any number of times in accordance with this Paragraph SEVENTH by the addition of various sections of land described in Exhibit D attached hereto and made a part hereof. The outline of the land comprising the expanded condominum and the buildings and common elements located or to be located thereon are shown on Exhibit E.

The maximum number of units to be added to the condominium shall be one hundred ninety-two (192).

Following each expansion of the condominium, each unit owner of the condominium shall have that percentage interest in the common elements, common expenses and profits and voting rights as the square footage of his individual unit bears to the square footage of all units in the expanded condominium.

In the event Grantor expands the condominium, then all improvements shall be substantially similar in quality of construction to the existing condominium.

(C) <u>Recordation of Amendments to the Declaration and the</u> <u>Plats:</u> The expansion of the condominium by the addition of sections shall not be effective until Grantor records in the Land Records of Harford County (i) an amendment to the Declaration, showing the new percentage interests of the unit owners in the common elements, common expenses and profits, and the number of votes appurtenant to each unit, as expanded, and (ii) an amendment to the Plats which includes the detail and information concerning the new Section as required to be included in the original Plats by the Maryland Condominium Act.

Upon recordation of the proper amendment to the Declaration and Plats, each unit owner, by operation of law, shall have the percentage interests in the common elements, and in the common expenses and common profits, and the number of votes, set forth in said amendment. The interest of any mortgagee shall attach, by operation of law, to the new percentage interests in the common

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elements appurtenant to the unit on which it has a lien. Any deed for any condominium unit in the condominium shall be delivered subject to a conditional limitation that the percentage interest appurtenant to such condominium unit shall be automatically reallocated <u>pro tanto</u> upon the recordation of such amendments.

There is hereby reserved unto the Grantor, an irrevocable power-of-attorney, with full power of substitution, coupled with an interest, for the purpose of reallocating the percentage interests and voting rights appurtenant to each of the condominum units in the condominium in accordance with the provisions of this Declaration and to execute, acknowledge and deliver such further instruments as may from time to time be required in order to accomplish the purposes of this Paragraph SEVENTH. Each owner and each mortgagee of a condominium unit in the condominium shall be deemed to have acquiesced in amendments to this Declaration and in amendments to the Condominium Plat for the purpose of additional condominium units and common elements to the condominium as set forth above, and shall be deemed to have granted unto the Grantor an irrevocable power-of-attorney, coupled with an interest, to effectuate, execute, acknowledge and deliver any such amendments and each such unit owner and mortgagee shall be deemed to have agreed and covenanted to execute such further instruments, if any, as may be required by the Declarant, its successors or assigns, to properly accomplish such amendments.

EIGHTH: Expansion - Rights of Administrator of Veterans Affairs - Veterans Administration: So long as any mortgage secured on any condominium unit in the condominium is guaranteed. by the Administrator of Veterans Affairs, the rights reserved to Grantor in Paragraph SEVENTH of this Declaration may be exercised only in accordance with a plan for the total development of the condominium approved by the Administrator of Veterans Affairs. Improvements constructed upon the parcels of land described in Paragraph SEVENTH of this Declaration shall be consistent, as to quality of construction, with the improvements constructed upon the land and premises described in Exhibit A attached hereto.

NINTH: (A) <u>Covenants for Maintenance Assessments</u>: Each Owner of any unit within Brentwood Park Condominium, Inc., by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to pay to Brentwood Park Condominium, Inc.: (1) annual assessments or charges; and (2) special assessments for capital improvements, such assessments to be fixed, established and collected from time to time as hereinafter provided. The annual and special assessments together with such interest thereon, late charges, attorneys' fees and costs of collection thereof as hereinafter provided, shall be a charge on the land and shall be a lien upon the property against which each such assessment is made in accordance with the By-Laws. Each such assessment, together with such interest thereon, late charges, attorneys' fees and costs of collection thereof as hereinafter provided, shall also be the personal obligation of the person who

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sessme torney ovided was the Owner of such property at the time when the assessment fell due.

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(B) <u>Purpose of Assessments</u>: The assessments levied under this Article shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of the residents of Brentwood Park Condominium, Inc., and in particular for the acquisition, improvement and maintenance of properties, services and facilities devoted to this purpose, including, but not limited to, the payment of taxes and insurance thereon, the repair, replacement and additions thereto and for the cost of labor, equipment, materials, management and supervision thereof and for such other needs as may arise. The foregoing shall expressly include payment for cable TV services furnished to the residents, should the Board of Directors so elect.

(C) <u>Annual Assessments</u>: The annual assessments for the Brentwood Park Condominium, Inc., shall be established in accordance with Article IX of the By-Laws of the Brentwood Park Condominium, Inc.

(D) <u>Working Capital Fund</u>: At the time of the conveyance of each unit to an Owner, each such Owner shall pay to Brentwood Park Condominium, Inc. a non-refundable contribution to the condominium's Working Capital Fund in an amount equal to two (2) monthly installments of the annual assessment. This payment shall be in addition to and shall not be credited toward the annual assessment due from each Owner. The Working Capital Fund shall be used by the condominium to assist in defraying its initial and ongoing operating expenses.

TENTH: (A) <u>Encroachments</u>: If any portion of any common element encroaches on any unit or if any portion of a unit encroaches on any common element or any other unit, as a result of the duly authorized construction, reconstruction, repair, shifting, settlement or movement of any portion of the condominium, a valid easement for the encroachment and for the maintenance of the same shall exist so long as the building stands. In the event any unit, any adjoining unit, or any adjoining common element shall be partially or totally destroyed as a result of fire or other casualty or as a result of condemnation or eminent domain proceedings, and then constructed, reconstructed or repaired, encroachment of parts of the common elements resulting from such reconstruction, construction or repair shall be permitted, and valid easements for such encroachment and the maintenance thereof shall exist so long as the encroaching improvements shall stand.

The grant or other disposition of a condominium unit shall include and grant, and be subject to, any easement arising under the provisions herein without specific or particular reference to the easement.

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The council of unit owners or its designee, including the management agent, shall have an irrevocable right and easement to enter units to inspect the units, to remove violations therefrom and to make repairs to common elements when the repairs reasonably appear necessary for public safety or to prevent damage to other portions of the condominium. 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 to be entered for the purpose of such repairs. No entry by the council of unit owners for the purposes specified in this subsection may be considered a trespass.

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

(B) Easement to Grantor: There is hereby reserved to the Grantor, its employees, agents, contractors and invitees, a nonexclusive easement over all of the general common elements of the condominium for purposes of ingress, egress, regress, storage of building supplies, materials and equipment and, without limitation, for any and all purposes reasonably related to the completion of the marketing, sale, inspection, construction, rehabilitation, restoration, repair and management of the condominium. As used in this paragraph, and anything contained in this Declaration to the contrary notwithstanding, the expression "Grantor" shall include and mean those successors and assigns of the Grantor to whom the Grantor shall specifically assign the easement reserved in this paragraph, and shall include and mean the respective employees, agents, contractors and invitees of such successors and assigns.

(C) Easements for Ingress and Egress: There is hereby reserved to the Grantor the successors and assigns of the Grantor, and to all persons having any interest of record in title to the land and premises described on Exhibit "A" and Exhibit "D" attached to this Declaration, and to their respective agents, employees and tenants, a non-exclusive easement and right-of-way over all streets, roadways and parking areas constructed upon the general common elements of the condominium for purposes of ingress, egress and regress to and from the land and premises described on Exhibit "A" and Exhibit "D" attached to the Declaration.

ELEVENTH: <u>Rights of Marford County Water Authority</u>: In the event that any sewer or water use charge, or front foot benefit charge, or sewer charge, or <u>ad valorem</u> or other tax, imposed upon the entire condominium pursuant to the Harford County Water

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Authority is not paid by the Council of Unit Owners when due, then the Harford County Water Authority shall have the right, within the time provided by that Act or the Regulations of said Commission, to terminate sewer and water service to all of the condominium units.

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There is hereby reserved to the Harford County Water Authority and to any agency which is a successor to the functions of the Harford County Water Authority, and to their respective agents, employees and contractors, a non-exclusive easement over all of the general common elements of the condominium for any and all purposes reasonably related to the construction, reconstruction, maintenance or repair of any and all water and sewer lines, meters, vaults and the like located upon the general common elements of the condominium.

TWELFTH: Termination and Waiver: The condominium regime established by the recordation of this Declaration and the Condominium Plat may be terminated by Deed of Termination executed by all of the unit owners and, in a manner to indicate their consent to such termination, by all persons with recorded encumbrances, including judgment lienors, on the condominium units in the condominium, all in the manner provided in Section 11-121 of the Maryland Condominum Act. Any such termination shall be effective only upon the recordation of a Deed of Termination among the Land Records of Harford County, Maryland.

THIRTEENTH: <u>Amendment</u>: Except as otherwise provided in the Maryland Condominium Act and in Paragraph NINTH of this Declaration, this Declaration may be amended only with the written consent of eighty percent (80%) of the unit owners listed on the current roster and the written consent of the Veterans Administration, when acting as a mortgagee as defined in Title 11 of the Real Property Article of the Annotated Code of Maryland. No amendment shall be effective until recorded in the same manner as this Declaration.

FOURTEENTH: (A) <u>Construction and Enforcement</u>: The provisions hereof shall be liberally construed to effectuate the purposes of creating a uniform plan for the development and operation of a condominium project. Enforcement of these covenants and restrictions and of the By-Laws attached hereto shall be by any proceeding at law or in equity against any person or persons violating or attempting to violate any covenant or restriction, either to restrain or enjoin violation or to recover damages, or both, and against any proceeding permitted by the By-Laws; or the owner of any condominium unit to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

There shall be and is hereby created and declared to be a conclusive presumption that any violation or breach or any

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attempted violation or breach of any of the within covenants or restrictions cannot be adequately remedied by action at law or by recovery of damages.

(B) <u>Severability</u>: Invalidation of any one of these covenants and restrictions by judgment, decree or order shall in no way affect any other provisions hereof, each of which shall remain in full force and effect.

IN WITNESS WHEREOF, the said NVR-LAZEROV BRENTWOOD ASSOCIATES, a Maryland general partnership and NVHOMES, L.P., a limited partnership organized and existing under the laws of the Commonwealth of Virginia, also known as NVHomes Limited Partnership, have on the <u>JSM</u> day of <u>October</u>, 1989, cause these presents to be executed. _, 1989, caused

Paraner шr President By: Lazerov, NVHomes, I.P., By: NVRyan, L.P., its general partner By: NVHomes II, L.P., its general partner By: NVCompanies, INC., its general partner Resand fin Subson By:_

RUBSELL A. WALTON - ASSI. VICE PRESIDENT

NVR-Lazerov Brentwood Associates By: Lazerov Development Corporation,

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STATE OF Mayland COUNTY OF Harford

ATTEST:

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I HEREBY CERTIFY that on this $(2-7)^{4}$ day of <u>O(1) (4)</u> 19<u>8</u>(), before me, a Notary Public, personally appeared Manuel Lazerov, President of NVR-Lazerov Brentwood Associates, and first being duly sworn, testified that he being duly authorized to execute this document on behalf of the aforementioned Corporation acknowledges that the foregoing is the act of the Corporation.

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I HERBEY CERTIFY that on this 25% day of <u>October</u>, 1989, before me, a Notary Public, personally appeared <u>Resource A. Wards</u>, <u>set Vice Resource</u> of NVHomes, L.P., by NVRyan, L.P., acting in its capacity as general partner, by NVHomes II, L.P., acting in its capacity as general partner, by NVCompanies, Inc., acting in its capacity as general partner, and first being duly sworn, testified that he/she being duly authorized to execute this document on behalf of the aforementioned Corporation acknowledges that the foregoing is the act of the Corporation.

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Notary Public

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My Commission Expires:



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EXHIBIT "N"

Lot numbered and lettered 18B as shown on the plat of subdivision entitled, "PARTIAL REVISION ONE - FINAL PLAT ONE, BRENTWOOD PARK CONDOMINIUMS" which plat is recorded among the Plat Records of Harford County, Maryland in Liber C.G.H. No. 65, Folio 25.

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HARFORD COUNTY CIRCUIT COURT (Land Records) CGH 1588, p. 0788, MSA_CE54_1475. Date available 06/22/2005. Printed 03/19/2010.

FIRST SUPPLEMENTARY DECLARATION

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Printed 03/19/2010.

available 06/22/2005.

Date

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p. 0133,

HARFORD COUNTY CIRCUIT COURT (Land Records) CGH 1618.

(For Purposes of Adding Phase 2 to Brentwood Park Condominium)

THIS SUPPLEMENTARY DECLARATION is made and entered into this _____ day of March, 1990, by NVR-LAZEROV BRENTWOOD ASSOCIATES, a Maryland general partnership and NVHOMES L.P., a Virginia limited partnership also known as NVHOMES LIMITED PARTNERSHIP (hereinafter collectively called the "Grantor").

WHEREAS, the Grantor is the owner in fee simple of certain land and the building constructed thereon (hereinafter "the Property"), located in Harford County, Maryland, and more particularly described on Exhibit A-1 attached hereto and made a part hereof; and

WHEREAS, prior to the recordation hereof, on the 13th day of November, 1989, the Grantor filed for record in the Land Records of Harford County, Maryland, a certain Declaration, with Exhibits, which Declaration is recorded in Liber 1588 at Folio 0776 among the aforesaid Land Records; and

WHEREAS, prior to the recordation hereof, Grantor has filed for record among the Land Records of Harford County, Maryland, the following documents hereinafter collectively referred to as the "Condominium Plat":

- (a) a certain Condominium Plat, consisting of five (5) sheets entitled "Phase I, Brentwood Park Condominium," which are recorded in Liber C.G.H. No. 3 at Folio 55, et seq. among the Land Records of Harford County, Maryland; and
- (b) a certain Condominium Plat, consisting of three (3) sheets showing Phase 2 of "Brentwood Park Condominium," which Condominium Plat is recorded in Liber C.G.H. 3, at Folio 96, et seq. among the Land Records of Harford County, Maryland; and

WHEREAS, the Grantor has retained, in Paragraph Seventh of the aforesaid Declaration, the absolute right to be exercised prior to the 13th day of November, 1999, to annex to the land and improvements described on Exhibit D attached to the Declaration, and thereby to submit to each and every one of the provisions of the Declaration, the land described on Exhibit A-1 attached hereto and incorporated herein by this reference, togother with the improvements theretofore or thereafter constructed upon such land; and

WHEREAS, the Grantor intends by the execution and recordation of these presents, together with the execution and recordation of the supplements to the Condominium Plat identified above, to exercise that right, as to the land and premises described on said Exhibit A-1;

NOW, THEREFORE, the Grantor hereby declares that all the land and premises described on Exhibit A-1 attached hereto, together with all of the improvements heretofore or hereafter constructed thereon, and all of the appurtenances thereto, shall be held, conveyed, divided or subdivided, leased, rented and occupied, improved, hypothecated and encumbered subject to the covenants, restrictions, uses, limitations, obligations, easements, equitable servitudes charges and liens (hereinafter sometimes referred to as the "covenants and restrictions") set forth in the aforesaid Declaration including, without limiting the generality of the foregoing, the provisions

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of the By-Laws of the Council of Unit Owners attached to said Declaration as Exhibit B, and the provisions of each and every one of the several Exhibits to the aforesaid Declaration, each and all of the which are hereby declared and agreed to be in aid of a plan for the improvement of said land and premises and the division thereof into condominium units and common elements, and shall be deemed to run with and bind the land, shall inure to the benefit of and be enforceable by the Grantor, its successors and improvements including, again without limiting the generality of the foregoing, any person, group of persons, corporation, partnership, trust or other legal entity, or any combination thereof, who holds such interest solely as security for the performance of an obligation.

The Grantor hereby submits the land and premises described on Exhibit A-1, to each and every one of the provisions of the Declaration and to the provisions of Title 11, Real Property Article, <u>Annotated Code of</u>

Upon recordation of this Supplementary Declaration, each unit owner in the condominium described in the aforesaid Declaration and identified on the aforesaid Condominum Plat, by operation of law and the provisions of Paragraph Eighth of the Declaration, shall have the percentage interest in the common elements, common expenses, and common profits of the condominum, and shall have the number of votes in the Council of Unit Owners provided for in Exhibit C-1 attached hereto and incorporated herein by this reference; and upon the recordation of this Supplementary Declaration, the percentage interests and voting rights heretofore established and provided for in the aforesaid Declaration shall be reallocated, automatically and pro tanto, as set forth on Exhibit C-1 attached hereto.

IN WITNESS WHEREOF, the said NVR-Lazerov Brentwood Associates, a Maryland general partnership and NVHomes L.P., a Virginia limited partnership also known as NVHomes Limited Partnership have caused these presents to be executed and delivered all as of the year and day first above written.

ATTEST: NVR-Lazerov Brentwood Associates By:/Lazerov Development Corpora General Partner ent Corporation, X -tr Manuel Lazerov, President NVHomes, L.P. By: NVRyan, L.P. its General Partner NVHOMES II, L.P. NVHOMES II, L.P. its General Partner NVCompanies fac, its General Saytner By: By: (1) Manullilla By: Russell A. Walton, Vice President EMI618 FELNO134 2 6167.14/H0225 · .

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BRENTWOOD PARK CONDOMINIUM, INC.

Lot numbered and lettered 18A as shown on the plat of subdivision entitled *PARTIAL REVISION ONE-FINAL PLAT ONE, BRENTWOOD PARK CONDOMINIUMS" which plat is recorded among the Land Records of Harford County, Maryland, in Liber C.G.H. No. 65, Folio 25.





6167.14/H0225

STREET.



STATE OF MARYLAND

Date available 06/22/2005. Printed 03/19/2010.

HARFORD COUNTY CIRCUIT COURT (Land Records) CGH 1618, p. 0137, MSA_CE54_1505.

COUNTY OF HARFORD

I HEREBY CERTIFY that on this $\frac{\lambda}{M}$ day of $\frac{March}{March}$, 1990, before me, a Notary Public, personally appeared Manuel Lazerov, President of Lazerov Development Corporation, general partner of NVR-Lazerov Brentwood Associates, and first being duly sworn, testified that he, being duly authorized to execute this document on behalf of the aforementioned Corporation and Partnership acknowledged that the foregoing is the act of the Corporation and Partnership.

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1/1/90 My Commission Expires:

STATE OF MARYIGHTS 89 COUNTY OF HIMFACKD

My Commission Expires:

I HEREBY CERTIFY that on this 37^{M} day of \underline{Manch} , 1990, before me, a Notary Public, personally appeared Rubsell A. Walton, Assistant Vice President of NVHomes, L.P., by NVRyan, L.P., acting in its capacity as general partner, by NVHomes II, L.P., acting in its capacity as general partner, by NVCompanies, Inc., acting in its capacity as general partner, by NVCompanies, Inc., acting in its capacity as general partner, and first being duly sworn, testified that he/she being duly authorized to execute this document on behalf of the aforementioned Corporation acknowledges that the foregoing is the act of the Corporation.

her Anna Kunn Achison LYN NOTAR,

haran Lee Price

After recording please return to:

Conroy, FitzGerald, Ballman & Dameron, Chtd. Attn: Donna M. McMillan Six Montgomery Village Avenue Suite 402 Gaithersburg, Maryland 20879

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PUBLIC

BRENTWOOD PARK CONDOMINIUM ASSOCIATION

RULES AND REGULATIONS

(Effective Date: August 31, 1991)

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RULES AND REGULATIONS

OF

BRENTWOOD PARK CONDOMINIUMS, INC.

GENERAL STATEMENTS:

1.1 The Board of Directors of Brentwood Park Condominiums, Inc., (hereinafter referred to as the "Board" has adopted the following Rules and Regulations (hereinafter referred to as "Regulations"). These Regulations may be amended from time to time as provided in Article XIX, Section 8 of the By-Laws.

- 1.2 Wherever in these Regulations there is reference to "Unit Owners", such term shall be intended to apply to the OWNER of any condominium unit, to his tenants in residence, and to any guests, invitees or licensees of such OWNER or tenant of such OWNER. Wherever in these Regulations reference is made to the Board, such reference shall include the Board and the management agent where such authority is delegated by the Board to such management agent.
 - The Unit Owners shall comply with all Rules and Regulations hereinafter set forth governing the buildings, their corridors, balconies, drives, recreational areas, and building, grounds, parking areas and any other appurtenances and any alterations or changes in the Rules and Regulations which the Board, in its discretion, hereafter may adopt in accordance with the provisions of the By-Laws for the said buildings. The Unit Owners agree that all Unit Owners, their families, tenants, guests, invitees and licensees will at all times observe all such Rules and Regulations.
 - The Board of Directors may alter, amend, or modify these Rules and Regulations as provided in the By-Laws, and the Unit Owners agree to abide by any such alterations, amendments or modifications.
 - The Board is authorized to fine or take other remedial action against Unit Owners who violate these Rules and Regulations after notification and an opportunity to be heard. The Board has established fifty (\$50) as the fine to be levied for violations.

All Board fines are due and payable within fifteen (15) days following the imposed fine. Payment shall be mailed to the management office, c/o Steve Kline. Make checks payable to Brentwood Park Condominiums and mail to Trenton Property Services, Inc., 25 W Courtland St, PO Box 767, Bel Air, MD 21014. All checks should be marked as "Fine" payment.

All monthly condo fees, are due and payable on the first day of each month. Payment shall be mailed to the management office to arrive by the first of each month. (Address above).

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Unit Owners shall give a copy of these Rules and Regulations to 1.7 potential buyers prior to or at settlement. If a unit is leased, the Unit Owner shall give a copy of these Rules and Regulations to the lessee prior to signing the lease agreement. All lease agreements executed on or after the effective date hereof shall include a provision that "the lessee is bound by and subject to the provision of the Rules and Regulations promulgated by the Brentwood Park Condominiums Association.

1.8 Residential Use. Except as provided in in Section 3, (By-Laws Section I, Article X), all condominium units shall be used for private residential purposes exclusively, except for such temporary non-residential uses as may be permitted by the Board of Directors from time to time.

> (By-Laws, Section II, Article X). With the exception Leasing. of a lender in possession of a condominium unit following a default in a mortgage foreclosure, no unit owner shall lease his unit for transient or hotel purposes, or in any event, for any periods less than three months. No unit owner shall lease less than the entire unit. All leases shall provide that the lease is subject in all respects to the provisions of the Declaration and By-Laws, and that a failure by the lessee to comply with the terms of such documents shall be a default of the lease.

If any of these Rules and Regulations contradict or conflict with any provisions of the condominium By-Laws, as amended, the provisions of the By-Laws shall control.

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GENERAL STATEMENTS

- 2.1 Complaints regarding the management of this condomimium and/or regarding actions of other Unit Owners should be made, in writing, to the management office, c/o Steve Kline, Trenton Property Services, 25 W Courtland St, PO Box 767, Bel Air, MD 21014.
- 2.2 Any damage to the buildings, facilities or other common areas of equipment, caused by a Unit Owner, his children, relatives, guests, tenants or pets, shall be repaired at the expense of the Unit Owner. If a unit is rented, the Unit Owner may choose to recover fines and assessments for damage under terms of the lease agreement.
 - (By-Laws) Section 3. Access at Reasonable Times. For the purpose solely of performing any of the repairs or maintenance required or authorized by these By-Laws, or in the event of a bona fide emergency involving illness or potential danger to life or property, the Corporation, through its duly authorized agents or employees, shall have the right, after reasonable notice to the owner, to enter any condominium unit or limited common element appurtenant thereto at any hour considered to be reasonable under the circumstances.
 - (By-Laws) Each Unit Owner/Tenant shall keep his unit in a good state of preservation and cleanliness. No vermin, insects or other pests shall be allowed to remain in any condominium unit or common area, nor shall any unit or common area be permitted to remain in an unclean or unsanitary condition. In order to assure compliance with this section, the Board of Directors, its agents, servants, employees and contractors may enter any unit or common area at any reasonable hour of the day, after reasonable notice, for the purpose of inspecting such unit or common area (and any general common element accessible from said unit or common element) for the purpose of taking such measures as may be necessary to control or exterminate any such vermin, insects or other pests.
 - Balconies and patios shall not be used for storage. Firewood not to exceed 1 of a cord must be kept in a metal storage rack so as to keep the wood off of the balcony floor. All wood shall be stacked neatly. Balconies and patios must present a neat, uncluttered appearance. No wood is to be stored on balconies or patios from April 01 to October 01 of each year.

Flower boxes must not be placed on railings. Flower boxes must be kept on a table or on the balcony floor of a second or third floor unit. Unit Owners/Tenants must not drill holes to secure boxes to railings. Keep boxes on a tray so as to prevent water and dirt from leaking through to the balcony below.

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2.3

2.4

Article II Schedule II

GENERAL STATEMENTS

- 2.6 No Unit Owner/Tenant shall use or store in any unit, furnace room, patio or balcony any flammable liquid such as gasoline, kerosene, explosives, fireworks, and other articles deemed hazardous to life, limb, or property. This includes propane tanks for barbecuing.
- 2.7 Bird feeders are not permitted on balconies or patios.
- 2.8 No laundry, clothing, rugs or other items are to be hung on or upon the exterior of any building. No clothes line, clothes rack or any other device may be used to hang any such items on any balcony or window. Unit Owners shall not permit anything to be thrown out of the windows of the premises, or down upon the patios or balconies of any Building, or the dusting or shaking of mops, brooms or other cleaning material out of either the windows or the doors of the premises and shall not permit anything to be placed in or hung from the outside of said windows.
- 2.9 All personal property placed in any portion of any Building, or any place appurtenant thereto, shall be at the sole risk of the Unit Owner and the Board shall, in no event, be liable for the loss, destruction, theft or damage to such property.
- 2.10 The water closets and other water and sewer apparatus shall not be used for the purposes, other than those for which they were designed; and no sweepings, matches, rags, ashes or other improper articles shall be thrown therein. The cost of repairing any damage resulting from misuse of any of the same shall be borne by the Unit Owner causing such damage.
- 2.11 Unit Owners shall not permit any act or thing deemed extrahazardous on account of fire or that will increase the rate of insurance on said premises. Unit Owners shall not keep any gasoline or other explosives or higly inflammable materials in said premises or storage areas.
- 2.12 The use of charcoal burners is a violation of the Fire Prevention Code and will not be permitted on balconies or patios. Burners must be kept 25 feet from the buildings when in use.
- 2.13 Window draperies or curtains shall have white linings. Other coverings shall be of such materials as to present uniform white/off white appearance and shall be aesthetically pleasing from the outside.
- 2.14 No window fans or window air conditioners are permitted.
- 2.15 Door bells shall be installed having a uniform appearance from the outside, so that all unit door bell buttons look the same.
- 2.16 No wading pools, or sandboxes shall be permitted.

- 2.17 No waterbeds are permitted in units except on the ground floor.
- 2.18 No signs of any character shall be erected, posted or displayed upon, in, from or about any condominium unit or limited or general common elements, provided, however, that one temporary real estate sign of customary and reasonable dimensions may be displayed upon, in or from any condominium unit placed on the market for sale or rent. (Time limit for displaying a real estate sign will be no longer than 120 days from the first placement). (By-Laws.)
- 2.19 Nothing shall be projected or displayed out of any window, patio or balcony in the units. However, an American flag may be displayed.

Nothing shall be hung from balcony railings or placed on the railing.

2.20 No structure of a temporary character, trailer, tent, shack, barn or other outbuildings shall be maintained upon any limited or general common elements at any time. No clothing, laundry, or the like shall be hung from any part of any condominium unit or upon any of the common elements.

2.21 No part of the limited or general common elements shall be used for commercial activities of any character. (By-Laws)

2.22 Unit Owners are not permitted to place any containers or bags of any kind in public halls/breezeways.

All garbage and trash must be placed in the containers provided therefor in the common elements.

No burning of any trash and no unreasonable or unsightly accumulation or storage of litter, new or used building materials, or materials or trash of any kind shall be permitted within any condominium unit (including balconies and patios) or upon any limited or general common elements. (By-Laws)

Trash and garbage containers shall not be permitted to remain in public view, and all trash shall be deposited into the central trash collection area designated. (ByLaws)

Organic waste and other putrescible matter shall be placed in plastic or similar bags before depositing in dumpsters.

New Unit Owners/Tenants moving into a unit, must flatten boxes and place them inside the dumpsters. The boxes will not be picked up by the trash removal people of left outside the dumpster.

Cigarettes, cigars, gum wrappers, or any other articles are not to be discarded in any common areas. This is to include hallways, steps, lawn, flower beds, etc.

- 2.23 No noxious or offensive trade or activity shall be carried on within any condominium unit or any common elements (general or limited) situate thereon, nor shall anything be done therein or thereon which may be or become an annoyance to the neighborhood or the other owners. (By-Laws)
- 2.24 There shall be no obstruction of any common elements. Nothing shall be stored upon any common elements without the approval of the Board of Directors. (By-Laws)

Nothing shall be done or maintained in any condominium unit or upon any limited or general common elements which will increase the rate of insurance or any condominium unit or common elements, or result in the cancellation thereof, without the prior written approval of the Board of Directors. Nothing shall be done or maintained in any condominium unit or upon the limited or general common elements which would be in violation of any law. No waste shall be committed upon any limited or general common elements.

2.26 No structural alteration, construction, addition or removal of any condominium unit or limited or general common elements shall be commenced or conducted except in strict accordance with the provisions of these By-Laws, or Title 11 of the Real Property Article of the Annotated Code of Maryland. (By-Laws).

- 2.27 Architectural Control. Except for the original construction of the condominium units situate within the project and any improvements to any limited or general common elements accomplished concurrently with said construction, and except for purposes of proper maintenence and repair or as otherwise in these By-Laws provided, it shall be prohibited to install, erect, attach, apply, paste, hinge, screw, nail, build, alter, remove or construct any lighting, shades, screens, awnings, patio covers, decorations, aerials, slabs, sidewalks, curbs, gutters, patios, porches, driveways, fences, walls, or to make any change to or otherwise alter (including any alteration in color) in any manner whatsoever the exterior of any condominium unit or any of the limited or general common elements within the project, or to remove or alter any windows, exterior doors of any condominium unit, or to make any change or alteration within any unit which will alter the structural integrity of the building or otherwise affect the project, without the written consent of the Board of Directors or by an Architectural and Environmental Control Committee designated by the Board of Directors. (By-Laws)
- 2.28 The planting of plants, flowers, trees, shrubbery and crops, of any type, is prohibited in the common elements of the condominium.
- 2.29 No outside television or radio aerial or antenna, or other aerial or antenna, for reception or transmission, shall be maintained upon any condominium unit or upon any limited or general common elements without the prior written consent of the Architectural and Environmental Control Committee and under such reasonable limitations and conditions as it may establish. (By-Laws)
- 2.30 No satellite dishes are permitted.

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2.31 Except in common areas designated as such by the Board of Directors, no playing or lounging shall be permitted, nor shall baby carriages, velocipedes, bicycles, playpens, wagons, toys, benches, chairs or other articles of personal property be left unattended in public areas of the buildings or passageways, parking areas, sidewalks, or lawns or elsewhere on the common elements.

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The common halls, stairways, walkways and parking areas shall be used for ingress and egress only. No cooking or picnicing may be done on any breezeway.

No umbrella shall be placed, temporarily or permanently, on any patio or balcony of any unit.

2.33 Sunbathing shall be restricted to the rear of each building. No nude or partially nude sunbathing is permitted.

All persons using any of the common areas do so at their own risk and sole responsibility. The Board of Directors does not assume responsibility for any accident or injury in connection with such use. Unit Owners covenant and agree with the Board, for and in consideration of the use of these areas, and other good and valuable consideration, to make no claim against the Board, nor its servants, agents and/or employees, for or on account of any loss or damage of life, limb or property sustained as a result of, or in connection with such use of any of the common areas. The Unit Owners agree to hold harmless the Board from any and all liabilities and any action, of whatsoever nature, by any tenants, guests, invitees, or licensees of the Unit Owners, growing out of the use of the common areas, except where such loss, injury or damage can be clearly proved to have resulted from and been proximately caused by the direct negligence of the Board, or its agents, servants or employees in the operation, care or maintenance of these areas. (By-Laws)

Suspension of Rights For The Use of Recreational Facilities. (In the event of any future recreational facility or facilities being added within the project.)

In addition to all other rights which it has for non-payment of assessments, the Board of Directors of the council of Unit Owners shall have the right to suspend the use by a Unit Owner, his family, guests or tenants, of any of the recreational facilities for failure to make payment of any assessment of fees due, as provided for in the By-Laws.

2,36 There shall be no violation of any Rules and Regulations for the use of the units or common elements which may from time to time be adopted by the Board of Directors and promulgated among the membership by them in writing. (By-Laws)

2.35

2.34

Article III Schedule II

RULES REGARDING BEHAVIOR

3.1 (A) No Unit Owner/Tenant shall make or permit any disturbing noises in the buildings, or do or permit anything which will interfere with the rights, comforts or convenience of any other Unit Owner.

> (B) All Unit Owners shall keep the volume of any radio, television or musical instrument in their units sufficiently reduced, at all times, so as not to disturb other Owners. Despite such reduced volume, no Unit Owners shall operate, or permit to be operated, any such sound-producing devices in a unit between the hours of eleven o'clock p.m., and the following eight o'clock a.m., if the same shall disturb or annoy other occupants of the buildings.

- 3.2 Parents shall be responsible for the actions and/or behavior of their children, and the guests of their children.
- 3.3 Washing machines, dryers, vacuum cleaners, dishwashers or any other sound producing machinery shall be used only between the hours of eight o'clock a.m., and eleven o'clock p.m.

Unit Owners are cautioned against excessive use of soaps and other detergents, which may cause overflow of suds in their or other condominium units.

- 3.4 Solicitors are not permitted in any of the buildings. If you are contacted by one, please notify the management office, immediately. (838-4600/879-8333) Ask for Steve Kline, or leave a message stating the problem.
- 3.5 All second and third floor units shall have wall to wall carpeting except in bathrooms, kitchen and foyer.
- 3.6 Unit Owners/Tenants/Guests/Invitees shall be considerate of others and not permit loud talking, etc., in the passageways, on balconies, patios or any outside area after eleven o'clock p.m.

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Article IV Schedule II

VEHICLES AND PARKING

4.1

(By-Laws) General Requirements. All parking areas within the condominium shall be considered part of the general common elements. Parking may be regulated by the Board of Directors and parking spaces may be assigned by the Board of Directors. No unit owner shall make use of any parking space other than the space or spaces appurtenant or assigned to his condominium unit by the Board of Directors, if any, without the express written consent of both the unit owner to whom such space has been assigned and the Board of Directors, nor shall any unit owner invite, encourage or permit the use by his guests of parking spaces appurtenant or assigned to condominium units other than his own. No vehicle belonging to any unit owner, or to any guest or employee of any unit owner, shall be parked in a manner which unreasonably interferes with or impedes ready vehicular access to any parking space assigned to any other unit owner. Nothing shall be stored upon any parking space nor shall the same be permitted to accumulate trash or debris.

Each unit owner shall comply in all respects with such supplementary rules and regulations which are not inconsistent with the provisions of these By-Laws which the Board of Directors may from time to time adopt and promulgate with respect to parking and traffic control within the condominium and the Board of Directors, is hereby, and elsewhere in these By-Laws authorized to adopt such rules and regulations.

