

Bedford Village Condominium

Budget



BEDFORD VILLAGE
2020 APPROVED BUDGET

Acct. #	Approved
Description	2020
Total Income	
"Write Off" Account	\$0.00
6310 Assessment Income	\$37,740.00
6340 Late Fee Income	\$0.00
6360 Misc Owner Income	\$0.00
6380 Owner Administrative Fees Inc	\$0.00
6390 Owner Interest Income	\$0.00
6910 Interest Income	\$0.00
Total Income:	\$37,740.00
Expenses:	
Administrative:	
7010 Management Fees	\$6,000.00
7140 Audit Fees	\$500.00
7160 Legal Fees	\$100.00
7161 Collection Costs	\$100.00
7250 Bank Charges	\$30.00
7260 Postage & Mail	\$150.00
7280 Insurance	\$800.00
7430 Property Taxes	\$100.00
7430 Federal Income Taxes	\$0.00
7440 State & Local Income Taxes	\$0.00
7890 Misc. General & Administrative	\$100.00
Total Administrative	\$7,880.00
Utilities:	
8920 Electric Common Area	\$2,000.00
8930 Water & Sewer	\$1,800.00
Total Utilities	\$3,800.00
Maintenance:	
9090 Signs	\$500.00
9110 Repairs & Maint	\$2,500.00
9180 Plumbing	\$500.00
Total Maintenance	\$3,500.00
Contracted Services:	
9610 Lawn Maintenance/Tree maint.	\$5,300.00
9700 Trash Service	\$0.00
9750 Extermination	\$0.00
9800 Snow Removal	\$3,500.00
Total Contracted Services	\$8,800.00
Total Operating Expenses	\$23,980.00
Reserves:	
5910 Contingency	\$6,880.00
9920 Reserves - Unallocated	\$6,880.00
Total Reserves	\$13,760.00
Total Expenses	\$37,740.00

Bedford Village Condominium

Current Unaudited Financial Documents



Run Date: 07/14/20
Run Time: 09:09 AM

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BEDFORD VILLAGE CONDOMINIUM

Balance Sheet
As of 06/30/20

BALANCE SHEET

ASSETS

CASH:

1020	CAB-OPERATING ACCT# 275-545601	\$	59,461.28	
1070	Reserves-CAB #275828483		61,943.98	
Subtotal Cash				\$ 121,405.26
TOTAL ASSETS				\$ 121,405.26
				=====

LIABILITIES & MEMBERS EQUITY

LIABILITIES:

3310	Deferred Assessments	\$	1,310.00	
Subtotal Liabilities				\$ 1,310.00

RESERVES:

5910	Reserves - Contingency	\$	31,050.98	
5920	Reserves - Unallocated		30,893.00	
Subtotal Reserves				\$ 61,943.98

MEMBERS EQUITY:

5510	Prior Years Net Income/(Loss)	\$	56,053.97	
	Current Year Net Income/(Loss)		2,097.31	
Subtotal Members Equity				\$ 58,151.28

TOTAL LIABILITIES & EQUITY				\$ 121,405.26
				=====

Run Date: 07/14/20
Run Time: 09:09 AM

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BEDFORD VILLAGE CONDOMINIUM

BEDFORD VILLAGE CONDOMINIUM

Period: 06/01/20 to 06/30/20

Account	Description	Actual	Current Period		Actual	Year-To-Date		Yearly Budget
			Budget	Variance		Budget	Variance	
INCOME/EXPENSE STATEMENT								
INCOME:								
06310	Assessment Income	3,020.00	3,145.00	(125.00)	19,330.00	18,870.00	460.00	37,740.00
06340	Late Fee Income	.00	.00	.00	90.00	.00	90.00	.00
06910	Interest Income	12.53	.00	12.53	100.29	.00	100.29	.00
	TOTAL INCOME	3,032.53	3,145.00	(112.47)	19,520.29	18,870.00	650.29	37,740.00
EXPENSES								
*								
GENERAL & ADMINSTRATIVE:								
07010	Management Fees	500.00	500.00	.00	3,000.00	3,000.00	.00	6,000.00
07140	Audit Fees	.00	41.66	41.66	500.00	249.96	(250.04)	500.00
07160	Legal Fees	.00	8.33	8.33	.00	49.98	49.98	100.00
07161	Collection Cost	.00	8.33	8.33	.00	49.98	49.98	100.00
07250	Bank Charges	.00	2.50	2.50	.00	15.00	15.00	30.00
07260	Postage & Mail	6.50	12.50	6.00	36.35	75.00	38.65	150.00
07280	Insurance	.00	66.66	66.66	717.00	399.96	(317.04)	800.00
07430	Federal Income Taxes	.00	8.33	8.33	.00	49.98	49.98	100.00
07890	Misc. General & Administrative	.00	8.33	8.33	30.00	49.98	19.98	100.00
	Subtotal General & Admin	506.50	656.64	150.14	4,283.35	3,939.84	(343.51)	7,880.00
UTILITIES:								
08920	Electric - Public Area	136.24	166.66	30.42	808.09	999.96	191.87	2,000.00
08930	Water & Sewer	.00	150.00	150.00	144.98	900.00	755.02	1,800.00
	Subtotal Utilities	136.24	316.66	180.42	953.07	1,899.96	946.89	3,800.00
MAINTENANCE:								
09090	Signs	.00	41.66	41.66	.00	249.96	249.96	500.00
09110	R & M (Repairs & Maintenance)	.00	208.33	208.33	780.00	1,249.98	469.98	2,500.00
09180	Plumbing Repairs - Common	.00	41.66	41.66	.00	249.96	249.96	500.00
	Subtotal Maintenance	.00	291.65	291.65	780.00	1,749.90	969.90	3,500.00

Run Time: 09:09 AM

BEDFORD VILLAGE CONDOMINIUM

BEDFORD VILLAGE CONDOMINIUM

Period: 06/01/20 to 06/30/20

		Current Period			Year-To-Date			Yearly
Account	Description	Actual	Budget	Variance	Actual	Budget	Variance	Budget
BEDFORD VILLAGE CONDOS								
INCOME/EXPENSE STATEMENT								
PAGE 2								
CONTRACT SERVICE EXPENSE:								
09610	Lawn Maintenance & Landscapin	446.00	662.50	216.50	4,281.00	2,650.00	(1,631.00)	5,300.00
09800	Snow Removal	.00	.00	.00	160.00	1,750.00	1,590.00	3,500.00
	Subtotal Contract Serv.	446.00	662.50	216.50	4,441.00	4,400.00	(41.00)	8,800.00
RESERVES:								
09910	Reserves - Contingency	573.33	573.33	.00	3,439.98	3,439.98	.00	6,880.00
09920	Reserves - Unallocated	583.44	573.33	(10.11)	3,525.58	3,439.98	(85.60)	6,880.00
	Subtotal Reserves	1,156.77	1,146.66	(10.11)	6,965.56	6,879.96	(85.60)	13,760.00
	TOTAL EXPENSES	2,245.51	3,074.11	828.60	17,422.98	18,869.66	1,446.68	37,740.00
	NET INCOME/(LOSS)	787.02	70.89	716.13	2,097.31	.34	2,096.97	.00

Bedford Village Condominium

Insurance Dec Page





STATE FARM FIRE AND CASUALTY COMPANY
A STOCK COMPANY WITH HOME OFFICES IN BLOOMINGTON, ILLINOIS

3 Ravinia Drive
Atlanta GA 30346-2117

Named Insured

AT2 003458 3125 M-21-92DF-FAF0 F V
BEDFORD VILLAGE HOA
C/O RESIDENTIAL REALTY
3600 CRONDALL LN STE 103
OWINGS MILLS MD 21117-2233



RENEWAL DECLARATIONS

Policy Number	90-03-4234-5	
Policy Period	Effective Date	Expiration Date
12 Months	MAY 16 2020	MAY 16 2021
The policy period begins and ends at 12:01 am standard time at the premises location.		

Agent and Mailing Address

MIKE SAWYER II
10194 BALTO NATL PIKE STE 102
ELLCOTT CITY MD 21042-3655

PHONE: (410) 461-6100
(410) 461-3680

Residential Community Association Policy

Automatic Renewal - If the **policy period** is shown as **12 months**, this policy will be renewed automatically subject to the premiums, rules and forms in effect for each succeeding policy period. If this policy is terminated, we will give you and the Mortgagee/Lienholder written notice in compliance with the policy provisions or as required by law.

Entity: HOMEOWNERS ASSOCIATION

NOTICE: Information concerning changes in your policy language is included. Please call your agent if you have any questions.

The premium for your expiring policy was \$703.00
Your premium has increased by \$14.00 since the last term.
Please call your agent if you want additional information about the premium increase.

MAR 24 2020

POLICY PREMIUM \$ 717.00

Discounts Applied:
Renewal Year
Claim Record

PLEASE SEE AN IMPORTANT MESSAGE FOLLOWING THE PARTICIPATING POLICY PROVISION AT THE END OF THIS DECLARATIONS.

Prepared
MAR 18 2020
CMP-4000

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530-686 a.2 05-31-2011 (0113231c)

RENEWAL DECLARATIONS (CONTINUED)

Residential Community Association Policy for BEDFORD VILLAGE HOA
Policy Number 90-03-4234-5

SECTION I - PROPERTY SCHEDULE

Location Number	Location of Described Premises	Limit of Insurance* Coverage A - Buildings	Limit of Insurance* Coverage B - Business Personal Property
001	5 GALA LN PIKESVILLE MD 21208-3724	No Coverage	No Coverage

AUXILIARY STRUCTURES

Location Number	Description	Limit of Insurance* Coverage A - Buildings	Limit of Insurance* Coverage B - Business Personal Property
001A	Fence, walls, etc.	\$ 6,700	See Prop Sch
001B	SPLIT RAIL FENCE	\$ 13,100	See Prop Sch

* As of the effective date of this policy, the Limit of Insurance as shown includes any increase in the limit due to Inflation Coverage.

SECTION I - INFLATION COVERAGE INDEX(ES)

Inflation Coverage Index: 205.4

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RENEWAL DECLARATIONS (CONTINUED)

Residential Community Association Policy for BEDFORD VILLAGE HOA
Policy Number 90-03-4234-5



0208-ST-1-1001

SECTION I - DEDUCTIBLES

Basic Deductible \$500

Special Deductibles:

Money and Securities	\$250	Employee Dishonesty	\$250
Equipment Breakdown	\$500		

Other deductibles may apply - refer to policy.

SECTION I - EXTENSIONS OF COVERAGE - LIMIT OF INSURANCE - EACH DESCRIBED PREMISES

The coverages and corresponding limits shown below apply separately to each described premises shown in these Declarations, unless indicated by "See Schedule." If a coverage does not have a corresponding limit shown below, but has "Included" indicated, please refer to that policy provision for an explanation of that coverage.

COVERAGE	LIMIT OF INSURANCE
Collapse	Included
Damage To Non-Owned Buildings From Theft, Burglary Or Robbery	Coverage B Limit
Debris Removal	25% of covered loss
Equipment Breakdown	Included
Fire Department Service Charge	\$5,000
Fire Extinguisher Systems Recharge Expense	\$5,000
Glass Expenses	Included
Increased Cost Of Construction And Demolition Costs (applies only when buildings are insured on a replacement cost basis)	10%
Newly Acquired Business Personal Property (applies only if this policy provides Coverage B - Business Personal Property)	\$100,000
Newly Acquired Or Constructed Buildings (applies only if this policy provides Coverage A - Buildings)	\$250,000

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RENEWAL DECLARATIONS (CONTINUED)

Residential Community Association Policy for BEDFORD VILLAGE HOA
Policy Number 90-03-4234-5

Ordinance Or Law - Equipment Coverage	Included
Preservation Of Property	30 Days
Water Damage, Other Liquids, Powder Or Molten Material Damage	Included

SECTION I - EXTENSIONS OF COVERAGE - LIMIT OF INSURANCE - EACH COMPLEX

The coverages and corresponding limits shown below apply separately to each complex as described in the policy.

COVERAGE	LIMIT OF INSURANCE
Accounts Receivable	
On Premises	\$50,000
Off Premises	\$15,000
Arson Reward	\$5,000
Forgery Or Alteration	\$10,000
Money And Securities (Off Premises)	\$5,000
Money And Securities (On Premises)	\$10,000
Money Orders And Counterfeit Money	\$1,000
Outdoor Property	\$5,000
Personal Effects (applies only to those premises provided Coverage B - Business Personal Property)	\$2,500
Personal Property Off Premises	\$15,000
Pollutant Clean Up And Removal	\$10,000
Property Of Others (applies only to those premises provided Coverage B - Business Personal Property)	\$2,500
Signs	\$2,500
Valuable Papers And Records	
On Premises	\$10,000
Off Premises	\$5,000

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RENEWAL DECLARATIONS (CONTINUED)

Residential Community Association Policy for BEDFORD VILLAGE HOA
Policy Number 90-03-4234-5



0308-ST-1-1001

SECTION I - EXTENSIONS OF COVERAGE - LIMIT OF INSURANCE - PER POLICY

The coverages and corresponding limits shown below are the most we will pay regardless of the number of described premises shown in these Declarations.

COVERAGE	LIMIT OF INSURANCE
Back-Up of Sewer or Drain	Included
Employee Dishonesty	\$25,000
Loss Of Income And Extra Expense	Actual Loss Sustained - 12 Months

SECTION II - LIABILITY

COVERAGE	LIMIT OF INSURANCE
Coverage L - Business Liability	\$2,000,000
Coverage M - Medical Expenses (Any One Person)	\$5,000
Damage To Premises Rented To You	\$300,000
Directors And Officers - Property Manager Liability	\$2,000,000
Directors And Officers Liability	\$2,000,000
AGGREGATE LIMITS	LIMIT OF INSURANCE
Products/Completed Operations Aggregate	\$4,000,000
General Aggregate	\$4,000,000
Directors and Officers Aggregate	\$2,000,000

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MAR 18 2020
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RENEWAL DECLARATIONS (CONTINUED)

Residential Community Association Policy for BEDFORD VILLAGE HOA
Policy Number 90-03-4234-5

Each paid claim for Liability Coverage reduces the amount of insurance we provide during the applicable annual period. Please refer to Section II - Liability in the Coverage Form and any attached endorsements.

Your policy consists of these Declarations, the BUSINESSOWNERS COVERAGE FORM shown below, and any other forms and endorsements that apply, including those shown below as well as those issued subsequent to the issuance of this policy.

FORMS AND ENDORSEMENTS

CMP-4100	Businessowners Coverage Form
FE-6999.2	*Terrorism Insurance Cov Notice
CMP-4814	Directors & Officers Liability
CMP-4220.1	Amendatory Endorsement
CMP-4710	Employee Dishonesty
CMP-4788	Addl Insd Mgrs Lessor of Prem
CMP-4550	Residential Community Assoc
CMP-4746.1	Hired Auto Liability
CMP-4508	Money and Securities
CMP-4705.1	Loss of Income & Extra Expnse
CMP-4818	Directors & Officers- Prop Mgr
CMP-4561.1	Policy Endorsement
FE-3650	Actual Cash Value Endorsement
FD-6007	Inland Marine Attach Dec
	* New Form Attached

SCHEDULE OF ADDITIONAL INTERESTS

Interest Type: Addl Insured-Section II
Endorsement #: CMP4788
Loan Number: N/A

RESIDENTIAL REALTY GROUP INC
3600 CRONDALL LN STE 103
OWINGS MILLS MD 211172233

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MAR 18 2020
CMP-4000

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RENEWAL DECLARATIONS (CONTINUED)

Residential Community Association Policy for BEDFORD VILLAGE HOA
Policy Number 90-03-4234-5



0408-ST-1-1001

This policy is issued by the State Farm Fire and Casualty Company.

Participating Policy

You are entitled to participate in a distribution of the earnings of the company as determined by our Board of Directors in accordance with the Company's Articles of Incorporation, as amended.

In Witness Whereof, the State Farm Fire and Casualty Company has caused this policy to be signed by its President and Secretary at Bloomington, Illinois.

Lynne M. Youell
Secretary

Michael F. Tignor
President

**WE WILL CONSIDER YOUR CLAIMS HISTORY, IF ANY, FOR PURPOSES OF
DETERMINING WHETHER TO CANCEL OR REFUSE TO RENEW YOUR POLICY.**

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MAR 18 2020
CMP-4000

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RENEWAL DECLARATIONS (CONTINUED)

Residential Community Association Policy for BEDFORD VILLAGE HOA
Policy Number 90-03-4234-5

NOTICE TO POLICYHOLDER:

For a comprehensive description of coverages and forms, please refer to your policy.

Policy changes requested before the "Date Prepared", which appear on this notice, are effective on the Renewal Date of this policy unless otherwise indicated by a separate endorsement, binder, or amended declarations. Any coverage forms attached to this notice are also effective on the Renewal Date of this policy.

Policy changes requested after the "Date Prepared" will be sent to you as an amended declarations or as an endorsement to your policy. Billing for any additional premium for such changes will be mailed at a later date.

If, during the past year, you've acquired any valuable property items, made any improvements to insured property, or have any questions about your insurance coverage, contact your State Farm agent.

Please keep this with your policy.

Your coverage amount....

It is up to you to choose the coverage and limits that meet your needs. We recommend that you purchase a coverage limit equal to the estimated replacement cost of your structure. Replacement cost estimates are available from building contractors and replacement cost appraisers, or, your agent can provide an estimate from Xactware, Inc.[®] using information you provide about your structure. We can accept the type of estimate you choose as long as it provides a reasonable level of detail about your structure. State Farm[®] does not guarantee that any estimate will be the actual future cost to rebuild your structure. Higher limits are available at higher premiums. Lower limits are also available, as long as the amount of coverage meets our underwriting requirements. We encourage you to periodically review your coverages and limits with your agent and to notify us of any changes or additions to your structure.

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MAR 18 2020
CMP-4000

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STATE FARM FIRE AND CASUALTY COMPANY
A STOCK COMPANY WITH HOME OFFICES IN BLOOMINGTON, ILLINOIS

3 Ravinia Drive
Atlanta GA 30346-2117

Named Insured

M-21-92DF-FAF0 F V

BEDFORD VILLAGE HOA
C/O RESIDENTIAL REALTY
3600 CRONDALL LN STE 103
OWINGS MILLS MD 21117-2233



INLAND MARINE ATTACHING DECLARATIONS

Policy Number	90-03-4234-5	
Policy Period	Effective Date	Expiration Date
12 Months	MAY 16 2020	MAY 16 2021
The policy period begins and ends at 12:01 am standard time at the premises location.		

ATTACHING INLAND MARINE

Automatic Renewal - If the **policy period** is shown as **12 months**, this policy will be renewed automatically subject to the premiums, rules and forms in effect for each succeeding policy period. If this policy is terminated, we will give you and the Mortgagee/Lienholder written notice in compliance with the policy provisions or as required by law.

Annual Policy Premium Included

The above Premium Amount is included in the Policy Premium shown on the Declarations.

Your policy consists of these Declarations, the INLAND MARINE CONDITIONS shown below, and any other forms and endorsements that apply, including those shown below as well as those issued subsequent to the issuance of this policy.

Forms, Options, and Endorsements

FE-8739 Inland Marine Conditions
FE-8743.1 Inland Marine Computer Prop

See Reverse for Schedule Page with Limits

Prepared
MAR 18 2020
FD-6007

021518

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530-606 a.2 05-31-2011 (o1f3232c)

ATTACHING INLAND MARINE SCHEDULE PAGE

ATTACHING INLAND MARINE

ENDORSEMENT NUMBER	COVERAGE	LIMIT OF INSURANCE	DEDUCTIBLE AMOUNT	ANNUAL PREMIUM
FE-8743.1	Inland Marine Computer Prop	\$ 10,000	\$ 500	Included
	Loss of Income and Extra Expense	\$ 10,000		Included

Prepared
MAR 18 2020
FD-6007

OTHER LIMITS AND EXCLUSIONS MAY APPLY - REFER TO YOUR POLICY

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021518

530 686 a.2 05-31-2011 (o113233c)



Residential Community Association Policy for BEDFORD VILLAGE HOA
Policy Number 90-03-4234-5



0608-ST-1-1001

Notice of Limit and Deductible Increase

Your Limits and Deductibles increased by the following amounts. These increases are due to inflation adjustments or due to changes you have made.

This notice is provided for informational purposes only, and does not change, modify, or invalidate any of the provisions, terms or conditions of your policy or any other applicable endorsements.

0001A Auxiliary Structure

Coverage(s)

Coverage A - Building

Increased Amount

\$ 600

0001B Auxiliary Structure

Coverage(s)

Coverage A - Building

Increased Amount

\$ 1,100



In accordance with the Terrorism Risk Insurance Act of 2002 as amended and extended by the Terrorism Risk Insurance Program Reauthorization Act of 2015, this disclosure is part of your policy.

FE-6999.2 POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

Coverage for acts of terrorism is not excluded from your current policy. However your policy does contain other exclusions which may be applicable, such as an exclusion for nuclear hazard. You are hereby notified that under the Terrorism Risk Insurance Act, as amended in 2015, the definition of act of terrorism has changed. As defined in Section 102(1) of the Act: The term "act of terrorism" means any act that is certified by the Secretary of the Treasury—in consultation with the Secretary of Homeland Security, and the Attorney General of the United States—to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion. Under this policy, any covered losses resulting from certified acts of terrorism may be partially reimbursed by the United States Government under a formula established by the Terrorism Risk Insurance Act, as amended. Under the formula, the United States Government generally reimburses 85% through 2015; 84% beginning on January 1, 2016; 83% beginning on

January 1, 2017; 82% beginning on January 1, 2018; 81% beginning on January 1, 2019; and 80% beginning on January 1, 2020 of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage. The Terrorism Risk Insurance Act, as amended, contains a \$100 billion cap that limits U.S. Government reimbursement as well as insurers' liability for losses resulting from certified acts of terrorism when the amount of such losses exceeds \$100 billion in any one calendar year. If the aggregate insured losses for all insurers exceed \$100 billion, your coverage may be reduced.

There is no separate premium charged to cover insured losses caused by terrorism. Your insurance policy establishes the coverage that exists for insured losses. This notice does not expand coverage beyond that described in your policy.

THIS IS YOUR NOTIFICATION THAT UNDER THE TERRORISM RISK INSURANCE ACT, AS AMENDED, ANY LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM UNDER YOUR POLICY MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT AND MAY BE SUBJECT TO A \$100 BILLION CAP THAT MAY REDUCE YOUR COVERAGE.

FE-6999.2





IMPORTANT NOTICE . . . Data Compromise Coverage Now Available



Nearly all businesses collect and retain personal information about their clients, employees and business associates. Yet many businesses lack the resources to respond effectively in the event this data is stolen or released when it is in their care, custody or control.

If a data breach occurs, a business may be required to notify all parties who were affected by the breach, effectively communicate the nature of the loss or disclosure and, if warranted, provide credit monitoring assistance and identity restoration case management service to those affected. Many states already require businesses to provide these services.

Data Compromise coverage may help a business respond to the expense of service obligations following a covered data breach.

Coverage Summary

Data Compromise coverage is designed to help a business investigate a data breach, notify individuals and provide credit monitoring, case management and other services that help prevent identity theft and fraud following a covered breach of non-public personal information. Data Compromise coverage may be available for certain necessary and reasonable expenses including:

- Legal and forensic information technology reviews;
- Notification to affected individuals; and
- Service to affected individuals including:
 - Informational materials;
 - Toll-free help line;
 - Credit report monitoring; and
 - Identity restoration case management.

If you choose to purchase Data Compromise coverage, Identity Restoration coverage will be included for your business.

No one can predict if a covered data breach will occur, but you are able to protect your business from certain response costs a breach may create. If you are interested in adding Data Compromise coverage to your policy, contact your State Farm® agent to see if your business qualifies.

553-3447.1 (C)

Bedford Village Condominium

Articles of Incorporation



RESIDENTIAL
REALTY GROUP, INC.

Articles of Incorporation

C/U/O Bedford Village, A Condominium

ARTICLES OF INCORPORATION

OF

THE COUNCIL OF UNIT OWNERS OF BEDFORD VILLAGE, A CONDOMINIUM, INCORPORATED

COPY

approved and received for record by the State Department of Assessments and Taxation
of Maryland November 2, 1978 at 8:30 o'clock A.M. as in conformity
with law and ordered recorded.

Recorded in Liber 2429, folio 02946, one of the Charter Records of the State
Department of Assessments and Taxation of Maryland.

Bonus tax paid \$ 20.00 Recording fee paid \$ 20.00 Special Fee paid \$

To the clerk of the Circuit Court of Baltimore County

IT 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.

AS WITNESS my hand and seal of the said Department at Baltimore.



A 78457

THE COUNCIL OF UNIT OWNERS OF
BEDFORD VILLAGE, A CONDOMINIUM, INCORPORATED

ARTICLES OF INCORPORATION

THESE ARTICLES OF INCORPORATION, made this 12th day of October, 1978, by IVAN STERN, having an address at c/o 3605 Anton Farm Road, Baltimore, Maryland 21208,

WITNESSETH, THAT WHEREAS, pursuant to the provisions of title 11 of the Real Property Article of the Annotated Code of Maryland (1974 edition, as amended) (hereinafter referred to as "the Horizontal Property Act"), and by a declaration dated _____, 1978, and recorded among the Land Records of Baltimore County, Maryland, in Liber 28K, Jr. 43 at folios 105 et seq. (hereinafter referred to as "the Declaration"), Bedford Village, a limited partnership organized and existing under the law of Maryland, has subjected to a condominium regime all of that tract of land, situate and lying in the said County, which is described therein, together with the improvements thereon and the appurtenances thereto, thereby creating a condominium with respect to the same which is known as "Bedford Village, a condominium" (hereinafter referred to as "the Condominium"), all as is more particularly set forth in the provisions of the Declaration; and

WHEREAS, under the provisions of the Declaration, the affairs of the Condominium are to be governed in accordance with by-laws (hereinafter and in the Declaration referred to as "the By-Laws"), the initial form of which has been designated as an exhibit to the Declaration and has been recorded among the said Land Records immediately following the recordation thereamong of the Declaration; and

WHEREAS, under the provisions of the Declaration, the affairs of the Condominium are to be governed by an entity which is to constitute both a council of unit owners organized and existing under the provisions of the Horizontal Property Act and a nonstock corporation organized and existing under the law of Maryland; and

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WHEREAS, the undersigned, by these Articles of Incorporation, intends to incorporate such entity,

NOW, THEREFORE, THE UNDERSIGNED, being at least eighteen (18) years of age, does hereby form a nonstock corporation under the general laws of the State of Maryland, upon the terms and subject to the conditions which are hereinafter set forth:

Article 1. Name. The name of the corporation (hereinafter referred to as "the Council") is and shall be

THE COUNCIL OF UNIT OWNERS OF
BEDFORD VILLAGE, A CONDOMINIUM, INCORPORATED

Article 2. Purposes and powers.