In the event the Board of Directors elects to assign parking spaces within the condominium, the Board of Directors may make reasonable efforts to assign parking spaces in a manner calculated to make reasonable adjustments to accomodate the elderly and handicapped.

(By-Laws) No boats, boat trailers, recreational vehicles, trucks of a capacity of one ton or more, or unlicensed vehicles may be parked upon any limited or general common elements. The recreational vehicle parking areas provided by the Grantor shall be used exclusively for the parking of boats, boat trailers and recreational vehicles. The Corporation shall have the right to establish a fee to be charged to those unit owners who utilize said parking area to cover the cost of operation and maintaining same.

- 4.3 Bicycles shall not be stored on the balconies or patios. (By-Laws)
 - No bikes shall be ridden on any grassy area or sidewalk, nor passageways, nor parking lot.
- 4.5 Skate boards are forbidden on Brentwood Park Condominium complex. Skates and scooters are forbidden on passageways, roadways or parking areas.

4.6 No commercial vehicles shall be parked in any limited or general common elements.

-9-

4.2

- 4.7 All Unit Owners must observe and abide by all parking traffic regulations, as posted by the Board and/or local authorities. Vehicles parked in violation of any parking rules and regulations will be towed away at the owner's sole risk and expense. (Bel Air Towing in Bel Air, MD).
- 4.8 Guide marks have been placed on the curbs that should be used to position vehicles when pulling into the space. Please try to park straight within the lines.

"No Parking" areas have been designated within the community as to prevent an accident from occuring and allow for fire trucks and other service vehicles easy access to our community. These areas should be obeyed and no parking should take place in these areas at any time. Violators who park in these areas will be towed to Bel Air Towing located in Bel Air, MD.

- 4.9 Parking so as to block sidewalks is not permitted. Each Unit Owner expressly agrees that, if he or any member of his family, tenants, guests, invitees or licensees shall illegally park or abandon any vehicles referred to in this paragraph, he will hold the Board harmless for any and all damages or losses that may ensue, and expressly waives any and all rights, notices, and resources, in connection therewith, that he may have under the provisions of State, County, or City laws and ordinances.
- 4.10 Unit Owners shall request that guests park in the "Guest Parking" areas only, thereby considering that residents are granted access to "Residential Parking" areas.
- 4.11 Any Unit Owner having guests with trailers, recreation vehicles, motor homes or commercial vehicles, or other equipment shall request from the Board written permission for the parking of said vehicle. The Board may approve or deny permission.
- 4.12 No non-operating vehicle shall be parked on Brentwood Park Condominium property.
- 4.13 No trucks or vehicles of any type shall be permitted on the sidewalks or grass when moving in or out, or at any other time.
- 4.14 No vehicle repairs (except changing a tire, or using jumper cables to start an engine) shall be permitted. No oil changing is permitted.
- 4.15 No motor vehicle shall be washed, rinsed or waxed on the property.
- 4.16 No motorcycle, motor scooter, motorbike, moped, car, bicycle, or other motor vehicle shall be parked or stored on or in any common area, except for the parking spaces. All motor vehicles must have mufflers.

-10-

Article V Schedule II

- PETS
- 5.1 All pets shall be registered in writing to the Board of Directors. Forms will be provided for such purpose.
- 5.2 The maintainence, keeping, boarding and/or raising of animals, livestock or poultry of any kind, regardless of number, shall be and is hereby prohibited within any condominium unit or upon any limited or general common elements, except that this shall not prohibit the keeping of dogs, cats and/or caged birds as domestic pets provided they are not kept, bred or maintained for commercial purposes subject to the Rules and Regulations. (By-Laws)
- 5.3 No pets, other than dogs, cats, small birds and small fish shall be permitted.
- 5.4 Dogs and cats shall be kept under leash at all times when taken outside of the unit, and shall be curbed away from the buildings and shrubbery. Animal feces must be picked up, bagged and placed in the dumpster. Unit Owners who allow their pets to use the common areas as a dumping ground are in violation of the Rules and Regulations of the Condominium as well as Harford County law.
- 5.5 Dogs shall not be tied to the common areas and be left unattended.
- 5.6 Unit Owners who possess a dog or cat shall be responsible for the behavior of their pet(s) and shall be responsible for any damage done by such pet(s) on Brentwood Park Condominium property.
- 5.7 No pets shall be left unattended on balconies and patios and shall not be tied on patios, or trees, balconies or staked on the grass.
- 5.8 Excessive barking of dogs within a unit is prohibited.
- 5.9 No household pet or fish shall be retained after notice from the Board of Directors to remove it from the property for a reasonable cause stated in the notice.

Each rule has been adopted under Section 8 of the By-Laws and under the provisions of Section 8 and Section 11-111 of the Maryland Condominium Act.

-11-

BRENTWOOD PARK CONDOMINIUM ASSOCIATION

PET REGISTRATION

All Unit Owners have a pet or pets must comply with this Regulation. Present Unit Owners are to have their forms in by September 09,1991. This regulation is in effect as of August 31, 1991.

All persons becoming unit owners after August 1991, must have their pet registration form in within ten (10) days of taking residence.

NAME OF UNIT OWNER(S)/TENANT(S):

UNIT NUMBER:

TYPE OF PET(S)

NAME OF PET (IF APPLICABLE)

COLOR OF DOG OR CAT:

AGE OF DOG OR CAT:

APPROXIMATE WEIGHT OF DOG OR CAT:

I/we hereby agree to abide by all the Rules and Regulations of the Harford County government as well as those set forth by the Board of Directors of the Brentwood Park Condominium Association, regarding the behavior of my pet(s) as well as any and all Rules and Regulations having to do with pets, their restrictions/limitations and behavior. (If you own more than one pet, please use the back of this form as needed). Please give your pet registration to any of the Board members.

SIGNATURE:

SIGNATURE:

Rules and Regulations For **Brentwood Park Condominiums, Inc.** 900 to 904 Martell Court INP FD SIRE S RECORDING FEE Bel Air, MD. 21014 TOTAL. Rest HAB3 CGH PR

CGH PR Jun 11, 2001 As Amended April, 05 2001

By Authority of James C. Barry, Jr., President

Printed 03/15/2010. James C. Barry, Jr., President Brentwood Park Condominiums, Inc. CE54 3442. Date available 06/20/2005.

900-G Martell Court Bel Air, MD. 21014 Phone: 410-638-7254

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Board of Directors: James Barry, Jr. - President Neen Buckel - Vice President Fran Welsh - Secretary Joyce Magiske - Treasure Don Schafer - Structural & Environmental Officer 5.6

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BIL

Nathan Moore Representative Conway Management Company, Inc. Management Company of Record Phone: 410-879-9655

Signature of person filing: Date of filing: Sworn to be before me this: R. Signature of Notary Public: Printed/typed name of Notary: A My Commission Expires: 04

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HARFORD COUNTY CIRCUIT COURT (Land Records) CGH 3555,

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	RULES AND REGULATIONS				
	OF BRENTWOOD PARK CONDOMINIUMS, INC.				
(tem #	As Amended, April 05, 2001				
i.	The council of unit owners of Brentwood Park Condominiums, Inc., (hereafter referred to as the council") has adopted the following Rules and Regulations (hereafter referred to as Regulations"). These REGULATIONS may be amended as provided in Article XIX, section 8 of he By-Laws.				
	nerever in these REGULATIONS there is reference to "CO-OWNERS", such term shall apply to OWNER of any condominium unit, to his tenants in residence, and to any guests, invitees, or ensees of such OWNER or tenant of such OWNER. Whenever in these REGULATIONS erence is made to the COUNCIL, such reference shall include the COUNCIL and the NAGEMENT AGENT where such authority is delegated by the COUNCIL to such magement agent.				
	The CO-OWNER shall comply with all rules and regulations hereinafter set forth governing the buildings, the corridors, balconies, lobbies, drives and driveways, recreational areas, building(s), grounds, parking area(s), and any other appurtenances and any alterations or changes in the rules and regulations which the COUNCIL, in its discretion, hereafter may adopt in accordance with the By-Laws for said building(s). The CO-OWNERS agree that all CO-OWNERS, their families, tenants, guests, invitees, and licensees will at all times observe all such rules and regulations.				
•	The BOARD of DIRECTORS may alter, amend, or modify these rules and regulations as provided in the BY-LAWS, and the CO-OWNERS agree to abide by any such alteration, amendments, or modifications.				
•	All COUNCIL charges are due and payable on the first day of each month. Payment shall be mailed to the office of the management agent to arrive on the first of each month.				
•	All garbage and trash must be placed in containers provided therefor in the common elements. CO-OWNERS are not permitted to place any containers or bags of any kind in public halls for collection.				
	Except in the recreational areas designated as such by the BOARD OF DIRECTORS, no playing or lounging shall be permitted, nor shall baby carriages, velocipedes, bicycles, playpens, wagons, toys, benches, chairs, or other articles of personal property be left unattended in public areas of the building or passageways, parking areas, courts, sidewalks, or lawns or elsewhere on the common elements.				
1	No CO-OWNER shall make or permit any disturbing noises in the Buildings or do or permit anything, which will interfere with the rights, comforts, or convenience of any other unit owners. All unit OWNERS shall keep the volume of any radio, television, musical instruments in their mits sufficiently reduced, at all times, so as not to disturb other unit OWNERS. Despite such reduced volume, no OWNER their families, tenants, guests, invitees, and licensees shall operate, or permit to be operated, any such sound-producing devices in any unit between the hours of ten (10) o'clock P.M. and the following eight (8) o'clock A.M., if the same shall annoy other occupants of the building(s).				
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HARFORD COUNTY CIRCUIT COURT (Land Records) CGH 3555, p. 0189, MSA_CE54_3442. Date available 06/20/2005. Printed 03/19/2010.

Item #	¥
9.	The use of charcoal burners is a violation of the fire prevention codes of Maryland, and will not be permitted, on balconies due to the danger of fire, as well as the smoke disturbing other CO- OWNERS.
10.	CO-OWNERS are cautioned against excessive use of soaps and other detergents, which may cause overflow of suds in their or other condominium units.
11.	No laundry, clothing, rugs or other items are to be hung on or upon the exterior of any building. No clothes-line, clothes racks or any other such device may be used to hang any such item on any balcony or window. CO-OWNERS shall not permit anything to be thrown out of windows of the premises, or down upon patios or balconies of any building, or dusting or shaking of mops, brooms or other cleaning materials out of their windows or the doors of the premises and shall not permit to be placed or hung from the outside of said windows.
12.	The planting of plants, flowers, trees, shrubbery, and crops of any type, is prohibited in the common elements of the condominium without prior written consent of the COUNCIL OF UNIT OWNERS.
13.	Solicitors or soliciting is not permitted in any common element, or in any building. Any CO- OWNER contacted by persons soliciting door to door sales shall notify the Management Company immediately, with the identity of the person or persons making the contact.
14.	All personal property placed in any portion of any building, or any place appurtenant thereto, shall be at the sole risk of the CO-OWNER, and the COUNCIL, in no event, be held liable for the loss, distraction, theft or damage to such property.
15.	All CO-OWNERS must observe and abide by all parking traffic regulations, as posted by the COUNCIL OF UNIT OWNERS and or local authorities. Vehicles parked in violation of any parking rules or regulation will be towed away at the owner's sole risk and expense.
	Parking, so as to block sidewalks or driveways, is not permitted. Each CO-OWNER expressly agrees to that, if he or she or any member of his or her family, tenants, guests, invitees, or licensees shall illegally park or abandon any vehicles referred to in this paragraph, he or she will hold the council harmless for any and all damages or losses that may ensue, and expressly waives any and all rights, notices, and resources, in connection therewith, that he or she may have under the prevision or State, County, or City laws or ordinances.
17.	The water closets and other water and sewer apparatus shall not be used for the purposes, other than the purposes for which they were designed; and no sweeping, matches, rags, ashes, or other improper articles shall be thrown therein. The cost of repairing any such damage shall be borne by the CO-OWNER, his or her family, tenants, guests, invitees, or licensees causing such damage.
18.	CO-OWNERS, their family members, or agents will not engage in any lease agreement (for the purpose of property rental) to any person or persons having pets of any kind.
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HARFORD COUNTY CIRCUIT COURT (Land Records) CGH 3555, p. 0190, MSA_CE54_3442. Date available 06/20/2005. Printed 03/19/2010.

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19.	Complaints regarding the management of this condominium and/or regarding actions of other CO-OWNERS shall be made, in writing, to the Management Company.
20.	CO-Owners shall not permit any act, or thing deemed extrahazardous on account of fire, or that will increase the rate of insurance on said premise. CO-OWNERS shall not keep any gasoline, explosives, or other highly inflammable materials in, or on said premises, or storage areas, exceptor OEM vehicular gasoline storage tanks.
21.	All persons using any of the recreational facilities do so at their own risk and sole responsibility. The COUNCIL does not assume responsibility for any accident or injury in connection with such use. CO-OWNERS covenant and agree with the COUNCIL, for and in consideration of the use of these facilities, and other good and valuable consideration, to make not claim against the COUNCIL, nor it servants, agents, and/or employees, for or on account of any loss or damage of life, limb or property sustained as a result of, or in connection with, such use of any recreational facilities. The CO-OWNERS agree to hold hamless the COUNCIL from any and all liabilities and an action, of whatsoever nature, by tenants, guests, invitees, or licensees of the CO-OWNER growing out of the use of the recreational facilities, except where such loss, injury or damage can be clearly proved to have resulted from and been proximately caused be the direct negligence of the COUNCIL, or its agents, servants, or employees in the operation, care or maintenance of these facilities.
22.	Any damage to the building, recreational areas, facilities or other common areas or equipment, caused by a CO-OWNER, his or her children, relatives, guests, tenants or pets, shall be repaired at the expense of the CO-OWNER.
23.	SUSPENSION OF RIGHTS FOR USE OF RECREATIONAL FACILITIES. In addition to all other rights which it has for non-payment of assessments, the BOARD OF DIRECTORS of the COUNCIL OF UNI OWNERS shall have the right to suspend the use by a CO-OWNER, his family, guests, tenants, of any of the recreational facilities for failure to make payment of any assessment or fees due, as provided for in the By-Laws of this condominum.
24.	If any of these Rules and Regulations contradict or conflict with any provisions of the
	condominium By-Laws, as amended, the provisions of the By-Laws shall control.
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Rules and Regulations For Brentwood Park Condominiums, Inc. 900 to 904 Martell Court Bel Air, MD. 21014

As Amended April, 05 2001

By Authopin of James C. Barry, Jr., President

8/14/2001

. Barry, Jr., President rentwood Paris Cond miniums, Ino.

900-G Martoll Court Bel Air, MD. 21014 410-638-7254

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HARFORD COUNTY CIRCUIT COURT (Land Records) CGH 3629, p. 0714, MSA_CE54_3516. Date available 06/20/2005. Printed 03/19/2010.

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Nathan Moore Representative Convay Management Company, Inc. Management Company of Record Phone: 410-879-9655

Board of Directors: Hoard of Arts occurs. James Barry, Jr. - President Noon Buckel - Vice President Fran Welsh - Score try Joyce Magistra - Treas tural & Environmental Officer Don SohaBr.

Word Signature of person filing: 200 Date of filing: Sworn to be before me this: day of ala Signature of Notary Public: ALTHON Printed/typed name of Notary: 2 ANKA My Commission Expires: Ó

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RULES AND REGULATIONS OF

BRENTWOOD PARK CONDOMINIUMS, INC.

As Amended, April 05, 2001

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HARFORD COUNTY CIRCUIT COURT (Land Records) CGH 3629, p. 0715, MSA_CE54_3516. Date available 06/20/2005. Printed 03/19/2010.

The council of unit owners of Brentwood Park Condominiums, Inc., (hereafter referred to as the "council") has adopted the following Rules and Regulations (hereafter referred to as "Regulations"). These REGULATIONS may be amended as provided in Article XIX, section 8 of the By-Laws.

Wherever in these REGULATIONS there is reference to "CO-OWNERS," such term shall apply to the OWNER of any condominium unit, to his tenants in residence, and to any guests, invitees, or licensees of such OWNER or tenant of such OWNER. Whenever in these REGULATIONS reference is made to the COUNCIL, such reference shall include the COUNCIL and the MANAGEMENT AGENT where such authority is delegated by the COUNCIL to such management agent.

The CO-OWNER shall comply with all rules and regulations hereinafter set forth governing the buildings, the corridors, balconies, lobbies, drives and driveways, recreational areas, building(s), grounds, parking area(s), and any other appurtenances and any alterations or changes in the rules and regulations which the COUNCIL, in its discretion, hereafter may adopt in accordance with the By-Laws for said building(s). The CO-OWNERS agree that all CO-OWNERS, their families, tenants, guests, invitees, and licensees will at all times observe all such rules and regulations.

The BOARD of DIRECTORS may alter, amend, or modify these rules and regulations as provided in the BY-LAWS, and the CO-OWNERS agree to abide by any such alteration, amendments, or modifications.

All COUNCIL charges are due and payable on the first day of each month. Payment shall be mailed to the office of the management agent to arrive on the first of each month.

All garbage and trash must be placed in containers provided therefor in the common elements. CO-OWNERS are not permitted to place any containers or bags of any kind in public halls for collection.

Except in the recreational areas designated as such by the BOARD OF DIRECTORS, no playing or lounging shall be permitted, nor shall baby carriages, velocipedes, bicycles, playpens, wagons, toys, benches, chairs, or other articles of personal property be left unattended in public areas of the building or passageways, parking areas, courts, sidewalks, or lawns or elsewhere on the common elements.

The use of charcoal burners is a violation of the fire prevention codes of Maryland, and they will not be permitted, on balconies due to the danger of fire. Burners in use must be kept at least 25' from any building or structure.

CO-OWNERS are cautioned against excessive use of soaps and other detergents, which may cause overflow of suds in their or other condominium units.

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RULES AND REGULATIONS OF BRENTWOOD PARK CONDOMINIUMS, INC.

No CO-OWNER shall make or permit any disturbing noises in the Buildings or do or permit anything, which will interfere with the rights, comforts, or convenience of any other unit owners. All unit OWNERS shall keep the volume of any radio, television, musical instruments in their units sufficiently reduced, at all times, so as not to disturb other unit OWNERS. Despite such reduced volume, no OWNER their families, tenants, guests, invitees, and licensees shall operate, or permit to be operated, any such sound-producing devices in any unit between the hours of ten (10) o'clock P.M. and the following eight (8) o'clock A.M., if the same shall annoy other occupants of the building(s). This shall include, and is not limited to, Clothes washers, Clothes dryers, dishwashers, and vacuum cleaners.

No laundry, clothing, rugs, or other items are to be hung on or upon the exterior of any building. No clothesline, clothes racks, or any other such device may be used to hang any such item on any balcony or window. CO-OWNERS shall not permit anything to be thrown out of windows of the premises, or down upon patios or balconies of any building, or dusting or shaking of mops, brooms or other cleaning materials out of their windows or the doors of the premises and shall not permit to be placed or hung from the outside of said windows.

12. Solicitors or soliciting is not permitted in any common element, or in any building. Any CO-OWNERS contacted by persons soliciting door to door sales shall notify the Management Company immediately, with the identity of the person or persons making the contact.

All personal property placed in any portion of any building, or any place appurtenant thereto, shall be at the sole risk of the CO-OWNER, and the COUNCIL, in no event, be held liable for the loss, distraction, theft or damage to such property.

14. All CO-OWNERS must observe and abide by all parking traffic regulations, as posted by the COUNCIL OF UNIT OWNERS and or local authorities. <u>Vehicles parked in violation of any parking rules or regulation will be towed away at the owner's sole risk and expense.</u>

Parking, so as to block sidewalks or driveways, is not permitted. Each CO-OWNER expressly agrees to that, if he or she or any member of his or her family, tenants, guests, invitees, or licensees shall illegally park or abandon any vehicles referred to in this paragraph, he or she will hold the council harmless for any and all damages or losses that may ensue, and expressly waives any and all rights, notices, and resources, in connection therewith, that he or she may have under the prevision or State, County, or City laws or ordinances.

The guide marks/lines will be used to center a vehicle in a parking space. CO-OWNERS shall encourage both family members and guest to obey this and all parking regulations. CO-OWNERS shall insure that all guests are parked in the guest parking areas only. <u>Any vehicle</u> <u>illegally parked is subject to having the vehicle removed (without notice) at the owner's</u> <u>expense and risk.</u>

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RULES AND REGULATIONS OF

BRENTWOOD PARK CONDOMINIUMS, INC.

17. The water closets and other water and sewer apparatus shall not be used for purposes other than then purposes for which they were designed, no sweepings, matches, rags, ashes, or other improper articles shall be thrown therein. The cost of repairing any such damage shall be borne by the CO-OWNER, his or her family, tenants, guests, invitees, or licensees causing such damage.

- 18. CO-OWNERS, their family members, or agents will not engage in any lease agreement (for the purpose of property rental) to any person or persons having pets of any kind.
- 19. Complaints regarding the management of this condominium and/or regarding actions of other CO-OWNERS shall be made, in writing, to the Management Company.
- 20. CO-Owners shall not permit any act or thing deemed extra-hazardous due to fire, or that will increase the rate of insurance on said premise. CO-OWNERS shall not keep any gasoline, kerosene, fireworks, explosives, paints, pain thinners, propane tanks (for barbecue grills) or other highly inflammable materials in, or on said premises, or storage areas, furnace rooms, patios, balcony, or any limited or general common areas, except for OEM vehicular gasoline storage tanks.
- 21. All persons using any of the recreational facilities do so at their own risk and sole responsibility. The COUNCIL does not assume responsibility for any accident or injury in connection with such use. CO-OWNERS covenant and agree with the COUNCIL, for and in consideration of the use of these facilities, and other good and valuable consideration, to make not claim against the COUNCIL, nor it servants, agents, and/or employees, for or on account of any loss or damage of life, limb or property sustained as a result of, or in connection with, such use of any recreational facilities. The CO-OWNERS agree to hold harmless the COUNCIL from any and all liabilities and any action, of whatsoever nature, by tenants, guests, invitees, or licensees of the CO-OWNER growing out of the use of the recreational facilities, except where such loss, injury or damage can be clearly proved to have resulted from and been proximately caused be the direct negligence of the COUNCIL, or its agents, servants, or employees in the operation, care or maintenance of these facilities.
- 22. Any damage to the building, recreational areas, facilities or other common areas or equipment, caused by a CO-OWNER, his or her children, relatives, guests, tenants or pets, shall be repaired at the expense of the CO-OWNER.
- 23. Areas of the parking lot that are designated "NO PARKING" shall be complied with. This includes areas posted by signage, and/or curb markings. <u>Vehicles in violation are subject to removal (without notice) at owner expense and risk.</u>
- 24. <u>SUSPENSION OF RIGHTS FOR USE OF RECREATIONAL FACILITIES.</u> In addition to all other rights which it has for non-payment of assessments, the BOARD OF DIRECTORS of the COUNCIL OF UNIT OWNERS shall have the right to suspend the use by a CO-OWNER, his family, guests, tenants, of any of the recreational facilities for failure to make payment of any assessment or fees due, as provided for in the by-laws of this condominium.

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RULES AND REGULATIONS

OF BRENTWOOD PARK CONDOMINIUMS, INC.

- 25. Window draperies, curtains, and all window dressing shall have linings that are white, off white so as to present an aesthetically pleasing appearance when viewed from the outside.
- 26. Window mounted fans and air conditioners are prohibited.
- 27. Wading pools, sandboxes, swing sets, or the like are not permitted in any of the common areas.
- 28. Waterbeds are not permitted in any second or third floor unit. They are however permitted on the first Floor. All second and third floor units will be provided with wall to wall carpeting with the exception of Kitchen, foyer, or bathroom.
- 29. Any one moving into a unit, or receiving large items in cardboard boxes, shall crush said boxes before placing the in the containers provided for use by all CO-OWNERS. Under no circumstances, will any materials, boxes or otherwise, be left outside of the containers or dumpsters.
- 30. Disposal of cigarettes, cigars, or any tobacco product, or the littering of common areas, flowerbeds, Parking areas, hallways, etc, is prohibited.
- 31. Signs of any type shall not be posted, erected, or displayed upon, in, from or about any condominium unit or limited or common elements, provided, however, that one temporary real estate sign of customary and reasonable demotions may be displayed upon, in, or from any condominium unit placed on the market for sale or rent. (Time limit of 120 days from first posting) With the exception of the American flag, nothing shall be projected or displayed from any window, patio or balcony of any unit.
- 32. Structures of a temporary nature, trailers, tents, outbuildings, barns or the like, shall not be erected or maintained on any limited or general common element at any time.
- 33. Planting of plants, trees, flowers, shrubbery, and crops of any type, on common elements, are prohibited, except with the written permission of the Board of Directors. Persons, or committees appointed to over see said processes, will be deemed to have such permission.
- 35. Except in common areas designated by the Board of Directors, no playing or lounging shall be permitted, nor shall baby carriages, velocipedes, bicycles, playpens, wagons, toys, benches, chairs be left unattended on any common element such as but not limited to parking areas, lawns, hallways or passageways etc.
- 35. Bikes, skateboards, skates, or scooters shall not be ridden on any lawn or grassy area, sidewalk, passageway, roadway, or parking area.
- 36. Commercial vehicles (with the exception of maintenance vehicles) may not be parked in any limited or general common element. Vehicles used for the purposes of moving shall not be parked on any lawn area or sidewalk. Motor homes, boats and boat trailers, unlicensed vehicles, or trailers of any type shall not be parked or stored on any common element. <u>Vehicles illegally parked will be removed (without notice) at owner expense and risk.</u>
- 37. Vehicle repairs of any type (except for tire changing, or the use of battery jumper cables.) are prohibited.

38. Washing of any motor vehicle in or on any limited or general common element is prohibited.

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	Schedule 1
•	RULES AND REGULATIONS
	<u>OF</u> BRENTWOOD PARK CONDOMINIUMS, INC.
39.	
JJ.	Motorcycles, motor scooters, motorbikes, mopeds, or other motor vehicles shall not be parked or stored, in or on any limited or general common element, patio or hallway, with the exception of designated parking areas.
1 0.	All pets shall be registered with the Board of Directors.
41.	Dogs shall be kept under leash at all times when outside of the unit, and shall be curbed away from buildings, lawn areas and/or flowerbeds. Animal feces shall be picked up, bagged and placed in the trash dumpsters. Unit CO-OWNERS shall not allow their pets to relieve themselves on any limited or general common element. Pet owners will be held responsible for any and all damages caused by their pets to limited or common elements. Unit CO-OWNERS will be held responsible for the behavior of their pets <u>including excessive barking</u> . Pets shall not be left unattended, on any common element, patio, or balcony. The use of stakes to tie off a pet on any limited or general common is prohibited. Only dogs, cats, small domestic birds and fish will be permitted to be kept within a unit. No household pet shall be retained after notice from the BOARD OF DIRECTORS to remove a pet for a reasonable cause has been issued. No such notice will be issued without a hearing before the BOARD OF DIRECTORS.
12.	The board of Directors has adopted a penalty procedure that allows the board to assess a fifty (\$50.00) dollar penalty to any CO-OWNER for each and every infraction of the above listed rules and regulations. The procedures are as follows:
	 The CO-OWNER will be given written notice of the infraction, and will be provide ample time for it's correction.
	2) If the correction is not made within the specified time, the CO-OWNER will be given written notice the date and time to appear before the board, and provide the reason the correction was
	not made. If the correction is not made, a penalty of \$50.00 a day will be assessed for each day pasted the specified correction date.
EACH REOL	 a) If the Board of Directors then feels a penalty assessment is warranted, the owner will be notified in writing and the assessment will be added to the monthly condo fee payment. Non-payment will result in late charges being assessed. (OF THE ABOVE RULES AND REGULATIONS HAS BEEN ADPOTED UNDER THE SAME ADDRESS ADDR
wyu	 a) If the Board of Directors then feels a penalty assessment is warranted, the owner will be notified in writing and the assessment will be added to the monthly condo fee payment. Non-payment will result in late charges being assessed.
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HARFORD COUNTY CIRCUIT COURT (Land Records) CGH 3629, p. 0719, MSA_CE54_3516. Date available 06/20/2005. Printed 03/19/2010.

Schedule 1

House Rules and Regulations For Grentwood Park Condominiums, Inc. As Amended May of 2002

By Authority of the Board of Directors:

James Barry, Jr., - President Francis Vittek - Vice President Fran Welsh - Secretary Neen Buckel - Treasure

James C. Barry, Jr., President Brentwood Park Condominiums, Inc. 900-G Martell Court Bel Air, MD. 21014 Phone: 410-638-7254

Management Company Representative Conway Management Company, Inc. Management Company of Record Phone: 410-879-9655

Date: 4/2/8 2
 Date: //2/8

Date:

Signature of person filing:	will ARay	
Date of filing:4/26 lo z		
Sworn to be before me this:	26th day of cril 2002	الله معند، م ^ر عمور معند
Signature of Notary Public:		
	AUTHER CONWAY	
My Commission Expires:	4/1/04	

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HOUSE RULES AND REGULATIONS OF BRENTWOOD PARK CONDOMINIUMS, INC.

As Amended, May 2002

- 1. The council of unit owners of Brentwood Park Condominiums, Inc., (hereafter referred to as the "council") has adopted the following Rules and Regulations (hereafter referred to as "Regulations"). These REGULATIONS may be amended as provided in Article XIX, section VIII of the By-Laws.
- 2. Wherever in these REGULATIONS there is reference to "CO-OWNERS," such term shall apply to the OWNER of any condominium unit, to his tenants in residence, and to any guests, invitees, or licensees of such OWNER or tenant of such OWNER. Whenever in these REGULATIONS reference is made to the COUNCIL, such reference shall include the COUNCIL and the MANAGEMENT AGENT where such authority is delegated by the COUNCIL to such management agent.
- 3. CO-OWNERS shall comply with all rules and regulations hereinafter set forth governing the buildings, the corridors, balconies, lobbies, drives and driveways, recreational areas, building(s), grounds, parking area(s), and any other appurtenances and any alterations or changes in the rules and regulations which the COUNCIL, in its discretion, hereafter may adopt in accordance with the By-Laws for said building(s). The CO-OWNERS agree that all CO-OWNERS, their families, tenants, guests, invitees, and licensees will at all times observe all such rules and regulations.
- 4. The BOARD of DIRECTORS may alter, amend, or modify these rules and regulations as provided Article XIX, section VIII of the BY-LAWS, and the CO-OWNERS agree to abide by any such alteration, amendments, or modifications.
- 5. All COUNCIL charges are due and payable on the first day of each month. Payment shall be mailed to the office of the management agent to arrive on the first of each month.
- 6. All garbage and trash must be placed in containers provided therefor in the common elements. CO-OWNERS are not permitted to place any containers or bags of any kind in public halls for collection.
- 7. Storage shall not be permitted in passageways, parking areas, courts, sidewalks, lawns, or on any common or limited common elements of Baby carriages, velocipedes, bicycles, playpens, wagons, toys, benches, chairs, firewood, or other articles of personal property. Storage sheds shall be used for storage of bicycles and lawn care items only. Storage rooms shall not be locked.
- 8. The use of charcoal burners is a violation of the fire prevention codes of Maryland, and they are not permitted on any balcony or patio due to the danger of fire. Burners in use will be kept at least 25' feet from any building or structure. Violation of this rule can result in more severe penalties being imposed!
- 9. CO-OWNERS are cautioned against excessive use of soap, detergents or cleaning agents that may cause overflow of suds in their condominium units.

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Schedule 1

HOUSE RULES AND REGULATIONS OF BRENTWOOD PARK CONDOMINIUMS, INC.

- 10. No CO-OWNER shall make or permit any disturbing noises or permit anything, which will interfere with the rights, comforts, or convenience of any other unit owners. All unit OWNERS shall keep the volume of any radio, television, musical instruments in their units sufficiently reduced, at all times, so as not to disturb other unit OWNERS. Clothes washers, dish washers, vacuums, and like equipment shall not be used between the hours of 11 PM and 8 AM.
- 11. No laundry, clothing, rugs, or like items are to be hung on or upon the exterior of any building. No clothesline, clothes racks, or any other such device may be used to hang clothing on any patio, balcony, or from any window. CO-OWNERS shall not permit anything to be thrown out of any window, or down upon patios or balconies of any unit. Dusting or shaking of mops, brooms, or other cleaning devices out of the windows, doors or from the deck of the premises shall not be permitted.
- **12.** Solicitors or soliciting is not permitted in any common element or limited common of any building.
- 13. All personal property placed in any portion of any building, or any place appurtenant thereto, shall be at the sole risk of the CO-OWNER, and the COUNCIL in no event will be held liable for the loss, destruction, theft or damage to such property.
- 14. All CO-OWNERS must observe and abide by all parking traffic regulations, as posted by the COUNCIL OF UNIT OWNERS and or local authorities.
- 15. Parking so as to block dumpsters, sidewalks, driveways, or any parking area is prohibited. Each CO-OWNER expressly agrees that if he or she or any member of his or her family, tenants, guests, invitees, or licensees shall illegally park or abandon any vehicles referred to in this paragraph, <u>he or she will hold the council harmless for any and all damages or losses that</u> <u>may ensue, and expressly waives any and all rights, notices, and resources, in connection</u> <u>therewith, that he or she may have under the prevision or State, County, or City laws or</u> <u>ordinances. Vehicles parked in violation of any parking rule or regulation will be towed</u> (WITHOUT NOTICE) at the owner's risk and expense.
- 16. CO-OWNERS shall direct both family members and guest to obey these and all parking regulations. <u>CO-OWNERS shall insure that all guests are parked in the guest parking areas only.</u> The guide marks/lines will be used to center a vehicle in a parking space. Areas of the parking lot that are designated "NO PARKING" shall be complied with. This includes areas posted by signs, and/or curb markings. COMMERCIAL VEHICLES (with the exception of maintenance and moving vehicles) shall not be parked in any limited or general common element. Vehicles used for the purposes of moving shall not be parked on any lawn area or sidewalk. Motor homes, boats and boat trailers, unlicensed vehicles, or trailers of any type shall not be parked or stored on any common or limited common element.

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Schedule 1

HOUSE RULES AND REGULATIONS OF BRENTWOOD PARK CONDOMINIUMS, INC.