(a) The purposes for which the Council is formed, and the powers which it shall have, are the following:

(i) to provide for the acquisition, construction, management, maintenance and care of the Council's property and of the property which is referred to as "the Common Elements" in the provisions of the Declaration;

(ii) to do and perform any and all acts and things which a council of unit owners organized and existing under the provisions of the Horizontal Property Act (as from time to time amended) is or may be empowered to do, without limitation or restriction of any kind;

(iii) to do and perform any and all acts and things which a nonstock corporation organized and existing under the general laws of the State of Maryland is or may be empowered to do, without limitation or restriction of any kind (including, by way of example rather than of limitation, any and all acts and things which such a corporation is or may be empowered to do under the provisions of title 2, section 2-103, and title 5, section 5-202 of the Corporations and Associations Article of the Annotated Code of Maryland (1975 edition), as from time to time amended); and

(iv) to do and perform any and all acts and things which the Council is authorized or empowered to do by the provisions of the Declaration, the By-Laws or the Condominium Plat (as that term is defined by the provisions of the Declaration), as from time to time amended.

(b) Anything contained in the foregoing provisions of this Article to the contrary notwithstanding, nothing in such provisions shall be deemed to empower the Council to take any action, or to permit the Council not to take any action, if and to the extent that its taking or failure to take such action is not permitted by the provisions of the Horizontal Property Act, the Declaration, the By-Laws or the Condominium Plat.

Article 3. Principal office and resident agent.

(a) The post office address of the principal office of the Council in Maryland is c/o Ivan Stern, 3605 Anton Farms Road, Baltimore, Maryland 21208.

(b) (i) The name and post office address of the resident agent of the Council in Maryland is Ivan Stern, 3605 Anton Farms Road, Baltimore, Maryland 21208.

(ii) Such resident agent is a citizen of the State of Maryland who actually resides therein.

Article 4. Lack of authority to issue stock.

(a) The Council is not authorized or empowered to issue capital stock of any type or class.

(b) Nothing in the foregoing provisions of this Article shall be deemed in any manner to alter or impair any right or power which the Council may have from time to time to issue such bonds, notes and other evidence of secured or unsecured indebtedness, in such amounts, for such consideration, upon such terms and subject to such conditions as the Council may determine.

Article 5. Membership.

The membership of the Council shall consist of and be limited to all of the Unit Owners, as that term is defined by the provisions of the Declaration.

Article 6. Directors.

(a) The number of directors which the Council shall have shall be three (3), which number may be increased or decreased by an amendment of the By-Laws, but shall never be less than three (3).

(b) The names of the directors who shall act until the first annual meeting of the membership of the Council, and until their successors are elected and qualified are:

Ivan Stern
Gala Stern
Mordechai Halpern

(c) The board of directors of the Council shall exercise all of the powers of the Council, except for those, if any, which are conferred upon or reserved to the members of the Council by law, or by the provisions of these Articles of Incorporation, the Declaration, the By-Laws or the Condominium Plat, as from time to time amended.

Article 7. Perpetual existence. The existence of the Council shall be perpetual.

Article 8. Voting rights.

(a) The voting rights of each member of the Council are as set forth in the provisions of the Declaration and the By-Laws, as from time to time amended.

(b) Except in those circumstances, if any, in which the giving of a proxy by a member of the Council is expressly permitted by the provisions of the Declaration or the By-Laws (in which circumstances such member shall be entitled to vote by such proxy), no member of the Council may vote by proxy.

Article 9. Amendment of Articles of Incorporation.

(a) These Articles of Incorporation may be amended in and only in the same manner as that set forth in the provisions of section 2-604 of the Corporations and Associations Article of the Annotated Code of Maryland (1975 edition, as amended) for stock corporations, with each member of the Council having the rights thereunder held by a stockholder of a stock corporation.

(b) Without limiting the generality of the foregoing provisions of this Article, no amendment of these Articles of Incorporation shall be effective unless approved by the membership of the Council by the affirmative vote or consent of Unit Owners holding three-fourths (3/4) of all of the votes entitled to be cast thereon.

Article 10. Dissolution of the Association.

The Council may be voluntarily dissolved only in accordance with the provisions of the Horizontal Property Act and of section 5-208 of the Corporations and Associations Article of the Annotated Code of Maryland (1975 edition, as amended), except that such dissolution must have been approved by all of those persons whose consent is under the provisions of section 11-121 of the Horizontal Property Act, a condition to the termination of the said condominium regime for the Condominium.

IN WITNESS WHEREOF, the undersigned hereby executes and enseals these Articles of Incorporation and acknowledges them to be his act, the day and year first above written.


IVAN STERN

(SEAL)

M E M O R A N D U M

To: Residential Realty Group, Inc.
From: Cynthia Hitt Kent/ Law Office of Cynthia Hitt Kent, LLC
Subject: The C/U/O of Bedford Village, A Condominium, Inc.
Date: February 12, 2013

Attached please find the SDAT form to change the principal place of business and the Resident Agent. ✓

Attached please find a complete set of the Documents as follows:

Condominium Declaration 5953/310

Condominium By-Laws, 5953/266

Open Space Declaration, 5953/342

First Amendment to Declaration 5953/310

Deed to Open Space, 6155/837

Utility Deed & Agreement, 7905/695

Please note that the official name of the Condominium is "The Council of Unit Owners of Bedford Village, A Condominium, Inc." Please note your records accordingly.

Should you have any questions, please do not hesitate to contact this office. Thank you.

FEB 13 2013

Bedford Village Condominium

Bylaws



Bylaws

C/U/O Bedford Village, A Condominium

BEDFORD VILLAGE, a condominium

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BEDFORD VILLAGE, a condominium

BY-LAWS

ARTICLE I. GENERAL PROVISIONS.

Section 1.1. Definitions

1.1.1. Specifically defined terms.

(a) As used in these by-laws,

(i) each of the following terms shall be deemed to have the meaning which is ascribed to it by the provisions of Section 1 of the Declaration: (1) "the Act"; (2) "the Architectural Committee"; (3) "Assessment"; (4) "the Board of Directors"; (5) "By-Laws"; (6) "the Code"; (7) "the Common Elements"; (8) "Common Expenses"; (9) "Common Profits"; (10) "the Condominium"; (11) "the Condominium Plat"; (12) "the Condominium Regime"; (13) "Contract Purchaser"; (14) "the Council"; (15) "Council Receipts"; (16) "the Council of Unit Owners"; (17) "Declaration"; (18) "the Developer"; (19) "Dwelling"; (20) "Future Parcel"; (21) "the General Common Elements"; (22) "the Land Records"; (23) "Lessee"; (24) "the Limited Common Elements"; (25) "the Membership"; (26) "Mortgage"; (27) "Mortgagee"; (28) "Mortgagee in Possession"; (29) "Mortgagor"; (30) "Parcel"; (31) "Parcel I"; (32) "percentage interest in the Common Expenses and Common Profits"; (33) "person"; (34) "the Rules and Regulations"; (35) "Structure"; (36) "undivided percentage interest in the Common Elements"; (37) "Unit"; (38) "Unit Owner"; (39) "Use"; and (40) "Votes".

(ii) each of the following terms shall be deemed to have the meaning which is hereinafter in this Section ascribed to it:

(1) "Annual Assessment" shall have the meaning ascribed to it by the provisions of Section 3.2.1 hereof.

(2) "Annual Membership Meeting" shall mean an annual meeting of the Membership, held pursuant to the provisions of subsection 2.3.2 hereof.

(3) "Assessment Lien" shall have the meaning ascribed to it by the provisions of Section 3.4 hereof.

(4) "Assessment Year" shall have the meaning ascribed to it by the provisions of Section 3.2.2 hereof.

(5) "Assistant Secretary" shall mean an assistant secretary of the Council.

(6) "Assistant Treasurer" shall mean an assistant treasurer of the Council.

(7) "Board Meeting" shall mean a meeting of the Board of Directors, held pursuant to the provisions of Section 2.4.8 hereof.

(8) "Condemnation" shall mean both (A) a taking in condemnation or by the exercise of a power of eminent domain and (B) a conveyance made to a governmental or quasi-governmental authority which possesses such power, in settlement of any pending or threatened exercise thereof.

(9) "Council Property" shall mean any and all real property, personal property or other assets beneficially owned by the Council at any time.

(10) "the Declaration" shall mean the instrument entitled "Declaration" which is recorded among the Land Records immediately prior to the recordation thereamong of the initial form of these By-Laws and by which the property constituting the Condominium was subjected to the Condominium Regime, as from time to time amended.

(11) "Director" shall mean a member of the Board of Directors.

(12) "Majority" shall mean more than fifty percent (50%).

(13) "Manager" shall mean a person whom the Council employs, or with whom it contracts, to manage the Condominium or the affairs of the Council pursuant to the provisions of Section 2.4.11(b)(v) hereof.

(14) "Membership Meeting" shall mean an Annual Membership Meeting or a Special Membership Meeting.

(15) "Notice Address" shall have the meaning ascribed to it by the provisions of Section 7.2 hereof.

(16) "Officers" shall mean, collectively, the President, the Vice-President, the Secretary, the Treasurer, each Assistant Secretary, each Assistant Treasurer, and the holder of each other office which the Board of Directors may create pursuant to the provisions of Section 2.4.11(b)(xx) hereof.

(17) "the President" shall mean the president of the Council.

(18) "Proxy" shall mean the right given, pursuant to the provisions of Section 2.3.6(e) hereof, by a Unit Owner to any person to cast such Unit Owner's Votes on questions voted upon at a Membership Meeting.

(19) "Proxy Holder" shall mean a person who holds a Proxy.

(20) "the Secretary" shall mean the secretary of the Council.

(21) "Special Assessment" shall have the meaning ascribed to it by the provisions of Section 3.2.1 hereof.

(22) "Special Membership Meeting" shall mean a special meeting of the Membership, held pursuant to the provisions of subsection 2.3.3 hereof.

(23) "the Treasurer" shall mean the treasurer of the Council.

(24) "the Vice-President" shall mean the vice-president of the Council.

(25) "Voting Representative" shall mean a person enumerated as such in the provisions of Section 2.3.6(b) hereof.

(b) Any other term to which meaning is specifically ascribed by any provision of the By-Laws shall for purposes of the Declaration and the By-Laws be deemed to have such meaning.

1.1.2. Construction of terms. Any term to which meaning is specifically ascribed by any provision of the Declaration or the By-Laws, and which is used in the Act, shall, wherever possible, be construed in a manner which is consistent with any construction of such term as so used in the Act. Where such consistency of construction is not possible, the meaning so ascribed shall govern to the extent allowed by law.

Section 1.2. Applicability of By-Laws.

1.2.1. Scope of coverage. These By-Laws shall be applicable to, and shall govern,

(a) the administration of the affairs of the Condominium by or through the Council, whether acting through its Officers, the Board of Directors or the Membership;

(b) the ownership, sale, lease, sublease, pledge, assignment or other transfer, by the Developer or any Unit Owner Contract Purchaser, Mortgagee, Lessee or other person, of any legal or equitable freehold, leasehold, security or other interest in

(i) any Unit,

(ii) any undivided percentage interest in the Common Elements,

(iii) any percentage interest in the Common Expenses and Common Profits, or

(iv) any right to vote or other right of participation in the administration of the affairs of the Condominium or the Council; and

(c) the occupancy or other use of any Unit or the Common Elements by the Developer, any Unit Owner, Contract Purchaser, Mortgagee, Lessee or other person, or any agent, employee, invitee, visitor or guest thereof.

1.2.2. Persons bound. Any Unit Owner, Contract Purchaser, Mortgagee, Lessee or other person who (a) enters into or accepts the delivery of any instrument effecting the sale, conveyance, pledge, lease, sublease, assignment or other transfer of any interest referred to in the provisions of subsection 1.2.1(b) hereof, or (b) occupies or otherwise uses any Unit or the Common Elements, or allows any of his agents, employees, invitees, visitors or guests or any other person to do so, shall conclusively be deemed thereby to have accepted and ratified the provisions of the Declaration, these By-Laws and the Rules and Regulations, as from time to

time amended, and to have agreed to comply with and be bound by the same.

ARTICLE II. THE COUNCIL OF UNIT OWNERS.

Section 2.1. Function. Pursuant to the provisions of Section 5 of the Declaration, and in accordance with the provisions of section 11-109 of the Act, the affairs of the Condominium shall be governed and administered by the Council of Unit Owners, an entity incorporated as a nonstock corporation under the provisions of the Corporations and Associations Article of the Code.

Section 2.2. Powers and duties.

2.2.1. General powers. The Council shall have all all of the rights and powers which are vested

(a) in a council of unit owners by the provisions of the Act (to and only to the extent that the vesting of such powers is consistent with the provisions of the Declaration and these By-Laws);

(b) in a nonstock corporation by the provisions of the Corporations and Associations Article of the Code (to and only to the extent that the vesting of such powers is consistent with the provisions of the Act, the Declaration and these By-Laws); or

(c) in the Council by the provisions of the Declaration or these By-Laws.

2.2.2. Specific powers. Without limiting the generality of the foregoing provisions of this Section, the Council shall have all of the following powers:

(a) to have perpetual existence, subject to the right to terminate the Condominium Regime which is held by the Unit Owners pursuant to the provisions of the Act;

(b) to sue, be sued, complain and defend in any court of law or equity of Maryland or any other jurisdiction;

(c) to transact its business, carry on its operations and exercise the rights and powers vested in it, as aforesaid, in any state, territory, district or possession of the United States, foreign country or other place;

(d) to make contracts and guaranties, incur liabilities and borrow money;

(e) to sell, mortgage, lease, pledge, exchange, convey, transfer or otherwise dispose of any or all Council Property;

(f) to issue bonds, notes and other obligations, and secure the same by mortgage, deed of trust or other security conveyance of any or all Council Property and Council Income;

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

(h) to purchase, take, receive, subscribe for or otherwise acquire, own, hold, vote, use, employ, sell, mortgage, loan, pledge or otherwise dispose of, or deal in and with in any other manner, shares or other interests in, or obligations of, any Maryland or foreign corporation, association, partnership or individual;

(i) to invest its funds and lend money in any manner which is appropriate to enable it to carry on the operations or to fulfill the purposes which are set forth in the provisions of the Declaration or these By-Laws, and to take and hold real and personal property as security for the payment of funds so invested or loaned; and

(j) generally, to exercise any and all rights which are vested in it, and to do every other act not inconsistent with law which is appropriate to promote and attain the purposes set forth in the Act, the Declaration or these By-Laws.

2.2.3. General duties. The Council shall be charged with all of the duties which are imposed

(a) upon a council of unit owners by the provisions of the Act;

(b) upon a nonstock corporation by the provisions of the Corporations and Associations Article of the Code; and

(c) upon the Council by the provisions of the Declaration or these By-Laws.

2.2.4. Specific duties. Without limiting the generality of the provisions of subsection 2.2.3 hereof, the Council shall (a) govern and administer the affairs of the Condominium; (b) establish the methods of and the procedures for collecting from the Unit Owners their respective Assessments and for paying to the Unit Owners their respective shares of the Common Profits; (c) manage or arrange for the management of the Condominium and of all Council Property; and (d) have such other duties as are specifically imposed upon the Board of Directors or any Officer by these By-Laws.

Section 2.3. The Membership.

2.3.1. Composition. The membership of the Council shall consist of and be limited to all of the Unit Owners.

2.3.2. Annual Membership Meetings.

(a) First Annual Membership Meeting.

(i) Provided that notice thereof is given in accordance with the provisions of these By-Laws, the first Annual Membership Meeting shall commence at a time between 7:00 o'clock P.M. and 8:30 o'clock P.M., on a date which is not later than _____, 197_, and is not a Sunday or a legal holiday, and at a place in Baltimore, Maryland, all as chosen by the Developer in the exercise of its absolute discretion.

(ii) At the first Annual Membership Meeting, the Membership

(1) shall elect the Directors in accordance with the provisions of Section 2.4 hereof; and

(2) may transact any other business which properly comes before it.

(b) Subsequent Annual Membership Meetings.

(i) Provided that notice thereof is given in accordance with the provisions of these By-Laws, subsequent to such first Annual Membership Meeting an Annual Membership Meeting shall commence at a time between 7:00 o'clock P.M. and 8:30 o'clock P.M., on the first Monday of _____ of each year following the year during which such first Annual Membership Meeting is held, as aforesaid, and at a place in Baltimore, Maryland, all as chosen by the Board of Directors.

(ii) At each such subsequent Annual Membership Meeting, the Membership

(1) shall elect the successors to each person whose term as a Director expires as of such Annual Membership Meeting; and

(2) may transact any other business which properly comes before it.

(c) Notice of Annual Membership Meetings.

(i) By not later than fifteen (15), but not earlier than forty-five (45), days prior to the date on which the first Annual Membership Meeting is to be held, the Developer shall give to each Unit Owner and each Proxy Holder a written notice to that effect, setting forth the date, time and place thereof.

(ii) By not later than fifteen (15), but not earlier than forty-five (45), days prior to the date on which any subsequent Annual Membership Meeting is to be held, the Secretary shall give to each Unit Owner and each Proxy Holder a written notice to that effect, setting forth the date, time and place thereof.

2.3.3. Special Membership Meetings.

(a) Circumstances.

(i) Provided that notice thereof is given in accordance with the provisions of these By-Laws, a Special Membership Meeting may be held at any time for any purpose consistent with applicable law, the Declaration and these By-Laws, upon a call by the President or the Board of Directors.

(ii) Each Special Membership Meeting shall commence at a time between 7:00 o'clock P.M. and 8:30 o'clock P.M. on a date which is not a Sunday or a legal holiday, and at a place in Baltimore, Maryland; provided, that a Special Membership Meeting may be had at any other date, time or place chosen by the President or the Board of Directors in any emergency situation, if a failure to do so could unreasonably jeopardize any of the Condominium or any Council Property, or the health, safety, comfort or welfare of the occupants of any Unit, or could impose an unreasonable burden upon the Council.

- (b) When a Special Membership Meeting may or shall be called.

(i) The President or the Board of Directors may at any time call a Special Membership Meeting upon his or its own initiative, and shall in such event (subject to the operation and effect of the provisions of Section 2.3.3(a) hereof) determine the date, time and place thereof in the exercise of his or its absolute discretion.

(ii) (1) The President shall call a Special Membership Meeting upon the Council's receipt, at any time following the first Annual Membership Meeting, of a petition (A) requesting that such Special Membership Meeting be called, (B) stating the intended purpose or purposes thereof, and (C) signed by Unit Owners or Proxy Holders having at least twenty-five percent (25%) of the total number of Votes which are then outstanding.

(2) Whenever the calling of any such Special Membership Meeting is requested by any such petition, the President shall set a date for such Meeting which is not later than fifteen (15) days after the Council's receipt of such petition.

(c) Notice of Special Membership Meetings. By not later than seven (7), but not more than forty-five (45), days prior to the date on which a Special Membership Meeting is to be held the Secretary shall give to each Unit Owner and each Proxy Holder a written notice stating that such Special Membership Meeting is to be held and the intended purpose thereof, and setting forth the date, time and place thereof; provided, that where a Special Membership Meeting is to be held in any emergency situation pursuant to the provisions of subsection 2.3.3(a) hereof, and compliance with the foregoing provisions of this paragraph is not for that reason reasonably possible, the Secretary shall give to each Unit Owner and each Proxy Holder such notice thereof as is reasonably possible under the circumstances.

2.3.4. Quorum.

(a) The presence, on the date and at the time and place for which a Membership Meeting is called, of one or more Voting Representatives whose respective Votes constitute, in the aggregate, a Majority of the total number of Votes which are then outstanding shall be required for and shall constitute a quorum for such Membership Meeting.

(b) If a quorum does not exist at the date, time and place of a Membership Meeting,

(i) notwithstanding the absence of such quorum, such Membership Meeting may be adjourned (by and only by a motion to such effect which is made and seconded by Voting Participants and approved by a Majority of the Votes cast thereon), without further notice to any Unit Owner or Proxy Holder, to a date, time and place which are in accordance with the criteria set forth in the provisions of Section 2.3.2(a) hereof (provided that such date is not less than two (2) or more than ten (10) days from the date for which such Membership Meeting is first called, as aforesaid), in which event, so long as a quorum exists at the date, time and place to which such Membership Meeting is so adjourned, any business may be transacted thereat which might have been transacted at the Membership Meeting as

originally called, but no other business may be transacted thereat; but

(ii) no Membership Meeting shall be otherwise called or held other than pursuant to the provisions of subsections 2.3.2 and 2.3.3 hereof.

(c) Once the secretary of a Membership Meeting determines that a quorum exists therefor, the existence of such quorum shall not be affected by the subsequent withdrawal from the Membership Meeting of any Voting Participant.

2.3.5. Conduct of Membership Meetings.

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

(i) The chairman of each Membership Meeting shall preside over its conduct.

(b) (i) The Secretary shall, if present, act as the secretary of each Membership Meeting. In the absence of the Secretary at a Membership Meeting, (1) any Assistant Secretary shall, if present, act as the secretary thereof, and (2) in the absence of any Assistant Secretary, any other person who is present and appointed secretary thereof by the chairman thereof shall act as such.

(ii) The secretary of each Membership Meeting shall take the minutes thereof (and, if such person is not the Secretary, promptly after such Membership Meeting shall deliver such minutes to the Secretary); shall record therein the questions voted upon at such Membership Meeting and the results of such voting; shall be the judge of the eligibility (under the provisions of subsection 2.3.6 hereof) of any person to cast any Votes thereat; shall make the official count of the Votes cast on each such question; and shall perform any other duty which under these By-Laws are to be performed by the secretary of such Membership Meeting as part of its order of business.

(c) The most recent edition of Robert's Rules of Order shall govern the conduct of all Membership Meetings, subject to the provisions of the Declaration, these By-Laws and applicable law.

(d) (i) The order of business to be considered at any Annual Membership Meeting shall be:

(1) if necessary, the election of the chairman of such Membership Meeting pursuant to the foregoing provisions of this subsection;

(2) if necessary, the appointment of the secretary of such Membership Meeting pursuant to the foregoing provisions of this subsection;

(3) the call by the secretary of such Membership Meeting of the roll of all Unit Owners and Proxy Holders whose names are listed on the roster maintained pursuant to the provisions of Section 7.1 hereof, and such secretary's determination from such roll call of whether a quorum exists therefor;

(4) the presentation of the Secretary's written certification that each Unit Owner and Proxy Holder has been given such notice of such Membership Meeting in accordance with these By-Laws.

(5) the reading by the secretary of such Membership Meeting of the minutes of the most recent Membership Meeting, any modification or correction thereof, and approval thereof as so modified or corrected by a Majority of the Votes cast thereon;

(6) the presentation of the Treasurer's written report as to the Council Receipts and Common Expenses, and the Council's assets and liabilities, for the Council's immediately preceding fiscal year, and as to the respective nature and amounts (as estimated by the Treasurer) of the Council Receipts and Common Expenses for the Council's current and next succeeding fiscal years, all in accordance with the provisions of Article III hereof;

(7) the presentation of any report to be given by any other Officer, the Board of Directors or any committee created pursuant to these By-Laws;

(8) the holding of any directorial election to be held at such Membership Meeting;

(9) any unfinished business;

(10) any new business; and

(11) adjournment.

(ii) The order of business to be considered at any Special Membership Meeting shall be (and shall be limited to):

(1) if necessary, the election of the chairman of such Membership Meeting pursuant to the foregoing provisions of this subsection;

(2) if necessary, the appointment of the secretary of such Membership Meeting pursuant to the foregoing provisions of this subsection;

(3) the call by the secretary of such Membership Meeting of the roll of all Unit Owners and Proxy Holders whose names are listed in the roster maintained pursuant to the provisions of Section 7.1 hereof, and such secretary's determination from such roll call of whether a quorum exists therefor;

(4) the presentation of the Secretary's written certification that each Unit Owner and Proxy Holder has been given such notice of such Membership Meeting in accordance with these By-Laws;

(5) the business for which such Special Membership Meeting is called; and

(6) adjournment.

2.3.6. Voting at Membership Meetings.

(a) (i) Any question to be voted upon at a Membership Meeting may be voted upon by and only by those persons

present who are Voting Representatives for such Membership Meeting, notwithstanding the presence of any other person.

(ii) Each such Voting Representative shall be entitled to cast upon such question the number of Votes held under the provisions of the Declaration by the Unit Owner for which he is a Voting Representative.

(b) With respect to any Membership Meeting, the Voting Representatives shall consist of and only of all of the following persons:

(i) As to each Unit Owner for whom no Proxy is then in effect permitting his Votes to be cast at such Membership Meeting only by the Proxy Holder thereof,

(1) if such Unit Owner consists of one natural person, such person shall be the Voting Representative for himself;

(2) if such Unit Owner consists of more than one natural person (but such Unit Owner has not designated a Voting Representative in accordance with the provisions of Section 7.1 hereof); any such person who is present thereat shall be the Voting Representative for such Unit Owner; provided, that, if more than one such person is present thereat, in counting the Votes cast on any question voted upon at such Membership Meeting the secretary thereof may treat any such person who is casting such Unit Owner's Votes on such question as the Voting Representative for such Unit Owner, unless prior to the conclusion of such voting any other such person makes known to such secretary that such other person objects to the first such person's being treated as the Voting Representative, as aforesaid, in which event such secretary shall announce the same to the Membership Meeting and disallow such Unit Owner's Votes on such question (but such disallowance shall not affect the existence of a quorum at such Membership Meeting); and

(3) otherwise, any person who, prior to such voting, is designated a Voting Representative by such Unit Owner in accordance with the provisions of Section 7.1 hereof shall be the Voting Representative for such Unit Owner (but only if such designation then remains in effect).

(ii) As to each Unit Owner for whom a Proxy is then in effect permitting such Unit Owner's Votes to be cast at such Membership Meeting only by the Proxy Holder thereof,

(1) if such Proxy Holder consists of one natural person, such person shall be the Voting Representative for himself; and

(2) otherwise, any person who, prior to such voting, is designated a Voting Representative by such Proxy Holder in accordance with the provisions of Section 7.1 hereof shall be the Voting Representative for such Proxy Holder (but only if such designation then remains in effect).

(c) Anything contained in the provisions of Section 2.3.5(b) hereof to the contrary notwithstanding, no person may be a Voting Representative at a Membership Meeting unless prior thereto the Unit Owner or Proxy Holder for which such person is to be a Voting Representative has furnished to the Secretary the information as to such Unit

Owner himself or Proxy Holder itself which is referred to in the provisions of Section 7.1 hereof.

(d) Except as may otherwise be required or permitted by any provision of the Declaration, these By-Laws or applicable law, each question voted upon at any Membership Meeting shall be decided by a Majority of the Votes cast thereon, and whenever these By-Laws condition the effectiveness of any action upon the approval or authorization thereof by the Membership, such condition shall be satisfied by the affirmative vote of a Majority of the Votes cast thereon, unless another standard of approval is therein expressly set forth with respect to such condition.