- 17. The water closets and other water and sewer apparatus shall not be used for purposes other than then purposes for which they were designed, no sweepings, matches, rags, ashes, or other improper articles shall be thrown therein. The cost of repairing any damage shall be borne by the CO-OWNER, his or her family, tenants, guests, invitees, or licensees causing such damage.
- 18. Complaints regarding the management of this condominium and/or regarding actions of other CO-OWNERS shall be made, in writing, to the Management Company.
- 19. CO-Owners shall not permit any act or thing deemed extra-hazardous due to fire, or that will increase the rate of insurance on said premise. CO-OWNERS shall not keep any gasoline, kerosene, fireworks, explosives, paints, pain thinners, propane tanks or any highly inflammable materials in or on said premises, storage areas, patios, balcony, or any limited or general common areas. The fuel tanks of motor vehicles in the parking lot and not covered by this rule. <u>Violation of this rule can result in more severe penalties being imposed!</u>
- 20. All persons using any of the recreational facilities do so at their own risk and sole responsibility. The COUNCIL does not assume responsibility for any accident or injury in connection with such use. CO-OWNERS covenant and agree with the COUNCIL, for and in consideration of the use of these facilities, and other good and valuable consideration, to make not claim against the COUNCIL, nor it servants, agents, and/or employees, for or on account of any loss or damage of life, limb or property sustained as a result of, or in connection with, such use of any recreational facilities. Except in the recreational areas designated as such by the BOARD OF DIRECTORS, no playing or lounging shall be permitted.
- 21. The CO-OWNERS agree to hold harmless the COUNCIL from any and all liabilities and any action, of whatsoever nature, by tenants, guests, invitees, or licensees of the CO-OWNER growing out of the use of the recreational facilities, except where such loss, injury or damage can be clearly proved to have resulted from and been proximately caused be the direct negligence of the COUNCIL, or its agents, servants, or employees in the operation, care or maintenance of these facilities.
- 22. <u>Any damage to buildings, recreational areas, facilities, common or limited common elements,</u> flowerbeds, lawn areas, or equipment caused by a CO-OWNER, his or her children, relatives, guests, tenants or pets, shall be repaired at the sole expense of the CO-OWNER of the unit causing said damage.
- 23. <u>SUSPENSION OF RIGHTS FOR USE OF RECREATIONAL FACILITIES.</u> In addition to all other rights which it has for non-payment of assessments, the BOARD OF DIRECTORS of the COUNCIL OF UNIT OWNERS shall have the right to suspend the use by a CO-OWNER, his family, guests, tenants, of any of the recreational facilities for failure to make payment of any assessment or fees due, as provided for in the by-laws of this condominium.

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HOUSE RULES AND REGULATIONS <u>OF</u> BRENTWOOD PARK CONDOMINIUMS, INC.

- 24. Window draperies, curtains, and all window dressing shall have linings that are white, off white so as to present an aesthetically pleasing appearance when viewed from the outside.
- 25. Window mounted fans and air conditioners are prohibited.
- 26. Wading pools, sandboxes, swing sets, or the like are not permitted in any of the common or limited common areas.
- 27. Do to structural failure; waterbeds are not permitted in any second or third floor units. They are however permitted in first Floor units. All second and third floor units will be provided with wall to wall carpeting with the exception of Kitchen, foyer, or bathroom. <u>Violation of the first part of this rule can result in more severe penalties being imposed!</u>
- 28. Any one moving into a unit, or receiving large items in cardboard boxes, shall crush said boxes before placing the in the containers provided for use by all CO-OWNERS. Under no circumstances, will any materials, boxes be left outside of the containers or dumpsters.
- 29. Disposal of cigarettes, cigars, or any tobacco product, in flowerbeds or on/in any common element or limited common element is prohibited. <u>Violation of the first part of this rule can result in more</u> <u>sever penalties being imposed</u>. Littering of common and limited common elements, parking areas, hallways, flowerbeds, and lawn areas is prohibited.
- 30. Signs of any type shall not be posted, erected, or displayed upon, in, from or about any condominium unit, limited common element and/or common element, provided, however, that one temporary real estate sign of customary and reasonable demotions may be displayed in the window of any condominium unit placed on the market for sale. (A time limit of 120 days from first posting will be imposed) With the exception of the American Flag and/or Holiday Decorations, nothing shall be projected or displayed from any window, patio, or balcony of any unit.
- 31. Structures of a temporary nature, trailers, tents, outbuildings, barns or the like, shall not be erected or maintained on any limited or general common element at any time. A party canopy may be erected for a one day period with written permission from the Board.
- 32. Planting of plants, trees, flowers, shrubbery, and crops of any type, on common elements, are prohibited, except with the written permission of the Board of Directors. Persons, or committees appointed to over see said processes, will be deemed to have such permission.
- 33. Bikes, skateboards, skates, or scooters shall not be ridden on any lawn or grassy area, sidewalk, passageway, roadway, or parking area.
- 34. Vehicle repairs of any type (except for tire changing, or the use of battery jumper cables.) are prohibited. Washing of any type of motor vehicle in or on any limited or common element is prohibited.

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HOUSE RULES AND REGULATIONS <u>OF</u> BRENTWOOD PARK CONDOMINIUMS, INC.

- 35. Motorcycles, motor scooters, motorbikes, mopeds, or other motor vehicles shall not be parked or stored, in any limited or general common element, patio or hallway, with the exception of the designated parking area. (PARKING LOT)
- 36. Balconies and/or patios shall not be used for storage of any materials (except firewood). All firewood shall be stored on/in a metal rack on Balconies and/or Patios only. Firewood shall not be stored in/on any common or limited common element including storage sheds. The height of the wood shall be no less then 12" inches from the surface of any patio or balcony deck. The amount of firewood shall be limited to ¼ cord or less, and may not be stored between the months of April, 1 and October, 1 of each calendar year. All wood must be stacked neatly. All wood stored on upper levels shall be protected from falling, or creating a hazard to unit owners on lower levels.
- 37. To prevent chimney fires, all chimneys shall be cleaned and inspected every year. A written copy of the inspection and cleaning shall be provided to the Management Company for each year the fireplace is used. If the unit owner does not plan to use the unit's fireplace, he or she will provide the Management Company with written and signed documentation stating the unit's fireplace will not be used. Only natural hardwoods shall be used in fireplaces, man made fireplace logs shall not be used! (They cause chimneys to become clogged resulting in chimney fires.) Violation of this rule can result in more severe penalties being imposed!
- 38. All plants kept on Balconies shall be in planter boxes or pots that are provided with a tray to prevent water from leaking water on the unit below. All plants shall be placed on the deck, or plant stands and secured against falling. Planter boxes and/or pots shall not be placed on top of balcony railings. Hanging pots will be at least 18" from the edge of balcony decks. Bird feeders on balcony or patios are prohibited.
- 39. All pets shall be registered with the Board of Directors. * Effective May 1, 2002 all dogs will be limited to a full-grown body weight of thirty (30) pounds or less. * Effective May 1, 2002 each unit will be limited to 1 dog, or 3 cats. Dogs shall be kept under leash at all times when outside of the unit, and shall be curbed away from buildings, limited or general common elements, lawn areas, flowerbeds, and at the street side of the property only! Animal feces shall be picked up, bagged, and placed in the trash dumpsters.
- 40. CO-OWNERS, their family members, or agents shall not engage in any lease agreement (for the purpose of property rental) with any person or persons having pets of any kind.
- 41. CO-OWNERS shall not allow their pets to relieve themselves on any limited or general common element. <u>Pet owners will be held responsible for all damages caused by their pets to limited or common elements.</u> Unit CO-OWNERS will be held responsible for the behavior of their pets <u>including excessive barking</u>. Pets shall not be left unattended, on any common element, patio, or balcony. The use of stakes to tie off a pet on any limited or general common is prohibited. Only dogs, cats, small domestic birds, and fish will be permitted to be kept within a unit. <u>No household pet shall be retained after notice from the BOARD OF DIRECTORS to remove a pet for a reasonable cause has been issued</u>. No such notice will be issued without a hearing before the BOARD OF DIRECTORS.

This does not apply to any dogs or cats living in units prior to May 1, 2002.

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HOUSE RULES AND REGULATIONS OF BRENTWOOD PARK CONDOMINIUMS, INC.

42. The board of Directors has adopted a penalty procedure that allows the board to assess a fifty (\$50.00) dollar penalty to any CO-OWNER for each and every infraction of the above listed rules and regulations. The procedures are as follows:

1) The CO-OWNER will be given written notice of the infraction, and will be provide ample time for it's correction.

2) If the correction is not made within the specified time, the CO-OWNER will be given written notice the date and time to appear before the board, and provide the reason the correction was not made. If the correction is not made, a penalty of \$50.00 a day will be assessed for each day past the specified correction date.

3) If the Board of Directors then feels a penalty assessment is warranted, the owner will be notified in writing, and the assessment will be added to the monthly condo fee payment. Non-payment will result in late charges being assessed.

PLEASE NOTE:

4) a) If a rule violation can cause, or will result in loss of life or property, the assessed penalty can be up to \$1000.00 dollars for each infraction, and

b) All life safety code violations will be reported to the proper authorities.

EACH OF THE ABOVE RULES AND REGULATIONS HAS BEEN ADPOTED UNDER THE REQUIREMENTS OF SECTION VIII OF THE BY-LAWS, AND SECTION 11-111 OF THE MARYLAND CONDOMINIUM ACT.

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LAFORD COUNTY CIRCUIT COURT (Subdivision Plats, HA) Condominium Book CGH III 3. pp. 55-54, IASAE_3579, Date available 1989/1/12, Primled 01/15/2017,



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RESERVE FUND STUDY

BRENTWOOD PARK CONDOMINIUM BEL AIR, MARYLAND

Prepared for: Aspen Property Management and Brentwood Park Condominium Association

Prepared by:

CRITERIUM-HARBOR ENGINEERS PO Box 408 STEVENSON, MARYLAND 21153 410-363-4659 WWW.CRITERIUM-HARBOR.COM



NOVEMBER 22, 2013

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1.0 INTRODUCTION

Aspen Property Management authorized Criterium-Harbor Engineers to conduct a Building Evaluation and Reserve Fund Study for the Brentwood Park Condominium Association (the Association), located in Bel Air, Maryland. Studies of this nature are important to ensure that a community has sufficient funds for long-term, periodic capital expenditure requirements. Anticipating large expenditures over an extended period of time through a structured analysis and scheduling process assists the Association in meeting financial requirements without increasing the service fees above permitted maximums, borrowing the funds, or levying special financial assessments to the owners.

Typically, a community association has two broad cash requirements: the general operating reserves and the capital repair and replacement reserves. In this report, we will focus on those items falling under the capital repair and replacement reserve criteria. We have projected a capital repair and replacement reserve for thirty (30) years. The first ten years are the most reliable. Such a study should be updated every three to five years.

This report is structured to analyze components of the community for which the Association is responsible and to assess an expected useful life and remaining useful life to those components. The anticipated scheduled repair or replacement of the component and the anticipated expense for the activity are then analyzed in conjunction with the current capital reserves funding program for the community. Funding program recommendations are made with the objective of limiting substantial cash excesses while minimizing financial burdens that can result from significant cash inadequacies.

This report is intended to be used as a tool to determine reserve fund allocation requirements for the community, to manage future Association obligations, and to inform the community of future financial needs in general.

The report that follows has been prepared from the perspective of what an owner of this property would benefit from knowing. Some items, beyond those of immediate concern, may be discussed. Therefore, the report should be read in its entirety in order to fully understand all of the information that has been obtained.

Brentwood Park Condominium Bel Air, Maryland Page 1



2.0 EXECUTIVE SUMMARY

Brentwood Park Condominium consists of three, three-story buildings with a total of 36 individual condominium units. The buildings were constructed in approximately 1992.

The Association is generally responsible for the repair and/or replacement of the private parking area, building structures, exterior finishes, common mechanical systems, site features and common amenities. The unit owners are responsible for replacement of exterior windows and doors.

We consider the buildings and grounds to be in average condition when compared to others of similar age and construction type. Various components will require repair and replacement however over the years. This work should be planned and prioritized in conjunction with the reserve analysis.

Based on our evaluation, the current level of reserve funding for this community is not sufficient and significant increases will be required. We have prepared two alternatives as representative methods to increase the reserve levels in order to meet these anticipated future shortfalls. A more detailed analysis of the reserve fund has been provided in Appendix A.

For your convenience, we have prepared the following summary of the condition of the major systems of the property. For a detailed discussion of all of our findings of this study, refer to the appropriate sections of this report.

SYSTEM	CONDITION	ACTIVITY REQUIRED	FPFOIIENCY
SITE Storm Drainage Paving and Curbing Flatwork Landscaping & Appurtenances BUILDING EXTERIOR Structure Exterior Roofing Balconies BUILDING INTERIORS Common Breezeways MECHANICAL SYSTEMS Fire Pumps Fire Alarm Panels COMMION AMENITIES N/A	G-F G G G G G G G G	Repairs at Area Drains / Extend Downspouts Seal Coat / Resurface Incremental Replacements Replace Various Components No Deficiencies Replace Aluminum Siding Replace Surfaces Replace Deck Surface Boards / Alum. Railings Replace Stairs / Paint Ceilings & Stain Wood Replace Pump and Valves Replace	Current Every 5 / 20 Years Periodic Varies See Worksheet 35 Years 25 Years Every 25 / 35 Yrs Every 35 / 7 Yrs. 20 Years 20 Years

Brentwood Park Condominium Bel Air, Maryland Page 2



3.0 PURPOSE & SCOPE

3.1 Purpose

3.2 Scope

Brentwood Park Condominium Bel Air, Maryland Page 3

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The purpose of this study is to perform a reserve fund analysis and to determine a capital needs plan. It is intended to be used as a tool for the Association in determining the allocation requirements into the reserve fund in order to meet future anticipated capital expenditures for the community.

This report forecasts obligations for the community thirty years into the future. It should be noted that events might occur that could have an effect on the underlying component or system useful life assumptions used in this study. Likewise, inevitable market fluctuations can have an impact on component or system replacement and repair costs. Therefore, a study such as this should be updated from time to time, usually on a three to five-year cycle, in order to reflect the most accurate needs and obligations of the community.

This study has been performed according to the scope as generally defined by the Association, Criterium-Harbor Engineers, and the standards of the Community Associations Institute (CAI). The findings and recommendations are based on interviews with individuals who have knowledge about the property; a review of available documentation; and a visual investigation of the building components, equipment and grounds.

This study estimates the funding levels required for maintaining the long term viability of the community. Our approach involves:

- 1. Visual inspection of the building components, equipment and grounds which are the responsibility of the Association.
- 2. Predicting their remaining service life and, approximating how frequently they may require repair or replacement.
- 3. Estimating the repair or replacement costs, in current dollars, for each capital item.
- 4. Using data developed in Steps 1, 2 and 3 to project Capital Reserve balances for the next 30 years.

The guidelines used to determine which physical components within the community are to be included in the component inventory are based on the following general criteria:

- 1. The component must be a common element, or otherwise noted to be the responsibility or the Association to replace.
- 2. The component must have an estimated remaining useful life of thirty years or less. As the site ages, additional components may need to be added.



- 3. The funding for replacement should be from one source only, not funded from another area of the budget or through a maintenance contract.
- 4. The cost of replacement should be high enough to make it financially unsound to fund it from the operating budget. (Typically at least \$3,000)
- 5. Items such as periodic painting or landscape maintenance are generally not considered as capital expenditures by the IRS. For Association budgeting purposes however we may include some large, non-annual maintenance items in the Reserve Table. You should consult with your Accountant to verify the proper treatment of all components listed in this study for tax purposes. (Capital vs. Expense)

The statements in this report are opinions about the present condition of the subject community. They are based on visual evidence available during a diligent investigation of all reasonably accessible areas falling under the responsibility of the Association. We did not remove any surface materials, perform any destructive testing, or move any furnishings. This study is not an exhaustive technical evaluation. Such an evaluation would entail a significantly larger scope than this effort. For additional limitations refer to the Limitations Section at the end of this report.

Onsite inspection of the property occurred on:

September 11, 2013

The following people were interviewed during our study:

Mr. Joe Cline, Property Manager

The following documents were made available to us and reviewed:..

• Proposals for roof surface and siding replacements by C & C Roofing, dated September 30, 2013.

We based our cost estimates on some or all of the following:

- R.S. Means
- Our data files on similar projects

3.3 Sources of Information

Brentwood Park Condominium Bel Air, Maryland Page 4



3.4 Standards of Reference

For your reference, the following definitions may be helpful:

Average: Average compares the item to what is typical for construction in the geographic area in which the inspection occurs. It also compares it to buildings of similar age and construction type. Since construction practices vary from region to region, average is intended to be region specific.

Excellent: Component or system is in "as new" condition, requiring no rehabilitation and should perform in accordance with expected performance.

Good: Component or system is sound and performing its function, although it may show signs of normal wear and tear. Some minor rehabilitation work may be required.

Fair: Component or system falls into one or more of the following categories: a) Evidence of previous repairs not in compliance with commonly accepted practice, b) Workmanship not in compliance with commonly accepted standards, c) Component or system is obsolete, d) Component or system approaching end of expected performance. Repair or replacement is required to prevent further deterioration or to prolong expected life.

Poor: Component or system has either failed or cannot be relied upon to continue performing its original function as a result of having exceeded its expected performance, excessive deferred maintenance, or state of disrepair. Present condition could contribute to or cause the deterioration of other adjoining elements or systems. Repair or replacement is required.

Adequate: A component or system is of a capacity that is defined as enough for what is required, sufficient, suitable, and/or conforms to standard construction practices.

Repair/Replacement Reserves - Non-annual maintenance items that will require significant expenditure over the life of the buildings. Included are items that will reach the end of their estimated useful life during the course of this forecast, or, in the opinion of the investigator, will require attention during that time.

EUL - Expected Useful Life of a component

RUL - Remaining Useful Life of a component

All directions (left, right, rear, etc.), when used, are taken from the viewpoint of an observer standing in front of a building and facing it.

Brentwood Park Condominium Bel Air, Maryland Page 5



4.0 DESCRIPTION

5.0 SITE IMPROVEMENTS

5.1 Storm Drainage

Description

Evaluation & Recommendations

Brentwood Park Condominium Bel Air, Maryland Page 6 Brentwood Park Condominium consists of three, three-story buildings with a total of 36 individual condominium units. The buildings were constructed in approximately 1992. The community has one entrance from Brentwood Park Drive with a private drive aisle and surface parking provided in front of the buildings. There are no common amenities.

Each building has a common breezeway located in the center of the building, with exterior stairways for access to the individual condominium units. Two of the buildings are contiguous (900 & 902). Building 904 is a separate structure. There are four units on each floor of each building. The ground floor units have exterior patios and the upper floor units have exterior wood decks.

The exteriors of the buildings are primarily finished with aluminum siding. The roofs are pitched configurations, surfaced with asphalt/fiberglass shingles. The buildings are provided with municipal water and sewer services. Individual electric service is provided to each condominium unit and to the common areas of each building. The buildings are completely protected by a fire sprinkler system.

It is our understanding that the Association is generally responsible for repair and/or replacement of; the private parking area, building structures, exterior finishes (including the patios and decks), common mechanical systems and site features. The individual unit owners are responsible for the interior components of their units, as well as exterior windows and doors and the individual HVAC systems.

The site generally slopes downward from east to west, or from building 900 to 904. Stormwater from the building roofs is drained via external gutters and downspouts. The downspouts generally discharge at grade level. The parking lot slopes to area drains located within the asphalt pavement. There are three area drains consisting of metal grates laid over precast concrete eatch basins. The catch basins connect via underground stormwater piping to municipal storm water management systems.

We observed some areas of erosion at the discharges of some of the downspouts. Mr. Cline reported a plan to extend the downspouts below grade, away from the buildings and provide "pop-up" discharges. We have included a cost estimate for this work in the reserve tables.

The area around all three of the area drains located in the parking lot has settled significantly causing unevenness in the pavement and sidewalks. This may be the result of insufficient compaction of the soil in these areas at the time of construction, and/or leakage of the stormwater catch basins. Restoration work at all three drains will be required. We have included a cost estimate for work in this regard in the reserve tables.



5.2 Paving and Curbing

Description

Evaluation & Recommendations

5.3 Flatwork

Description

Evaluation & Recommendations

Brentwood Park Condominium Bel Air, Maryland Page 7 Martell Court is a private roadway located in front of the buildings, with a single entrance from Brentwood Park Drive. Martell Court includes a center drive aisle with a total of 74 perpendicular parking stalls located along either side. A concrete curb and gutter detail is provided at the perimeter of the asphalt pavement.

The asphalt pavement is generally in good condition with evidence of wear and some cracking. The cracking is primarily located along the paving seams. We also observed some alligator cracking beginning to develop throughout the pavement.

We noted some previous patching next to the stormwater drains as discussed in the previous section. In addition, we observed some patches to fill wheel depressions located in front of the trash dumpsters. This is a typical area of concern and the Association should give some consideration to providing concrete pavement directly in front of the trash dumpsters.

The asphalt pavement is the original surface, which is now over 20 years old. Although the pavement has held up well thus far, eventual resurfacing should be anticipated within the next few years. If resurfacing is deferred for too long, the cost of such work will increase due to possible deterioration of subsurface layers in addition to the surface asphalt.

As part of normal maintenance for the asphalt pavement, we recommend the application of an oil resistant sealant to all asphalt paved surfaces on a five-year cycle. Coincident with this work re-striping should be accomplished, all cracks should be properly sealed and any potholes filled. We have included a periodic cost in the reserve table for this work.

Concrete curbing has an EUL of 50 years or more, although its replacement typically occurs in small increments as required. We recommend that you plan for some periodic replacements over the years. Our assumptions in this regard are included in the Reserve Table.

Flatwork on this site includes concrete paved sidewalks, which run in front of the condominium buildings and to the common breezeways located in the center of each building. The breezeways are also paved with concrete. An area of concrete pavers is provided in front of the building 902.

Concrete pavement is also provided as pads for the two trash dumpsters and the cluster mailboxes located at the community entrance. Each ground floor condominium unit has a concrete paved patio.

The concrete sidewalks are currently in good condition. With the exception of the areas around the storm drains (discussed in the Stormwater Section), we did not observe any other areas of significant settlement, or cracking. It appears that some sections have been repaired and/or replaced over the years, which is to be expected.



We observed some settlement and cracking at the rear of one of the breezeways. We also observed some significant cracking in the cluster mailbox pad. These cracks should be sealed as part of ongoing maintenance to slow or prevent further deterioration. At some point in time, the sections may require replacement.

Concrete flatwork has an EUL of 50 years or more, although its replacement typically occurs in small increments as required. We recommend that you plan for some periodic replacements over the years. Our assumptions in this regard are included in the reserve tables.

The concrete patios are currently in good condition. Although we do not anticipate replacement of very many patios over the years, we recommend that the Association maintain a contingency for a few replacements and we have included an estimated cost in the reserve tables.

Landscaping at this site consists of grass lawns with mature trees and some shrubbery placed at the perimeters of the buildings. There is also shrubbery and some seasonal plantings at the property entrance and at the main property signage.

There are some small wood timber landscape walls in front of the buildings. Wood timbers are also used as edging on the side elevations of the buildings.

The community is identified with a small monument sign located along Brentwood Park Drive. The sign is a carved wood board suspended between two brick piers.

Exterior lighting is provided by high-intensity discharge fixtures, mounted on fiberglass poles, located along Martell Court. Small surface-mounted, fixtures are provided throughout the breezeways and other locations on the exteriors of the buildings.

Two trash dumpsters are provided, one located at either end of Martell Court. The dumpsters are placed on concrete pads and semi-enclosed with wood, board-on-board fencing.

The landscaping is generally in good condition. Typical maintenance of the landscaping can be accomplished on the annual operations and maintenance budget. In addition, Mr. Cline requested that some reserve funding be provided for necessary replacement of some plants. This is included in the reserve tables.

The small wood timber landscape walls and wood timber edging is in good to fair condition. The landscape wall has some outward movement and all of the timbers have evidence of rot and deterioration. We have provided a cost in the reserve tables for replacement of all of the wood timbers.



5.4 Landscaping & Appurtenances

Description

Evaluation & Recommendations

Brentwood Park Condominium Bel Air, Maryland Page 8

6.0 BUILDING EXTERIOR

6.1 Structure

Description

Evaluation & Recommendations

.2 Exterior

Description

Brentwood Park Condominium Bel Air, iMaryland Page 9 The monument sign is currently in good condition; however we have included a cost for eventual replacement of the wood sign and re-pointing of the brick piers in the reserve tables.

Although we did not observe the property after dark, the amount of light fixtures appears to be adequate. These light poles and fixtures are leased from the local power company with the cost to repair/replace included in the monthly service charge. We have included a cost in the reserve table for aggregate replacement of the exterior surface mounted light fixtures.

The metal trash dumpsters are owned by the refuse contractor and not the responsibility of the Association. The wood fence enclosures are in fair to poor condition and we have included a cost for their replacement in the reserve tables.

Although no construction drawings were available, it appears that these buildings are generally wood framed construction with short concrete foundation walls. The first floors have poured concrete slabs at grade level. The upper wood floors may be topped with gypcrete. The roofs are supported by wood trusses.

Most of the structural elements of the buildings are concealed and were not visible for inspection. However, we did not observe any conditions which would indicate that any of the structural components are not performing adequately. We do not anticipate any reserve costs associated with the structural components of these buildings during the time frame of this evaluation.

The exterior walls are primarily finished with aluminum siding. It appears that most of the original trim work was also aluminum, including around the windows, building corners, soffit and fascia. There is also some original, painted wood trim. Some of the infill panels around the windows are vinyl siding and a few areas have been completely replaced with vinyl. There is also some retrofit composite trim around the windows.

Mr. Cline reported that the condominium unit windows and doors are the responsibility of the individual unit owners for replacement. There are however some common area exterior doors for the electrical meter and fire pump closets located on the sides of the buildings.

Each upper level condominium unit has an exterior wood deck with a metal railing. The pressure-treated wood decks are supported with ledger boards attached to the buildings. The decks are framed with wood joists, supported by metal hangers.



Evaluation & Recommendations

6.3 Roofing

Description

Evaluation & Recommendations

7.0 BUILDING INTERIOR

7.1 Common Breezeways

Description

Brentwood Park Condominium Bel Air, Maryland Page 10 The aluminum siding is generally in good condition and from a functional standpoint may have years of remaining useful life. However, at some point, it may become desirable to replace this component due to weathering, discoloration and/or damage. Further, we understand that the Association desires to replace the aluminum siding. Therefore we have included a cost estimate for complete replacement in the reserve tables.

We observed wood rot in some of the original window trim which is in current need of replacement. We have also included a cost estimate in the reserve table for work in this regard.

The common area exterior doors are generally in good condition, however some of the hardware is rusted and in need of replacement. We recommend that the door hardware be replaced as required on the annual maintenance budget and we have provided a cost estimate in the reserve tables for eventual replacement of the doors.

The condominium unit wood decks are good to fair condition. The pressure-treated wood deck boards are worn and splintering, however the support framing is in good condition. The aluminum railings are generally in good condition. Based on the EUL of these components we have included eventual replacement cost estimates in the reserve tables.

The roofs have pitched configurations with gabled ends. The roofs are surfaced with asphalt/fiberglass shingles. The attics are ventilated with soffit and ridge vents. Attic access is not provided.

Based on our observations, the roof surfaces are in good condition, although showing some evidence of wear. Some minor roof leaks have been reported. The roof surfaces are original to the building construction. Based on the current condition and the EUL for this type of roof surface, we recommend that reserve funds be accumulated for replacement of the roof surfaces within the next few years. This work would include replacement of the gutters and downspouts.

The common area breezeways provide access to all of the condominium units. The breezeways have concrete floors at the lowest level and pressuretreated wood deck floors at the second and third levels. The ceilings are finished with painted wood panels.

Each breezeway has two sets of pressure-treated wood steps (front and rear) which access second and third levels. The steps have painted wood railings and there are painted wood railings at each end of the upper level.



Evaluation & Recommendations

8.0 MECHANICAL SYSTEMS

8.1 Electrical

Description

Evaluation & Recommendations

8.2 Fire Protection & Life Safety

Description

Evaluation & Recommendations

Brentwood Park Condominium Bel Air, Maryland Page 11 The pressure-treated wood decks and stairs at the upper levels are in good condition. We observed some wear of the stair treads at the lower levels which are more exposed to the weather. In addition, we observed some rust of the fasteners and metal brackets which support the stair treads. Based on these observations, we have included a cost estimate in the reserve table for eventual replacement of the lower level wood stairs. In the meantime, we recommend that the metal fasteners and brackets be periodically inspected and replaced as required.

The painted wood railings and ceilings are in good condition. Because it is a significant non-annual cost, we have included painting of the breezeway railings and ceilings as a periodic cost in the reserve tables. This work should also include cleaning and sealing of the pressure-treated wood surfaces.

Electric service is provided by Baltimore Gas and Electric through pad mounted transformers. Each condominium unit has a 150 amp, 120/240 volt, single phase service. Service meters banks are provided at each building, located in an exterior closet. One additional meter is provided at each building for common area lighting and receptacles. In addition, one electrical service meter is provided for each fire sprinkler pump.

The electrical systems appear to be adequate for the facilities and currently in good condition and we do not anticipate any reserve costs during the term of this evaluation

The buildings are protected by fire sprinkler systems with booster pumps. There are two systems; one serving building 900 and the other serving buildings 902 and 904. The fire pumps, valves and controls are located in exterior closets.

Pull stations, audible alarms and a central fire alarm control panel is provided in the common area breezeways.

The fire sprinkler systems and central control panel are periodically tested by Advanced Fire Protection Systems. Current inspection tags were observed on the equipment.

The fire pump for building 900 was recently replaced. We have included a cost estimate in the reserve tables for replacement of the fire pump serving buildings 902 and 904.

We also recommend that reserve funds be accumulated for the replacement of the central fire alarm control panels. Evolving technologies and eventual obsolescence typically dictate the replacement of such equipment.



9.0 COMMON AMENITIES

10.0 CONCLUSION

11.0 LIMITATIONS

Brentwood Park Condominium Bel Air, Maryland Page 12 Not Applicable. There are no common amenities.

In Summary, we consider this property to be in generally average condition when compared to other facilities of similar age and construction type. There are however components which will require repair or replacement over the term of this analysis. These expenditures should be prioritized in conjunction with the reserve strategies presented in Appendix A.

Based on our evaluation, the current level of funding of the reserve for this community is not adequate and increases will be required.

We feel that the reserve strategies included with this report outline several possible strategies for the community to adopt given the current condition of the community as a whole. As time passes, it may become necessary to re-establish financial priorities and capital expenditure schedules given any unforeseen circumstances. We recommend and encourage this activity.

The observations described in this study are valid on the date of the investigation and have been made under the conditions noted in the report. We prepared this study for the exclusive use of the Brentwood Park Condominium Association. Criterium-Harbor Engineers does not intend any other individual or party to rely upon this study without our express written consent. If another individual or party relies on this study, they shall indemnify and hold Criterium-Harbor Engineers harmless for any damages, losses, or expenses they may incur as a result of its use.

This study is limited to the visual observations made during our inspection. We did not remove surface materials, conduct any destructive or invasive testing, move furnishings or equipment, or undertake any digging or excavation. Accordingly, we cannot comment on the condition of systems that we could not see, such as buried structures and utilities, nor are we responsible for conditions that could not be seen or were not within the scope of our services at the time of the investigation. We did not undertake to completely assess the stability of the buildings or the underlying foundation soil since this effort would require excavation and destructive testing. Likewise, this is not a seismic assessment.

We did not investigate the following areas:

- The interiors of the individual condominium units
- Concealed structural elements, utilities and equipment

We do not render an opinion on uninvestigated portions of the community.

We did not perform any computations or other engineering analysis as part of this evaluation, nor did we conduct a comprehensive code compliance investigation. This study is not to be considered a warranty of condition, and no warranty is implied. The appendices are an integral part of this report and must be included in any review.



In our Reserve Fund Analysis, we have provided estimated costs. These costs are based on our general knowledge of building systems and the contracting and construction industry. When appropriate, we have relied on standard sources, such as Means Building Construction Cost Data, to develop estimates. However, for items that we have developed costs (e.g.: structural repairs), no standard guide for developing such costs exists. Actual costs can vary significantly, based on the availability of qualified contractors to do the work, as well as many other variables. We cannot be responsible for the specific cost estimates provided.

We have performed no design work as part of this study, nor have we obtained competitive quotations or estimates from contractors as this also is beyond the scope of the project. The actual cost to remedy deficiencies and deferred maintenance items that we have identified may vary significantly from estimates and competitive quotations from contractors.

If you have any questions about this study or the reserve fund analysis, please feel free to contact us. Thank-you for the opportunity to be of assistance to you.

Respectfully submitted,

Mr. Craig D. Smith, PE Criterium-Harbor Engineers

Brentwood Park Condominium Bel Air, Maryland Page 13

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Appendix A: RESERVE FUND PROJECTIONS

INTRODUCTION

The following is a projected reserve fund analysis for non-annual items as discussed in our report. This projection takes into consideration a long term estimate for inflation, as well as an estimate of return on invested reserve funds. Keep in mind that these two numbers can greatly affect the funding levels over the years. Please evaluate our estimates and let us know of any changes that may be desired.

The intent of this reserve fund projection is to help the Association develop a reserve fund to provide for anticipated repair or replacements of various system components during the next thirty years.

The capital items listed are those that are typically the responsibility of the Association and are derived from our review of the Public Offering Statements and conversations with members of the Association. The Association should confirm that the items listed should be financed by the Association reserve fund.

This projection provides the following:

- An input "Worksheet" that defines all the criteria used for the financial alternatives, including the assumed inflation rate and rate of return on deposited reserve funds.
- An "Itemized Worksheet" that lists anticipated replacement and/or repair items complete with estimated remaining life expectancies, projected costs of replacement and/or repair, a frequency in years of when these items require replacement and/or repair, and a projection based on this frequency.
- A table and graph that represent end of year balances versus capital expenditures based on your Current Funding program and reserve balances, and Alternatives to your current program. The provided graphs illustrate what effects the funding methods will have over the presented thirty year period versus the anticipated capital expenditures. Care should be taken in analyzing the graphs due to varying graphic scales that occur within each graph and between graphs.

The Association should bear in mind that unanticipated expenditures can always arise and maintenance of a significant reserve fund balance can be viewed as a way to avoid special assessments.

Based on our developed list of capital items and taking inflation into account; the current reserve funding level is not adequate and significant increases will be required.

We have included two alternatives for increasing the funding to the reserve account. These alternatives should be viewed as general comparisons to see how various types of increases will affect projections over the 30 year period. We recommend that the board adopt a plan that best reflects the objectives of the community:

- <u>Alternative 1:</u> Increase the current reserve contribution level of \$10,000 per year, to \$36,000 in 2014 and maintain that level for 10 years. Then the contribution level is lowered to \$18,000 for the remaining 20 years of this evaluation term. This will provide adequate reserve funding.
- Alternative 2: Not Used.

<u>Alternative 3:</u> Increase the current reserve contribution level of \$10,000 per year, to \$18,000 in 2014 and maintain that lever for 30 years. In addition, make two special assessments, one for replacement of the roof surfaces and one for replacement of the aluminum siding. This will also maintain adequate reserve funding.

Please note that the reserve fund study does not include typical annual maintenance items. Our assumption is that you already have an annual operating budget that provides for these typical, repetitive items. This includes miscellaneous repairs, lawn and grounds maintenance, routine minor painting, etc. We have focused on those significant, non-annual items where careful financial planning is important.

Finally, please note that the estimates we have developed are based on 2013 dollars. Our reserve fund study does adjust for an estimated annual inflation and a given return on investment assuming that the indicated fund balances are maintained.