(e) A Unit Owner may give to any person a Proxy entitling such person to cast such Unit Owner's Votes on questions voted upon at any one or more Membership Meetings, but unless such person is a Mortgagee or a Lessee of the Unit to which such Votes are attendant, such Proxy shall not be effective for more than one hundred eighty (180) days after its having been given.

2.3.7. Informal action. Whenever the Membership is required or permitted by the provisions of the Declaration, the Council's articles of incorporation or these By-Laws to give or withhold its approval or consent or to take any other action, or whenever the taking of any action by the Council, or the effectiveness thereof, is conditioned by any of such provisions upon the Membership's having given its approval or consent thereto or upon its having taken any other action, such approval or consent may be given or withheld, and such action may be taken, by the Membership without a Membership Meeting having been held for such purpose, provided that that number of Voting Representatives whose Votes would have been sufficient to cause such approval or consent to be given or withheld or such action to be taken, at a Membership Meeting duly called for such purpose at which all Voting Representatives were present and voting on such question, have consented thereto in writing.

Section 2.4. The Board of Directors.

2.4.1. Composition; qualifications of Directors.

(a) The Board of Directors shall consist of three (3) Directors.

(b) Each Director shall be (i) a natural person; (ii) at least twenty-one (21) years old; and (iii) either (1) alone or with one or more other persons a Unit Owner, or (2) an officer, director, employee or agent of a corporation, partnership, trust or other legal entity which either alone or with one or more other persons is a Unit Owner (provided that the Secretary is given such proof of such natural person's status as officer, director, employee or agent of such entity as the Secretary may reasonably require).

2.4.2. Initial Directors. The following persons shall be the initial Directors: Ivan Stern, Gala Stern, Mordechai Halpern.

2.4.3. Terms of directorships.

(a) The persons named in the provisions of subsection 2.4.2 hereof shall serve as Directors until the

first Annual Membership Meeting, at which time their terms as Directors shall expire.

(b) At each Annual Membership Meeting, a successor shall be elected to each Director whose term then expires, to serve for a term of one (1) year.

(c) Anything contained in the provisions of this subsection to the contrary notwithstanding, each Director shall serve as such until his successor has been elected and qualified.

2.4.4. Nomination of Directors.

(a) At least thirty (30) days before each Annual Membership Meeting, the President shall appoint a nominating committee of three Voting Representatives, at least one of whom shall be a Director. Such nominating committee, after considering the qualifications of prospective nominees, shall select one or more nominees for each directorship to be filled at such Annual Membership Meeting, and shall present its nominations to the Secretary by not later than fifteen (15) days before such Annual Membership Meeting.

(b) Any Unit Owner or Unit Owners of three (3) or more Units may nominate a candidate for each directorship to be filled at any Annual Membership Meeting by presenting such nomination to the Secretary in a writing signed by such Unit Owner or Unit Owners, by not later than fifteen (15) days before such Annual Membership Meeting.

(c) By not later than ten (10) days before the date of such Annual Membership Meeting, each Unit Owner and Proxy Holder shall be furnished a written list of all such nominees for directorships and shall be furnished with a ballot for the directorial election, on which the names of each candidate shall be either typed or printed. Where there is more than one (1) candidate, their names shall be arranged in alphabetical order.

2.4.5. Election of Directors.

(a) At each Annual Membership Meeting, there shall be held a separate election to fill the directorship of each Director whose term of office expires as of such Annual Membership Meeting, and any other directorship which is then vacant.

(b) Those persons who have been declared nominees for such positions in accordance with the foregoing provisions of this Section, and who receive the greatest number of Votes cast in such election, shall be declared elected. Where more than one (1) directorship is being filled and such positions are for differing terms, such positions shall be filled in the order of the length of their terms. Cumulative voting shall not be permitted.

(c) Each Voting Representative may cast his Votes in such election either (i) while in attendance at such Membership Meeting, or (ii) prior thereto by depositing his completed ballot with the Secretary, who shall open it at such Membership Meeting (in which event such Voting Representative need not attend such Membership Meeting for his Votes to be counted).

2.4.6. Filling vacancies in directorships. If any directorship becomes vacant by reason of a Director's death, resignation, retirement, disqualification, removal from office or otherwise, the remaining Directors shall, at a Board Meeting duly called for such purpose, elect a successor to such Director, who shall serve for the remainder of the latter's term; provided, that if such position remains unfilled at the next Annual Membership Meeting, such successor shall be elected thereafter by the Membership, for the remainder of such term.

2.4.7. Removal of Directors. Any Director may be removed from his position as such, with or without cause, by the affirmative vote of Voting Representatives having two-thirds (2/3) of the outstanding Votes, at any Annual Membership Meeting, or at any Special Membership Meeting duly called for such purpose.

2.4.8. Board Meetings.

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

(b) Thereafter, a Board Meeting shall be held at least once each quarter on the first Thursday of January, April, July and October of each year, or on any other day which the Board of Directors selects, and at such time and place as it from time to time selects.

(c) Once the date, time and place of the regular Board Meetings are selected, such regular Board Meetings may thereafter be held without notice of such date, time and place (which may not be changed unless notice of such change is given to the Directors in the same manner as for a special Board Meeting).

(d) A special Board Meeting may be called by the President on not less than two (2) days' notice given in writing, in person or by telephone or wire to each Director, and must be called on the demand of two or more Directors.

(e) Notice of a regular or special Board Meeting need not be given to any Director who submits a waiver of such notice either before or after such Board Meeting. A Director's attendance at a Board Meeting shall be deemed to be a waiver by such Director of his right to be given notice thereof.

2.4.9. Quorum. At each Board Meeting, the presence in person of a Majority of the Directors shall constitute a quorum for the transaction of business, except as is otherwise expressly provided in these By-Laws or by applicable law. Each Director shall be entitled to cast one (1) vote upon each question which comes before the Board of Directors, and the decision of a Majority of the Directors present at a Board Meeting at which a quorum is present shall be the decision of the Board of Directors. If at any Board Meeting a quorum is not present, a Majority of the Directors who are present may adjourn the Board Meeting from time to time and, at any such adjourned Board Meeting at which a quorum is present, any business that might have been trans-

acted at the Board Meeting as originally called may be transacted without further notice to any Director.

2.4.10. Unit Owners' attendance at Board Meetings.

(a) Each Unit Owner shall be entitled to attend any Board Meeting, but no Unit Owner shall have any right to vote upon any question coming before such Board Meeting, or (except for that Board Meeting at which the Council's budget is to be approved and adopted pursuant to the provisions of subsection 2.4.11(b)(i) hereof) to be given notice of any Board Meeting or to participate in the deliberations of the Directors thereat.

(b) (i) Each Unit Owner and Proxy Holder shall have the right to be heard on the question of the approval and adoption of the Council's budget at the Board Meeting at which such actions are to be taken, as aforesaid.

(ii) By not later than seven (7) but not more than forty-five (45) days prior to the date upon which such Board Meeting is to be held, the Secretary shall give to each Unit Owner and each Proxy Holder a written notice that such Board Meeting is to be held and the intended purposes thereof, setting forth therein the date, time and place thereof.

2.4.11. Powers and duties of the Board of Directors.

(a) All of the Council's business and affairs shall be managed, and all of its rights, powers and duties shall be exercised and performed on its behalf, by the Board of Directors and the Officers in accordance with the provisions of this Section and of Section 2.5 hereof; provided, that nothing in the foregoing provisions of this paragraph shall be deemed in any way to alter or impair the operation and effect of any provision of the Act, the Corporations and Associations Article of the Code, other applicable law, the Declaration or these By-Laws pursuant to which the Council's right to take any action is conditioned upon such action's having been authorized or approved by the Membership.

(b) Without limiting the generality of the foregoing provisions of this subsection, the Board of Directors shall have the right and power to cause the Council to take each of the following actions:

(i) Management of the Common Elements. to operate, manage, maintain, renew, replace, repair and protect the Common Elements and all Council Property;

(ii) Preparation of Budget. to prepare and adopt a budget of the estimated Common Expenses, Council Receipts, Common Profits and Assessments for the Council's next succeeding fiscal year, in accordance with the provisions of Article III hereof;

(iii) Assessments. to levy Assessments in accordance with the provisions of Article III hereof;

(iv) Expenditures. to authorize the use and expenditure of any or all Council Receipts (except for so much thereof as the Council resolves to deposit in a reserve fund pursuant to the provisions of Section 3.2.5(a) hereof) for the operation, management, maintenance, renewal, replacement, repair and protection of the Common Elements and

Council Property, provided that the Council may make no single expenditure for any capital improvement which exceeds \$1,000.00, unless it is authorized both by the Board of Directors and by the Membership at a Membership Meeting;

(v) Selection of the Manager. to employ or contract with one or more persons to manage the Condominium and/or the affairs of the Council (each of which persons shall be subject to the control of the Board of Directors at all times); to fix the Manager's compensation (which shall be paid by the Council as part of the Common Expenses); and to determine the nature and extent of the Manager's powers and duties, subject to any limitation thereon which is set forth in the provisions of the Act, the Declaration or these By-Laws;

(vi) Fidelity bonds. to require the Manager and all Officers and employees of the Council who handle, or are responsible for, funds of the Council or funds in its possession or under its control to furnish to the Council fidelity bonds, in form and amount, and with a corporate surety, which are satisfactory to the Board of Directors (the premiums on which shall be paid by the Council as part of the Common Expenses);

(vii) Taxes; liens; water and sewer rents. to pay all taxes and assessments levied or liens imposed against any of the Condominium or any Council Property; provided, that

(1) any such tax or assessment which is levied separately against a particular Unit or is otherwise chargeable under applicable law directly and separately to a particular Unit Owner shall be paid by such Unit Owner;

(2) any tax or assessment which is levied against the Condominium as a whole before a separate tax or assessment is levied against each Unit in accordance with the provisions of section 11-114 of the Act may be paid by the Council as part of the Common Expenses; and

(3) any charge for water, gas, sewer service, electricity or any other utility service which is provided to the Common Elements or is otherwise properly assessed, levied and charged to the Council or against the Condominium as a whole shall be paid by the Council as part of the Common Expenses;

(viii) Employees, services and materials. to employ and dismiss such clerks, workmen, janitors, watchmen and other personnel, and to purchase or arrange for such services, machinery, equipment, tools, materials and supplies, as in the opinion of the Board of Directors are from time to time necessary for the proper operation and maintenance of the Common Elements and any Council Property;

(ix) Collection of delinquent assessments. to collect any unpaid and delinquent Assessment, any interest accrued thereon and any costs and expenses which the Council incurs in connection therewith (including, by way of example rather than of limitation, any filing fees, court costs or attorneys' fees), whether by suit or otherwise;

(x) Professional assistance. to employ or retain legal counsel, engineers and accountants and to determine the amount and terms of their compensation, whenever the professional assistance of such persons is deemed

necessary by the Board of Directors for any purposes related to the Council's exercise of its rights and powers, or performance of its duties;

(xi) Operating accounts. to cause such operating, escrow and other accounts to be established and maintained as the Board of Directors deems appropriate from time to time and as are consistent with good accounting practices;

(xii) Audits and books of account.

to (1) cause a complete audit of the Council's books and accounts to be made by a competent accountant at the end of each fiscal year of the Council, and at any other time as the Board of Directors deems necessary;

(2) prepare at the end of each fiscal year of the Council, and furnish to each Unit Owner, a report of the Council's business and affairs, showing its transactions and reflecting fully and accurately its financial condition; and

(3) keep detailed books of account, in chronological order, of the Council Receipts and the Common Expenses, specifying therein the amount of the Common Expenses and the Common Profits and the portions thereof which are attributable to each Unit;

(xiii) Rules and Regulations.

to (1) make, promulgate and amend from time to time such reasonable Rules and Regulations relative to the operation, use and occupancy of the Units, the Common Elements and other portions of the Condominium (including the assignment to each Unit of the exclusive right to the use of certain parking spaces on a uniform, reasonable and equitable basis), all as the Board of Directors deems appropriate;

(2) enforce compliance with the Rules and Regulations by injunction or such other legal action or means as the Board of Directors deems appropriate; and

(3) provide a copy of such Rules and Regulations, as from time to time amended, to each Unit Owner promptly upon the adoption thereof;

(xiv) Insurance

to (1) procure and maintain insurance in accordance with the provisions of Section 4.3 hereof; and

(2) collect the proceeds of all such insurance, and apply them towards the cost of repair, restoration or replacement of any or all of the Condominium in accordance with the provisions of the Act, the Declaration and these By-Laws;

(xv) Condemnation proceedings. to exercise and perform, on behalf of the Council, its rights and duties as to the prosecution and defense of condemnation proceedings pursuant to the provisions of Article V hereof;

(xvi) Lease or license of Common Elements. to lease or license the use of any of the Common Elements in a

manner which is consistent with the rights of the Unit Owners under the Act, the Declaration or these By-Laws;

(xvii) Designation of title holder. to (1) designate a nominee for the purpose of acquiring title to any Unit purchased by the Council; (2) designate, and enter into a trust agreement with, two or more Directors to act as trustees for the Council in holding title to such Unit; and/or (3) authorize the President or any other Officer to execute, attest, enseat and acknowledge, on behalf of the Council, any and all mortgages, leases or other instruments, where necessary to accomplish any such purpose;

(xviii) Personal property. to cause the Council to acquire by purchase or otherwise, and to own, use, improve, mortgage, sell, dispose of and otherwise deal with, any Council Property, wherever located;

(xix) Additions and improvements. subject to the operation and effect of the provisions of the Declaration, to make such alterations, additions and improvements to the Common Elements and any Council Property as it deems appropriate, and to require, before undertaking any such work, the consent in writing of each Unit Owner and first Mortgagee whose rights may, in the opinion of the Board of Directors, be prejudiced by such alteration, addition or improvement; provided, that the Board of Directors shall obtain the approval by the Membership of any alteration, addition or improvement which the Board of Directors estimates would cost more than \$1,000.00; and further provided, that when in the opinion of the Board of Directors any such alteration, addition or improvement is being made exclusively or substantially for the benefit of one or more, but less than all, Unit Owners, the cost thereof shall be charged to such Unit Owner or Unit Owners in such proportion as the Board of Directors determines to be fair and equitable, provided that such Unit Owners have requested in writing that the same be made, and that prior to taking such action each such Unit Owner has consented expressly and in writing to be so assessed; and further provided, that in every other case the cost of any such alteration, addition or improvement shall be paid by the Council as part of the Common Expenses;

(xx) Offices. to create one or more offices of assistant secretary, assistant treasurer or otherwise, in addition to the offices of the President, the Vice-President, the Secretary and the Treasurer.