Reserve Study Worksheet



:

General Information:

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- 1 Organization: Brentwood Park Condominium Association
 - Address: Martel Court Bel Air, MD 21014

3	Number of Units	36
4	Age of Building (in years)	21
5a	Study Period (in years)	30
5b	Normal Fiscal Year starts:	January 1, 2014
5c	Partial Fiscal Year starts:	January 1, 2014
5đ	Partial Year Length:	12 months
6	Site Inspection Date	September 11, 2013
7	Reserve Funds at start	\$60,000
8	Rate of Return on invested Reserve Funds (%)	1.0%
9	Inflation Rate (%)	2.0%

10 Current Funding Levels

Existing Funding Levels					
Reserve Fund Contribution		Total/Month \$833	Total Annual \$10,000	Per Unit/Month \$23.15	Per Unit/Year \$277.78
	Years Out		Total Annual	Per Unit	
Planned Special Assessment	0		\$0	\$0	
Balance Computed	(\$243,164)				

11 Alternative Reserve Fund Contribution

Monthly Amount, (First Year) Monthly Amount, (Last Year) Balance Required Final Year	****************	Total/Month \$3,000 \$1,500 \$20,144	Total Annual \$36,000 \$18,000	Per Unit/Month \$83.33 \$41.67	Per Unit/Year \$1,000.00 \$500.00
Special Assessments:	Years Out		Total/Year	Per Unit	
First Assessment	0		\$0	\$0	
Second Assessment	0		\$0 \$0	\$0	
Balance Computed	\$211.025		φυ	ΨΟ	

Iternative 2 Not Used					
Monthly Amount, (First Year) Monthly Amount, (Last Year) Balance Required Final Year Base Escalation %	*******	Total/Month \$0 \$20,144	Total Annual \$0 \$0	Per Unit/Month \$0.00 \$0.00	Per Unit/Yea \$0.00 \$0.00
Special Assessments:	Years Out		Total/Year	Per Unit	
First Assessment	. 0		\$0	\$0	
Second Assessment	0		\$0	\$0 \$0	
Balance Computed	(\$543,645)		ΨV	ψV	

Alternative 3 Raise Annual Contribution to \$1	8,000 and Make S	Special Assessm	ents for Roof a	nd Siding	
Monthly Amount, (First Year) Monthly Amount, (Last Year) Balance Required Final Year Base Escalation %	******	Total/Month \$1,500 \$1,500 \$20,144	Total Annual \$18,000 \$18,000	Per Unit/Month \$41.67 \$41.67	Per Unit/Year \$500.00 \$500.00
Special Assessments:	Years Out		Total/Year	Per Unit	
First Assessment	6	Jan 2019	\$90,000	\$2,500	
Second Assessment	12	Jan 2025	\$126.000	\$3,500	
Balance Computed	\$245,075		· ·	\$0,000	

Other Amenities Mechanical **Building Interior Building Exterior** Fire Panels - Replace Site Fire Pump 904 - Replace Fire Pump 900 & 902 - Replace Breezeways - Paint Ceilings and Stain Wood Breezeway Stairs - Replace Stringers and Treads Aluminum Gutters & Downspouts - Replace Asphalt Roof Shingle Surfaces - Replace **Balconies - Replace Aluminum Railings** Wood Balconies - Replace Deck Surface Boards Exterior Wood Trim - Replace Rotted Exterior Doors (Mech & Storage Rooms) - Replace Wood Board Fences - Replace Aluminum Siding - Replace with Vinyl Exterior Light Fixtures - Replace Property Monument Sign - Replace Sidewalks - Periodic Replacements (7% every 5 yrs) Wood Landscape Timbers - Replace Landscaping - Replace Plants (for next 4 Years) Concrete Breezeways - Periodic Repairs **Concrete Patios - Periodic Replacements** Concrete Curb - Periodic Replacements (7% - 5yrs) Asphalt Parking Lot - Overlay Area Drains in Parking Lot - Settlement Repairs Rainwater Downspouts - Extend Discharges Asphalt Parking Lot - Seal Coat To Be Replaced Capital Item 21,000 SF 1,800 2,500 2,500 200 Quantity 22 175 EA 24 24 60 3 هـــر ωσ ----60 77 42 ΕA ΕA ΕA EA FT ΕA ΕA ΕA ΕA Ľ ΕA SF ΥS FT LS EA ΕA ΥS LS EA **Total Over Term** \$10,000.00 \$10,000.00 \$5,000.00 \$10,000.00 \$3,000.00 \$150.00 \$2,500.00 \$1,800.00 \$1,000.00 \$10,000.00 Unit cost \$5,000.00 \$3,000.00 \$3,000.00 \$450.00 \$2,000.00 \$250.00 \$400.00 \$250.00 \$35.00 Totals \$30.00 \$18.00 \$8.00 \$10.00 \$6.00 \$2.50 Requirement (*) \$592,250.00 \$433,910.00 \$10,000.00 \$10,000.00 \$10,800.00 \$7,500.00 \$5,000.00 \$8,800.00 \$24,000.00 \$126,000.00 \$10,000.00 \$14,400.00 \$90,000.00 \$9,000.00 \$5,600.00 \$10,000.00 \$6,000.00 \$2,310.00 \$1,750.00 \$45,000.00 \$10,000.00 Reserve \$3,000.00 \$3,000.00 \$3,000.00 \$2,000.00 \$6,250.00 \$10,500.00 \$102.04 \$1,734.70 \$13,959.2 Beginning Balance \$60,000.00 \$16,897.99 \$1,259.48 \$1,679.30 \$1,768.71 \$581.63 \$306.12 \$3,918.37 \$1,026.24 \$1,020.41 \$1,028.57 \$1,049.56 \$612.25 \$8,265.32 \$2,040.82 \$218.66 \$816.33 \$489.80 (\$408.16 \$2,142.86 (\$510.20 \$0.00 \$0.00 Frequency Remaining (yrs**) Life (yrs) 20 20 7 35 3550255 3 19 14 15 10 15 0 12 ດ່ີສົ 20 4200552 1 O O \$1,056.12 \$5,200.81 \$1,530.61 Reserve Funding Required Monthly Annual \$101.13 \$229.59 \$334.69 \$757.65 \$44.17 \$190.48 \$201.53 \$11.22 \$43.41 \$53.00 \$43.20 \$171.49 \$104.59 \$55.88 \$70.67 \$43.19 \$10.03 \$38.50 \$0.00 \$29.17 \$80.48 \$0.00 \$0.00 \$12,673.47 \$62,409.70 \$1,213.56 \$530.03 \$2,285.71 \$1,255.10 \$18,367.34 \$2,755.10 \$4,016.33 \$2,418.37 \$9,091.83 \$2,057.82 Annual \$518.25 \$670.55 \$636.03 \$518.37 \$520.95 \$848.05 \$120.41 \$134.69 \$350.00 \$462.00 \$965.74 \$0.00 \$0.00 \$0.00 \$293,999.52 \$68,400.00 \$8,228.57 \$5,000.00 \$5,028.57 \$19,200.00 \$6,171.43 \$1,071.43 \$40,500.00 \$0.00 \$82,800.00 (\$2,000.00) \$2,400.00 \$8,666.67 \$2,850.00 \$1,500.00 \$8,500.00 \$3,000.00 \$5,142.86 \$5,040.00 \$10,000.00 Funding Balance \$4,000.00 (\$2,500.00) \$10,500.00 \$500.00 Full \$0.00

** Reserve study is based on a 30 year projection of non-annual maintenance

* Costs are typically 10%±

Itemized Worksheet

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Annual Expense By Year

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Annual Expense By Year

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Year: Year Numhau	Site	Rainwater Downspouts - Extend Discharges	Area Drains in Parking Lot - Settlement Repairs	Asphalt Parking Lot - Seal Coat	Asphalt Parking Lot - Overlay	Concrete Curb - Periodic Replacements (7% - 5yrs)	Sidewalks - Periodic Replacements (7% every 5 vrs)	Concrete Patios - Periodic Replacements	Concrete Breezeways - Periodic Renairs	Landscaping - Replace Plants (for next 4 Years)	Wood Landscape Timbers - Replace	Property Monument Sign - Replace	Exterior Light Rixtures - Replace	Wood Board Fences - Replace	Building Exterior	Aluminum Siding - Replace with Vinyl	Exterior Wood Trim - Replace Rotted	Exterior Doors (Mech &: Storage Rooms) - Replace	Word Balconies - Realars Dark Surface Dares		Datcontes - Replace Aluminum Katings	Asphalt Koot Shingle Surfaces - Replace	Aluminum Gutters & Downspouts - Replace	Building Interior	Breezeway Stairs - Replace Stringers and Treads	Breezeways - Paint Ceilings and Stain Wood	Mechanical	Fire Pump 900 & 902 - Replace	Fire Pump 904 - Replace	Fire Panels - Renlace	Amenities	Other	Total Costs	Total Costs Adjusted For 2% Inflation	

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Existing Funding Levels

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			Beginning					
			Reserve Fund	Fee	Special	Investment	Capital	Ending
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$		Number		Revenue	Assessments	Earnings	Expenditures	•
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$		1	\$60,000	\$10,000	\$0	\$445	\$25,500	\$44,945
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	2015	2	\$44,945	\$10,000	\$0	\$519	•	
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$		3	\$52,404	\$10,000	\$0			•
20185 $\$6,154$ $\$10,000$ $\$0$ $\$53$ $\$10,824$ $\$5,383$ 20196 $\$5,383$ $\$10,000$ $\$0$ $\$0$ $\$32,018$ ($\$16,636$ 20207($\$16,636$) $\$10,000$ $\$0$ $\$0$ $\$109,801$ ($\$116,437$ 20218($\$16,437$) $\$10,000$ $\$0$ $\$0$ $\$0$ ($\$16,437$ 20229($\$16,437$) $\$10,000$ $\$0$ $\$0$ $\$0$ ($\$6,437$ 202310($\$6,437$) $\$10,000$ $\$0$ $\$0$ $\$0$ ($\$86,437$ 202411($\$86,437$) $\$10,000$ $\$0$ $\$0$ $\$0$ ($\$79,846$)202512($\$89,846$ $\$10,000$ $\$0$ $\$0$ $\$163,603$ ($\$233,449$)202613($\$79,846$) $\$10,000$ $\$0$ $\$0$ $\$13,195$ ($\$236,344$ 202714($\$233,449$) $\$10,000$ $\$0$ $\$0$ $\$13,195$ ($\$236,344$ 202916($\$236,346$) $\$10,000$ $\$0$ $\$0$ $\$0$ $\$0$ 202916($\$280,947$) $\$10,000$ $\$0$ $\$0$ $\$0$ ($\$280,947$ 203017($\$260,947$) $\$10,000$ $\$0$ $\$0$ $\$0$ ($\$260,947$ 203118($$220,947$) $\$10,000$ $\$0$ $\$0$ $\$0$ ($$226,947$ 203118($$280,947$) $\$10,000$ $\$0$ $\$0$ $$14,568$ ($$226,515$ 203320($$226,947$) $$10,000$ <td< td=""><td>2017</td><td></td><td>\$6,705</td><td>\$10,000</td><td>\$0</td><td>\$61</td><td>,</td><td>•</td></td<>	2017		\$6,705	\$10,000	\$0	\$61	,	•
2019 6 \$5,383 \$10,000 \$0 \$0 \$32,018 (\$16,63) 2020 7 (\$16,636) \$10,000 \$0 \$0 \$109,801 (\$116,437) 2021 8 (\$116,437) \$10,000 \$0 \$0 \$0 \$0 (\$106,437) 2022 9 (\$106,437) \$10,000 \$0	2018	5	\$6,154	\$10,000	\$0		•	•
20207(\$16,636)\$10,000\$0\$0\$0\$109,801(\$116,437) 2021 8(\$116,437)\$10,000\$0\$0\$0\$0\$0\$0\$0 2022 9(\$106,437)\$10,000\$0\$0\$0\$0\$0\$0\$0 2023 10(\$96,437)\$10,000\$0\$0\$0\$0\$0\$89,443 2024 11(\$86,437)\$10,000\$0\$0\$0\$0\$13,409(\$89,844) 2026 12(\$89,846)\$10,000\$0\$0\$0\$0\$0\$163,603(\$233,44) 2026 13(\$79,846)\$10,000\$0\$0\$0\$9,702\$233,151 2028 15(\$233,151)\$10,000\$0\$0\$0\$13,195\$233,443 2029 16(\$236,346)\$10,000\$0\$0\$0\$64,602\$290,947 2030 17(\$290,947)\$10,000\$0\$0\$0\$0\$280,947 2031 18(\$280,947)\$10,000\$0\$0\$0\$0\$223,032\$278,544 2033 20(\$260,947)\$10,000\$0\$0\$0\$0\$23,032\$278,544 2034 21(\$265,515)\$10,000\$0\$0\$0\$14,568\$226,515 2034 21(\$265,515)\$10,000\$0\$0\$13,295\$27,639 2036 23(\$277,955)\$10,000\$	2019	6	\$5,383	\$10,000	\$0			
20218(\$116,437)\$10,000\$0	2020	7	(\$16,636)	\$10,000				
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202310(\$96,437)\$10,000\$0\$0\$0\$0\$0\$80 <td>2022</td> <td>9</td> <td>(\$106,437)</td> <td>\$10,000</td> <td>\$0</td> <td></td> <td></td> <td>, , ,</td>	2022	9	(\$106,437)	\$10,000	\$0			, , ,
$\begin{array}{cccccccccccccccccccccccccccccccccccc$	2023	10	(\$96,437)					• • • •
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$\begin{array}{cccccccccccccccccccccccccccccccccccc$	2025	12		•			•	• • •
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$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	2028	15	(\$233,151)	,				• • •
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$\begin{array}{cccccccccccccccccccccccccccccccccccc$	2030	17						
203219(\$270,947)\$10,000\$0\$0\$0\$0\$0\$0203320(\$260,947)\$10,000\$0\$0\$0\$14,568(\$265,515)203421(\$265,515)\$10,000\$0\$0\$0\$23,032(\$278,548)203522(\$278,548)\$10,000\$0\$0\$0\$4,547(\$273,095)203623(\$273,095)\$10,000\$0\$0\$13,295(\$276,390)203724(\$276,390)\$10,000\$0\$0\$15,769(\$282,159)203825(\$282,159)\$10,000\$0\$0\$0\$0\$0203926(\$272,159)\$10,000\$0\$0\$0\$8,203(\$270,362)204027(\$270,362)\$10,000\$0\$0\$0\$0\$0\$0	2031	18	(\$280,947)	•				, , ,
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2039 26 (\$272,159) \$10,000 \$0 \$0 \$8,203 (\$270,362) 2040 27 (\$270,362) \$10,000 \$0 \$0 \$0 \$0 \$0 \$260 \$260 \$270,362 \$10,000 \$0	2038	25						
2040 27 (\$270,362) \$10,000 \$0 \$0 \$0 (\$2.0,362)	2039	26		-				
	2040	27						(\$260,362)
	2041	28		•				(\$263,164)
	2042	29						(\$253,164)
	2043	30						(\$243,164)

Existing Funding Levels Beginning Balance as of start of year beginning Jan 2014: 560,000

CRITERIUM *

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NTRIBUTIONS		per year	per unit per year	per month	\$23.15 per unit per month
8	AMOUNT	\$10,000.00	\$277.78	\$833.33	\$23.15
	CONTRIBUTIONS	CONTRIBUTIONS	CONTRIBUTIONS AMOUNT \$10,000.00 per year	CONTRIBUTIONS AMOUNT \$10,000.00 per year \$277.78 per unit per year	CONTRIBUTIONS AMOUNT \$10,000.00 per year \$277.78 per unit per year \$833.33 per month

		\$0	
SPECIAL ASSESSMENTS	ils	Per Unit	
TAL ASS	Totals	\$0	
SPEC		Per Year	

2028 15 (236,346) 13,195 10,000	2043 30 (243,164) 10 000
2027 14 (233,151) 9,702 10,000	2042 29 (253,164) 10 000
2026 13 (233,449) 163,603 10,000	2041 28 28 28 28 28 12,802 10,000
2025	2040
12	27
(79,846)	(260,362)
-	-
10,000	10.000
2024	2039
11	26
(89,846)	(270,362)
13,409	8,203
10,000	10,000
2023	2038
10	25
(86,437)	(272,159)
-	-
10,000	10,000
2022 9 (96,437) 10,000	2037 24 24 15,769 15,769 10,000
2021	2036
8	23
(106,437)	(276,390)
-	13,295
10,000	10,000
2020	2035
7	22
(116,437)	(273,095)
109,801	4,547
10,000	10,000
2019	2034
6	21
(16,636)	(278,548)
32,018	23,032
10,000	10,000
2018	2033
5	20
5,383	(265,515)
10,824	14,568
10,053	10,000
2017	2032
4	19
6,154	(260,947)
10,612	-
10,061	10,000
2016	2031
3	18
6,705	(270,947)
55,765	-
10,066	10,000
2015	2030
2	17
52,404	(280,947)
3,060	2
10,519	10,000
nditures: 2014 1 44,945 25,500 10,445	2029 16 (290,947) 64,602 10,000
Projected Annual Funding and Expenditures: Year. 201 Year Number. 201 End ar Number. 44,94 Capital Expenditures: 25,50 Total Revenue (all sources) 10,44	Year Year Number Bnd of Year Reserve Fund Balance Capital Bxpenditness: Total Revenue (all sources)



Alternative 1: Raise Annual Contribution to \$36,000 for 10 Yrs. Then Lower to \$18,000 CRITERIUM

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-	Year	Year Number	Beginning Reserve Fund Balance	Fee Revenue	Special Assessments 1	Special Assessments 2	Investment Earnings	Capital Expenditures	Ending Balance
	2014	1	\$60,000	\$36,000	\$0	\$0	\$705	\$25,500	\$71,205
	2015	2	\$71,205	\$36,000	\$0	\$0	\$1,041	\$3,060	\$105,186
	2016	3	\$105,186	\$36,000	\$0	\$0	\$854	\$55,765	\$86,275
	2017	4	\$86,275	\$36,000	\$0	\$0	\$1,117	\$10,612	\$112,780
	2018	5	\$112,780	\$36,000	\$0	\$0	\$1,380	\$10,824	\$139,335
	2019	6	\$139,335	\$36,000	\$0	\$0	\$1,433	\$32,018	\$144,750
	2020	7	\$144,750	\$36,000	\$0	\$0	\$709	\$109,801	\$71,658
	2021	8	\$71,658	\$36,000	\$0	\$0	\$1,077	\$0	\$108,735
	2022	9	\$108,735	\$36,000	\$0	\$0	\$1,447	\$0 \$0	\$146,182
	2023	10	\$146,182	\$36,000	\$0	\$0	\$1,822	\$0 \$0	\$184,004
	2024	11	\$184,004	\$18,000	. \$0	\$0	\$1,886	\$13,409	\$190,481
	2025	. 12	\$190,481	\$18,000	\$0	\$0	\$2,085	\$0	\$210,566
	2026	13	\$210,566	\$18,000	\$0	\$0	\$650	\$163,603	\$65,613
	2027	14	\$65,613	\$18,000	\$0	\$0	\$739	\$9,702	\$74,650
	2028	, 15	\$74,650	\$18,000	\$0	\$0	\$795	\$13,195	\$80,249
	2029	16	\$80,249	\$18,000	\$0	\$0	\$336	\$64,602	\$33,984
	2030	17	\$33,984	\$18,000	. \$0	\$0	\$520	\$0	\$52,504
	2031	18	\$52,504	\$18,000	\$0	\$0	\$705	\$0 \$0	\$71,209
	2032	19	\$71,209	\$18,000	\$0	\$0	\$892	\$0 \$0	\$90,101
	2033	20	\$90,101	\$18,000	\$0	\$0	\$935	\$14,568	\$94,468
	2034	21	\$94,468	\$18,000	\$0	\$0	\$894	\$23,032	\$90,330
	2035	22	\$90,330	\$18,000	\$0	\$0	\$1,038	\$4,547	\$104,821
	2036	23	\$104,821	\$18,000	\$0	\$0	\$1,095	\$13,295	\$110,621
	2037	24	\$110,621	\$18,000	\$0	\$0	\$1,129	\$15,769	\$113,981
	2038	25	\$113,981	\$18,000	\$0	.\$0	\$1,320	\$0	\$133,300
	2039	26	\$133,300	\$18,000	\$0	\$0	\$1,431	\$8,203	\$144,528
	2040	27	\$144,528	\$18,000	\$0	\$0	\$1,625	\$0,205 \$0	\$164,154
	2041	28	\$164,154	\$18,000	\$0	\$0	\$1,694	\$12,802	\$171,046
	2042	29	\$171,046	\$18,000	\$0	\$0	\$1,890	\$0	\$190,936
	2043	30	\$190,936	\$18,000	\$0	\$0	\$2,089	\$0 \$0	\$211,025

Alternative 1: Raise Annual Contribution to \$36,000 for 10 Yrs. Then Lower to \$18,000 Beginning Balance as of start of year beginning Jan 2014: \$60,000



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CRITERIUM EXIMICIES © CHENTINE EXERCISES 2001 Alternative 3: Raise Annual Contribution to \$18,000 and Make Special Assessments for Rori and Riding

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	Year	Beginning Reserve Fund	Fee	Special	Special	Investment	Capital	Ending
Year	Number	Balance	Revenue	Assessments 1	Assessments 2	Earnings	Expenditures	Balance
2014	1	\$60,000	\$18,000	\$0	\$0	\$525	\$25,500	\$53,025
2015	2	\$53,025	\$18,000	\$0	\$0	\$680	\$3,060	\$68,645
2016	3	\$68,645	\$18,000	\$0	\$0	\$309	\$55,765	\$31,188
2017	4	\$31,188	\$18,000	\$0	\$0	\$386	\$10,612	\$38,962
2018	5	\$38,962	\$18,000	\$0	\$0	\$461	\$10,824	\$46,599
2019	6	\$46,599	\$18,000	\$90,000	\$0	\$1,226	\$32,018	\$123,806
2020	7	\$123,806	\$18,000	\$0	\$0	\$320	\$109,801	\$32,325
2021	8	\$32,325	\$18,000	\$0	\$0	\$503	\$0	\$50,829
2022	9	\$50,829	\$18,000	\$0	\$0	\$688	\$0	\$69,517
2023	10	\$69,517	\$18,000	\$0	\$0	\$875	\$0	\$88,392
2024	11	\$88,392	\$18,000	\$0	\$0	\$930	\$13,409	\$93,913
2025	12	\$93,913	\$18,000	\$0	\$126,000	\$1,119	\$0	\$239,032
2026	13	\$239,032	\$18,000	\$0	\$0	\$934	\$163,603	\$94,363
2027	14	\$94,363	\$18,000	\$0	\$0	\$1,027	\$9,702	\$103,688
2028	15	\$103,688	\$18,000	\$0	\$0	\$1,085	\$13,195	\$109,578
2029	16	\$109,578	\$18,000	\$0	\$0	\$630	\$64,602	\$63,606
2030	17	\$63,606	\$18,000	\$0	\$0	\$816	\$0	\$82,422
2031	18	\$82,422	\$18,000	\$0	\$ 0'	\$1,004	\$0	\$101,426
2032	"×* 19	\$101,426	\$18,000	\$0	\$0	\$1,194	\$0	\$120,621
2033	20	\$120,621	\$18,000	\$0	\$0	\$1,241	\$14,568	\$125,293
2034	21	\$125,293	\$18,000	\$0	\$0	\$1,203	\$23,032	\$121,463
2035	22	\$121,463	\$18,000	\$0	\$0	\$1,349	\$4,547	\$136,266
2036	23	\$136,266	\$18,000	. \$0	\$0	\$1,410	\$13,295	\$142,380
2037	24	\$142,380	\$18,000	\$0 .	\$0	\$1,446	\$15,769	\$146,057
2038	25	\$146,057	\$18,000	\$Q	\$0	\$1,641	\$0	\$165,698
2039	26	\$165,698	\$18,000	\$0	. \$0	\$1,755	\$8,203	\$177,249
2040	27	\$177,249	\$18,000	\$0	\$0	\$1,952	\$0	\$197,202
2041	28	\$197,202	\$18,000	\$0	\$0	\$2,024	\$12,802	\$204,424
2042	29	\$204,424	\$18,000	\$0	\$0	\$2,224	\$0	\$224,649
2043	30	\$224,649	\$18,000	\$0	\$0	\$2,426	\$0	\$245,075



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Appendix B: PROJECT PHOTOGRAPHS

Location:

Brentwood Park Condo Bel Air, Maryland Photo Taken by: Craig Smith, P.E. Reserve Study







Photo Taken by: Craig Smith, P.E. Reserve Study







Photo Taken by: Craig Smith, P.E. Reserve Study







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Photo Taken by: Craig Smith, P.E. Reserve Study







Photo Taken by: Craig Smith, P.E. Reserve Study







Photo Taken by: Craig Smith, P.E. Reserve Study









Photo Taken by: Craig Smith, P.E. Reserve Study









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Photo Taken by: Craig Smith, P.E. Reserve Study







Photo Taken by: Craig Smith, P.E. Reserve Study

Date: Sept. 11, 2013







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Photo Taken by: Craig Smith, P.E. Reserve Study







Photo Taken by: Craig Smith, P.E. Reserve Study







Photo Taken by: Craig Smith, P.E. Reserve Study







Location:

Brentwood Park Condo Bel Air, Maryland Photo Taken by: Craig Smith, P.E. Reserve Study







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Photo Taken by: Craig Smith, P.E. Reserve Study







Photo Taken by: Craig Smith, P.E. Reserve Study







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Photo Taken by: Craig Smith, P.E. Reserve Study







Photo Taken by: Craig Smith, P.E. Reserve Study

Date: Sept. 11, 2013



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Photo Taken by: Craig Smith, P.E. Reserve Study

Date: Sept. 11, 2013





Description: Fire sprinkler pump serving buildings 900 and 902 located in an exterior closet of building 902

Building 904 has a separate fire sprinkler system and pump.

Photo Number 35



Appendix C: PROFESSIONAL QUALIFICATIONS.

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PROFESSIONAL QUALIFICATIONS AND EXPERIENCE

Craig D. Smith, P.E.

Area of Expertise

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Mr. Smith is the Principal of Criterium-Harbor Engineers, located in Baltimore, Maryland. This consulting engineering firm provides building investigative and due diligence services for residential, commercial, institutional and industrial markets.

Mr. Smith is an Architectural Engineer with a broad background in all aspects of building systems and construction technology.

Primary services provided by Criterium-Harbor Engineers include; property condition assessments, energy audits, homeowner association reserve studies and construction quality assurance.

Qualifications

Before founding Criterium-Harbor Engineers, Mr. Smith gained over twenty years of experience in building design and facilities management, including; seven years as an HVAC design engineer, six years as a facilities engineer and eight years as owner of a consulting engineering firm specializing in building automation systems.

Mr. Smith has performed many building inspections and investigations, including; over 100 property condition assessments of commercial properties and over 500 structural inspections of residential properties. Mr. Smith has also provided quality assurance inspections for the construction of over 300 new homes.

Education and Affiliations

Bachelor of Architectural Engineering - The Pennsylvania State University - 1983

Professional Engineer - State of Maryland - registration #16605 - 1988

Leadership in Energy and Environmental Design Accredited Professional - LEED-AP

Member - National Society of Professional Engineers

Member -American Society of Heating Refrigeration and Air Conditioning Engineers



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MARYLAND CONDOMINIUM ACT REAL PROPERTY ARTICLE TITLE 11

§ 11-101. DEFINITIONS.

(a) In general. — In this title the following words have the meanings indicated unless otherwise apparent from context.

(b) Board of directors. --(1) "Board of directors" means the persons to whom some or all of the powers of the council of unit owners have been delegated under this title or under the condominium bylaws.

(2) "Board of directors" includes any reference to "board".

(c) Common Elements. — (1) "Common elements" means all of the condominium except the units.

(2) "Limited common elements" means those common elements identified in the declaration or on the condominium plat as reserved for the exclusive use of one or more but less than all of the unit owners.

(3) "General common elements" means all the common elements except the limited common elements.

(d) Common expenses and common profits. — "Common expenses and common profits" means the expenses and profits of the council of unit owners.

(e) Condominium. — "Condominium" means property subject to the condominium regime established under this title.

(f) Council of unit owners. — "Council of unit owners" means the legal entity described in § 11-109 of this title.

(g) Developer. — "Developer" means any person who subjects his property to the condominium regime established by this title.

(h) *Electronic transmission.* — "Electronic transmission" means any form of communication, not directly involving the physical transmission of paper, that creates a record that:

(1) May be retained, retrieved, and reviewed by a recipient of the communication; and

(2) May be reproduced directly in paper form by a recipient through an automated process.

(i) Governing body. — "Governing body" means the council of unit owners, board of directors, or any committee of the council of unit owners or board of directors.

(j) Housing agency. — "Housing agency" means a housing agency of a county or incorporated municipality or some other agency or entity of a county or incorporated municipality designated as such by law or ordinance.

(k) *Mortgagee.* — "Mortgagee" means the holder of any recorded mortgage, or the beneficiary of any recorded deed of trust, encumbering one or more units.

(1) Moving expenses. — "Moving expenses" means costs incurred to:

(1) Hire contractors, labor, trucks, or equipment for the transportation of personal property;

(2) Pack and unpack personal property;

(3) Disconnect and install personal property;

(4) Insure personal property to be moved; and

(5) Disconnect and reconnect utilities such as telephone service, gas, water, and electricity.

(m) Occupant. — "Occupant" means any lease or guest of a unit owner.

(n) *Percentage interests.* — "Percentage interests" means the interests, expressed as a percentage, fraction or proportion, established in accordance with § 11-107 of this title.

(o) *Property.* — "Property" means unimproved land, land together with improvements thereon, improvements without the underlying land, or riparian or littoral rights associated with land. Property may consist of noncontiguous parcels or improvements.

(p) *Rental facility.* — "Rental facility" means property containing dwelling units intended to be leased to persons who occupy the dwelling as their residences.

(q) Unit. — "Unit" means a three-dimensional space identified as such in the declaration and on the condominium plat and shall include all improvements contained within the space except those excluded in the declaration, the boundaries of which are established in accordance with § 11-103(a)(3) of this title. A unit may include 2 or more noncontiguous spaces.

(r) Unit owner. — "Unit owner" means the person, or combination of persons, who hold legal title to a unit. A mortgagee or a trustee designated under a deed of trust, as such, may not be deemed a unit owner.

§ 11-102. ESTABLISHMENT OF CONDOMINIUM REGIME.

(a) By recording declaration, by laws and plat; exception. -(1) The fee simple owner or lessee under a lease that exceeds 60 years of any property in the State may subject the property to a condominium regime by recording among the land records of the county where the property is located, a declaration, by laws, and condominium plat that comply with the requirements specified in this title.

(2) (i) Notwithstanding the provisions of paragraph (1) of this subsection, a leasehold estate may not be subjected to a condominium regime if it is used for residential purposes unless the State, a county that has adopted charter home rule under Article XI-A of the Maryland Constitution, a municipal corporation, or, subject to the provisions of subparagraph (ii) of this paragraph, the Washington Metropolitan Area Transit Authority is the owner of the reversionary fee simple estate.

(ii) The Washington Metropolitan Area Transit Authority may establish a leasehold estate for a condominium regime that is used for residential purposes under subparagraph (i) of this paragraph if, when the initial term of the lease expires, there is a provision in the lease that allows the lessee to automatically renew the lease for another term.

(3) Notwithstanding paragraph (2) of this subsection or any declaration, rule, or bylaw, a developer or any other person may not be prohibited from granting a leasehold estate in an individual unit used for residential purposes.

(b) *Property lying two counties.* — If any property lying partly in one county and partly in any other county is subjected to a condominium regime, the declaration, bylaws, and condominium plat shall be recorded in all counties where any portion of the property is located. Subsequent instruments affecting the title to a unit which is physically located entirely within a single county shall be recorded only in that county, notwithstanding the fact that the common elements are not physically located entirely within that county.

(c) Recording and taxing instruments affecting title. — All instruments affecting title to units shall be recorded and taxed as in other real property transactions. However, no State or local tax may be imposed by reason of the execution or recordation of the declaration, bylaws, condominium plat, or any statement of condominium lien recorded pursuant to the provisions of § 11-110 of this title.

(d) Indexing declaration, bylaws and plat. — The declaration, bylaws, and condominium plat shall be indexed in the grantor index under the name of the developer and under the name of the condominium. Subsequent amendments shall be indexed under the name of the condominium.

§ 11-102.1. NOTICE PRIOR TO CONVERSION OF RESIDENTIAL PROPERTY TO CONDOMINIUM.

(a) Giving of notice. — (1) (i) Before a residential rental facility is subjected to a condominium regime, the owner, and the landlord of each tenant in possession of any portion of the residential rental facility as his residence, if other than the owner, shall give the tenant a notice in the form specified in subsection (f) of this section. The notice shall be given after registration with the Secretary of State under § 11-127 of this title and concurrently and together with any offer required to be given under § 11-136 of this title.

(ii) If an offer required to be given under § 11-136 of this title is not given to a tenant concurrently with the notice described in subparagraph (i) of this paragraph, the 180-day period that is triggered by receipt of the notice under this section does not begin until the tenant receives the purchase offer.

(2) The owner and the landlord, if other than the owner, shall inform in writing each tenant who first leases any portion of the premises as his residence after the giving of the notice required by this subsection that the notice has been given. The tenant shall be informed at or before the signing of lease or the taking of possession, whichever occurs first.

(3) A copy of the notice, together with a list of each tenant to whom the notice was given, shall be given to the Secretary of State at the time the notice is given to each tenant.

(b) Method of delivery. — The notice and the purchase offer shall be considered to have been given to each tenant if delivered by hand to the tenant or mailed, certified mail, return receipt requested, postage prepaid, to the tenant's last-known address.

(c) Vacation of premises. — A tenant leasing any portion of the residential rental facility as his residence at the time the notice referred to in subsection (a) of this section is given to him may not be required to vacate the premises prior to the expiration of 180 days from the giving of the notice except for:

(1) Breach of a covenant in his lease occurring before or after the giving of the notice;

(2) Nonpayment of rent occurring before or after the giving of the notice; or

(3) Failure of the tenant to vacate the premises at the time that is indicated by the tenant in a notice given to his landlord under subsection (e) of this section.

(d) Extension of lease term. — The lease term of any tenant leasing any portion of the residential rental facility as his residence at the time the notice referred to in subsection (a) of this section is given to him and which lease term would ordinarily terminate during the 180-day period shall be extended until the expiration of the 180-day period. The extended term shall be at the same rent and on the same terms and conditions as were applicable on the last day of the lease term.

(e) *Termination of lease.* — Any tenant leasing any portion of the residential rental facility as his residence at the time the notice referred to in subsection (a) of this section is given to him may terminate his lease, without penalty for termination upon at least 30 days' written notice to his landlord.

(f) Form of notice. — The notice referred to in subsection (a) of this section shall be sufficient for the purposes of this section if it is in substantially the following form. As to rental facilities containing less than 10 units, "Section 2" of the notice is not required to be given.

"NOTICE OF INTENTION TO CREATE A CONDOMINIUM

..... (Date)

This is to inform you that the rental facility known as may be converted to a condominium regime in accordance with the Maryland Condominium Act. You may be required to move out of your residence after 180 days have passed from the date of this notice, or in other words, after

..... (Date).