2.4.12. Limitation of Directors' liability.

(a) No Director in his capacity as such shall, except in the event of his own individual willful misconduct or gross negligence in the performance of his duties, be liable (i) for any failure by the Council to obtain or pay for any service which is to be obtained hereunder, or for any injury or damage to persons or property caused by the elements or any Unit Owner or other person, or resulting from the leakage or flow of electricity, gas, water, rain or dust from the outside of the Building, from any Unit, from any pipe, drain, conduit, appliance, equipment or other place; (ii) to any Unit Owner or other person under any agreement, deed, lease, mortgage, other instrument or transaction entered into by him on behalf of the Council or the Unit Owners in the performance of his duties; (iii) in tort or otherwise, directly or indirectly, to any Unit Owner or any person by virtue of his good faith act or failure to

act; or (iv) arising out of the use, misuse or condition of the Common Elements, or in any other way as a result or by virtue of his performance of his duties.

(b) Each Director, in his capacity as such, and his heirs and personal representatives shall be indemnified by the Council against all liability and expense (including, by way of example rather than of limitation, that of reasonable attorneys' fees), which are reasonably imposed upon or incurred by him in connection with any proceeding in which he is involved by reason of his being or having been a Director, or in connection with any settlement thereof, and (with respect to such expense) whether or not he is a Director at the time such expense is incurred, except for any such liability imposed or expense incurred in connection with any such proceeding in which the Director is adjudged guilty of gross negligence or willful misconduct in the performance of his duties; provided, that the foregoing provisions of this paragraph shall not be applicable to any such liability or expense assumed or incurred as the result of a settlement of such proceeding unless the Board of Directors (with such Director abstaining), acting upon the advice of its legal counsel, approves such settlement and reimbursement as being in the Council's best interests. Any amount paid by the Council pursuant to the foregoing provisions of this paragraph shall be part of the Common Expenses. Nothing in the foregoing provisions of this paragraph shall be deemed to alter or impair any right to indemnification to which such Director and/or Officer is entitled under applicable law, by authorization of the Membership or the Board of Directors, or otherwise.

(c) Every agreement, deed, lease, mortgage or other instrument which is executed on behalf of the Council by any Director or Officer shall provide that such Director or Officer shall have no personal liability thereunder by virtue of such execution, and that any claim by any other party thereto arising hereunder shall be asserted against, and any liability thereunder shall be borne by, the Council. Any damages or expenses which are awarded against or incurred by the Council and arise out of such liability shall be paid by the Council as part of the Common Expenses.

2.4.13. Compensation of Directors. Each Director shall serve as such without compensation, except to the extent that such compensation is expressly authorized by the Membership.

Section 2.5. Officers.

2.5.1. Designation; qualifications of Officers.

(a) The Officers shall consist of the President, the Vice-President, the Secretary, the Treasurer and (if the Board of Directors creates any office of assistant secretary or assistant treasurer, or any other office), each such Assistant Secretary, Assistant Treasurer or other Officer.

(b) Each Officer shall be (i) a natural person; (ii) at least twenty-one (21) years old; and (iii) either (1) alone or in combination with one or more other persons a Unit Owner, or (2) an officer, director, employee or agent of a corporation, partnership, trust or other legal entity (other than a natural person) which, either alone or in combination with one or more other persons, is a Unit Owner, provided that the Secretary is given such proof of such natural person's status as officer, director, employee or agent of such entity as the Secretary reasonably requires.

(c) The President and the Secretary shall be selected from among the Directors. Any other Officer may but need not be a Director.

(d) One person may simultaneously be both the Secretary and the Treasurer, but no person may simultaneously hold any other two or more offices.

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

2.5.3. Powers and duties of the President. The President shall (a) be the chief executive officer of the Council and the chairman of the Board of Directors, and (b) have the general powers and duties which are usually vested in the office of president of a corporation organized and existing under the law of Maryland (including, by way of example rather than of limitation, the power to appoint such committees from among the Unit Owners as he from time to time deems appropriate, to assist in the conduct of the affairs of the Council), and (c) have charge of the administration of the Condominium.

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

2.5.5. Powers and duties of the Secretary. The Secretary shall (a) act as secretary of each Board Meeting and each Membership Meeting at which he is present, (b) record all Votes cast on questions coming before each such meeting and the minutes thereof, setting forth each resolution adopted thereat, in a minute book to be kept for that purpose, (c) have charge of such minute book and of such records and papers of the Council as the Board of Directors directs, (d) have the general powers and duties which are usually vested in the office of secretary of a corporation organized and existing under the law of Maryland (including, by way of example rather than of limitation, the duty to send notices of Membership Meetings and Board Meetings in accordance with these By-Laws) as well as such other duties as are prescribed by these By-Laws or by the Board of Directors or the President, and (e) keep at the office of the Council the roster referred to in the provisions of Section 6.1 hereof, as well as copies of the Declaration, the Condominium Plat, these By-Laws and the Rules and Regulations, all as from time to time amended (all of which shall be available at such office for inspection by the Unit Owners and each Mortgagee during the Council's regular business hours).

2.5.6. Powers and duties of the Treasurer. The Treasurer shall (a) have charge and custody of, and be responsible for, the Council's funds and securities; (b) deposit all of its monies, checks and other valuable effects in the name and to the credit of the Council in such depositories as are from time to time designated for such purpose by the Board of Directors; (c) disburse the Council's funds as from time to time ordered by the Board of Directors or the President, making proper vouchers for such disbursements; (d) keep full, complete and accurate accounts and records of the Council's financial transactions; (e) submit to the Board of Directors and the Membership such reports thereof as the Declaration, these By-Laws, applicable law or the Board of

Directors from time to time require (which accounts and records shall (i) include, by way of example rather than of limitation, chronological listings of all Council Receipts, all Common Expenses, the amount of each Assessment levied against each Unit, and the amounts thereof paid and unpaid; (ii) specify and itemize the Common Expenses relating to the Common Elements and any other Common Expenses; (iii) be kept at the office of the Council; and (iv) be available there for inspection by the Unit Owners, prospective Unit Owners and each Mortgagee during the Council's regular business hours); and (f) have the general powers and duties which are usually vested in the office of treasurer of a corporation organized and existing under the law of Maryland. The Treasurer shall present at each Annual Membership Meeting an audit of the Common Expenses and the Common Profits, the allocation thereof to each Unit Owner, and any changes expected therein for the Council's next succeeding fiscal year. Such audit shall be delivered to each Unit Owner by not less than five (5) days prior to such Annual Membership Meeting.

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

2.5.8. Resignation and removal of Officers. Any Officer may resign his office at any time by giving written notice thereof to the Board of Directors. Unless such resignation indicates an earlier date therefor, it shall become effective at the next succeeding Board Meeting. Any Officer may be removed from office at any time by resolution of the Board of Directors. Any Director who is removed from his position as such and is then an Officer shall also be deemed thereby to have been removed from such office.

2.5.9. Filling vacancies in offices. If any office becomes vacant by reason of an Officer's death, resignation, retirement, disqualification, removal from office or otherwise, the Directors shall, at a Board Meeting duly called for such purpose, elect his successor.

2.5.10. Execution of instruments. No agreement, contract, check, deed, lease, mortgage or other instrument shall be binding upon the Council unless signed by two Officers, except to the extent that the power to bind the Council is otherwise delegated to the Manager or any other person by the Board of Directors.

Section 2.6. Resident agent. The name and post office address of the resident agent of the Condominium and the Council in Maryland shall be Ivan Stern, 3605 Anton Farms Road, Baltimore, Maryland 21208. Such resident agent (a) is authorized to accept on behalf of the Council service of process in any action relating to two or more Units, the Common Elements, the Council, the Unit Owners as a class, or the Membership, and (b) shall serve until his successor is designated by an amendment to these By-Laws.

Section 2.7. Fiscal year.

2.7.1. First fiscal year. The Council's first fiscal year shall begin on the date of the recordation of the

Declaration among the Land Records, and shall end on the thirty-first (31st) day of December next succeeding such date.

2.7.2. Subsequent fiscal years. Each of the Council's subsequent fiscal years shall begin on the first (1st) day of January of each succeeding calendar year after the calendar year which is referred to in the provisions of subsection 2.7.1 hereof, and shall end on the thirty-first (31st) day of December of the calendar year during which such fiscal year shall have begun, as aforesaid.

Section 2.8. Principal office. The Council's principal office shall be located at, and its mailing address shall be, c/o Ivan Stern, 3605 Anton Farms Road, Baltimore Maryland 21208, or at such other place as is permitted by law and designated for such purpose from time to time by the Board of Directors.

ARTICLE III. ASSESSMENTS.

Section 3.1. Procedure for levying Assessments. Any determination by the Council to levy Assessments pursuant to the provisions of the Act and the Declaration, and/or of the respective amounts thereof, shall (subject to the operation and effect of such provisions) be made in the following manner:

3.1.1. Classes of Assessments.

(a) The Assessments shall consist of annual Assessments (each of which is hereinafter referred to as an "Annual Assessment") and special Assessments (each of which is hereinafter referred to as a "Special Assessment").

(b) (i) The proceeds of the Annual Assessments may be used by the Council to defray any Common Expenses.

(ii) The proceeds of any Special Assessments shall be used to defray any Common Expenses incurred by the Council either in the construction, reconstruction, repair or replacement of any of the Common Elements, or any Council Property, or as the result of any expansion of the Condominium.

3.1.2. Period of Assessments.

(a) Each Assessment shall be levied with respect to one of those periods (each of which is hereinafter referred to as an "Assessment Year") which are co-extensive with the Council's fiscal years.

(b) Not more than one Annual Assessment shall be levied against a Unit for any Assessment Year.

3.1.3. Allocation of Assessments among Units.

(a) Except as is otherwise provided in this Section 3.1, (i) the respective amounts of any Annual Assessments or Special Assessments levied for an Assessment Year shall be computed in accordance with the respective percentage interests in the Common Expenses and Common Profits of the Units, and (ii) no Assessment of one class may be levied for an Assessment Year against one Unit unless an Assessment of such class is at the same time levied for such Assessment Year against each Unit.

(b) If during an Assessment Year a Unit is added to the Condominium through an expansion thereof,

(i) the Council shall be deemed, automatically and without the necessity of further action, to have levied against such Unit for such Assessment Year each Assessment which the Association has levied against the other Units for such Assessment Year; and

(ii) the respective amount of each such Assessment shall be determined in accordance with the foregoing provisions of this subsection 3.1.3 as if such Unit formed part of the Condominium at the commencement of such Assessment Year, but shall then be reduced to a fraction thereof, the numerator of which shall be the number of days remaining in such Assessment Year as of the date of such expansion, and the denominator of which shall be three hundred sixty-five (365).

3.1.4. Adoption by Board of Directors; notice of Assessment; when Assessments become due and payable.

(a) By not later than the sixtieth (60th) day prior to the commencement of an Assessment Year, the Board of Directors shall adopt a budget for the Council for such Assessment Year, which shall set forth for such Assessment Year (i) the aggregate amount of the Annual Assessments to be levied, and (ii) the respective amount of the Annual Assessment to be levied against each Unit. By not later than the forty-fifth (45th) day prior to the commencement of such Assessment Year, the Council shall provide a copy of such budget to each Unit Owner at its Notice Address.

(b) If the Council so permits, any Assessment may be paid to the Council in monthly or other installments in accordance with a schedule determined by the Council.

(c) Such Annual Assessments (or the initial installment thereof, if payable in installments) shall be due on the first (1st) day of such Assessment Year without the necessity of further action by the Council (and any subsequent installments thereof shall be due on the respective dates set forth in such schedule).

(d) Any Special Assessment (or the initial installment thereof, if payable in installments) shall be due on the later of (i) the first (1st) day of the Assessment Year for which it is levied; or (ii) any later date specified therefor by the Association (and any subsequent installments thereof shall be due on the respective dates set forth in such schedule).

(e) Anything contained in the foregoing provisions of this paragraph to the contrary notwithstanding, if a Unit is added to the Condominium during an Assessment Year, the Assessment thus levied against it shall be due on the later of (i) the date on which such Assessment would have been due were such Unit contained within the Condominium at the commencement of such Assessment Year, or (ii) the date on which such Unit is added to the Condominium.

3.1.5. Limitations upon Assessments.

(a) Without approval by the Unit Owners. Other than pursuant to the provisions of subsection 3.1.5(b)

hereof, the Council may not levy against any Unit an Annual Assessment in an amount which,

(i) for the initial Assessment Year, exceeds the product obtained by multiplying (A) the percentage interest in the Common Expenses and Common Profits which is applicable to such Unit by (B) the sum of two hundred forty and 00/100 Dollars (\$240.00); or

(ii) for any Assessment Year thereafter, exceeds one hundred five percent (105%) of the maximum amount permitted to be levied against such Unit as an Annual Assessment for the immediately preceding Assessment Year.