Section 1

Rights that apply to all tenants

If you are a tenant in this rental facility and you have not already given notice that you intend to move, you have the following rights, provided you have previously paid your rent and continue to pay your rent and abide by the other conditions of your lease.

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(2) You have the right to purchase your residence before it can be sold publicly. A purchase offer describing your right to purchase is required to be included with this notice. If a purchase offer is not included with this notice, the 180-day period that you may remain in your residence does not begin until you receive the purchase offer.

(3) If you do not choose to purchase your unit, and the annual income for all present members of your household did not exceed (the applicable income eligibility figure or figures for the appropriate area) for 20...., you are entitled to receive \$375 when you move out of your residence. You are also entitled to be reimbursed for moving expenses as defined in the Maryland Condominium Act over \$375 up to \$750 which are actually and reasonably incurred. If the annual income for all present members of your household did exceed (the applicable income eligibility figure or figures for the appropriate area) for 20...., you are entitled to be reimbursed up to \$750 for moving expenses as defined in the Maryland Condominium Act actually and reasonably incurred. To receive reimbursees as defined in the Maryland Condominium Act actually and reasonably incurred. To receive reimbursees, you must make a written request, accompanied by reasonable evidence of your expenses, within 30 days after you move. You are entitled to be reimbursed within 30 days after your request has been received.

(4) If you want to move out of your residence before the end of the 180-day period or the end of your lease, you may cancel your lease without penalty by giving at least 30 days prior written notice. However, once you give notice of when you intend to move, you will not have the right to remain in your residence beyond that date.

Section 2

Right to 3-year lease extension or 3-month rent payment for certain individuals with disabilities and senior citizens

The developer who converts this rental facility to a condominium must offer extended leases to qualified households for up to 20 percent of the units in the rental facility. Households which receive extended leases will have the right to continue renting their residences for at least 3 years from the date of this notice. A household may cancel an extended lease by giving 3 months' written notice if more than 1 year remains on the lease, and 1 month's written notice if less than 1 year remains on the lease.

Rents under these extended leases may only be increased once a year and are limited by increases in the cost of living index. Read the enclosed lease to learn the additional rights and responsibilities of tenants under extended leases.

In determining whether your household qualifies for an extended lease, the following definitions apply:

(1) (i) "Disability" means:

1. A physical or mental impairment that substantially limits one or more of an individual's major life activities; or

2. A record of having a physical or mental impairment that substantially limits one or more of an individual's major life activities.

(ii) "Disability" does not include the current illegal use of or addiction to:

1. A controlled dangerous substance as defined in § 5-101 of the Criminal Law Article; or

2. A controlled substance as defined in 21 U.S.C. § 802.

(2) "Senior citizen" means a person who is at least 62 years old on the date of this notice.

(3) "Annual income" means the total income from all sources for all present members of your household for the income tax year immediately preceding the year in which this notice is issued but shall not include unreimbursed medical expenses if the tenant provides reasonable evidence of the unreimbursed medical expenses or consents in writing to authorize disclosure of relevant information regarding medical expense reimbursement at the time of applying for an extended lease. "Total income" means the same as "gross income" as defined in § 9-104(a)(7) of the Tax - Property Article.

(4) "Unreimbursed medical expenses" means the cost of medical expenses not otherwise paid for by insurance or some other third party, including medical and hospital insurance premiums, co-payments, and deductibles; Medicare A and B premiums; prescription medications; dental care; vision care; and nursing care provided at home or in a nursing home or home for the aged.

To qualify for an extended lease you must meet all of the following criteria:

(1) A member of the household must be a an individual with a disability or a senior citizen and must be living in your unit as of the date of this notice and must have been a member of your household for at least 12 months preceding the date of this notice; and

(2) Annual income for all present members of your household must not have exceeded (the applicable income eligibility figure or figures for the appropriate area) for 20.....; and

(3) You must be current in your rental payments and otherwise in good standing under your existing lease.

If the number of qualified households requesting extended leases exceeds the 20 percent limitation, priority will be given to qualified households who have lived in the rental facility for the longest time.

Due to the 20 percent limitation your application for an extended lease must be processed prior to your lease becoming final. Your lease will become final if it is determined that your household is qualified and falls within the 20 percent limitation.

You may apply for an extended lease and, at the same time, choose to purchase your unit. If you apply for and receive an extended lease, your purchase contract will be void. If you do not receive an extended lease, your purchase contract will be obligated to buy your unit.

If you qualify for an extended lease, but due to the 20 percent limitation, your lease is not finalized, the developer must pay you an amount equal to 3 months rent within 15 days after you move. You are also entitled to up to \$750 reimbursement for your moving expenses, as described in Section 1.

If you qualify for an extended lease, but do not want one, you are also entitled to both the moving expense reimbursement previously described, and the payment equal to 3 months' rent. In order to receive the 3 month rent payment, you must complete and return the enclosed form within 60 days of the date of this notice or by (Date), but you should not execute the enclosed lease.

All application forms, executed leases, and moving expense requests should be addressed or delivered to:

(g) Affirmation of developer. — A declaration may not be received for record unless there is attached thereto an affirmation of the developer in substantially the following form:

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

Developer

By"

(h) Failure to give notice is defense. — Failure of a landlord or owner to give notice as required by this section is a defense to an action for possession.

(i) Effect on condominium regime appropriately established. — Failure to fulfill the provisions of this section does not affect the validity of a condominium regime otherwise established in accordance with the provisions of this title.

(j) Applicability to non-renewing tenant. — This section does not apply to any tenant whose lease term expires during the 180-day period and who has given notice of his intent not to renew the lease prior to the giving of the notice required by subsection (a) of this section.

(k) Waiver of rights; month-to-month tenant. -(1) A tenant may not waive his rights under this section except as provided under § 11-137 of this title.

(2) At the expiration of the 180-day period a tenant shall become a tenant from month-to-month subject to the same rent, terms, and conditions as those existing at the giving of the notice required by subsection (a) of this section, if the tenant's initial lease has expired and the tenant has not:

(i) Entered into a new lease;

(ii) Vacated under subsection (e) of this section; or

(iii) Been notified in accordance with applicable law prior to the expiration of the 180-day period that he must vacate at the end of that period.

§ 11-102.2. TERMINATION OF LEASES.

(a) *Definition*. — In this section, "terminate" means:

(1) A giving of notice terminating a periodic tenancy of a dwelling within a residential rental facility; or

(2) The failure to renew or continue an existing lease for a dwelling in a residential rental facility upon its expiration.

(b) *Termination without notice prohibited.* — The owner of a residential facility may not terminate the lease of any tenant occupying any portion of the owner's residential facility in order to avoid such owner's obligation to give the tenant the notice required under § 11-102.1 of this title.

(c) List of terminated leases required in application for registration. — The application for registration for a residential rental facility under § 11-127 of this subtitle shall include, to the extent reasonably available, a list of all tenants whose leases were terminated during the 180-day period prior to the filing of the application for registration.

(d) *Rejection of application for violation.* — After an agency hearing, if the Secretary of State determines that an owner has violated subsection (b) of this section within 180 days prior to filing an application for registration, the Secretary of State shall reject the application for registration filed by the owner.

(e) Revocation of application for violation. — After a public offering statement has been registered, if the Secretary of State determines that an owner has violated subsection (b) of this section during the 12-month period prior to the time units are offered for sale, the Secretary of State shall revoke the registration.

(f) Determination of violation. — In determining whether an owner has violated subsection (b) of this section, the Secretary of State shall consider:

(1) (i) Whether the termination was due to the nonpayment of rent;

(ii) Whether the termination was due to a breach of the lease; or

(iii) Whether the owner intended at the time of termination to convert the residential facility to a condominium; and

(2) Any other factors as the Secretary of State deems appropriate.

(g) Correction of violation. — If an application for registration is rejected by the Secretary State pursuant to subsection (d) of this section, or if a registration is revoked by the Secretary of State pursuant to subsection (e) of this section, the Secretary of State may not accept the application or reinstate the registration unless and until the owner has tendered to every tenant whose lease was terminated in violation of subsection (a) of this section an award for reasonable expenses.
§11-103. DECLARATION.

(a) *Required particulars.* — The declaration shall express at least the following particulars:

(1) The name by which the condominium is to be identified, which name shall include the word "condominium" or be followed by the phrase "a condominium".

(2) A description of the condominium sufficient to identify it with reasonable certainty together with a statement of the owner's intent to subject the property to the condominium regime established under this title.

(3) A general description of each unit, including its perimeters, location, and any other data sufficient to identify it with reasonable certainty. As to condominiums created on or after July 1, 1981, except as provided by the declaration or the plat and subject to paragraph (4)(ii) of this subsection:

(i) If walls, floors, or ceilings are designated boundaries of a unit, all lath, furring, wallboard, plasterboard, plaster, paneling, tiles, wallpaper, paint, finished flooring, 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, floors, or ceilings are a part of the common elements.

(ii) If any chute, flue, duct, wire, conduit, or any other fixture lies partially within and partially outside the designated boundaries of a unit, any portion thereof serving only that unit is a part of that unit, and any portion thereof serving more than one unit or any portion of the common elements is a part of the common elements.

(iii) Subject to the provisions of subparagraph (ii) of this paragraph, all spaces, interior partitions, and other fixtures and improvements within the boundaries of a unit are a part of the unit.

(iv) Any shutters, awnings, window boxes, doorsteps, stoops, porches, balconies, patios, and all exterior doors and windows or other fixtures designed to serve a single unit, but located outside the unit's boundaries, are limited common elements allocated exclusively to that unit.

(4) (i) A general description of the common elements together with a designation of those portions of the common elements that are limited common elements and the unit to which the use of each is restricted initially.

(ii) 1. A. This subparagraph applies to any condominium for which a declaration, bylaws, and plat are recorded in the land records of the county where the property is located on or after October 1, 2010.

B. This subparagraph does not apply to a condominium that is occupied and used solely for nonresidential purposes.

2. The description of the common elements shall include the following improvements to the extent that the improvements are shared by or serve more than one unit or serve any portion of the common elements:

- A. Roofs;
- B. Foundations;
- C. External and supporting walls;

D. Mechanical, electrical, and plumbing systems; and

E. Other structural elements.

3. With the exception of corrective amendments necessary to comply with subsubparagraph 2 of this subparagraph, the description and designation of the common elements required under subsubparagraph 2 of this subparagraph may not be amended until after the date on which the unit owners, other than the developer and its affiliates, first elect a controlling majority of the members of the board of directors for the council of unit owners.

(5) The percentage interests appurtenant to each unit as provided in § 11-107 of this title.

(6) The number of votes at meetings of the council of unit owners appurtenant to each unit.

(b) Reference to plat. — The information required by subsection (a)(2) through (4) of this section may be incorporated in the declaration by reference to the condominium plat.

(c) Amendments or orders of reformation. -(1) Except for a corrective amendment under § 11-103.1 of this title or as provided in paragraph (2) of this subsection or subsection (d) of this section, the declaration may be amended only with the written consent of 80 percent of the unit owners listed on the current roster. Amendments under this section are subject to the following limitations:

(i) Except to the extent expressly permitted or expressly required by other provisions of this title, an amendment to the declaration may not change the boundaries of any unit, the undivided percentage interest in the common elements of any unit, the liability for common expenses or rights to common profits of any unit, or the number of votes in the council of unit owners of any unit without the written consent of every unit owner and mortgagee.

(ii) An amendment to the declaration may not modify in any way rights expressly reserved for the benefit of the developer or provisions required by any governmental authority or for the benefit of any public utility.

(iii) Except to the extent expressly permitted by the declaration, an amendment to the declaration may not change residential units to nonresidential units or change nonresidential units to residential units without the written consent of every unit owner and mortgagee.

(iv) Except as otherwise expressly permitted by this title and by the declaration, an amendment to the declaration may not redesignate general common elements as limited common elements without the written consent of every unit owner and mortgagee.

(v) No provision of this title shall be construed in derogation of any requirement in the declaration or bylaws that all or a specified number of the mortgagees of the condominium units approve specified actions contemplated by the council of unit owners.

(2) (i) The council of unit owners may petition the circuit court in equity for the county in which the condominium is located to correct:

1. An improper description of the units or common elements; or

2. An improper assignment of the percentage interests in the common elements, common expenses, and common profits.

(ii) The petition may be brought only if:

1. The unit owners, at a special meeting called for that purpose, vote to petition the court to correct a specific error by a vote of at least 66 2/3 percent of the unit owners present and voting at a properly convened meeting;

2. The council of unit owners gives notice of the special meeting to each mortgagee of record for the condominium; and

3. An opportunity is provided for the mortgagees to speak at the special meeting upon written request to the council of unit owners.

(iii) The court may reform the declaration to correct the error or omission as the court considers appropriate, if:

1. The council of unit owners gives notice of the filing of the petition to each mortgagee and unit owner within 15 days of filing;

2. The council of unit owners files an affidavit with the court stating that the conditions of subparagraph (ii) of this paragraph have been met;

3. The council of unit owners proves, by a preponderance of the evidence, that there is an error or omission as provided in subparagraph (i) of this paragraph;

4. Any mortgagee with an interest in the condominium is permitted to intervene in the proceedings upon filing a motion to intervene as provided in the Maryland Rules;

5. The reformation does not substantially impair the property rights of any unit owner or mortgagee; and

6. The court issues an order of reformation.

(iv) A final order of reformation may be appealed by any party within 30 days of its issuance. An order of reformation may not be recorded until the appeal period has lapsed or all appeals have been completed.

(3) An amendment or order of reformation becomes effective on recordation in the same manner as the declaration. If the condominium is registered with the Secretary of State, the council of unit owners shall file a copy of the order of reformation with the Secretary of State within 15 days of recordation.

(d) Suspension of use of common elements. -(1) (i) A declaration may provide for the suspension of the use of parking or recreational facility common elements by a unit owner that is more than 60 days in arrears in the payment of any assessment due to the condominium.

(ii) If a declaration contains a suspension provision authorized under subparagraph (i) of this paragraph, the declaration shall state that a suspension of the use of common elements may not be implemented until the council of unit owners:

1. Mails to the unit owner a demand letter specifying a time period of at least 10 days within which the unit owner may pay the delinquent assessment or request a hearing to contest the suspension; and

2. If a unit owner requests a hearing to contest a suspension, provides notice and holds a hearing in accordance with § 11-113(b)(2) and (3) of this subtitle.

(2) Notwithstanding the provisions of the declaration or bylaws, the council of unit owners may amend the declaration to add or repeal a suspension provision authorized under paragraph (1)(i) of this subsection by the affirmative vote of at least 60% of the total eligible voters of the condominium under the voting procedures contained in the declaration or the bylaws.

§ 11-103.1. CORRECTIVE AMENDMENTS.

(a) In general. — Unless the declaration or bylaws provide otherwise and subject to subsections (b) and (c) of this section, the council of unit owners or the board of directors may execute and record an amendment to the declaration, bylaws, or plat, to correct:

(1) A typographical error or other error in the percentage interests or number of votes appurtenant to any unit;

(2) A typographical error or other incorrect reference to another prior recorded document; or

(3) A typographical error or other incorrect unit designation or assignment of limited common elements if the affected unit owners and their mortgagees consent in writing to the amendment, and the consent documents are recorded with the amendment.

(b) Supporting documents. — If a council of unit owners or board of directors executes and records an amendment under subsection (a) of this section, the council or board shall also record with the amendment:

(1) During the time that the developer has an interest:

(i) The consent of the developer; or

(ii) An affidavit by the council or board that any developer who has an interest in the condominium has been provided a copy of the amendment and a notice that the developer may object in writing to the amendment within 30 days of receipt of the amendment and notice, that 30 days have passed since delivery of the amendment and notice, and that the developer has made no written objection; and

(2) An affidavit by the council or board that at least 30 days before recordation of the amendment a copy of the amendment was sent by first class mail to each unit owner at the last address on record with the council of unit owners.

(c) *Entitlement to record; effective date.* — An amendment under this section is entitled to be recorded and is effective upon recordation if accompanied by the supporting documents required by this section.

§11-104. BYLAWS.

(a) Bylaws to govern administration. — The administration of every condominium shall be governed by bylaws, which shall be recorded with the declaration. If the council of unit owners is incorporated, these bylaws shall be the bylaws of that corporation.

(b) Contents. —The bylaws shall express at least the following particulars:

(1) The form of administration, indicating whether the council of unit owners shall be incorporated or unincorporated, and whether, and to what extent, the duties of the council of unit owners maybe delegated to a board of directors, manager, or otherwise, and specifying the powers, manner of selection, and removal of them;

(2) The mailing address of the council of unit owners;

(3) The method of calling the unit owners to assemble; the attendance necessary to constitute a quorum at any meeting of the council of unit owners; the manner of notifying the unit owners of any proposed meeting; who presides at the meetings of the council of unit owners, who keeps the minute book for recording the resolutions of the council of unit owners, and who counts votes at meetings of the council of unit owners; and

(4) The manner of assessing against and collecting from unit owners their respective shares of the common expenses.

(c) *Permissible additional provisions.* — The bylaws also may contain any other provision regarding the management and operation of the condominium including any restriction on or requirement respecting the use and maintenance of the units and the common elements.

(d) *Prohibiting voting by certain unit owners.* — The bylaws may contain a provision prohibiting any unit owner from voting at a meeting of the council of unit owners if the council of unit owners has recorded a statement of condominium lien on his unit and the amount necessary to release the lien has not been paid at the time of the meeting.

(e) Amendments. -(1) A corrective amendment to the bylaws may be made in accordance with § 11-103.1 of this title, or as provided in paragraph (2) of this subsection.

(2) (i) Except as provided in subparagraph (ii) of this paragraph, the bylaws may be amended by the affirmative vote of unit owners as provided under paragraph (6) of this subsection.

(ii) The bylaws may be amended by the affirmative vote of unit owners having at least 51% of the votes in the council of unit owners for the purpose of requiring all unit owners to maintain condominium unit owner insurance policies on their units.

(3) (i) Except as provided in paragraph (4) of this subsection, if the declaration or bylaws contain a provision requiring any action on the part of the holder of a mortgage or deed of trust on a unit in order to amend the bylaws, that provision shall be deemed satisfied if the procedures under this paragraph are satisfied.

(ii) If the declaration or bylaws contain a provision described in subparagraph (i) of this paragraph, the council of unit owners shall cause to be delivered to each holder of a mortgage or deed of trust entitled to notice, a copy of the proposed amendment to the bylaws.

(iii) If a holder of the mortgage or deed of trust that receives the proposed amendment fails to object, in writing, to the proposed amendment within 60 days from the date of actual receipt of the proposed amendment, the holder shall be deemed to have consented to the adoption of the amendment.

(4) Paragraph (3) of this subsection does not apply to amendments that:

(i) Alter the priority of the lien of the mortgage or deed of trust;

(ii) Materially impair or affect the unit as collateral; or

(iii) Materially impair or affect the right of the holder of the mortgage or deed of trust to exercise any rights under the mortgage, deed of trust, or applicable law.

(5) Each particular set forth in subsection (b) of this section shall be expressed in the bylaws as amended. An amendment under paragraph (2) of this subsection shall be entitled to be recorded if accompanied by a certificate of the person specified in the bylaws to count votes at the meeting of the council of unit owners that the amendment was approved by unit owners having the required percentage of the votes and shall be effective on recordation. This certificate shall be conclusive evidence of approval.

(6) (i) In this paragraph, "in good standing" means not being more than 90 days in arrears in the payment of any assessment or charge due to the condominium.

(ii) Notwithstanding the provisions of the bylaws, the council of unit owners may amend the bylaws by the affirmative vote of unit owners in good standing having at least 60% of the votes in the council, or by a lower percentage if required in the bylaws.

§ 11-105. CONDOMINIUM PLAT.

(a) To be filed for record. — When the declaration and bylaws are recorded, the developer shall record a condominium plat.

(b) *Required particulars.* — The condominium plat may consist of one or more sheets and shall contain at least the following particulars:

(1) The name of the condominium;

(2) A boundary survey of the property described in the declaration showing the location of all buildings on the property and the physical markings at the corners of the property;

(3) Diagrammatic floor plans of each building on the property which show the measured dimensions, floor area, and location of each unit in it. Common elements shall be shown diagrammatically to the extent feasible; and

(4) The elevation, or average elevation in case of minor variances, above sea level, or from a fixed known point, of the upper and lower boundaries of each unit delineated on the condominium plat.

(c) Designation of units. — Each unit shall be designated on the condominium plat by a letter or number, or a combination of them, or other appropriate designation.

(d) Surveyor's certificate. — A condominium plat or any amendment to a condominium plat is sufficient for the purposes of this title if there is attached to, or included in it, a certificate of a professional land surveyor or property line surveyor authorized to practice in the State that:

(1) The plat, together with the applicable wording of the declaration, is a correct representation of the condominium described; and

(2) The identification and location of each unit and the common elements, as constructed, can be determined from them.

(e) Amendments or orders of reformation. — (1) Except as provided in paragraph (2) of this subsection or otherwise provided in this title, the condominium plat may be amended in the same manner and to the same extent as the declaration under § 11-103(c)(1) of this title.

(2) (i) The council of unit owners may petition the circuit court in equity for the county in which the condominium is located to correct an improper description of the units or common elements.

(ii) The petition may be brought only if:

1. The unit owners, at a special meeting called for that purpose, vote to petition the court to correct a specific error by a vote of at least 66 2/3 percent of the unit owners present and voting at a properly convened meeting;

2. The council of unit owners gives notice of the special meeting to each mortgagee of record for the condominium; and

3. An opportunity is provided for the mortgagees to speak at the special meeting upon written request to the council of unit owners.

(iii) The court may reform the condominium plat to correct the error or omission as the court considers appropriate, if:

1. The council of unit owners gives notice of the filing of the petition to each mortgagee and unit owner within 15 days of filing;

2. The council of unit owners files an affidavit with the court stating that the conditions of subparagraph (ii) of this paragraph have been met;

3. The council of unit owners proves, by a preponderance of the evidence, that there is an error or omission as provided in subparagraph (i) of this paragraph;

4. Any mortgagee with an interest in the condominium is permitted to intervene in the proceedings upon filing a motion to intervene as provided in the Maryland Rules;

5. The reformation does not substantially impair the property rights of any unit owner or mortgagee; and

6. The court issues an order of reformation.

(iv) A final order of reformation may be appealed by any party within 30 days of its issuance. An order of reformation may not be recorded until the appeal period has lapsed or all appeals have been completed.

(3) An amendment or order of reformation becomes effective upon recordation in the same manner as the condominium plat. If the condominium is registered with the Secretary of State, the council of unit owners shall file a copy of the reformation amendment with the Secretary of State within 15 days of recordation.

§ 11-106. STATUS AND DESCRIPTION OF UNITS.

(a) Incidents of real property. — Each unit in a condominium has all of the incidents of real property.

(b) Description of units. — A description in any deed or other instrument affecting title to any unit which makes reference to the letter or number or other appropriate designation on the condominium plat together with a reference to the plat shall be a good and sufficient description for all purposes.

§ 11-107. PERCENTAGE INTERESTS.

(a) Undivided percentage interest in common elements. — Each unit owner shall own an undivided percentage interest in the common elements equal to that set forth in the declaration. Except as specifically provided in this title, the common elements shall remain undivided. Except as provided in this title, no unit owner, nor any other person, may bring a suit for partition of the common elements, and any covenant or provision in any declaration, bylaws, or other instrument to the contrary is void.

(b) Percentage interest in common expenses and common profits. — Each unit owner shall have a percentage interest in the common expenses and common profits equal to that set forth in the declaration.

(c) Change in percentage interest. — The percentage interest provided in subsections (a) and (b) of this section may be identical or may vary. The percentage interests shall have a permanent character and, except as specifically provided by this title, may not be changed without the written consent of all of the unit owners and their mortgagees. Any change shall be evidenced by an amendment to the declaration, recorded among the appropriate land records. The percentage interests may not be separated from the unit to which they appertain. Any instrument, matter, circumstance, action, occurrence, or proceeding in any manner affecting a unit also shall affect, in like manner, the percentage interests appurtenant to the unit.

(d) Grant of part of unit; subdividing unit; consolidating units. — (1) Notwithstanding any other provision of this title, but subject to any provision in the declaration or bylaws, a unit owner may:

(i) Grant by deed part of a unit and incorporate it as part of another unit if a portion of the percentage interests of the grantor is granted to the grantee and the grant is evidenced by an amendment to the declaration specifically describing the part granted, the percentage interests reallocated and the new percentage interest of the grantor and the grantee; and

(ii) Subdivide his unit into 2 or more units if the original percentage interests and votes appurtenant to the original unit are allocated to the resulting units and the subdivision is evidenced by an amendment to the declaration describing the resulting units and the percentage interests and votes allocated to each unit.

(2) When appropriate, a plat may be attached to the amendment. The transfer or subdivision may be made without the consent of all of the unit owners if the amendment to the declaration is executed by the unit owners and mortgagees of the units involved and by the council of unit owners or its authorized designee.

(3) If the unit owner of 2 or more adjacent units or the unit owner of a unit and an adjacent part of another unit transferred in accordance with this subsection desires to consolidate them, the council of unit owners or its authorized designee may authorize the unit owner to remove all or part of any walls separating the units or portions of them if the removal does not violate any applicable statute or regulation.

§ 11-108. USE OF COMMON ELEMENTS.

(a) In general. — Subject to the provisions of subsection (c) of this section, the common elements may be used only for the purposes for which they were intended and, except as provided in the declaration, the common elements shall be subject to mutual rights of support, access, use, and enjoyment by all unit owners. However, subject to the provisions of subsection (b) of this section, any portion of the common elements designated as limited common elements shall be used only by the unit owner of the unit to which their use is limited in the declaration or condominium plat.

(b) Use of limited common elements. — Any unit owner or any group of unit owners of units to which the use of any limited common element is exclusively restricted may grant by deed the exclusive use, or the joint use in common with one or more of the grantors, of the limited common elements to any one or more unit owners. A copy of the deed shall be furnished to the council of unit owners.

(c) Meetings by unit owners. — (1) This subsection does not apply to any meetings of unit owners occurring at any time before the unit owners elect officers or a board of directors in accordance with § 11-109(c)(16) of this title.

(2) Subject to reasonable rules adopted by the governing body under § 11-111 of this title, unit owners may meet for the purpose of considering and discussing the operation of and matters relating to the operation of the condominium in any common elements or in any building or facility in the common elements that the governing body of the condominium uses for scheduled meetings.

(d) (1) Notwithstanding any bylaw, provision of a condominium plat, rule, or other provision of law, the governing body of a condominium or, if control of the governing body has not yet transitioned to the unit owners, the developer shall give notice in accordance with paragraph (2) of this subsection no less than 30 days before the sale, including a tax sale, of any common element located on property that has been transferred to the condominium.

(2) The notice requirement under paragraph (1) of this subsection shall be satisfied by:

(i) Providing written notice about the sale to each unit owner; or

(ii) 1. Posting a sign about the sale on the property to be sold, in a manner similar to signage required for a zoning modification; and

2. If the condominium has a web site, providing notice about the sale on the home page of the web site of the condominium.

§ 11-108.1. RESPONSIBILITY FOR MAINTENANCE, REPAIR, AND REPLACEMENT.

Except to the extent otherwise provided by the declaration or bylaws, the council of unit owners is responsible for maintenance, repair, and replacement of the common elements, and each unit owner is responsible for maintenance, repair, and replacement of his unit.

§ 11-109. COUNCIL OF UNIT OWNERS.

(a) Legal entity; composition. — The affairs of the condominium shall be governed by a council of unit owners which, even if unincorporated, is constituted a legal entity for all purposes. The council of unit owners shall be comprised of all unit owners.

(b) Delegation of powers. — The bylaws may authorize or provide for the delegation of any power of the council of unit owners to a board of directors, officers, managing agent, or other person for the purpose of carrying out the responsibilities of the council of unit owners.

(c) Meeting of council of unit owners or board of directors — Notice, quorum and procedural requirements. — (1) A meeting of the council of unit owners or board of directors may not be held on less notice than required by this section.

(2) The council of unit owners shall maintain a current roster of names and addresses of each unit owner to which notice of meetings of the board of directors shall be sent at least annually.

(3) Each unit owner shall furnish the council of unit owners with his name and current mailing address. A unit owner may not vote at meetings of the council of unit owners until this information is furnished.

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(4) A regular or special meeting of the council of unit owners may not be held on less than 10 nor more than 90 days':

(i) Written notice delivered or mailed to each unit owner at the address shown on the roster on the date of the notice; or

(ii) Notice sent to each unit owner by electronic transmission, if the requirements of § 11-139.1 of this title are met.

(5) Notice of special meetings of the board of directors shall be given:

(i) As provided in the bylaws; or

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(ii) If the requirements of § 11-139.1 of this title are met, by electronic transmission.

(6) Except as provided in § 11-109.1 of this title, a meeting of a governing body shall be open and held at a time and location as provided in the notice or bylaws.

(7) (i) This paragraph does not apply to any meeting of the governing body that occurs at any time before the meeting at which the unit owners elect officers or a board of directors in accordance with paragraph (16) of this subsection.

(ii) Subject to subparagraph (iii) of this paragraph and to reasonable rules adopted by the governing body under § 11-111 of this title, a governing body shall provide a designated period of time during a meeting to allow unit owners an opportunity to comment on any matter relating to the condominium.

(iii) During a meeting at which the agenda is limited to specific topics or at a special meeting, the unit owners' comments may be limited to the topics listed on the meeting agenda.

(iv) The governing body shall convene at least one meeting each year at which the agenda is open to any matter relating to the condominium.

(8) (i) Unless the bylaws provide otherwise, a quorum is deemed present throughout any meeting of the council of unit owners if persons entitled to cast 25 percent of the total number of votes appurtenant to all units are present in person or by proxy.

(ii) If the number of persons present in person or by proxy at a properly called meeting of the council of unit owners is insufficient to constitute a quorum, another meeting of the council of unit owners may be called for the same purpose if:

1. The notice of the meeting stated that the procedure authorized by this paragraph might be invoked; and

2. By majority vote, the unit owners present in person or by proxy call for the additional meeting.

(iii) 1. Fifteen days' notice of the time, place, and purpose of the additional meeting shall be delivered, mailed, or sent by electronic transmission if the requirements of § 11-139.1 of this title are met, to each unit owner at the address shown on the roster maintained under paragraph (2) of this subsection.

2. The notice shall contain the quorum and voting provisions of subparagraph (iv) of this paragraph.

(iv) 1. At the additional meeting, the unit owners present in person or by proxy constitute a quorum.

2. Unless the bylaws provide otherwise, a majority of the unit owners present in person or by proxy:

A. May approve or authorize the proposed action at the additional meeting; and

B. May take any other action that could have been taken at the original meeting if a sufficient number of unit owners had been present.

(v) This paragraph may not be construed to affect the percentage of votes required to amend the declaration or bylaws or to take any other action required to be taken by a specified percentage of votes.

(9) At meetings of the council of unit owners each unit owner shall be entitled to cast the number of votes appurtenant to his unit. Unit owners may vote by proxy, but the proxy is effective only for a maximum period of 180 days following its issuance, unless granted to a lessee or mortgagee.

(10) Any proxy may be revoked at any time at the pleasure of the unit owner or unit owners executing the proxy.

(11) A proxy who is not appointed to vote as directed by a unit owner may only be appointed for purposes of meeting quorums and to vote for matters of business before the council of unit owners, other than an election of officers and members of the board of directors.

(12) Only a unit owner voting in person or by electronic transmission if the requirements of § 11-139.2 of this title are met or a proxy voting for candidates designated by a unit owner may vote for officers and members of the board of directors.

(13) Unless otherwise provided in the bylaws, a unit owner may nominate himself or any other person to be an officer or member of the board of directors. A call for nominations shall be sent to all unit owners not less than 45 days before notice of an election is sent. Only nominations made at least 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 at the meeting at which the election to the board is held.

(14) Election materials prepared with funds of the council of unit owners shall list candidates in alphabetical order and may not indicate a candidate preference.

(15) Unless otherwise provided in this title, and subject to provisions in the bylaws requiring a different majority, decisions of the council of unit owners shall be made on a majority of votes of the unit owners listed on the current roster present and voting.

(16) A meeting of the council of unit owners shall be held within 60 days from the date that units representing 50 percent of the votes in the condominium have been conveyed by the developer to the initial purchasers of units to elect officers or a board of directors for the council of unit owners, as provided in the condominium declaration or bylaws.

(d) Council — Incorporation and powers. — The council of unit owners may be either incorporated as a nonstock corporation or unincorporated and it is subject to those provisions of Title 5, Subtitle 2 of the Corporations and Associations Article which are not inconsistent with this title. The council of unit owners has, subject to any provision of this title, and except as provided in paragraph (22) of this subsection, the declaration, and bylaws, the following powers:

(1) To have perpetual existence, subject to the right of the unit owners to terminate the condominium regime as provided in § 11-123 of this title;

(2) To adopt and amend reasonable rules and regulations;

(3) To adopt and amend budgets for revenues, expenditures, and reserves and collect assessments for common expenses from unit owners;

(4) To sue and be sued, complain and defend, or intervene in litigation or administrative proceedings in its own name on behalf of itself or two or more unit owners on matters affecting the condominium;

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

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

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

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

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

(10) 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 obligation of corporations of the State, or foreign corporations, and of associations, partnerships, and individuals;

(11) 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 bylaws, and to take and to hold real and personal property as security for the payment of funds so invested or loaned;

(12) To regulate the use, maintenance, repair, replacement, and modification of common elements;

(13) To cause additional improvements to be made as a part of the general common elements;

(14) To grant easements, rights-of-way, licenses, leases in excess of 1 year, or similar interests through or over the common elements in accordance with \S 11-125(f) of this title;

(15) To impose and receive any payments, fees, or charges for the use, rental, or operation of the common elements other than limited common elements;

(16) To impose charges for late payment of assessments and, after notice and an opportunity to be heard, levy reasonable fines for violations of the declaration, bylaws, and rules and regulations of the council of unit owners, under § 11-113 of this title;

(17) To impose reasonable charges for the preparation and recordation of amendments to the declaration, bylaws, rules, regulations, or resolutions, resale certificates, or statements of unpaid assessments;

(18) To provide for the indemnification of and maintain liability insurance for officers, directors, and any managing agent or other employee charged with the operation or maintenance of the condominium;

(19) To enforce the implied warranties made to the council of unit owners by the developer under § 11-131 of this title;

(20) To enforce the provisions of this title, the declaration, bylaws, and rules and regulations of the council of unit owners against any unit owner or occupant;

(21) Generally, to exercise the powers set forth in this title and the declaration or bylaws and to do every other act not inconsistent with law, which may be appropriate to promote and attain the purposes set forth in this title, the declaration or bylaws; and

(22) To designate parking for individuals with disabilities, notwithstanding any provision in the declaration, bylaws, or rules and regulations.

(e) Unit owner's interest in council's property. — A unit owner may not have any right, title, or interest in any property owned by the council of unit owners other than as holder of a percentage interest in common expenses and common profits appurtenant to his unit.

(f) Unit owner's rights as holder of percentage interest. — A unit owner's rights as holder of a percentage interest in common expenses and common profits are such that:

(1) A unit owner's right to possess, use, or enjoy property of the council of unit owners shall be as provided in the bylaws; and

(2) A unit owner's interest in the property is not assignable or attachable separate from his unit except as provided in §§ 11-107(d) and 11-112(g) of this title.