(b) With approval by the Unit Owners. The Council may, if it obtains the written consent thereto of a Majority of the Unit Owners, levy against each Unit for an Assessment Year that portion of an Annual Assessment which exceeds the maximum sum which the Council may levy for such Assessment Year without having obtained such consent.

Section 3.2. Personal liability of Unit Owners.

3.2.1. When liable.

(a) Each Unit Owner shall be personally liable for the payment of each Assessment (or each installment thereof, if payable in installments) which becomes due with respect to a Unit either (i) while he is the Unit Owner thereof, or (ii) prior to his having become the Unit Owner thereof if either (1) a statement of condominium lien with respect to such Assessment is recorded among the Land Records prior to his having become the Unit Owner thereof, pursuant to the provisions of section 11-110 of the Act, or (2) he became the Unit Owner thereof other than by a "grant for value", as that term is used in the said provisions.

(b) A Unit Owner may not avoid such liability by (i) waiving any right to the use of the Common Elements or otherwise which he holds under the provisions of the Act, the Declaration, these By-Laws or otherwise, (ii) abandoning or otherwise terminating his use of such Unit, or (iii) conveying the title to such Unit after the same becomes due.

(c) Nothing in the foregoing provisions of this Section shall be deemed in any way to alter or impair any right which any Unit Owner may have against any prior Unit Owner of his Unit for the recovery of any amount which such Unit Owner may pay on account of such liability.

3.2.2. When not liable. A Unit Owner shall not be personally liable for the payment of any Assessment or installment thereof which becomes due with respect to a Unit, other than as set forth in the foregoing provisions of this Section.

Section 3.3. Assessment Lien; priority thereof.

3.3.1. Statement of condominium lien.

(a) At any time after an Assessment is levied against a Unit and before it is paid in full to the Council, the Council may execute and record among the Land Records, in accordance with the provisions of section 11-110 of the Act, a statement of condominium lien with respect to such Assessment (or any installment thereof, if payable in install-

ments and if the Council elects to make such statement of condominium lien applicable to such installment rather than to such Assessment in full).

(b) The form of any such statement of condominium lien shall be determined by the Association in the exercise of its sole discretion, provided that, upon its having been executed and recorded among the Land Records, it constitutes a "statement of condominium lien" for purposes of the provisions of section 11-110 of the Act.

3.3.2. Effectiveness of Assessment Lien. Each Assessment (or each installment thereof, if payable in installments) levied against a Unit shall constitute a lien (hereinafter referred to as an "Assessment Lien") upon the title to such Unit, from the time when a statement of condominium lien with respect to such Assessment or installment is recorded among the Land Records pursuant to the provisions of section 11-110 of the Act and the provisions of subsection 3.3.1 hereof until such Assessment or installment is paid, provided that such statement of condominium lien is recorded among the Land Records prior to both (a) the second (2nd) anniversary of the date upon which such Assessment or installment first becomes due, and (b) the recordation among the Land Records of a deed or other instrument which effects a "grant for value" (as that term is used in the provisions of section 11-110(d) of the Act) of such Unit by the person who was the Unit Owner of such Unit at the time when such Assessment or installment first became due.

3.3.3. Priority of Assessment Lien. An Assessment Lien shall be subordinate to the lien of any Mortgage covering the Unit against which such Assessment is levied, if and only if such Mortgage is recorded among the Land Records prior to the recordation thereamong of a statement of condominium lien creating such Assessment Lien.

3.3.4. Enforcement of Assessment Lien.

(a) An Assessment Lien may be enforced and foreclosed by the Council in the same manner and subject to the same requirements as are specified by the law of Maryland for the foreclosure of mortgages or deeds of trust containing a power of sale or an assent to a decree, and covering real property situate and lying in the said County.

(b) (i) The Council shall be entitled (A) to protect the Council's right to collect any unpaid Assessment by purchasing the Unit against which it is levied, at any judicial or other sale involving the enforcement of any Assessment Lien or other lien against the Unit, provided that such action is authorized by the Membership; (B) to hold, lease, sublet, sell, convey and mortgage any such Unit so purchased; and (C) if authorized by the Board of Directors, to borrow any or all of the purchase money therefor.

(ii) The payment of the purchase price for such Unit and of any interest charged for any such purchase money so borrowed shall be a Common Expense, and any income from any resale, mortgage or lease of such Unit shall be part of the Council Receipts.

Section 3.4. Interest on unpaid Assessment. Each Assessment (or each installment thereof, if payable in installments) shall bear interest on the unpaid balance thereof from the thirtieth (30th) day after the date upon which it first

becomes due, until paid, at the lesser of (i) the rate of twelve percent (12%) per annum, or (ii) the highest rate of interest which from time to time is permitted by applicable law to be charged with respect to the same.

Section 3.5. Council's recovery of unpaid Assessment.

3.5.1. Right of action. The Council shall be entitled to recover in an action at law or in equity, from any person who is liable for the payment of any or all of an Assessment, both

(a) a money judgment for such Assessment (including, by way of example rather than of limitation, the amount of any deficiency which results from any foreclosure of the Assessment Lien therefor), without waiving such Assessment Lien, and

(b) any and all interest accrued thereon through the date of such recovery, and costs incurred by the Council in obtaining such recovery (including, by way of example rather than of limitation, that of reasonable attorneys' fees).

3.5.2. Limitation on action. Anything contained in the foregoing provisions of this Section to the contrary notwithstanding, no such action or proceeding may be brought to foreclose upon such Assessment Lien or otherwise to recover any of such Assessment, unless

(a) it is brought by the third (3rd) anniversary of the date on which such Assessment (or the initial installment thereof, if payable in installments) first became due, and

(b) a written notice of the Council's intention to initiate the same is given to both the then-Unit Owner of the Unit against which such Assessment has been levied, and any person against whom such action or proceeding is to be brought, by not later than ten (10) days prior to such initiation.

Section 3.6. Certificate as to payment or nonpayment. The Council shall, upon written request at any time by any person who is liable for the payment of any Assessment or installment thereof, or who holds any interest in a Unit against which an Assessment has been levied, deliver to such person a certificate signed by an Officer, setting forth whether such Assessment or installment has been paid. Any such certificate so delivered shall be conclusive evidence of the payment of each Assessment or installment thereof which is therein stated to have been paid.

ARTICLE IV. INSURANCE; DAMAGE TO AND DESTRUCTION OF THE CONDOMINIUM.

Section 4.1. Insurance to be maintained by Council.

4.1.1. Duty to procure and maintain. The Council shall procure and maintain, to the extent available, insurance coverage of the types which are enumerated in the provisions of Section 4.3 hereof upon the Common Elements (and, where approved by the Membership pursuant to the provisions of subsection 4.3.1 hereof, upon all of the Units), all personal property located within the Common Elements, and all Council Property.

4.1.2. Insureds. The policies of such insurance shall name as insureds thereunder the Council (both for itself and as trustee for the Unit Owners), each Unit Owner and each Mortgagee, as their interests may appear.

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

4.1.4. Exclusions from coverage. Nothing in the foregoing provisions of this Section shall be deemed in any way to impose upon the Council any obligation to procure or maintain ~~any insurance upon any Unit (except where such~~ coverage is approved by the Membership pursuant to the provisions of subsection 4.3.1 hereof), the person or personal property of any Unit Owner, any family member, invitee, visitor or guest of any Unit Owner, or any Tenant or other occupant of any Unit. Any Unit Owner who desires to obtain any such insurance shall be responsible for doing so at his initiative and expense, and in accordance with the provisions of Section 4.4 hereof.

4.1.5. Review. The Board of Directors shall review the Council's insurance requirements and limits thereof once during each of its fiscal years.

4.1.6. Payment of premiums. The Council shall pay the premiums for such insurance as part of the Common Expenses.

Section 4.2. Master policies of insurance. The Council shall obtain master policies of insurance which shall provide for the proceeds thereunder to be paid to the Council and to be held by the Council for disposition in accordance with the provisions of these By-Laws. Under such master policies, certificates of insurance shall be issued which indicate on their face that they are a part of such master policies, and ~~that such master policies cover the Common Elements.~~ A certificate of insurance with proper mortgagee endorsements to such policy shall be issued to the Council, each Unit Owner, and each Mortgagee. Such certificate shall show the relative amount of insurance covering the undivided percentage interest in the Common Elements held by such Unit Owner. Such master policies and certificates shall, to the extent obtainable by the Council using its best efforts, contain provisions (a) that the insurer waives its rights to subrogation as to any claim against the Council, any Officer, Director, agent or employee of the Council, each Unit Owner, their respective servants, agents and guests, and to any defense based on invalidity arising from the acts of the insured, and (b) that the insurer shall not be entitled to contribution from the issuer of any insurance which may be purchased by any Unit Owner in accordance with the provisions of Section 4.4 hereof. The originals of such master policies shall be deposited with the Council and a memorandum thereof shall be deposited with each first Mortgagee who requests it. The Council shall pay the premiums for such insurance by not later than thirty (30) days prior to the expiration of the term of each such policy, and shall notify each Mortgagee who requests such notification of such payment within ten (10) days after having made the same.

Section 4.3. Types of insurance. The types of insurance coverage which the Council shall procure and maintain pursuant to the provisions of Section 4.1 hereof are as follows:

4.3.1. Casualty or physical damage insurance. Casualty or physical damage insurance in an amount equal to the full replacement value of all insurable improvements which form part of the Common Elements (and, where approved by Unit Owners holding two-thirds (2/3) of all of the outstanding Votes, of all of the Units), and all Council Property, as such value is determined annually by the Board of Directors with the assistance of the issuer of such insurance; provided, that at the option of the Board of Directors such policy or policies may contain a "deductible" provision in an amount which is determined by the Board of Directors, but shall not exceed \$1,000.00.

(a) Such coverage shall afford protection against

(i) loss or damage by fire and other hazards covered by the standard extended coverage endorsement, together with (where such coverage is approved by the Membership, as aforesaid) coverage for the payment of Assessments made with respect to damaged Units during the period of reconstruction; and

(ii) such other risks as from time to time customarily are covered with respect to improvements similar in construction, location and use as those to be insured under the foregoing provisions of this subsection (including, by way of example rather than of limitation, the risks of vandalism, malicious mischief, windstorm and flood) or as the Board of Directors from time to time believes to warrant insurance.

(b) The policies affording such coverage shall provide that, notwithstanding any provisions thereof which give the carrier the right to elect to restore damage in lieu of making a cash settlement, such right shall not be exercisable without the approval of the Board of Directors, or, where such restoration would not be permitted under the provisions of the Declaration or of the Act, without the approval of those Unit Owners whose approval thereof is required by such provisions.

(c) The policies affording such coverage shall provide (i) that such policies may not be cancelled or substantially modified without at least thirty (30) days prior written notice thereof having been given to each insured (including by way of example rather than of limitation, each insured Mortgagee), and (ii) that certificates of such insurance and all renewals thereof, together with acknowledgment of payment of premiums, shall be delivered to each Unit Owner and insured Mortgagee upon request.

4.3.2. Public liability insurance. Public liability insurance insuring the Council, each Officer, Director, employee or agent thereof, each Unit Owner and the Manager against liability for bodily injury, death or property damage arising out of the use of the Common Elements by any person or out of any of their activities on behalf of the Council. Such insurance shall have limits of coverage in respect of bodily injury or death of not less than one million dollars (\$1,000,000.00) for any one person and of not less than two million dollars (\$2,000,000.00) for any one occurrence, and in respect of property damage of not less than one hundred thousand dollars (\$100,000.00) for any one occurrence, and may have such higher limits of coverage, and may be in such form, as shall from time to time be determined by the Board of Directors. Such insurance shall include coverage of claims of one insured against another insured.

4.3.3. Workman's compensation insurance. Workman's compensation insurance affording at least such coverage of the Council and its Directors, Officers, employees and agents as is required by applicable law.

4.3.4. Fidelity insurance. Fidelity insurance covering the Manager and those Officers, Directors, employees and agents of the Council who handle Council Receipts or Council Property, in such amounts as are from time to time determined by the Board of Directors.

4.3.5. Other insurance. Such other coverage as the Board of Directors may deem advisable.

Section 4.4. Insurance to be maintained by Unit Owners.

~~4.4.1. Coverage. Each Unit Owner may obtain insurance at his own expense affording coverage against (a) damage to or destruction of his Unit or any of his personal property which is located anywhere upon the land or within the improvements which constitute the Condominium, and (b) personal liability incurred by such Unit Owner and arising out of the use of such Unit Owner's Unit by any person, but each policy which affords such coverage shall contain (as to the Council) the same waiver of subrogation by the insurer as that referred to in the provisions of Section 4.2 hereof, and either shall provide that the insurer shall have no right of contribution against any casualty insurance affording coverage against such risk held by the Council pursuant to the provisions of this Article (notwithstanding that such Unit Owner may be an insured thereunder) or shall be written by the same carrier as that of such insurance held by the Council.~~

4.4.2. Copy of policy to be filed with Council. A copy of each such policy shall be filed with the Council by such Unit Owner within ten (10) days after his purchase thereof.