§ 11-109.1. CLOSED MEETINGS OF BOARD OF DIRECTORS

(a) Permitted for certain enumerated purposes. — A meeting of the board of directors may be held in closed session only for the following purposes:

(1) Discussion of matters pertaining to employees and personnel;

(2) Protection of the privacy or reputation of individuals in matters not related to the council of unit owners' business;

(3) Consultation with legal counsel on legal matters;

(4) Consultation with staff personnel, consultants, attorneys, board members, or other persons in connection with pending or potential litigation or other legal matters;

(5) Investigative proceedings concerning possible or actual criminal misconduct;

(6) Consideration of the terms or conditions of a business transaction in the negotiation stage if the disclosure could adversely affect the economic interests of the council of unit owners;

(7) Complying with a specific constitutional, statutory, or judicially imposed requirement protecting particular proceedings or matters from public disclosure; or.

(8) Discussion of individual owner assessment accounts.

(b) Scope of permissible action limited; inclusion of certain statements, records, and authority required in minutes. — If a meeting is held in closed session under subsection (a) of this section:

(1) An action may not be taken and a matter may not be discussed if it is not permitted by subsection (a) of this section; and

(2) A statement of the time, place, and purpose of any closed meeting, the record of the vote of each board member by which any meeting was closed, and the authority under this section for closing any meeting shall be included in the minutes of the next meeting of the board of directors.

§ 11-109.2. ANNUAL PROPOSED BUDGET.

(a) *Preparation and submission.* — The council of unit owners shall cause to be prepared and submitted to the unit owners an annual proposed budget at least 30 days before its adoption.

(b) Items required to be included. — The annual budget shall provide for at least the following items:

- (1) Income;
- (2) Administration;
- (3) Maintenance;
- (4) Utilities;
- (5) General expenses;
- (6) Reserves; and
- (7) Capital items.

(c) *Adoption.* — The budget shall be adopted at an open meeting of the council of unit owners or any other body to which the council of unit owners delegates responsibilities for preparing and adopting the budget.

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

(e) Authority of council to obligate itself for certain expenditures unimpaired. — The adoption of a budget shall not impair the authority of the council of unit owners to obligate the council of unit owners for expenditures for any purpose consistent with any provision of this title.

(f) Applicability to condominiums occupied and used solely for nonresidential purposes. — The provisions of this section do not apply to a condominium that is occupied and used solely for nonresidential purposes.

11-109.3. COURT APPOINTMENT OF RECEIVER

(a) Receiver appointed if quorum fails. — If the council of unit owners fails to fill vacancies on the board of directors sufficient to constitute a quorum in accordance with the bylaws, three or more unit owners may petition the circuit court for the county where the condominium is located to appoint a receiver to manage the affairs of the council of unit owners.

(b) Notice required. -(1) At least 30 days before petitioning the circuit court, the unit owners acting under the authority granted by subsection (a) of this section shall mail to the council of unit owners a notice describing the petition and the proposed action.

(2) The unit owners shall post a copy of the notice in a conspicuous place on the condominium property.

(c) No quorum within notice period. —If the council of unit owners fails to fill vacancies sufficient to constitute a quorum within the notice period, the unit owners may proceed with the petition.

(d) Limitations on receiver. —A receiver appointed by a court under this section may not reside in or own a unit in the condominium governed by the council of unit owners.

(e) Powers and duties of receiver; length of service. -(1) A receiver appointed under this section shall have all powers and duties of a duly constituted board of directors.

(2) The receiver shall serve until the council of unit owners fills vacancies on the board of directors sufficient to constitute a quorum.

(f) Common expenses. — The salary of the receiver, court costs, and reasonable attorney's fees are common expenses.

§ 11-110. COMMON EXPENSES AND PROFITS; ASSESSMENTS; LIENS.

(a) Disposition of common profits. — All common profits shall be disbursed to the unit owners, be credited to their assessments for common expenses in proportion to their percentage interests in common profits and common expenses, or be used for any other purpose as the council of unit owners decides.

(b) Funds for payment of common expenses obtained by assessments. -(1) Funds for the payment of current common expenses and for the creation of reserves for the payment of future common expenses shall be obtained by assessments against the unit owners in proportion to their percentage interests in common expenses and common profits.

(2) (i) Where provided in the declaration or the bylaws, charges for utility services may be assessed and collected on the basis of usage rather than on the basis of percentage interests.

(ii) If provided by the declaration, assessments for expenses related to maintenance of the limited common elements may be charged to the unit owner or owners who are given the exclusive right to use the limited common elements.

(iii) Assessments for charges under this paragraph may be enforced in the same manner as assessments for common expenses.

(c) Liability for assessments. — A unit owner shall be liable for all assessments, or installments thereof, 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 against the grantor for his share of the common expenses up to the time of the voluntary grant for which a statement of 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. Liability for assessments may not be avoided by waiver of the use or enjoyment of any common element or by abandonment of the unit for which the assessments are made.

(d) Imposition of lien. — (1) Payment of assessments, together with interest, late charges, if any, costs of collection and reasonable attorney's fees may be enforced by the imposition of a lien on a unit in accordance with the provisions of the Maryland Contract Lien Act.

(2) Suit for any deficiency following foreclosure may be maintained in the same proceeding, and suit to recover any money judgment for unpaid assessments may also be maintained in the same proceeding, without waiving the right to seek to impose a lien under the Maryland Contract Lien Act.

(e) Interest on unpaid assessment; late charges; demand for payment of remaining annual assessment. — (1) Any assessment, or installment thereof, not paid when due shall bear interest, at the option of the council of unit owners, from the date when due until paid at the rate provided in the bylaws, not exceeding 18 percent per annum, and if no rate is provided, then at 18 percent per annum. (2) The bylaws also may provide for a late charge of \$15 or one tenth of the total amount of any delinquent assessment or installment, whichever is greater, provided the charge may not be imposed more than once for the same delinquent payment and may only be imposed if the delinquency has continued for at least 15 calendar days.

(3) If the declaration or bylaws provide for an annual assessment payable in regular installments, the declaration or bylaws may further provide that if a unit owner fails to pay an installment when due, the council of unit owners may demand payment of the remaining annual assessment coming due within that fiscal year. A demand by the council is not enforceable unless the council, within 15 days of a unit owner's failure to pay an installment, notifies the unit owner that if the unit owner fails to pay the monthly installment within 15 days of the notice, full payment of the remaining annual assessment will then be due and shall constitute a lien on the unit as provided in this section.

(f) (1) This subsection does not limit or affect the priority of any lien, secured interest, or other encumbrance with priority that is held by or for the benefit of, purchased by, assigned to, or securing any indebtedness to:

(i) The state or any county or municipal corporation in the state;

(ii) Any unit of state government or the government of any county or municipal corporation in the state; or

(iii) An instrumentality of the state or any county or municipal corporation in the state.

(2) In the case of a foreclosure of a mortgage or deed of trust on a unit in a condominium, a portion of the condominium's liens on the unit, as prescribed in paragraph (3) of this subsection, shall have priority over a claim of the holder of a first mortgage or a first deed of trust that is recorded against the unit on or after October 1, 2011.

(3) The portion of the condominium's liens that has priority under paragraph (2) of this subsection:

(i) Shall consist solely of not more than 4 months, or the equivalent of 4 months, of unpaid regular assessments for common expenses that are levied by the condominium in accordance with the requirements of the declaration or bylaws of the condominium;

(ii) May not include:

1. Interest;

2. Costs of collection;

3. Late charges;

4. Fines;

5. Attorney's fees;

6. Special assessments; or

7. Any other costs or sums due under the declaration or bylaws of the condominium or as provided under any contract, law, or court order; and

(iii) May not exceed a maximum of \$1,200.

(4) (i) Subject to subparagraph (ii) of this paragraph, at the request of the holder of a first mortgage or first deed of trust on a unit in a condominium, the governing body shall provide to the holder written information about the portion of any lien filed under the Maryland Contract Lien Act that has priority as prescribed under paragraph (3) of this subsection, including information that is sufficient to allow the holder to determine the basis for the portion of the lien that has priority.

(ii) At the time of making a request under subparagraph (i) of this paragraph, the holder shall provide the governing body of the condominium with the written contact information of the holder.

(iii) If the governing body of the condominium fails to provide written information to the holder under subparagraph (i) of this paragraph within 30 days after the filing of the statement of lien among the land records of each county in which the condominium is located, the portion of the condominium's liens does not have priority as prescribed under paragraph (2) of this subsection.

§ 11-111. RULES AND REGULATIONS

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(a) Adoption of rules; notice to owners. -(1) The council of unit owners or the body delegated in the bylaws of a condominium to carry out the responsibilities of the council of unit owners may adopt rules for the condominium if:

(i) Each unit owner is mailed or delivered:

(1) A copy of the proposed rule;

(2) Notice that unit owners are permitted to submit written comments on the proposed rule; and

(3) Notice of the proposed effective date of the proposed rule;

(ii) Subject to paragraph (2) of this subsection, before a vote is taken on the proposed rule, an open meeting is held to allow each unit owner or tenant to comment on the proposed rule; and

(iii) After notice has been given to unit owners as provided in this subsection, the proposed rule is passed at a regular or special meeting by a majority vote of those present and voting of the council of unit owners or the body delegated in the bylaws of the condominium to carry out the responsibilities of the council of unit owners.

(2) A meeting held under paragraph (1)(ii) of this subsection may not be held unless:

(i) Each unit owner receives written notice at least 15 days before the meeting; and

(ii). A quorum of the council of unit owners or the body delegated in the bylaws of the condominium to carry out the responsibilities of the council of unit owners is present.

(b) When adopted rules not final; special meetings. — (1) The vote on the proposed rule shall be final unless:

(i) Within 15 days after the vote, to adopt the proposed rule, 15 percent of the council of unit owners sign and file a petition with the body that voted to adopt the proposed rule, calling for a special meeting;

(ii) A quorum of the council of unit owners attends the meeting; and

(iii) At the meeting, 50 percent of the unit owners present and voting disapprove the proposed rule, and the unit owners voting to disapprove the proposed rule are more than 33 percent of the total votes in the condominium.

(2) During the special meetings held under paragraph (1) of this subsection, unit owners, tenants, and mortgagees may comment on the proposed rule.

(3) A special meeting held under paragraph (1) of this subsection shall be held:

(i) After the unit owners and any mortgagees have at least 15 days' written notice of the meeting; and

(ii) Within 30 days after the day on which the petition is received by the body.

(c) Individual exceptions. -(1) Each unit owner or tenant may request an individual exception to a rule adopted while the individual was the unit owner or tenant of the condominium.

(2) The request for an individual exception under paragraph (1) of this subsection shall be:

(i) Written;

(ii) Filed with the body that voted to adopt the proposed rule; and

(iii) Filed within 30 days after the effective date of the rule.

(d) General requirements and exceptions. -(1) Each rule adopted under this section shall state that the rule was adopted under the provisions of this section.

(2) A rule may not be adopted under this section after July 1, 1984 if the rule is inconsistent with the condominium declaration or bylaws.

(3) This section does not apply to rules adopted before July 1, 1984.

§ 11-111.1. FAMILY DAY CARE HOMES.

(a) Definitions. — (1) In this section the following words have the meanings indicated.

(2) "Day care provider" means the adult who has primary responsibility for the operation of a family day care home.

(3) "Family day care home" means a unit registered under Title 5, Subtitle 5 of the Family Law Article.

(4) "No-impact home-based business" means a business that:

(i) Is consistent with the residential character of the dwelling unit;

(ii) Is subordinate to the use of the dwelling unit for residential purposes and requires no external modifications that detract from the residential appearance of the dwelling unit;

(iii) Uses no equipment or process that creates noise, vibration, glare, fumes, odors, or electrical or electronic interference detectable by neighbors or that causes an increase of common expenses that can be solely and directly attributable to a no-impact home-based business; and

(iv) Does not involve use, storage, or disposal of any grouping or classification of materials that the United States Secretary of Transportation or the State or any local governing body designates as a hazardous material.

(b) Applicability. — (1) The provisions of this section relating to family day care homes do not apply to a condominium that is limited to housing for older persons, as defined under the federal Fair Housing Act.

(2) The provisions of this section relating to no-impact home-based businesses do not apply to a condominium that has adopted, prior to July 1, 1999, procedures in accordance with its covenants, declaration, or bylaws for the regulation or prohibition of no-impact home-based businesses.

(c) Permitted activities. -(1) Subject to the provisions of subsections (d) and (e)(1) of this section, a recorded covenant or restriction, a provision in a declaration, or a provision of the bylaws or rules of a condominium that prohibits or restricts commercial or business activity in general, but does not expressly apply to family day care homes or no-impact home-based businesses, may not be construed to prohibit or restrict:

(i) The establishment and operation of family day care home or no-impact home-based businesses; or

(ii) Use of the roads, sidewalks, and other common elements of the condominium by users of the family day care home.

(2) Subject to the provisions of subsections (d) and (e)(l) of this section, the operation of a family day care home or no-impact home-based business shall be:

(i) Considered a residential activity; and

(ii) A permitted activity.

(d) Express prohibition. — (1) (i) Subject to the provisions of paragraphs (2) and (3) of this subsection, a condominium may include in its declaration, bylaws, or rules and restrictions a provision expressly prohibiting the use of a unit as a family day care home or no-impact home-based business.

(ii) A provision described under subparagraph (i) of this paragraph expressly prohibiting the use of a unit as a family day care home or no-impact home-based business shall apply to an existing family day care home or no-impact home-based business in the condominium.

(2) A provision described under paragraph (1)(i) of this subsection expressly prohibiting the use of a unit as a family day care home or no-impact home-based business may not be enforced unless it is approved by a simple majority of the total eligible voters of the condominium under the voting procedures contained in the declaration or bylaws of the condominium.

(3) If a condominium includes in its declaration, bylaws, or rules and restrictions, a provision prohibiting the use of a unit as a family day care home or no-impact home-based business, it shall also include a provision stating that the prohibition may be eliminated and family day care homes or no-impact home-based businesses may be approved by a simple majority of the total eligible voters of the condominium under the voting procedures contained in the declaration or bylaws of the condominium.

(4) If a condominium includes in its declaration, bylaws, or rules and restrictions a provision expressly prohibiting the use of a unit as a family day care home or no-impact home-based business, the prohibition may be eliminated and family day care or no-impact home-based business activities may be permitted by the approval of a simple majority of the total eligible voters of the condominium under the voting procedures contained in the declaration or bylaws of the condominium.

(e) Regulation of operation. — A condominium may include in its declaration, bylaws, or rules and restriction a provision that:

(1) Regulates the number or percentage of family day care homes operating in the condominium, provided that the percentage of family day care homes permitted may not be less than 7.5 percent of the total units of the condominium;

(2) Requires day care providers to pay on a pro rata basis based on the total number of family day care homes operating in the condominium any increase in insurance costs of the condominium that are solely and directly attributable to the operation of family day care homes in the condominium; and

(3) Imposes a fee for use of common elements in a reasonable amount not to exceed \$50 per year on each family day care home or no-impact home-based business which is registered and operating in the condominium.

(f) Notice. — (1) If the condominium regulates the number or percentage of family day care homes under subsection (e)(l) of this section, in order to assure compliance with the regulation, the condominium may require residents to notify the condominium before opening a family day care home.

(2) The condominium may require residents to notify the condominium before opening a no-impact homebased business.

(g) Liability insurance. — (1) A day care provider in a condominium:

(i) Shall obtain the liability insurance described under §§ 19-106 and 19-202 of the Insurance Article in at least the minimum amount described under that statute; and

(ii) May not operate without the liability insurance described under item (i) of this paragraph.

(2) A condominium may not require a day care provider to obtain insurance in an amount greater than the minimum amount required under paragraph (1) of this subsection.

(h) Restriction. — A condominium may restrict or prohibit a no-impact home-based business in any common elements.

(i) Section controlling. — To the extent that this section is inconsistent with any other provision of this subtitle, this section shall take precedence over any inconsistent provision.

§ 11-111.2. RESTRICTIONS ON CANDIDATE SIGNS AND PROPOSITIONS.

(a) Defined. — In this section, "candidate sign" means a sign on behalf of a candidate for public office or a slate of candidates for public office.

(b) *Exceptions.* — Except as provided in subsection (c) of this section, a recorded covenant or restriction, a provision in a declaration, or a provision in the bylaws or rules of a condominium may not restrict or prohibit the display of:

(1) A candidate sign; or

(2) A sign that advertises the support or defeat of any question submitted to voters in accordance with the Election Law Article.

(c) *Restrictions.* — A recorded covenant or restriction, a provision in a declaration, or a provision in the bylaws or rules of a condominium may restrict the display of a candidate sign or a sign that advertises the support or defeat of any proposition:

(1) In the common elements;

(2) In accordance with provisions of federal, State, and local law; or

(3) If a limitation to the time period during which signs may be displayed is not specified by a law of the jurisdiction in which the condominium is located, to a time period not less than:

(i) 30 days before the primary election, general election, or vote on the proposition; and

(ii) 7 days after the primary election, general election, or vote on the proposition.

§ 11-111.3. DISTRIBUTION OF WRITTEN INFORMATION OR MATERIALS.

(a) Applicability of section. — This section does not apply to the distribution of information or materials at any time before the unit owners elect officers or a board of directors in accordance with 11-109(c)(16) of this title.

(b) *Door-to-door distribution.* — In this section, the door-to-door distribution of any of the following information or materials may not be considered a distribution for purposes of determining the manner in which a governing body distributes information or materials under this section:

(1) Any information or materials reflecting the assessments imposed on unit owners in accordance with a recorded covenant, the declaration, bylaw, or rule of the condominium; and

(2) Any meeting notices of the governing body.

(c) Distribution of written information or materials. — Except for reasonable restrictions to the time of distribution, a recorded covenant or restriction, a provision in a declaration, or a provision of the bylaws or rules of a condominium may not restrict a unit owner from distributing written information or materials regarding the operation of or matters relating to the operation of the condominium in any manner or place that the governing body distributes written information or materials.

§ 11-112. EMINENT DOMAIN.

(a) Meaning of "taking under the power of eminent domain". — In this section, the term "taking under the power of eminent domain" includes any sale in settlement of any pending or threatened condemnation proceeding.

(b) Allocation of award — Provisions in declaration or bylaws. — The declaration or bylaws may provide for an allocation of any award for a taking under the power of eminent domain of all or a part of the condominium. The declaration or bylaws also may provide for (1) reapportionment or other change of the percentage interests appurtenant to each unit remaining after any 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) Same — In absence of provisions in declaration or bylaws. — Unless otherwise provided in the declaration or bylaws, 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 to his unit.

(2) Any award for the taking of limited common elements shall be allocated to the unit 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) *Reconstruction following taking.* — Unless otherwise provided in the declaration or bylaws, following the taking of a part of a 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 shall be a common expense.

(e) Adjustment of percentage interests following taking; effect of taking on votes appurtenant to unit. —Unless provided in the declaration or bylaws, following the taking of all or a part of any unit, the percentage interests

appurtenant to the unit shall be adjusted in proportion as the amount of floor area of the unit so taken bears to the floor area of the unit prior to the taking. The council of unit owners promptly shall prepare and record an amendment to the declaration reflecting the new percentage interests appurtenant to the unit. Subject to subsection (g) of this section:

(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) Priority in distribution of damages for each unit. — 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) Taking not to include percentage interests or votes. — 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.

§ 11-113. DISPUTE SETTLEMENT MECHANISM.

(a) Application of section. — Unless the declaration or bylaws state otherwise, the dispute settlement mechanism provided by this section is applicable to complaints or demands formally arising on or after January 1, 1982.

(b) Procedure prior to imposition of sanction for rule violation. — The council of unit owners or board of directors may not impose a fine, suspend voting, or infringe upon any other rights of a unit owner or other occupant for violations of rules until the following procedure is followed:

(1) Written demand to cease and desist from an alleged violation is served upon the alleged violator specifying:

(i) The alleged violation;

(ii) The action required to abate the violation; and

(iii) A time period, not less than 10 days, during which the violation may be abated without further sanction, if the violation is a continuing one, or a statement that any further violation of the same rule may result in the imposition of sanction after notice and hearing if the violation is not continuing.

(2) Within 12 months of the demand, if the violation continues past the period allowed in the demand for abatement without penalty or if the same rule is violated subsequently, the board serves the alleged violator with written notice of a hearing to be held by the board in session. The notice shall contain:

(i) The nature of the alleged violation;

(ii) The time and place of the hearing, which time may be not less than 10 days from the giving of the notice;

(iii) An invitation to attend the hearing and produce any statement, evidence, and witnesses on his or her behalf; and

(iv) The proposed sanction to be imposed.

(3) A hearing occurs at which the alleged violator has the right to present evidence and present and crossexamine witnesses. The hearing shall be held in executive session pursuant to this notice and shall afford the alleged violator a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of notice and the invitation to be heard shall be placed in the minutes of the meeting. This proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer or director who delivered the notice. The notice requirement shall be deemed satisfied if the alleged violator appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed.

(4) A decision pursuant to these procedures shall be appealable to the courts of Maryland.

(c) Liability for damages; injunction. — If any unit owner fails to comply with this title, the declaration, or bylaws, or a decision rendered pursuant to this section, the unit owner may be sued for damages caused by the

failure or for injunctive relief, or both, by the council of unit owners or by any other unit owner. The prevailing party in any such proceeding is entitled to an award for counsel fees as determined by court.

(d) Effect of failure to enforce provisions. — The failure of the council of unit owners to enforce a provision of this title, the declaration, or bylaws on any occasion is not a waiver of the right to enforce the provision on any other occasion.

§ 11-114. REQUIRED INSURANCE COVERAGE; RECONSTRUCTION.

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(a) Duty of council of unit owners to maintain property and liability insurance. — Commencing not later than the time of the first conveyance of a unit to a person other than the developer, the council of unit owners shall maintain, to the extent reasonably available:

(1) Property insurance on the common elements and units, exclusive of improvements and betterments installed in units by unit owners, insuring against those risks of direct physical loss commonly insured against, in amounts determined by the council of unit owners but not less than any amounts specified in the declaration or bylaws; and

(2) Comprehensive general liability insurance, including medical payments insurance, in an amount determined by the council of unit owners, but not less than any amount specified in the declaration or bylaws, covering 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) Other insurance. — The council of unit owners shall give notice to all unit owners of the termination of any insurance policy within 10 days of termination. The declaration or bylaws may require the council of unit owners to carry any other insurance, and the council of unit owners in any event may carry any other insurance it deems appropriate to protect the council of unit owners or the unit owners.

(c) Provisions of property and liability insurance policies. — Insurance policies carried pursuant to subsection (a) of this section shall provide that:

(1) Each unit owner is an insured person under the policy with respect to liability arising out of his ownership of an undivided interest in the common elements or membership in the council of unit owners;

(2) The insurer waives its right to subrogation under the policy against any unit owner of the condominium or members of his 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) Disbursements of proceeds of property policy. — Any loss covered by the property policy under subsection (a)(1) of this section shall be adjusted with the council of unit owners, but the insurance proceeds for that loss shall be payable to any insurance trustee designated for that purpose, or otherwise to the council of unit owners, and not to any mortgagee. The insurance trustee or the council of unit owners shall hold any insurance proceeds in trust for unit owners and lien holders as their interests may appear. Subject to the provisions of subsection (g) of this section, 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.

(e) Insurance for unit owner's benefit. — An insurance policy issued to the council of unit owners does not prevent a unit owner from obtaining insurance for his own benefit.

(f) Certificates or memoranda of insurance; notice prior to cancellation. - (1) An insurer that has issued an insurance policy under this section shall issue certificates or memoranda of insurance to the council of unit owners and, upon request, to any unit owner, mortgagee, or beneficiary under a deed of trust.

(2) An insurer may cancel an insurance policy issued under this section in accordance with § 27-603 of the Insurance Article.

(g) Repair or reconstruction. -(1) Any portion of the condominium damaged or destroyed shall be repaired or replaced promptly by the council of unit owners unless:

(i) The condominium is terminated;

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

(iii) 80 percent of the unit owners, including every owner of a unit or assigned limited common element which will not be rebuilt, vote not to rebuild.

(2) (i) 1. The cost of repair or replacement in excess of insurance proceeds and reserves is a common expense.

2. A property insurance deductible is not a cost of repair or replacement in excess of insurance proceeds.

(ii) If the cause of any damage to or destruction of any portion of the condominium originates from the common elements, the council of unit owners' property insurance deductible is a common expense.

(iii) 1. If the cause of any damage to or destruction of any portion of the condominium originates from a unit, the owner of the unit where the cause of the damage or destruction originated is responsible for the council of unit owners' property insurance deductible not to exceed \$5,000.

2. The council of unit owners shall inform each unit owner annually in writing of:

A. The unit owner's responsibility for the council of unit owners' property insurance deductible; and

B. The amount of the deductible.

3. The council of unit owners' property insurance deductible amount exceeding the \$5,000 responsibility of the unit owner is a common expense.

(iv) In the same manner as provided under § 11-110 of this subtitle, the council of unit owners may make an annual assessment against the unit owner responsible under subparagraph (iii) of this paragraph.

(3) If the damaged or destroyed portion of the condominium is not repaired or replaced:

(i) 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;

(ii) The insurance proceeds attributable to units and limited common elements which are not rebuilt shall be distributed to the owners of those units and the owners of the units to which those limited common elements were assigned; and

(iii) The remainder of the proceeds shall be distributed to all the unit owners in proportion to their percentage interest in the common elements.

(4) 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 are automatically reallocated upon the vote as if the unit had been condemned under § 11-112 of this title, and the council of unit owners promptly shall prepare, execute, and record an amendment to the declaration reflecting the reallocations. Notwithstanding the provisions of this subsection, § 11-123 of this title governs the distribution of insurance proceeds if the condominium is terminated.

(h) Inspection of insurance policies. — The council of unit owners shall maintain and make available for inspection a copy of all insurance policies maintained by the council of unit owners.

(i) Section inapplicable to condominium intended for nonresidential use. — The provisions of this section do not apply to a condominium all of whose units are intended for nonresidential use.

§ 11-114.1. FIDELITY INSURANCE.

- (a) Fidelity insurance. In this section, "fidelity insurance" includes a fidelity bond.
- (b) Section not applicable to condominium. This section does not apply to a condominium:
 - (1) That has four or fewer units; and

(2) For which 3 months' worth of gross annual assessments is less than \$2,500.

(c) *Purchase; requirements.* — (1) The council of unit owners or other governing body of a condominium shall purchase fidelity insurance not later than the time of the first conveyance of a unit to a person other than the developer and shall keep fidelity insurance in place for each year thereafter.

(2) The fidelity insurance required under paragraph (1) of this subsection shall provide for the indemnification of the condominium against loss resulting from acts or omissions arising from fraud, dishonesty, or criminal acts by:

(i) Any officer, director, managing agent, or other agent or employee charged with the operation or maintenance of the condominium who controls or disburses funds; and

(ii) Any management company employing a management agent or other employee charged with the operation or maintenance of the condominium who controls or disburses funds.

(d) Copy included in books and records. — A copy of the fidelity insurance policy or fidelity bond shall be included in the books and records kept and made available by the council of unit owners under § 11-116 of this title.

(e) Amount. — (1) The amount of the fidelity insurance required under subsection (c) of this section shall equal at least the lesser of:

(i) 3 months' worth of gross annual assessments and the total amount held in all investment accounts at the time the fidelity insurance is issued; or

(ii) \$3,000,000.

(2) The total liability of the insurance to all insured persons under the fidelity insurance may not exceed the sum of the fidelity insurance.

(f) Dispute for failure to comply. — If a unit owner believes that the council of unit owners or other governing body of a condominium has failed to comply with the requirements of this section, the aggrieved unit owner may submit the dispute to the Division of Consumer Protection of the Office of the Attorney General under § 11-130 of this title.

§ 11–114.2. UNIT OWNER INSURANCE POLICY

(a) The bylaws of a condominium may require each unit owner to maintain a condominium unit owner insurance policy on the unit.

(b) Bylaws that require each unit owner to maintain unit owner insurance also shall require each unit owner to provide evidence of the insurance coverage to the council of unit owners annually.

§ 11-115. IMPROVEMENTS, ALTERATIONS OR ADDITIONS BY UNIT OWNER.

Subject to the provisions of the declaration or bylaws and other provisions of law, a unit owner:

(1) May make any improvements or alterations to his unit that do not impair the structural integrity or mechanical systems or lessen the support of any portion of the condominium;

(2) May not alter, make additions to, or change the appearance of the common elements, or the exterior appearance of a unit or any other portion of the condominium, without permission of the council of unit owners;

(3) After acquiring an adjoining unit or an adjoining part of an adjoining unit, may remove or alter any intervening partition or create apertures therein, even if the partition in whole or in part is a common element, if those acts do not impair the structural integrity or mechanical systems or lessen the support of any portion of the condominium. However, prior approval shall be given by the council of unit owners or its authorized designee and an amendment to the declaration and plat(s) shall be filed among the land records of the county in which the condominium is located under the name of the condominium. Removal of partitions or creation of apertures under this paragraph is not an alteration of boundaries.

§ 11-116. BOOKS AND RECORDS TO BE KEPT; AUDIT; INSPECTION OF RECORDS.

(a) Books and records to be kept. — The council of unit owners shall keep books and records in accordance with good accounting practices on a consistent basis.

(b) Audit. — On the request of the unit owners of at least 5 percent of the units, the council of unit owners shall cause an audit of the books and records to be made by an independent certified public accountant, provided an audit shall be made not more than once in any consecutive 12-month period. The cost of the audit shall be a common expense.

(c) Inspection of records.— (1) (i) Except as provided in paragraph (3) of this subsection, all books and records, including insurance policies, kept by the council of unit owners shall be maintained in Maryland or within 50 miles of its borders and shall be available at some place designated by the council of unit owners for examination or copying, or both, by any unit owner, a unit owner's mortgagee, or their respective duly authorized agents or attorneys, during normal business hours, and after reasonable notice.

(ii) If a unit owner requests in writing a copy of financial statements of the condominium or the minutes of a meeting of the board of directors or other governing body of the condominium to be delivered, the board of directors or other governing body of the condominium shall compile and send the requested information by mail, electronic transmission, or personal delivery:

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

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

(2) Books and records required to be made available under paragraph (1) of this subsection shall first be made available to a unit owner not later than 15 business days after a unit is conveyed from a developer and the unit owner requests to examine or copy the books and records.

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

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

(ii) An individual's medical records;

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

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

(v) The written advice of legal counsel; or

(vi) Minutes of a closed meeting of the board of directors or other governing body of the council of unit owners, unless a majority of a quorum of the board of directors or governing body that held the meeting approves unsealing the minutes or a recording of the minutes for public inspection.

(d) Reasonable charge.

(1) Except for a reasonable charge imposed on a person desiring to review or copy the books and records or who requests delivery of information, the council of unit owners may not impose any charges under this section.

(2) A charge imposed under paragraph (1) of this subsection for copying books and records may not exceed the limits authorized under Title 7, Subtitle 2 of the Courts Article.

§ 11-117. TAXATION.

Repealed by Acts 1985, ch. 480, § 2, effective February 1, 1986. As to present provisions similar to those of the repealed section, see Tax-Property Article, § 8-207.

§ 11-118. MECHANICS' AND MATERIALMEN'S LIENS.

(a) In general. — Any mechanics' lien or materialmen's lien arising as a result of repairs to or improvements of a unit by a unit owner shall be a lien only against the unit.

(b) Payment of lien. — Any mechanics' or materialmen's lien arising as a result of repairs to or improvements of the common elements, if authorized in writing by the council of unit owners, shall be paid by the council as a common expense and until paid shall be a lien against each unit in proportion to its percentage interest in the common elements. On payment of the proportionate amount by any unit owner to the lienor or on the filing of a written undertaking in the manner specified by Maryland Rule 12-307, the unit owner is entitled to a recordable release of his unit from the lien and the council of unit owners is not entitled to assess his unit for payment of the remaining amount due for the repairs or improvements.

(c) Personal liability of unit owner. — Except in proportion to his percentage interest in the common elements, a unit owner personally is not liable (1) for damages as a result of injuries arising in connection with the common elements solely by virtue of his ownership of a percentage interest in the common elements; or (2) for liabilities incurred by the council of unit owners. On payment by any unit owner of his proportionate amount of any judgment resulting from that liability, the unit owner is entitled to a recordable release of his unit from the lien of the judgment and the council of unit owners is not entitled to assess his unit for payment of the remaining amount due.

§ 11-119. RESIDENT AGENT.

A person may bring suit against the council of unit owners, or against the condominium unit owners as a whole in any cause relating to the common elements, by service as follows:

(1) If the council of unit owners is a corporation, in the same manner as the Maryland Rules authorize service on a corporation; or

(2) If the council of unit owners is not a corporation, in the same manner as the Maryland Rules authorize service on an unincorporated association.

§ 11-120. EXPANDING CONDOMINIUMS [AMENDMENT SUBJECT TO ABROGATION].

(a) Developer may reserve right to expand. — A developer may reserve the right to expand the condominium by subjecting additional sections of property to the condominium regime in a manner so that as each additional section of property is subjected to the condominium regime:

(1) The percentage interests in the common elements of the unit owners in preceding sections shall be reduced and appropriate percentage interests in the common elements of the added sections shall vest in them; and

(2) Appropriate percentage interests in the common elements of the preceding sections shall vest in unit owners in the added sections.

(b) Conditions to which reservation subject. — The reservation of the right to expand a condominium is subject to the conditions provided in this subsection.

(1) The declaration establishing the condominium shall describe each parcel of property, which may be included in each section to be added to the condominium. This description may be made by reference to the condominium plat.

(2) The declaration establishing the condominium shall show:

(i) The maximum number of units which may be added; and

(ii) The percentage interests in the common elements, the percentage interests in the common expenses and common profits, and the number of votes appurtenant to each unit following the addition of each section of property to the condominium, if added. The percentage interests in the common elements and in common expenses and common profits, and the number of votes that each unit owner will have maybe shown by reference to a formula or other appropriate method of determining them following each expansion of the condominium.

(3) The condominium plat for the original condominium shall include, in general terms, the outlines of the land, buildings, and common elements of each successive section that may be added to the condominium.

(4) In the declaration establishing the condominium a right shall be reserved in the developer for a period, not exceeding 10 years from the date of recording of the declaration, to add to the condominium any successive section described in the declaration and in the condominium plat.

(c) Recordation of amendments to declaration and plat.

(1) If there is compliance with the conditions of subsection (b) of this section, successive sections of property may be added to the condominium if the developer (i) records an amendment to the declaration, showing the new percentage interests of the unit owners, and the votes which each unit owner ma cast in the condominium as expanded, and (ii) records an amendment to the condominium plat that includes the detail and information concerning the new section as required in the original condominium plat.

(2) On recordation of the amendment of the declaration and plat, each unit owner, by operation of law, has the percentage interests in the common elements, and in the common expenses and common profits, and shall have the number of votes, set forth in the amendment to the declaration. Following any expansion, the interest of any mortgagee shall attach, by operation of law, to the new percentage interests in the common elements appurtenant to the unit on which it is a lien.

§ 11-121. DEPOSITS ON NEW CONDOMINIUMS.

Any deposits taken in connection with the sale by a developer of units in a condominium intended for residential use shall be deposited or held in an escrow account as provided in § 10-301 of this article, unless a corporate surety bond is obtained and maintained as provided in § 10-301 of this article.

§ 11-122. ZONING AND BUILDING REGULATIONS.

(a) In general. — The provisions of all laws, ordinances, and regulations concerning building codes or zoning shall have full force and effect to the extent that they apply to property which is subjected to a condominium regime and shall be construed and applied with reference to the overall nature and use of the property without regard to the form of ownership. A law, ordinance, or regulation concerning building codes or zoning may not establish any requirement or standard governing the use, location, placement, or construction of any land and improvements which are submitted to the provisions of this title, unless the requirement or standard is uniformly applicable to all land and improvements of the same kind or character not submitted to the provisions of this title.

(b) *Prohibitions.* — Except as otherwise provided in this title, a county, city, or other jurisdiction may not enact any law, ordinance, or regulation which would impose a burden or restriction on a condominium that is not imposed on all other property of similar character not subjected to a condominium regime. Any such law, ordinance, or regulation is void. Except as otherwise expressly provided in §§ 11-130, 11-138, 11-139, and 11-140 of this title, the provisions of this title are statewide in their effect. Any law, ordinance, or regulation enacted by a county, city, or other jurisdiction is preempted by the subject and material of this title.

§ 11-123. TERMINATION OF CONDOMINIUM.

(a) Votes necessary to terminate. — Except in the case of a taking of all the units by eminent domain under § 11-112 of this title, a condominium may be terminated only by agreement of unit owners of units to which at least 80 percent of the votes in the council of unit owners are allocated, or any larger percentage the declaration specifies. The declaration may specify a smaller percentage only if all of the units in the condominium are restricted exclusively to nonresidential uses.

(b) *Termination agreement.* — An agreement of unit owners to terminate a condominium must be evidenced by their execution of a termination agreement or ratifications thereof. If, pursuant to a termination agreement, the real estate constituting the condominium is to be sold following termination, the termination agreement must set forth the terms of the sale. A termination agreement and all ratifications thereof must be recorded in every county in which a portion of the condominium is situated, and is effective only upon recordation.

(c) Sale of real estate. — The council of unit owners, on behalf of the unit owners, may contract for the sale of the condominium, but the contract is not binding on the unit owners until approved pursuant to subsections (a) and (b) of this section. If the real estate constituting the condominium is to be sold following termination, title to that real estate, upon termination, vests in the council of unit owners as trustee for the holders of all interest in the units. Thereafter, the council of unit owners necessary and appropriate to effect the sale. Until the sale has been concluded and the proceeds thereof distributed, the council of unit owners continues in existence with all powers it had before termination. Proceeds of the sale shall be distributed to unit owners and lien holders as their interests may appear, in proportion to the respective interests of unit owners as provided in subsection (f) of this section. Unless otherwise specified in the termination agreement, as long as the council of unit owners holds title to the real estate, each unit owner and his successors in interest have an exclusive right to occupancy of the portion of the real estate that formerly constituted his unit. During the period of that occupancy, each unit owners and his successors in interest remain liable for all assessments and other obligations imposed on unit owners by this title or the declaration.

(d) *Title to unsold real estate; occupancy.* — If the real estate constituting the condominium is not to be sold following termination, title to the real estate, upon termination, vests in the unit owners as tenants in common in proportion to their respective interests as provided in subsection (f) of this section, and liens on the units shift accordingly. While the tenancy in common exists, each unit owner and his successors in interest have an exclusive right to occupancy of the portion of the real estate that formerly constituted his unit.

(e) Distribution of assets of council of unit owners. — Following termination of the condominium, and after payment of or provision for the claims of the creditors of the council of unit owners, the assets of the council of unit owners shall be distributed to unit owners in proportion to their respective interests as provided in subsection (f) of this section. The proceeds of sale described in subsection (c) of this section and held by the council of unit owners as trustee are not assets of the council of unit owners.

(f) Respective interests of unit owners. — The respective interests of unit owners referred to in subsections (c), (d), and (e) of this section are as follows:

(1) Except as provided in paragraph (2) of this subsection, the respective interests of unit owners are the fair market values of their units, limited common elements, and common element interests immediately before the termination, as determined by one or more independent appraisers selected by the council of unit owners. The decision of the independent appraisers shall be distributed to the unit owners and becomes final unless disapproved within 30 days after distribution by unit owners of units to which 25 percent of the votes are allocated. The proportion of any unit owner's interest to that of all unit owners is determined by dividing the fair market value of that unit owner's unit and common element interest by the total fair market values of all the units and common elements.

(2) If any unit or any limited common element is destroyed to the extent that an appraisal of the fair market value thereof prior to destruction cannot be made, the interests of all unit owners are their respective common element interests immediately before the termination.

(g) Foreclosure or enforcement of lien or encumbrance. — Foreclosure or enforcement of a lien or encumbrance against the entire condominium does not of itself terminate the condominium, and foreclosure or enforcement of a lien or encumbrance against a portion of the condominium does not withdraw that portion from the condominium.

§ 11-124. RULES OF CONSTRUCTION.

(a) Certain rules of law not applicable. — Neither the rule of law known as the Rule Against Perpetuities nor the rule of law known as the Rule Restricting Unreasonable Restraints on Alienation may be applied to defeat or invalidate any provision of this title or of any declaration, bylaws, or other instrument made pursuant to the provisions of this title.

(b) Substantial conformity by declaration, bylaws and plat sufficient. — The provisions of any declaration, bylaws, and condominium plat filed pursuant to this title shall be liberally construed to facilitate the creation and operation of the condominium. So long as the declaration, bylaws, and condominium plat substantially conform with the requirements of this title, a variance from the requirements does not affect the condominium status of the property in question nor the title of any unit owner to his unit, his votes, and his percentage interests in the common elements and in common expenses and common profits.

(c) Declaration, bylaws and plat construed together; amendment of required provision. — The declaration, bylaws, and condominium plat shall be construed together and shall be deemed to incorporate one another to the extent that any requirement of this title as to the content of one shall be deemed satisfied if the deficiency can be cured by reference to any of the others. Any provision required by this title may be amended only in accordance with the requirements for amendment applicable to the instrument in which, absent this subsection, it is required to be contained.

(d) *Provisions of declaration, bylaws and plat severable.* — All provisions of the declaration, bylaws, and condominium plat are severable and the invalidity of one provision does not affect the validity of any other provision.

(e) Conflicts in provisions. — If there is any conflict among the provisions of this title, the declaration, condominium plat, bylaws, or rules adopted pursuant to § 11-111 of this title, the provisions of each shall control in the succession listed hereinbefore commencing with "title".

(f) Effect of execution of certain instruments by mortgagees. — The execution of any instrument by a mortgagee for the purpose of consenting to the legal operation and effect of a declaration, bylaws, and condominium plat does not, unless the contrary is expressly stated, affect the priority of the mortgage or deed of trust. The execution and recordation of a release of a unit in a condominium by a mortgagee which refers to the condominium constitutes consent by that mortgagee to the legal operation and effect of the recorded declaration, bylaws, and condominium plat of that condominium.

§ 11-125. EASEMENTS AND ENCROACHMENTS.

...

(a) Presumption as to existing physical boundaries. — The existing physical boundaries of any unit or common element constructed or reconstructed in substantial conformity with the condominium plat shall be conclusively presumed to be its boundaries, regardless of the shifting, settlement, or lateral movement of any building and regardless of minor variations between the physical boundaries as described in the declaration or shown on the condominium plat and the existing physical boundaries of any such unit or common element. This presumption applies only to encroachments within the condominium.

(b) Encroachment as result of authorized construction or repair. — If any portion of any common element encroaches on any unit or if any portion of a unit encroaches on any common element or any other unit, as a result of the duly authorized construction or repair of a building, a valid easement for the encroachment and for the maintenance of the encroachment exists so long as the building stands.

(c) Easement for mutual support. — An easement for mutual support shall exist in the units and common elements.

(d) *Easements included in grant of unit.* — The grant or other disposition of a condominium unit shall include and grant, and be subject to, any easement arising under the provisions of this section without specific or particular reference to the easement.

(e) Right of entry to make repairs. — (1) The council of unit owners or its authorized designee shall have an irrevocable right and an easement to enter units to investigate damage or make repairs when the investigation or repairs reasonably appear necessary for public safety or to prevent damage to other portions of the condominium.

(2) 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 to be entered for the purpose of investigation or repair.

(3) If damage is inflicted on the common elements or any unit through which access is taken, the council of unit owners is liable for the prompt repair.

(4) An entry by the council of unit owners for the purposes specified in this subsection may not be considered a trespass.

(f) Authority of council of unit owners to grant specific easements, etc. — (1) The declaration or bylaws may give the council of unit owners authority to grant easements, rights-of-way, licenses, leases in excess of 1 year, or similar interests affecting the common elements of the condominium if the grant is approved by the affirmative vote of unit owners having 662/3 percent or more of the votes, and with the express written consent of the mortgagees holding an interest in those units as to which unit owners vote affirmatively. Any easement, right-of-way, license, or similar interest granted by the council of unit owners under this subsection shall state that the grant was approved by unit owners having at least 662/3 percent of the votes, and by the corresponding mortgagees.

(2) The board of directors may, by majority vote, grant easements, rights-of-way, licenses, leases in excess of 1 year, or similar interests for the provision of utility services or communication systems for the exclusive benefit of units within the condominium regime. These actions by the board of directors are subject to the following requirements:

(i) The action shall be taken at a meeting of the board held after at least 30-days' notice to all unit owners and mortgagees of record with the condominium;

(ii) At the meeting, the board may not act until all unit owners and mortgagees shall be afforded a reasonable opportunity to present their views on the proposed easement, right-of-way, license, lease, or similar interest;

(iii) The easement, right-of-way, license, lease, or similar interest shall contain the following provisions:

1. The service or system shall be installed or affixed to the premises at no cost to the individual unit owners or the council of unit owners other than charges normally paid for like services by residents of similar or comparable dwelling units within the same area;

2. The unit owners and council of unit owners shall be indemnified for any damage arising out of the installation of the service or system; and

3. The board of directors shall be provided the right to approve of the design for installation of the service or system in order to insure that the installation conforms to any conditions which are reasonable to protect the safety, functioning, and appearance of the premises.

(3) By majority vote, the board of directors may grant to the State perpetual easements, rights-of-way, licenses, leases in excess of 1 year, or similar interests affecting the common elements of the condominium for bulkhead construction, dune construction or restoration, beach replenishment, or periodic maintenance and replacement construction, on Maryland's ocean beaches, including rights in the State to restrict access to dune areas. These actions by the board of directors are subject to the following requirements:

(i) The action shall be taken at a meeting of the board held after at least 30-days' notice to all unit owners and mortgagees of record with the condominium; and

(ii) At the meeting, the board may not act until all unit owners and mortgagees shall be afforded a reasonable opportunity to present their views on the proposed easement, right-of-way, license, lease, or similar interest.

(4) By majority vote, the board of directors may settle an eminent domain proceeding or grant to the State or any county, municipality, or agency or instrumentality thereof with condemnation authority, perpetual easements, rights-of-way, licenses, leases in excess of 1 year, or similar interests affecting the common elements of the condominium for road, highway, sidewalk, bikeway, storm drain, sewer, water, utility, and similar public purposes. These actions by the board of directors are subject to the following requirements:

(i) The action shall be taken at a meeting of the board held after at least 60-days' notice to all unit owners and all first mortgagees listed with the condominium;

(ii) The notice shall include information provided by the condemnation authority that describes the purpose and the extent of the property being acquired for public use; and

(iii) At the meeting, the board may not act until all unit owners and mortgagees in attendance have been afforded a reasonable opportunity to present their views on the proposed easement, right-of-way, license, lease, or similar interest. (5) The action of the board of directors granting any easement, right-of-way, license, lease, or similar interest under paragraphs (2), (3), or (4) of this subsection shall not be final until the following have occurred:

(i) Within 15 days after the vote by the board to grant an easement, right-of-way, license, lease, or similar interest, a petition may be filed with the board of directors signed by the unit owners having at least 15 percent of the votes calling for a special meeting of unit owners to vote on the question of a disapproval of the action of the board of directors granting such easement, right-of-way, license, lease, or similar interest. If no such petition is received within 15 days, the decision of the board shall be final;

(ii) If a qualifying petition is filed, a special meeting shall be held no less than 15 days or more than 30 days from receipt of the petition. At the special meeting, if a quorum is not present, the decision of the board of directors shall be final;

(iii) 1. If a special meeting is held and 50 percent of the unit owners present and voting disapprove the grant, and the unit owners voting to disapprove the grant are more than 33 percent of the total votes in the condominium, then the grant shall be void; or

2. If the vote of the unit owners is not more than 33 percent of the total votes in the condominium, the decision of the board or council to make the grant shall be final;

(iv) Mortgagees shall receive notice of and be entitled to attend and speak at such special meeting; and

(v) Any easement, right-of-way, license, lease, or similar interest granted by the board of directors under the provisions of this subsection shall state that the grant was approved in accordance with the provisions of this subsection.

(6) The provisions of this subsection are applicable to all condominiums, regardless of the date they were established.

§ 11-126. DISCLOSURE REQUIREMENTS.

(a) Required contents of contract of sale. — A contract for the initial sale of a unit to a member of the public is not enforceable by the vendor unless:

(1) The purchaser is given on or before the time a contract is entered into between the vendor and the purchaser, a current public offering statement as amended and registered with the Secretary of State containing all of the information set forth in subsection (b) of this section; and

(2) The contract of sale contains, in conspicuous type, a notice of:

(i) The purchaser's right to receive a public offering statement and his rescission rights under this section; and

(ii) The warranties provided by § 11-131 of this subtitle.

(b) Sufficiency of public offering statement. — The public offering statement required by subsection (a) of this section shall be sufficient for the purposes of this section if it contains at least the following:

(1) A copy of the proposed contract of sale for the unit;

(2) A copy of the proposed declaration, bylaws, and rules and regulations;

(3) A copy of the proposed articles of incorporation of the council of unit owners, if it is to be incorporated;

(4) A copy of any proposed management contract, insurance contract, employment contract, or other contract affecting the use of, maintenance of, or access to all or part of the condominium to which it is anticipated the unit owners or the council of unit owners will be a party, and a statement of the right of the council of unit owners to terminate contracts entered into during the developer control period under § 11-133 of this title;

(5) A copy of the actual annual operating budget for the condominium or, if no actual operating budget exists, a copy of the projected annual operating budget for the condominium including reasonable details concerning:

(i) The estimated monthly payments by the purchaser for assessments;

(ii) Monthly charges for the use, rental, or lease of any facilities not part of the condominium;

(iii) The amount of the reserve fund for repair and replacement and its intended use; and

(iv) Any initial capital contribution or similar fee, other than assessments for common expenses, to be paid by unit owners to the council of unit owners or vendor, and a statement of how the fees will be used;

(6) A plain language statement of the policy and procedures for collecting assessments and handling collection of delinquencies, including reasonable details concerning:

(i) The number and percentage of unit owners who are delinquent or in arrears in an amount equal to or greater than 50% of the annual assessment of the unit owner;

(ii) The number of unsatisfied liens currently recorded against unit owners under the Maryland Contract Lien Act;

(iii) The number of unsatisfied judgments obtained against unit owners for unpaid assessments; and

(iv) The total amount of arrearages among all unit owners;

(7) A copy of any lease to which it is anticipated the unit owners or the council of unit owners will be a party following closing;

(8) A description of any contemplated expansion of the condominium with a general description of each stage of expansion and the maximum number of units that can be added to the condominium;

(9) A copy of the floor plan of the unit or the proposed condominium plats;

(10) A description of any recreational or other facilities which are to be used by the unit owners or maintained by them or by the council of unit owners, and a statement as to whether or not they are to be part of the common elements;

(11) A statement as to whether streets within the condominium are to be dedicated to public use or maintained by the council of unit owners;

(12) A statement of any judgments against the council of unit owners and the existence of any pending suits to which the council of unit owners is a party;

(13) In the case of a condominium containing buildings substantially completed more than 5 years prior to the filing of the application for registration under § 11-127 of this title, a statement of the physical condition and state of repair of the major structural, mechanical, electrical, and plumbing components of the improvements, to the extent reasonably ascertainable, and estimated costs of repairs for which a present need is disclosed in the statement and a statement of repairs which the vendor intends to make. The vendor is entitled to rely on the reports of architects or engineers authorized to practice their profession in this State;

(14) A description of any provision in the declaration or bylaws limiting or providing for the duration of developer control or requiring the phasing-in of unit owner participation, or a statement that there is no such provision;

(15) If the condominium is one which will be created by the conversion of a rental facility, a copy of the notice and materials required by 11-102.1 and 11-137 of this title;

(16) A statement of whether the unit being purchased is subject to an extended lease under § 11-137 of this title, or local law, and a copy of any extended lease; and

(17) Any other information required by regulation duly adopted and issued by the Secretary of State.

(c) Advertising approval by Secretary of State. — A person may not advertise or represent that the Secretary of State has approved or recommended the condominium, the public offering statement, or any of the documents contained in the application for registration.

(d) Amendment of material required by subsection (a). -(1) Following execution of a contract of sale by a purchaser, the vendor may not amend any of the material required to be furnished by subsection (a) of this section without the approval of the purchaser if the amendment would affect materially the rights of the purchaser.

(2) Approval is not required if the amendment is required by any governmental authority or public utility, or if the amendment is made as a result of actions beyond the control of the vendor or in the ordinary course of affairs of the council of unit owners.

(3) A copy of any amendments shall be delivered promptly to any purchaser and to the Secretary of State.

(e) Purchaser's right to rescind contract of sale. -(1) Any purchaser may at any time:

(i) Within 15 days following receipt of all of the information required under subsection (b) of this section or the signing of the contract, whichever is later; and

(ii) Within 5 days following receipt of the information required under subsection (d) of this section, rescind in writing the contract of sale without stating any reason and without any liability on his part, and he shall be entitled to the return of any deposits made on account of the contract.

(2) The return of any deposits held in trust by a licensed real estate broker to a purchaser under this subsection shall comply with the procedures set forth in § 17-505 of the business occupations and professions article.

(f) Untrue statement or omission of material fact. — Any vendor who, in disclosing the information required under subsections (a) and (b) of this section, makes any untrue statement of a material fact, or omits to state a material fact necessary in order to make the statements made, in the light of circumstances under which they were made, not misleading, shall be liable to any person purchasing a unit from the vendor for those damages proximately caused by the vendor's untrue statement or omission. However, an action may not be maintained to enforce any liability created under this section unless brought within 1 year after the facts constituting the cause of action are or should have been discovered.

(g) Waiver of purchaser's rights. — The rights of a purchaser under this section may not be waived in the contract of sale and any attempted waiver is void. However, if any purchaser proceeds to closing, his right under this section to rescind is terminated.

(h) Sale of unit for nonresidential purposes. — This section does not apply to the sale of any unit which is to be occupied and used for nonresidential purposes.

(i) Location of condominium immaterial. — This section applies to the sale of any unit offered for sale in the State without regard to the location of the condominium.

(j) Applicability of section. — The provisions of this section do not apply to a sale of a unit in an action to foreclose a mortgage or deed of trust.

§ 11-127. REGISTRATION.

(a) Registration with Secretary of State required. — A contract for the initial sale of a unit to a member of the public may not be entered into until the public offering statement for the proposed condominium regime has been registered with the Secretary of State and until 10 days after all amendments then applicable to the public offering statement have been filed with the Secretary of State under subsection (d) of this section.

(b) Application; notice to local governing body; fee; amendments. — (1) An application for registration shall consist of the public offering statement described in § 11-126 of this title. A developer shall file the number of copies required by the Secretary of State. The Secretary of State shall notify the governing body of the county and/or municipality in which the condominium is located of the filing of the application. An application shall be accompanied by a fee of not less than \$100, in an amount equal to \$5 per unit.

(2) A developer promptly shall file amendments to report any material change in any document or information contained in the application.

(c) Approval or rejection of registration; amended application. — (1) The Secretary of State shall acknowledge receipt of an application for registration within 5 business days after receiving it. The Secretary shall determine whether the application satisfies the disclosure requirements of § 11-126 of this title within 45 days after receipt.

(2) If the Secretary of State determines that the application complies with § 11-126 of this title, the Secretary shall issue promptly an order registering the condominium. Otherwise, unless the developer has consented in writing to a delay not to exceed 30 days, the Secretary shall issue promptly an order rejecting registration. The order shall include the specific reasons for the rejection. The Secretary's failure to issue any order within 45 days of receipt or within the time period agreed upon shall be deemed an approval of the condominium. Rejection of an application for registration by the Secretary of State may not act as a bar to reapplication for registration. An application amended to comply with the stated reasons for rejection and accompanied by an additional fee as provided in subsection (b) of

this section shall be approved by the Secretary of State upon his determination that the amended application satisfies the requirements of this section.

(d) Filing of current public offering information with Secretary of State; filing construction progress statement; termination of registration. - (1) (i) A developer shall promptly file with the Secretary of State copies of any changes in the documents or information contained in the public offering statement which are necessary to make the documents or information current.

(ii) A public offering statement is current if the information required under § 11-126(b)(2), (4), (5), (6), and (12) of this subtitle is updated and filed by the developer not less than annually.

(2) (i) A developer shall file a written statement with the council of unit owners describing the progress of construction, repairs, and all other work on the condominium, which the developer has completed or intends to complete in accordance with the public offering statement for the condominium.

(ii) This written statement shall be filed within 30 days after the anniversary date for registration of the public offering statement for the condominium and annually thereafter until the registration of the condominium is terminated.

(3) A developer shall notify the Secretary of State in writing when all of the units in the condominium have been conveyed to unit owners other than the developer, and the developer either cannot add additional units to the condominium or has determined that no additional units will be added to the condominium.

(4) If the developer notifies the Secretary of State that all of the units in the condominium have been conveyed to unit owners other than the developer, and that the developer either cannot add additional units to the condominium, or has determined that no additional units will be added to the condominium, the Secretary of State shall issue an order terminating the registration of the condominium.

(e) Administration of section. — The Secretary of State shall be responsible for the administration of this section.

(1) The Secretary may adopt, amend, and repeal regulations necessary to carry out the requirements of the provisions of this section.

(2) The Secretary may prescribe forms and procedures for submitting applications.

(f) Application of section. — This section does not apply to the sale of any unit which is to be occupied and used for nonresidential purposes.

§ 11-128. DUTIES OF SECRETARY OF STATE.

(a) File of local legislation affecting condominiums.— The Secretary of State shall establish a file of local legislation affecting condominiums as enacted under §§ 11-130, 11-137, 11-138, 11-139, and 11-140 of this title, indexed by county and municipality.

(b) Cooperation with other agencies. — The Secretary of State may cooperate with agencies performing similar functions in this and other jurisdictions to develop uniform filing procedures and forms, uniform disclosure standards, and uniform administrative practices and may develop information that may be useful in the discharge of the Secretary's duties.

(c) Cooperation with Attorney General's office. — The Secretary of State shall work in cooperation with the Consumer Protection Division of the Office of the Attorney General in the enforcement of this title.

§ 11-129. FOREIGN CONDOMINIUM UNITS SOLD IN STATE.

(a) Application or public offering statement approved by out-of-state agency. — In the case of a condominium situated wholly outside of this State, being promoted and having a sales office within the State, an application for registration or proposed public offering statement filed with the Secretary of State which has been approved by an agency in the state where the condominium is located and substantially complies with the requirements of this title may not be rejected by the Secretary on the grounds of noncompliance with any different or additional requirements

imposed by this title. However, the Secretary may require additional documents or information in particular cases to assure adequate and accurate disclosure to prospective purchasers.

(b) Application in absence of approval by out-of-state agency. — If there is no out-of-state agency which has approved the application for registration or proposed public offering statement, the application shall consist of the public offering statement described in § 11-126 of this title, and shall be approved in accordance with § 11-127 of this title.

§ 11-130. CONSUMER PROTECTION.

(a) Purpose of this section. — This section is intended to provide minimum standards for the protection of consumers in the State.

(b) Meaning of "consumer". — (1) For purposes of this section, "consumer" means an actual or prospective purchaser, lessee, assignee or recipient of a condominium unit.

(2) "Consumer" includes a co-obligor or surety for a consumer.

(c) Enforcement of title. -(1) To the extent that a violation of any provision of this title affects a consumer, that violation shall be within the scope of the enforcement duties and powers of the Division of Consumer Protection of the Office of the Attorney General, as described in Title 13 of the Commercial Law Article.

(2) The provisions of this title shall otherwise be enforced by each agency of the State within the scope of its authority.

(d) Local provisions. — A county or incorporated municipality, or an agency of any of those jurisdictions, may adopt laws or ordinances for the protection of a consumer to the extent and in the manner provided for under § 13-103 of the Commercial Law Article.

(e) Copies of local provisions to be forwarded to Secretary of State. — Within 30 days of the effective date of a law, ordinance, or regulation enacted under this section which is expressly applicable to condominiums, the local jurisdiction shall forward a copy of the law, ordinance or regulation to the Secretary of State.

§ 11-131. WARRANTIES.

(a) Exclusion or modification prohibited. — The implied warranties provided in this section may not be excluded or modified.

(b) Application of §§10-202 and 10-203; liability of developer for improvements. — (1) The warranties provided in §§ 10-202 and 10-203 of this article apply to all sales by developers under this title. For the purposes of this article, a newly constructed dwelling unit means a newly constructed or newly converted condominium unit and its appurtenant undivided fee simple interest in the common areas.

(2) If a developer grants an improvement to an intermediate purchaser to evade any liability to a purchaser imposed by the provisions of this section, or by § 10-202 or § 10-203 of this article, the developer is liable on the subsequent sale of the improvement by the intermediate purchaser as if the subsequent sale had been effectuated by the developer without regard to the intervening grant.

(c) Warranty on unit from developer to owner. — In addition to the implied warranties set forth in § 10-203 of this article there shall be an implied warranty on an individual unit from a developer to a unit owner. The warranty on an individual unit commences with the transfer of title to that unit and extends for a period of 1 year. The warranty shall provide:

(1) That the developer is responsible for correcting any defects in materials or workmanship in the construction of walls, ceilings, floors, and heating and air conditioning systems in the unit; and

(2) That the heating and any air conditioning systems have been installed in accordance with acceptable industry standards and:

(i) That the heating system is warranted to maintain a 70°F temperature inside with the outdoor temperature and winds at the design conditions established by the Energy Conservation Building Standards Act, Title 7, Subtitle 4 of the Public Utility Companies Article, or those established by the political subdivision as provided in Title 7, Subtitle 4 of the Public Utility Companies Article; and

(ii) That the air conditioning system is warranted to maintain a 78°F temperature inside with the outdoor temperature at the design conditions established by Title 7, Subtitle 4 of the Public Utility Companies Article, or those established by the political subdivision as provided in Title 7, Subtitle 4 of the Public Utility Companies Article.

(d) Warranty on common elements. — (1) In addition to the implied warranties set forth in § 10-203 of this article there shall be an implied warranty on common elements from a developer to the council of unit owners. The warranty shall apply to: the roof, foundation, external and supporting walls, mechanical, electrical, and plumbing systems, and other structural elements.

(2) The warranty shall provide that the developer is responsible for correcting any defect in materials or workmanship, and that the specified common elements are within acceptable industry standards in effect when the building was constructed.

(3) (i) The warranty on common elements commences with the first transfer of title to a unit owner.

(ii) The warranty of any common elements not completed at the first transfer of title to a unit owner shall commence with the completion of that element or with its availability for use by all unit owners, whichever occurs later.

(iii) The warranty extends for a period of 3 years from commencement under subparagraph (i) or (ii) of this paragraph or 2 years from the date on which the unit owners, other than the developer and its affiliates, first elect a controlling majority of the members of the board of directors for the council of unit owners, whichever occurs later.

(4) A suit for enforcement of the warranty on general common elements shall be brought only by the council of unit owners. A suit for enforcement of the warranty on limited common elements may be brought by the council of unit owners or any unit owner to whose use it is reserved.

(e) Limitation of actions. — Notice of defect shall be given within the warranty period and suit for enforcement of the warranty shall be brought within 1 year of the warranty period.

(f) *Exceptions.* -(1) Warranties shall not apply to any defects caused through abuse or failure to perform maintenance by a unit owner or the council of unit owners.

(2) The provisions of this section do not apply to a condominium that is occupied and used solely for nonresidential purposes.

§ 11-132. DOCUMENTS TO BE DELIVERED TO COUNCIL OF UNIT OWNERS BY DEVELOPER.

Drawings, architectural plans, or other suitable documents, setting forth the necessary information for location, maintenance, and repair of all condominium facilities, to the extent that they exist, shall be turned over to the council of unit owners upon transfer of control by the developer.

§ 11-133. TERMINATION OF LEASES OR MANAGEMENT AND SIMILAR CONTRACTS.

(a) In general. — Within three years following the date on which units have been granted by the developer to unit owners having a majority of the votes in the council of unit owners, any lease, and any management contract, employment contract, or other contract to which the council of unit owners is a party entered into between the date the property subjected to the condominium regime was granted to the developer and the date on which units have been granted by the developer to unit owners having a majority of votes in the council of unit owners may be

terminated by a majority vote of the council of unit owners without liability for the termination. The termination shall become effective upon 30 days' written notice of the termination from the council of unit owners.

- (b) Exceptions. The provisions of this section do not apply to:
 - (1) Any contract or grant between the council of unit owners and any governmental agency or public utility; or
 - (2) A condominium that is occupied and used solely for nonresidential purposes.

§ 11-134. PROVISIONS REQUIRING EMPLOYMENT OF DEVELOPER OR VENDOR TO EFFECT SALE; EXCEPTION.

Any provision of a declaration or other instrument made pursuant to this title which requires the owner of a unit to engage or employ the developer or any subsidiary or affiliate of the developer for the purpose of effecting a sale or lease of any unit is void. Any provision of any contract for the sale of any unit which requires the purchaser to engage or employ the vendor or any subsidiary or affiliate of the vendor for the purpose of effecting a sale or lease of any unit is void. The provisions of this section apply to declarations, instruments and contracts made prior to and after July 1, 1974. The provisions of this section do not apply to a condominium that is occupied and used solely for nonresidential purposes.

§ 11–134.1. PROHIBITED PROVISIONS BY DEVELOPERSOR VENDORS OF CONDOMINIUMS.

(a) "Vendor" defined. — In this section, "vendor" has the meaning stated in § 10-201 of this article.

(b) Applicability. — This section does not apply to:

(1) A unit that is occupied and used solely for nonresidential purposes;

(2) An agreement or other instrument entered into by a developer or vendor and a council of unit owners for the purpose of settling a disputed claim after the date on which the unit owners, other than the developer and its affiliates, first elect a controlling majority of the members of the board of directors for the council of unit owners; or

(3) An agreement or other instrument entered into by a developer or vendor and a unit owner for the purpose of settling a disputed claim after the date the unit is conveyed to the purchaser of the unit.

(c) Prohibited provisions by developers or vendors. -(1) Any provision of a declaration, a bylaw, a contract for the initial sale of a unit to a member of the public, or any other instrument made by a developer or vendor in accordance with this title shall be unenforceable if the provision:

(i) Shortens the statute of limitations applicable to any claim;

(ii) Waives the application of the discovery rule or other accrual date applicable to a claim;

(iii) Requires a unit owner or the council of unit owners to assert a claim subject to arbitration within a period of time that is shorter than the statute of limitations applicable to the claim; or

(iv) Operates to prevent a unit owner or the council of unit owners from filing a lawsuit, initiating arbitration proceedings for a claim subject to arbitration, or otherwise asserting a claim within the statute of limitations applicable to the claim.

(2) Paragraph (1) of this subsection applies only to a provision relating to any right of a unit owner or council of unit owners to bring a claim under applicable law alleging the failure to comply with:

(i) Applicable building codes;

(ii) Plans and specifications approved by a county or municipality;

(iii) Manufacturer's installation instructions; or

(iv) Warranty provisions under § 10-203 of this article and § 11-131 of this title.

§ 11-135. RESALE OF UNIT.

(a) Documents to be delivered by unit owner to purchaser. — Except as provided in subsection (b) of this section, a contract for the resale of a unit by a unit owner other than a developer is not enforceable unless the contract of sale contains in conspicuous type a notice in the form specified in subsection (g)(1) of this section, and the unit owner furnishes to the purchaser not later than 15 days prior to closing:

(1) A copy of the declaration (other than the plats);

- (2) The bylaws;
- (3) The rules or regulations of the condominium;
- (4) A certificate containing:

(i) A statement disclosing the effect on the proposed conveyance of any right of first refusal or other restraint on the free alienability of the unit other than any restraint created by the unit owner;

(ii) A statement setting forth the amount of the common expense assessment and any unpaid common expense or special assessment adopted by the council of unit owners that is due and payable from the selling unit owner;

(iii) A statement of any other fees payable by the unit owners to the council of unit owners;

(iv) A statement of any capital expenditures approved by the council of unit owners planned at the time of the conveyance which are not reflected in the current operating budget disclosed under item (vi) of this item;

(v) The most recent regularly prepared balance sheet and income expense statement, if any, of the condominium;

(vi) The current operating budget of the condominium including the current reserve study report or a summary of the report, a statement of the status and amount of any reserve or replacement fund, or a statement that there is no reserve fund;

(vii) A statement of any unsatisfied judgments or pending lawsuits to which the council of unit owners is a party, excluding assessment collection suits;

(viii) A statement generally describing any insurance policies provided for the benefit of unit owners, a notice that copies of the policies are available for inspection, stating the location at which the copies are available, and a notice that the terms of the policy prevail over the description;

(ix) A statement as to whether the council of unit owners has actual knowledge of any violation of the health or building codes with respect to the common elements of the condominium; and;

(x) A description of any recreational or other facilities which are to be used by the unit owners or maintained by them or the council of unit owners, and a statement as to whether or not they are to be a part of the common elements;

(5) A statement by the unit owner as to whether the unit owner has knowledge:

(i) That any alteration to the unit or to the limited common elements assigned to the unit violates any provision of the declaration, bylaws, or rules and regulations;

(ii) Of any violation of the health or building codes with respect to the unit or the limited common elements assigned to the unit; and

(iii) That the unit is subject to an extended lease under § 11–137 of this title or under local law, and if so, a copy of the lease must be provided; and.

(6) A written notice of the unit owner's responsibility for the council of unit owners' property insurance deductible and the amount of the deductible.

(b) Unit in condominium containing less than 7 units. — A contract for the resale by a unit owner other than a developer of a unit in a condominium containing less than 7 units is not enforceable unless the contract of sale contains in conspicuous type a notice in the form specified in subsection (g)(2) of this section, and the unit owner furnishes to the purchaser not later than 15 days prior to closing:

(1) A copy of the declaration (other than the plats);

(2) The bylaws;

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(3) The rules and regulations of the condominium; and

(4) A statement by the unit owner of the unit owner's expenses during the preceding 12 months relating to the common elements; and.

(5) A written notice of the unit owner's responsibility for the council of unit owners' property insurance deductible and the amount of the deductible.

(c) Certificate to be furnished by council of unit owners; liability of unit owner to purchaser for damages. -(1)

Except as provided in paragraph (4) of this subsection, the council of unit owners, within 20 days after a written request by a unit owner and receipt of a reasonable fee therefor, not to exceed the cost to the council of unit owners, if any, up to a maximum of \$250, shall furnish a certificate containing the information necessary to enable the unit owner to comply with subsection (a) of this section. A unit owner providing a certificate under subsection (a) of this section is not liable to the purchaser for any erroneous information provided by the council of unit owners and included in the certificate.

(2) In addition to the fee under paragraph (1) of this subsection, the council of unit owners is entitled to a reasonable fee not to exceed \$100 for an inspection of the unit owner's unit, if required.

(3) In addition to the fees under paragraphs (1) and (2) of this subsection, the council of unit owners is entitled to a reasonable fee:

(i) Not to exceed \$50 for delivery of the certificate within 14 days after the request for the certificate; and

(ii) Not to exceed \$100 for delivery of the certificate within 7 days after the request for the certificate.

(4)(i) The Department of Housing and Community Development shall adjust the maximum fee authorized under paragraph (1) of this subsection every 2 years, beginning October 1, 2018, to reflect any aggregate increase in the Consumer Price Index for All Urban Consumers (CPI–U) for Washington–Baltimore, or any successor index, for the previous 2 years.

(ii) The Department of Housing and Community Development shall maintain on its Web site a list of the maximum fees authorized under paragraph (1) of this subsection as adjusted every 2 years in accordance with subparagraph (i) of this paragraph.

(5) With respect to the remaining information that the unit owner is required to disclose under subsection (a) of this section that is not provided by the council of unit owners and included in the certificate, a unit owner:

(i) Except as provided in item (ii) of this paragraph, is liable to the purchaser under this section for damages proximately caused by:

(1) An untrue statement about a material fact; and

(2) An omission of a material fact that is necessary to make the statements made not misleading, in light of the circumstances under which the statements were made; and

(ii) Is not liable to the purchaser under this section if the owner had, after reasonable investigation, reasonable grounds to believe, and did believe, at the time the information was provided to the purchaser, that the statements were true and that there was no omission to state a material fact necessary to make the statements made not misleading, in light of the circumstances under which the statements were made.

(d) Failure or delay of council of unit owners to provide certificate. — A purchaser is not liable for any unpaid assessment or fee greater than the amount set forth in the certificate prepared by the council of unit owners. A unit owner is not liable to a purchaser for the failure or delay of the council of unit owners to provide the certificate in a timely manner.

(e) Waiver of purchaser's rights. — The rights of a purchaser under this section may not be waived in the contract of sale, and any attempted waiver is void. However, if a purchaser proceeds to closing, his right to rescind the contract under subsection (f) of this section is terminated.

(f) Rescission by purchaser; return of deposits held in trust by licensed real estate broker. -(1) Any purchaser may at any time within 7 days following receipt of all of the information required under subsection (a) or (b) of this section, whichever is applicable, rescind in writing the contract of sale without stating any reason and without any liability on his part.

(2) The purchaser, upon rescission, is entitled to the return of any deposits made on account of the contract.

(3) If any deposits are held in trust by a licensed real estate broker, the return of the deposits to a purchaser under this subsection shall comply with the procedures set forth in § 17–505 of the Business Occupations and Professions Article.

(g) Form of notice. -(1) A notice given as required by subsection (a) of this section shall be sufficient for the purposes of this section if it is in substantially the following form:

"NOTICE

The seller is required by law to furnish to you not later than 15 days prior to closing certain information concerning the condominium which is described in § 11-135 of the Maryland Condominium Act. This information must include at least the following:

(i) A copy of the declaration (other than the plats);

- (ii) A copy of the bylaws;
- (iii) A copy of the rules and regulations of the condominium;
- (iv) A certificate containing:

1. A statement disclosing the effect on the proposed conveyance of any right of first refusal or other restraint on the free alienability of the unit, other than any restraint created by the unit owner;

2. A statement of the amount of the monthly common expense assessment and any unpaid common expense or special assessment currently due and payable from the selling unit owner;

3. A statement of any other fees payable by the unit owners to the council of unit owners;

4. A statement of any capital expenditures approved by the council of unit owners or its authorized designee planned at the time of the conveyance which are not reflected in the current operating budget included in the certificate;

5. The most recently prepared balance sheet and income and expense statement, if any, of the condominium;

6. The current operating budget of the condominium, including details concerning the amount of the reserve fund for repair and replacement and its intended use, or a statement that there is no reserve fund;

7. A statement of any judgments against the condominium and the existence of any pending suits to which the council of unit owners is a party;

8. A statement generally describing any insurance policies provided for the benefit of the unit owners, a notice that the policies are available for inspection stating the location at which they are available, and a notice that the terms of the policy prevail over the general description;

9. A statement as to whether the council of unit owners has knowledge that any alteration or improvement to the unit or to the limited common elements assigned to the unit violates any provision of the declaration, bylaws, or rules or regulations;

10. A statement as to whether the council of unit owners has knowledge of any violation of the health or building codes with respect to the unit, the limited common elements assigned to the unit, or any other portion of the condominium;

11. A statement of the remaining term of any leasehold estate affecting the condominium and the provisions governing any extension or renewal of it; and

12. A description of any recreational or other facilities which are to be used by the unit owners or maintained by them or the council of unit owners, and a statement as to whether or not they are to be a part of the common elements; and

(v) A statement by the unit owner as to whether the unit owner has knowledge:

1. That any alteration to the unit or to the limited common elements assigned to the unit violates any provision of the declaration, bylaws, or rules and regulations.

2. Of any violation of the health or building codes with respect to the unit or the limited common elements assigned to the unit.

3. That the unit is subject to an extended lease under § 11-137 of this title or under local law, and if so, a copy of the lease must be provided.

You will have the right to cancel this contract without penalty, at any time within 7 days following delivery to you of all of this information. However, once the sale is closed, your right to cancel the contract is terminated.".

(2) A notice given as required by subsection (b) of this section shall be sufficient for the purposes of this section if it is in substantially the following form:

"NOTICE

The seller is required by law to furnish to you not later than 15 days prior to closing certain information concerning the condominium which is described in § 11-135 of the Maryland Condominium Act. This information must include at least the following:

(1) A copy of the declaration (other than the plats);

(2) A copy of the bylaws;

(3) A copy of the rules and regulations of the condominium; and

(4) A statement by the seller of his expenses relating to the common elements during the preceding 12 months.

You will have the right to cancel this contract without penalty, at any time within 7 days following delivery to you of all of this information. However, once the sale is closed, your right to cancel the contract is terminated.".

(h) Information to be furnished by purchaser to council of unit owners. — Upon any sale of a condominium unit, the purchaser or his agent shall provide to the council of unit owners to the extent available, the name and forwarding address of the prior unit owner, the name and address of the purchaser, the name and address of any mortgagee, the date of settlement, and the proportionate amounts of any outstanding condominium fees or assessments assumed by each of the parties to the transaction.

(i) Application of section. — This section does not apply to the sale of any unit which is to be used and occupied for nonresidential purposes.

(j) Applicability of subsections (a) through (g). — Subsections (a), (b), (c), (d), (e), (f), and (g) of this section do not apply to a sale of a unit in an action to foreclose a mortgage or deed of trust.

§ 11-136. TENANT'S RIGHT TO PURCHASE PROPERTY OCCUPIED AS HIS RESIDENCE.

(a) Notice of right to purchase. — (1) An owner required to give notice under § 11-102.1 of this title shall offer in writing to each tenant entitled to receive that notice the right to purchase that portion of the property occupied by the tenant as his residence. The offer shall be at a price and on terms and conditions at least as favorable as the price, terms, and conditions offered for that portion of the property to any other person during the 180 day period following the giving of the notice required by § 11-102.1 of this title. Settlement cannot be required any earlier than 120 days after the offer is accepted by the tenant.

(2) The offer to each tenant shall be made concurrently with the giving of the notice required by § 11-102.1 of this title, shall be a part of that notice, and shall state at least the following:

(i) That the offer will terminate upon the earlier to occur of termination of the lease by the tenant or 60 days after delivery;

(ii) That acceptance of the offer by a tenant who meets the criteria for an extended lease under § 11-137(b) of this title is contingent upon the tenant not receiving an extended lease;

(iii) That settlement cannot be required any earlier than 120 days after acceptance by the tenant; and

(iv) That the household is entitled to reimbursement for moving expenses as provided in subsection (h) of this section. Delivery of a notice in the form specified in § 11-102.1(f) of this title meets the requirements of this subparagraph.

(3) If the offer to the tenant under this subsection is not included with the notice required by § 11-102.1 of this title, the 180-day period during which the tenant is entitled to remain in the tenant's residence does not begin until the tenant receives the offer.

(b) Alteration or addition to property by owner. -(1) Notwithstanding the provisions of subsection (a) of this section, an owner may make any alterations or additions to the size, location, configuration, and physical condition of the property. The developer is not required to make the boundaries of any portion of the property occupied by a tenant as the tenant's residence coincide with the boundaries of a unit.

(2) In the event the boundaries of any portion of the property occupied by a tenant as the tenant's residence do not coincide with the boundaries of a unit, then, to the extent reasonable and practicable, the owner shall offer in writing to that tenant the right to purchase a substantially equivalent portion of the property. The offer shall be at a price and on terms and conditions at least as favorable as the price, terms and conditions offered for that portion of the property to any other person and shall contain the statements required by subsection (a)(2) of this section.

(c) *Termination of offer.* — Unless written acceptance of an offer made under subsection (a) or (b) of this section is sooner delivered to the owner by the tenant, the offer shall terminate, without further act, upon the earlier to occur of:

(1) Termination of the lease by the tenant; or

(2) 60 days after the offer is delivered to the tenant.

(d) Acceptance contingent upon not receiving extended lease. — Acceptance of an offer by a tenant who meets the criteria for an extended lease under § 11-137(b) of this title shall be contingent upon the tenant not receiving an extended lease.

(e) Price of unit after termination of offer. — If the offer terminates, the owner may not offer to sell that unit at a price or on terms and conditions more favorable to the offeree than the price, terms, and conditions offered to the tenant during the 180 day period following the giving of the notice required by § 11-102.1 of this title.

(f) Developer to provide list of acceptances to county, etc. — Within 75 days after the giving of the notice required by § 11-102.1 of this title, the developer shall provide to any county, incorporated municipality or housing agency which has a right to purchase units in the rental facility under § 11-139 of this title a list of the names and units of all tenants who have validly accepted offers made under this section within 60 days of the giving of the notice required by § 11-102.1 of this title, except those offers which have terminated because of the granting of an extended lease under § 11-137 of this title.

(g) Affidavit that provisions of section fulfilled. — If a deed for a unit contains an affidavit by the grantor that the provisions of this section have been fulfilled, then the grantee in that deed takes title to the unit free and clear of all claims and rights of any person arising under this section.

(h) Payment of vacating household's moving expenses. - (1) If the household does not accept the purchase offer made under this section, the owner shall:

(i) If the household qualifies as to income under § 11-137(b)(1) of this title, pay the household \$375 when the household vacates the unit and reimburse the household for moving expenses as defined in § 11-101 of this title in excess of \$375 up to \$750 which are actually and reasonably incurred; or

(ii) If the household does not qualify as to income under § 11-137(b)(1) of this title, reimburse the household for moving expenses as defined in § 11-101 of this title up to \$750 which are actually and reasonably incurred.

(2) The household shall make a written request for moving expense reimbursement to the developer, accompanied by reasonable evidence of the costs incurred, within 30 days following moving. The developer shall reimburse the household within 30 days following receipt of the request.

§11-137. UNIT LEASED BY DESIGNATED HOUSEHOLD.

(a) Definitions. -(1) In this section the following words have the meanings indicated.

(2) "Annual income" means the total income from all sources, of a designated household, for the income tax year immediately preceding the year in which the notice is given under § 11-102.1 of this title, whether or not included in the definition of gross income for federal or State tax purposes. For purposes of this section, the inclusions and exclusions from annual income are the same as those listed in § 9-104(a)(8) of the Tax - Property

Article, "gross income" as that term is defined for the property tax credits for homeowners by reason of income and age, but shall not include unreimbursed medical expenses if the tenant provides reasonable evidence of the unreimbursed medical expenses or consents in writing to authorize disclosure of relevant information regarding medical expense reimbursement at the time of applying for an extended lease.

(3) "Designated household" means any of the following households:

(i) A household which includes a senior citizen who has been a member of the household for a period of at least 12 months preceding the giving of the notice required by § 11-102.1 of this title; or

(ii) A household which includes an individual with a disability who has been a member of the household for a period of at least 12 months preceding the giving of the notice required by § 11-102.1 of this title.

(4) (i) "Disability" means:

1. A physical or mental impairment that substantially limits one or more of an individual's major life activities; or

2. A record of having a physical or mental impairment that substantially limits one or more or an individual's major life activities.

(ii) "Disability" does not include the current illegal use of or addiction to:

1. A controlled dangerous substance as defined in §5-101 of the Criminal Law Article; or

2. A controlled substance as defined in 21 U.S.C. §802.

(5) "Household" means only those persons domiciled in the unit at the time the notice required by § 11-102.1 of this title is given.

(6) "Rental facility" means property containing 10 or more dwelling units intended to be leased to persons who occupy the dwellings as their residences.

(7) "Senior citizen" means a person who is at least 62 years old on the date that the notice required by 11-102.1 of this title is given.

(8) "Unreimbursed medical expenses" means the cost of medical expenses not otherwise paid for by insurance or some other third party, including medical and hospital insurance premiums, co-payments, and deductibles; Medicare A and B premiums; prescription medications; dental care; vision care; and nursing care provided at home or in a nursing home or home for the aged.

(b) Extension of lease. — A developer may not grant a unit in a rental facility occupied by a designated household entitled to receive the notice required by § 11-102.1 of this title without offering to the tenant of the unit a lease extension for a period of at least 3 years from the giving of the notice required by § 11-102.1 of this title, if the household meets the following criteria:

(1) Had an annual income which did not exceed the income eligibility figure applicable for the county or incorporated municipality in which the rental facility is located, as provided under subsection (n) of this section;

(2) Is current in its rent payment and has not violated any other material term of the lease; or

(3) Has provided the developer within 60 days after the giving of the notice required by § 11-102.1 of this title with an affidavit under penalty of perjury:

(i) Stating that the household is applying for an extended lease under this section;

(ii) Setting forth the household's annual income for the calendar year preceding the giving of the notice required by § 11-102.1 of this title together with reasonable supporting documentation of the household income and, where applicable, of unreimbursed medical expenses or a written authorization for disclosure of relevant information regarding medical expense reimbursement by doctors, hospitals, clinics, insurance companies, or similar persons, entities, or organizations that provide medical treatment coverage to the household;

(iii) Setting forth facts showing that a member of the household is either an individual with a disability or a senior citizen who, in either event, has been a member of the household for at least 12 months preceding the giving of the notice required by § 11-102.1 of this title; and

(iv) Has executed an extended lease and returned it to the developer within 60 days after the giving of the notice required by § 11-102.1 of this title.

(c) Items to be delivered simultaneously with the notice. — The developer shall deliver to each tenant entitled to receive the notice required by 11-102.1 of this title, simultaneously with the notice:

(1) An application on which may be included all of the information required by subsection (b)(3) of this section;

(2) A lease containing the terms required by this section and clearly indicating that the lease will be effective only if:

(i) The tenant executes and returns the lease not later than 60 days after the giving of the notice required by § 11-102.1 of this title; and

(ii) The household is allocated 1 of the units required to be made available to qualified households based on its ranking under subsection (k) of this section and the number of tenants executing and returning leases;

(3) A notice, delivered in the form specified in § 11-102.1(f) of this title, setting forth the rights and obligations of the tenant under this section; and

(4) A copy of the public offering statement which is registered with the Secretary of State.

(d) Further notice by developer to household. — Within 75 days after the giving of the notice required by § 11-102.1 of this title, the developer shall notify each household which submits to the developer the documentation required by subsection (b)(3) of this section:

(1) Whether the household meets the criteria of subsection (b) of this section, and, if not, an explanation of which criteria have not been met; and

(2) Whether the extended lease has become effective.

(e) Information to be provided to county, etc., by developer. — Within 75 days after the giving of the notice required by § 11-102.1 of this title, the developer shall provide to any county, incorporated municipality, or housing agency which has a right to purchase units in the rental facility under § 11-139 of this title:

(1) A notice indicating the number of units in the rental facility being made available to qualified households under subsection (k)(1) of this section;

(2) A list of all households meeting the criteria of subsection (b) of this section, indicating the ranking of each in relation to that number;

(3) A list of all households returning the affidavit required by subsection (b) of this section which do not meet all the criteria of subsection (b) of this section and copies of the notifications sent to these households under subsection (d) of this section; and

(4) A list of all households as to whom a lease has become effective.

(f) Extended lease. — (1) The extended lease shall provide for a term commencing on acceptance and terminating not less than 3 years from the giving of the notice required by § 11-102.1 of this title.

(2) Annually, on the commencement date of the extended lease, the rental fee for the unit may be increased. The increase may not exceed an amount determined by multiplying the annual rent for the preceding year by the percentage increase for the rent component of the U.S. Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) (1967 = 100), as published by the U.S. Department of Labor, for the most recent 12-month period.

(3) Except as this section otherwise permits or requires, the extended lease shall contain the same terms and conditions as the lease in effect on the day preceding the giving of the notice required by § 11-102.1 of this title.

(g) Later opportunity to buy. — A designated household which exercises its rights under this section shall not be denied an opportunity to buy a unit at a later date, if one is available.

(h) Tenant's termination of extended lease. — (1) A designated household which executes an extended lease under this section which is accepted thereafter may not terminate its extended lease under § 11-102.1 of this title. A designated household may terminate its extended lease at any time, with notice to the developer or any subsequent titleholder as follows:

(i) At least a 1-month notice in writing shall be given when less than 12 months remain on the lease; and

(ii) At least a 3-month notice in writing shall be given when 12 months or more remain on the lease.

(2) Any lease executed under this section shall set forth the provisions for termination contained in this subsection.

(i) Transfer of title to person who is not member of designated household. — The title to units subject to the provisions of this section may be granted to a person who is not a member of the designated household, provided that:

(1) The provisions of this section continue to apply despite any transfer of title to a unit occupied by a designated household as provided in this section;

(2) The designated household is provided written notice of the change of ownership of title by the new titleholder; and

(3) The vendor of any such unit provides the purchaser written disclosure that the unit is occupied by a designated household subject to the provisions of this section at the time of or prior to the execution of a contract of sale.

(j) Occurrences terminating extended tenancy. — The extended tenancy provided for in this section shall cease upon the occurrence of any of the following:

(1) 90 days after the death of the last surviving senior citizen or handicapped citizen residing in the unit, or 90 days after the last senior citizen or handicapped citizen residing in the unit has moved from the unit;

(2) Eviction for failure to pay rent due in a timely fashion or violation of a material term of the lease; or

(3) Voluntary termination of the lease by the designated household under subsection (h) of this section.

(k) Allocation of units for designated households. — (1) A developer shall set aside a percentage of the total number of units within a condominium for designated households. A developer is not required to grant extended leases covering more than 20 percent of the units within a condominium to designated households.

(2) If the number of units occupied by designated households which meet the criteria of subsection (b) of this section exceeds 20 percent, then the number of available units for tenancy under the provisions of this section shall be allocated as determined by the local governing body. If the local governing body fails to provide for allocation, then units shall be allocated by the developer, based on seniority by continuous length of residence.

(1) Relocation of designated households. — (1) If a conversion to condominium involves substantial rehabilitation or reconstruction of such a nature that the work involved does not permit the continued occupancy of a unit because of danger to the health and safety of the tenants, then any designated household executing an extended lease under the provisions of this section may be required to vacate their unit not earlier than the expiration of the 180-day period and to relocate at the expense of the developer in a comparable unit in the rental facility to permit such work to be performed.

(2) If there is no comparable unit available, then the designated household may be required to vacate the rental facility. When the work is completed, the developer shall notify the household of its completion. The household shall have 30 days from the date of that notice to return to their original or a comparable rental unit. The term of the extended lease of that household shall begin upon their return to the rental unit.

(3) The developer shall give 180 days' notice prior to the date that units must be vacated. The notice shall explain the household's rights under this subsection and subsection (m) of this section.

(m) Payment of moving expenses and compensation to certain designated households. — (1) The developer shall pay households that qualify as to income under subsection (b)(1) of this section \$375 when the household vacates the unit and for moving expenses as defined in § 11-101 of this title in excess of \$375 up to \$750 which are actually and reasonably incurred. The household shall make a written request for reimbursement accompanied by reasonable evidence of the costs incurred within 30 days of moving. The developer shall reimburse the household within 30 days following receipt of the request.

(2) If a household does not qualify as to income under subsection (b)(1) of this section, the developer shall reimburse moving expenses as defined in § 11-101 of this title, up to \$750, actually and reasonably incurred to the designated households eligible under this subsection. The designated household shall make a written request for reimbursement accompanied by reasonable evidence of the costs incurred within 30 days of moving. The developer shall reimburse the designated household within 30 days following receipt of the request.

(3) The developer shall also pay a compensation equivalent to 3 months' rent within 15 days of moving to the designated households eligible under this subsection.

(4) The following designated households which meet the applicable criteria of subsection (b) of this section are eligible under this subsection:

(i) A designated household which does not execute an extended lease;

(ii) A designated household which is precluded from having an extended tenancy by the limitation of subsection (k) of this section; or

(iii) A designated household which is required to vacate their rental unit under subsection (1)(2) of this section.

(5) A developer shall also reimburse moving expenses as defined in § 11-101 of this title, up to \$750, actually and reasonably incurred, to a designated household who returns to their rental unit under subsection (1)(2) of this section. The designated household shall make a written request for reimbursement accompanied by reasonable evidence of the costs incurred within 30 days following the designated household's return. The developer shall reimburse the designated household within 30 days following receipt of the request.

(n) Income eligibility figure. — (1)(i) The Secretary of State shall prepare income eligibility figures for each county and standard metropolitan statistical area of the State.

(ii) Except in Baltimore City, the figures shall reasonably approximate:

(1) 80 percent of the median household income for each county;

(2) 80 percent of the median household income for each metropolitan statistical area; and

(3) The uncapped low income limits as adjusted for family size calculated by the U.S. Department of Housing and Urban Development for assisted housing programs.

(iii) In Baltimore City, the figure shall reasonably approximate 100% of the median household income for the Baltimore City Metropolitan Statistical Area.

(2) Except in Baltimore City, a county or incorporated municipality may by law, ordinance, or resolution select from the figures prepared by the Secretary of State under paragraph (1)(ii) of this subsection, the applicable income eligibility figure or figures to be used in the county or incorporated municipality.

(3) The figures prepared by the Secretary of State under paragraph (1)(iii) of this subsection shall be the income eligibility figure used in Baltimore City.

(4) Except in Baltimore City, if a county or incorporated municipality does not select an income eligibility figure or figures, 80 percent of the median household income for the county shall be used.

§ 11-138. LOCAL GOVERNMENT'S RIGHT TO PURCHASE RENTAL FACILITY.

(a) "Rental facility" defined. — In this section, "rental facility" means property containing 10 or more dwelling units intended to be leased to persons who occupy the dwellings as their residences.

(b) Local law requiring right to purchase; mandatory provisions. — (1) A county or an incorporated municipality may provide, by local law or ordinance, that a rental facility may not be granted to a purchaser for the purpose of subjecting it to a condominium regime unless the county, incorporated municipality or housing agency has first been offered in writing the right to purchase the rental facility on substantially the same terms and conditions offered by the owner to the purchaser. The local law or ordinance shall designate the title and mailing address of the person to whom the offer to the county, incorporated municipality or housing agency shall be delivered.

(2) The offer shall contain a contingency entitling the county, incorporated municipality or housing agency, to secure financing within 180 days from the date of the offer.

(3) Unless written acceptance of the offer is sooner delivered to the owner by the county, incorporated municipality or housing agency, the offer shall terminate, without further act, 60 days after it is delivered to the county, incorporated municipality or housing agency. If the offer terminates, the owner may grant the rental facility

to any person for any purpose on terms and conditions not more favorable to a buyer than those offered by the owner to the county, incorporated municipality or housing agency.

(4) If the county, incorporated municipality, or housing agency purchases the rental facility, it shall retain or provide for the retention of:

(i) The property as a rental facility for at least 3 years from the date of acquisition; or

(ii) At least 20 percent of the units in the facility as rental units for 15 years from the date of acquisition for households that do not exceed the applicable income eligibility figure under 11-137(n) of this title for the county or incorporated municipality in which the rental facility is located.

(c) Certain rental facility owner exempt. — A local law or ordinance adopted under subsection (b) of this section may provide that the owner of a rental facility is exempt from the provisions of this section if the purchaser of the rental facility enters into an agreement with the county, incorporated municipality, or housing agency to retain the property as a rental facility for a period not to exceed 3 years after the date of acquisition of the property.

(d) Transfers to which right of purchase not applicable. — The provisions of any local law or ordinance adopted under this section shall not apply to any of the following transfers of a rental facility:

(1) Any transfer made pursuant to the terms of a bona fide mortgage or deed of trust agreement;

(2) Any transfer to a mortgagee in lieu of foreclosure or any transfer pursuant to any other proceedings, arrangement or deed in lieu of foreclosure;

(3) Any transfer made pursuant to a judicial sale or other judicial proceeding brought to secure payment of a debt or for the purpose of securing the performance of an obligation;

(4) Any transfer of the interest of one co-tenant to another co-tenant by operation of law or otherwise;

(5) Any transfer made by will or descent or by intestate distribution;

(6) Any transfer made to any municipal, county or State government or to any agencies, instrumentalities or political subdivisions thereof;

(7) Any transfer to a spouse, son, or daughter;

(8) Any transfer made pursuant to the liquidation of a partnership or corporation; or

(9) Any transfer into a partnership or corporation wholly owned by the person(s) so contributing.

(e) Waiver of right. — Any county, incorporated municipality or housing agency, by execution and delivery by the appropriate official to the grantor of an instrument in recordable form, may waive its right to purchase a particular rental facility under this section.

(f) Copy of local law to be forwarded to Secretary of State. — Within 30 days of the enactment of a law or ordinance under this section, the county or incorporated municipality shall forward a copy of the law or ordinance to the Secretary of State.

§ 11-139. LOCAL GOVERNMENT'S RIGHT TO PURCHASE UNITS.

(a) Local law providing right of purchase. — (1) A county or an incorporated municipality may provide by local law or ordinance, that a unit in a rental facility occupied by a tenant entitled to receive the notice required by § 11-136 of this title may not be granted unless the county, incorporated municipality, or housing agency has first been offered in writing the right to purchase the unit at the same price and on the same terms and conditions initially offered for that unit to any other person. The local law or ordinance shall designate the title and mailing address of the person to whom the offer to the county, incorporated municipality or housing agency is to be delivered and the title of the person who may accept the offer on behalf of the county, incorporated municipality or housing agency.

(2) The local law or ordinance shall provide that the offer to the county, incorporated municipality or housing agency shall be made at the same time an offer is made to a tenant of the unit under § 11-136 of this title. If a tenant accepts an offer of a unit made under § 11-136 of this title, then the rights of the county, incorporated municipality or housing agency to such unit under an offer made under this section, whether or not accepted, shall terminate.

(3) Unless written acceptance of the offer is sooner delivered to the owner of the rental facility by the county, incorporated municipality or housing agency, the offer shall terminate, without further act, 120 days after it is delivered to the county, incorporated municipality or housing agency.

(b) Aggregate purchase not to exceed 20 percent of units in condominium. — A county, incorporated municipality or housing agency may not accept an offer made under this section for any unit if that unit together with the aggregate of other units previously accepted or not accepted, subject to an extended lease by a designated family under 11-136 of this title, exceeds 20 percent of the total number of units in the condominium.

(c) Affidavit that provisions of section fulfilled. — If a grant for a unit contains an affidavit by the grantor that the provisions of any law or ordinance enacted under this section have been fulfilled, then the grantee in that grant takes title to the unit free and clear of all claims and rights of any county, incorporated municipality or housing agency under a local law or ordinance enacted under this section.

(d) Copy of local law to be forwarded to Secretary of State. — Within 30 days of the enactment of a law or ordinance under this section, the county or incorporated municipality shall forward a copy of the law or ordinance to the Secretary of State.

§ 11-139.1. ELECTRONIC TRANSMISSION OF NOTICE.

(a) In general. — Notwithstanding language contained in the governing documents of a council of unit owners, the council of unit owners may provide notice of a meeting or deliver information to a unit owner by electronic transmission if:

(1) The governing body of the council of unit owners gives the council of unit owners the authority to provide notice of a meeting or deliver information by electronic transmission;

(2) The unit owner gives the council of unit owners prior written authorization to provide notice of a meeting or deliver information by electronic transmission; and

(3) An officer or agent of the council of unit owners certifies in writing that the council of unit owners has provided notice of a meeting or delivered material or information as authorized by the unit owner.

(b) Ineffective transmission. - Notice or delivery by electronic transmission shall be considered ineffective if:

(1) The council of unit owners is unable to deliver two consecutive notices; and

(2) The inability to deliver the electronic transmission becomes known to the person responsible for the sending of the electronic transmission.

(c) Same — Effect. — The inadvertent failure to deliver notice by electronic transmission does not invalidate any meeting or other action.

§ 11-139.2. ELECTRONIC TRANSMISSION OF VOTES OR PROXIES.

(a) In general. — Notwithstanding language contained in the governing documents of the council of unit owners, the board of directors of the council of unit owners may authorize unit owners to submit a vote or proxy by electronic transmission if the electronic transmission contains information that verifies that the vote or proxy is authorized by the unit owner or the unit owner's proxy.

(b) When anonymous voting required. — If the governing documents of the council of unit owners require voting by secret ballot and the anonymity of voting by electronic transmission cannot be guaranteed, voting by electronic transmission shall be permitted if unit owners have the option of casting anonymous printed ballots.

§ 11-140. LEGISLATIVE INTENT; LOCAL LEGISLATIVE FINDING AND DECLARATION OF RENTAL HOUSING EMERGENCY; LOCAL LAWS AND REGULATIONS TO MEET EMERGENCY; COPIES.

(a) Legislative intent. — The intent of the General Assembly of Maryland is to facilitate the orderly development of condominiums in Maryland. The General Assembly recognizes, however, that the conversion of rental dwellings to condominiums can have an adverse impact on the availability of rental units, resulting in the displacement of tenants.

(b) Local legislative finding and declaration of rental housing emergency. — A county or incorporated municipality may, by legislative finding, recognize and declare that a rental housing emergency exists in all or part of its jurisdiction and has been caused by the conversion of rental housing to condominiums. The jurisdiction shall consider and make findings as to:

(1) The nature and incidence of condominium conversions;

(2) The resulting hardship to and displacement of tenants; and

(3) The scarcity of rental housing.

(c) Local regulations and laws to meet emergency. — Upon finding and declaration of a rental housing emergency caused by the conversion of rental housing to condominiums, a county or an incorporated municipality may by the enactment of laws, ordinances, and regulations, take the following actions to meet the emergency:

(1) Grant to a designated family as defined in § 11-137 of this title a right to an extended lease for a period in addition to that period provided for in § 11-137 of this title. The right to an extended lease may not, in any event, result in a requirement that a developer set aside for an extended lease more than 20 percent of the total number of units.

(2) Otherwise extend any of the provisions of § 11-137 of this title except that:

(i) More than 20 percent of the total number of units may not be required to be set aside; and

(ii) The term of an extended lease for any family made a designated family by a county or an incorporated municipality may not exceed 3 years.

(3) Require that the notice required to be given under § 11-102.1 of this title be altered to disclose the effects of any actions taken under this section.

(d) Copies. — Within 10 days of the enactment of a law, ordinance, or regulation under this section, a county or incorporated municipality shall forward a copy of the law, ordinance or regulation to the Secretary of State.

§ 11-141. TITLE ADDITIONAL AND SUPPLEMENTAL.

(a) In general. — The provisions of this title are in addition and supplemental to all other provisions of the public general laws, the public local laws, and any local enactment in the State.

(b) Descriptive terms. — If the words "single family residential unit", "property", "blocks", or other designation denoting a unit of land, appear in the Code, the public local laws, or any local enactment, a reference to a condominium unit or regime, whichever is appropriate, is deemed inserted after these descriptive terms where appropriate to implement this title.

(c) Conflict with other enactments. — If the application of the provisions of this title conflict with the application of other provisions of the public general laws, public local laws, or any local enactment, in the State, the provisions of this title shall prevail.

§ 11-142. APPLICABILITY TO EXISTING CONDOMINIUMS.

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(a) In general. — Except as otherwise provided in this section, this title is applicable to all condominiums. However, with respect to condominiums established before July 1, 1982, the declaration or master deed, bylaws, or condominium plat need not be amended to comply with the requirements of this title.

(b) Applicability of §§ 11-114 and 11-123. — Except to the extent that the declaration or master deed, bylaws, or plat provide otherwise, §§ 11-114 and 11-123 of this title are applicable to all condominiums.

(c) Applicability of § 11-120. — Unless the developer elects to conform to the requirements of § 11-120 of this title, § 11-120 of this title is not applicable to those condominiums created prior to July 1, 1974 under circumstances where the developer reserved the right to expand the condominium.

(d) Compliance with § 11-124. — As to condominiums created prior to July 1, 1981, compliance with § 11-124 of this title as in effect on June 30, 1981, is deemed compliance with § 11-126 of this title as effective on July 1, 1981.

(e) Applicability of § 11-133. — Section 11-133 of this title is applicable only to leases or management and similar contracts executed after July 1, 1974.

(f) Applicability of §§ 11-127, 11-131, 11-136, 11-137, 11-138, 11-139, and 11-140. — Sections 11-127, 11-131, 11-136, 11-137, 11-138, 11-139, and 11-140 of this title do not apply to the conversion of residential rental property for which a notice of intention to create a condominium was issued before July 1, 1981, if:

(1) (i) On or before March 15, 1982, units in the residential rental property have been publicly offered for sale as condominium units; and

(ii) On or before March 15, 1982, 35 percent of the units in the residential rental property are under a contract to be sold pursuant to a bona fide, arm's length transaction;

(2) (i) On or before March 15, 1982, the residential rental property has been subjected to a condominium regime, or, in the case of an expanding condominium, the residential rental property is shown on the condominium plat filed on or before March 15, 1982;

(ii) Units in the condominium have been publicly offered for sale on or before April 15, 1982; and

(iii) On or before May 15, 1982, at least 10 percent of the units in the condominium, or in the case of an expanding condominium, 10 percent of the total number of units to be contained in the condominium as fully expanded, are under a contract to be sold in a bona fide, arm's length transaction; or

(3) A developer or its affiliate entered into a contract to purchase the residential rental property between January 1, 1980 and December 31, 1980, and the developer or its affiliate does not meet the requirements of paragraph (1) or (2) of this subsection. Such a developer or its affiliate shall comply with §§ 11-136 and 11-137 of this title.

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§ 11-143. SHORT TITLE.

This title may be cited as the Maryland Condominium Act.