4.4.3. Relationship to insurance held by Council. If a loss is sustained and the amount of the proceeds which would otherwise be payable under any policy of insurance then held by the Council pursuant to the provisions of Section 4.3 hereof is reduced because of proration of, or right of contribution from, any insurance against the same risk which is held by any Unit Owner under the provisions of this Section, such Unit Owner shall assign to the Council any proceeds of his insurance which are payable on account of such loss, to the extent of the amount of such reduction, and the amount so assigned shall be distributed by the Council in the same manner as that prescribed by these By-Laws for the distribution of the proceeds which are payable under the said policy held by the Council, as aforesaid.

Section 4.5. Proceeds of insurance.

4.5.1. Receipt and distribution of proceeds by Council.

(a) The Council shall receive any proceeds which are payable under any policy of insurance issued to and held by the Council pursuant to the provisions of this Article, and shall hold and distribute the same in trust for the purposes set forth in these By-Laws, for the benefit of the Unit Owners, their respective insured Mortgagees, the Council and any other insured thereunder.

(b) The Council shall not make any distribution of any such proceeds directly to a Unit Owner where a mort-

gagee endorsement is noted on the certificate of insurance covering his Unit, but shall make any such distribution only to such Unit Owner and his Mortgagee jointly.

4.5.2. Adjustment of losses. Each Unit Owner shall be deemed to have delegated to the Council his right to adjust with the insurer all losses which are payable under policies purchased by the Council.

4.5.3. Repair or reconstruction following a casualty.

(a) Except as may be otherwise provided by the Act, the Declaration or these By-Laws, if any of the improvements which are to be insured by the Council pursuant to the provisions of subsection 4.3.1 hereof are damaged or destroyed, they shall be fully and promptly repaired and restored by the Council using any proceeds of insurance which are payable on account of the same and are held by the Council or any insurance trustee, and the Unit Owners shall be liable to the Council for the amount by which the cost thereof exceeds the amount of such proceeds, in proportion to their respective undivided percentage interests in the Common Elements, except to the extent that such excess is declared a Common Expense by the Council.

(b) Subject to the operation and effect of the provisions of subsection 4.4.3 hereof, if as a result of any such damage or destruction any Unit Owner is paid any proceeds under any policy of insurance held by such Unit Owner pursuant to the provisions of Section 4.4 hereof, he may apply such proceeds in payment of the share of any such excess for which he is liable, and/or of any Assessment levied against his Unit as a result of any such declaration by the Council.

(c) The Council shall (subject to the operation and effect of the provisions of subsection 4.7.2 hereof) be responsible for restoring such improvements to and only to substantially the same condition as they were in immediately prior to the occurrence of any damage to, or the destruction of, the same. If, as a result of such repair or reconstruction, any change is made in the location of the improvements within any Unit or the Common Elements, the Council shall record among the Land Records an amendment to the Condominium Plat which relocates the boundaries of such Unit or the Common Elements so as to conform to the location of such improvements as so changed, and shall hold a power of attorney from each Unit Owner and Mortgagee for such purpose.

4.5.4. Estimate of cost of repair. Immediately after the occurrence of any damage to, or the destruction of, any or all of the Condominium which the Council is required by these By-Laws to repair, the Board of Directors shall obtain a reliable and detailed estimate of the cost thereof (including, by way of example rather than of limitation, the cost of any professional service or bond which the Board of Directors desires to obtain in connection with such repair).

4.5.5. Construction fund. Any proceeds of insurance received by the Council as a result of any damage to, or the destruction of, the Condominium, and any other sums received by the Council from any Unit Owner as a result thereof, shall constitute a construction fund which shall be disbursed by the Council or by any insurance trustee, as the case may be, in payment of the costs of the reconstruction and repair thereof, in the following manner:

(a) If the amount of the estimated cost of reconstruction and repair of the damaged or destroyed portion of the Condominium is less than fifty thousand dollars (\$50,000.00), such construction fund shall be disbursed by the Council in payment of such cost upon authorization by the Board of Directors; provided, that at the written request of any Mortgagee which is a beneficiary of any such fund, such fund shall be disbursed in the manner set forth in the provisions of paragraph (b) of this subsection.

(b) If the amount of the estimated cost of reconstruction and repair of the damaged or destroyed portion of the Condominium is not less than fifty thousand dollars (\$50,000.00), such construction fund shall be disbursed in payment of such cost upon the approval of such disbursement by an architect, engineer or other qualified party employed by the Council to supervise such reconstruction and repair, from time to time as such reconstruction and repair progress. Such party shall be required to furnish to the Council a certificate giving a brief description of the services and materials supplied by each contractor, subcontractor, materialman, architect or other person who has rendered services or furnished materials in connection with such reconstruction and repair, and stating (1) that the sum requested by each such person in payment therefor is justly due and owing, and does not exceed the value of the services and materials furnished; (2) that there is, to the best of such architect's knowledge, information and belief, no other outstanding debt incurred for such services and materials as so described; and (3) that the cost, as reasonably estimated by such architect, for so much of such repair and reconstruction as remains to be done after the date of such certificate does not exceed the amount which will remain in such construction fund after the payment therefrom of the sum so requested.

(c) If any amount remains in such construction fund after the reconstruction or repair of such casualty damage has been fully completed and all of the costs thereof have been paid, such portion shall be distributed to the Unit Owners and their insured Mortgagees, as their respective interests may appear.

Section 4.6. Substantial or total destruction.

4.6.1. Right of partition. If the improvements within the Condominium are damaged or destroyed by fire or other casualty and the cost of the repair and reconstruction thereof (as estimated by such architect pursuant to the provisions of subsection 4.5.5.(b) hereof) exceeds two-thirds (2/3) of their then replacement cost, unless the Unit Owners, within sixty (60) days after the occurrence of such casualty, unanimously resolve to proceed with such repair and reconstruction the Condominium shall be deemed to be owned in common by all of the Unit Owners in the same proportion as their respective undivided percentage interests in the Common Elements, and shall be subject to an action for partition at the suit of any Unit Owner or Mortgagee.

4.6.2. Distribution of proceeds. Upon the completion of any such partition and of any sale of the Condominium made pursuant thereto, the net proceeds of such sale and of any insurance which are payable to the Council as a result of such damage or destruction shall be held by the Council

63in one fund, which shall be distributed by the Council or by any insurance trustee, as the case may be, among all of the Unit Owners in proportion to their respective undivided percentage interests in the Common Elements, after first applying the share of each Unit Owner to the payment of any unpaid amount for which a lien then exists upon his Unit, in the order of priority of such liens.

ARTICLE V. CONDEMNATION.

Section 5.1. Condemnation proceedings.

5.1.1. Council's right to prosecute and defend. The Council shall be entitled to prosecute and defend all proceedings with respect to the Condemnation of any or all of the Common Elements or any Council Property; provided, that the Council shall not settle or compromise any claim made in any such proceeding without the approval of Unit Owners having a Majority of the outstanding Votes.

5.1.2. Notice to Unit Owners. The Council shall notify each Unit Owner of any such proceeding, and each Unit Owner shall be entitled to participate therein on his behalf.

Section 5.2. Repair and reconstruction. Subject to the operation and effect of the provisions of Section 5.3 hereof, in the event of a Condemnation of part of the Condominium the Council shall arrange for and supervise the prompt repair and restoration of the remainder of the Condominium in the same manner as that which is set forth in the provisions of Article IV hereof in the case of damage by fire or other casualty, and the provisions of Article IV hereof shall apply to the repair and restoration of the Condominium in the same manner as if the Condominium had been so damaged. The award made for the Condemnation shall be payable to the Council and shall be held and disbursed in the same manner as the proceeds of insurance received by the Council are required by the provisions of Article IV hereof to be held and disbursed by the Council upon the occurrence of any such casualty.

Section 5.3. Substantial or total Condemnation.

5.3.1. Right of partition. If (a) more than two-thirds (2/3) in number of the Units are rendered untenable by a Condemnation, and (b) more than two-thirds (2/3) of the Unit Owners fail to vote in favor of the alteration and reconstruction thereof at a Membership Meeting called for such purpose for a date within sixty (60) days after the date of such Condemnation, then, with the written approval of one or more Mortgagees having first Mortgages on at least two-thirds (2/3) of all of those Units which are then encumbered by a Mortgage, the Condominium shall be subject to an action for partition at the suit of any Unit Owner or Mortgagee, as if the Condominium were owned by the Unit Owners as tenants in common.

5.3.2. Distribution of proceeds. Upon the completion of any such partition and of any sale of the Condominium made pursuant thereto, the net proceeds of such sale, together with the total award for such Condemnation, shall be held by the Council in one fund, which shall be distributed by the

Council among all of the Unit Owners in proportion to their respective undivided percentage interests in the Common Elements, after first applying the share of each Unit Owner to the payment of any unpaid amount for which a lien then exists upon his Unit, in the order of priority of such liens.

Section 5.4. Effect of Condemnation on percentage interests.

5.4.1. Adjustment of percentage interests. If there is a Condemnation of any or all of the Condominium and if, as a result of such Condemnation, any or all of any Unit so taken is no longer subject to the operation and effect of the Declaration, the Condominium Plat and these By-Laws, and if the Condominium is not partitioned pursuant to the provisions of subsection 5.3.1 hereof, then the respective undivided percentage interests in the Common Elements and percentage interests in the Common Expenses and Common Profits of all Units or portions thereof which were not so taken shall be adjusted as of the date of such Condemnation in the following manner:

(a) If such Condemnation is of all of one or more Units, the respective undivided percentage interests in the Common Elements and percentage interests in the Common Expenses and Common Profits of such Units shall be reallocated among all of the other Units, in that proportion which, immediately prior to such Condemnation, the respective such percentage interests of each of the other Units bears to the aggregate of the respective percentage interests of all of the other Units.

(b) If such Condemnation is of part, but not all, of one or more Units, (i) the percentage interests of each such Unit shall be reduced to a percentage which bears the same ratio to the percentage interest of such Unit immediately prior to such Condemnation as the ratio which the acreage of the Unit immediately after such Condemnation bears to the acreage of the Unit immediately prior to such Condemnation, and (ii) the aggregate of such reduction in the percentage interests of all such Units shall be reallocated among all of the Units remaining after such Condemnation (including each Unit with respect to which such reduction is made) in proportion to the respective percentage interests of such Units immediately prior to such Condemnation, except that in the case of each Unit with respect to which such reduction is made, the percentage interests used in such computation shall be the percentage interests of such Unit as so reduced.

5.4.2. Amendment of the Declaration. Promptly after any Condemnation as a result of which any adjustment of the respective undivided percentage interests in the Common Elements or percentage interests in the Common Expenses and Common Profits is made pursuant to the foregoing provisions of this Section, an amendment of the Declaration setting forth such adjustment shall be executed and acknowledged by each Unit Owner and Mortgagee, and recorded among the Land Records by the Council. The Council shall hold a power of attorney from each Unit Owner and Mortgagee for such purpose.

ARTICLE VI. ARCHITECTURAL COMMITTEE
AND CONTROL: USE AND MAINTENANCE OF UNITS.

Section 6.1. Architectural Committee.

6.1.1. Composition. The Board of Directors shall from time to time designate three or more individuals to constitute a committee to be known as "the Architectural Committee", which shall have the powers and duties which are conferred upon it by the provisions of this Article.

6.1.2. Voting. The affirmative vote of a majority of the membership of the Architectural Committee shall be required in order for it to

(a) recommend to the Board of Directors the adoption or promulgation of any of the Rules and Regulations which are hereinafter in this Article referred to;

(b) make any finding, determination, ruling or order; or

(c) issue any permit, authorization or approval pursuant to the provisions of this Section.

Section 6.2. Architectural control.

6.2.1. Approval by Architectural Committee. No Structure may be commenced, constructed, erected, placed, maintained or permitted to remain within a Unit, nor may any Structure existing within a Unit be altered in any way including exterior painting (other than interior painting or other modifications which are not visible from the exterior thereof) which materially changes the exterior appearance thereof, nor may any Use be commenced within a Unit, unless prior thereto plans and specifications therefor, and a description of any such Use (herein referred to collectively as "Plans"), have been submitted to and approved in writing by the Architectural Committee.

6.2.2. Plans. Such Plans shall (A) designate by reference to the Condominium Plat each Unit for which such Plans are submitted; (B) include a plan for each such Unit showing the nature, exterior color scheme, kind, shape, height, materials and location (both with respect to each such Unit and with respect to Structures located upon or within adjoining portions of the Condominium) of all Structures then existing or proposed by such Plans to be placed thereon, any existing or proposed front, rear and side setbacks from such Structures, and the location of any existing or proposed parking spaces and driveways upon such Unit; and (C) be in such form and contain such other information as are required by the Architectural Committee.

Section 6.3. Certain Rules and Regulations and statements of policy.

6.3.1. Proposal. The Architectural Committee may propose to the Board of Directors, and the Board of Directors may cause the Council to adopt, (A) certain Rules and Regulations governing the form and content of any Plans which are to be submitted to the Architectural Committee, and (B) statements of policy with respect to its approval or disap-

proval of the architectural styles or details, or other matters, which are time be reflected in Plans presented to the Architectural Committee for approval.

6.3.2. Amendment or revocation. Such Rules and Regulations may be amended or revoked by the Board of Directors at any time in the same manner as the Rules and Regulations may be amended or revoked generally, and any such statement of policy may be amended or revoked by the Architectural Committee at any time.

6.3.3. Effect. The inclusion or omission of any matter in or from, or the amendment of, any of such Rules and Regulations or statement of policy shall not be deemed to bind the Architectural Committee to approve or disapprove any Plans or to constitute a waiver of the exercise of the Architectural Committee's discretion as to any such matter; provided, that no such amendment or revocation shall affect the finality of any such approval granted prior to such amendment or revocation.

Section 6.4. Disapproval of Plans.

6.4.1. Basis. The Architectural Committee may disapprove any Plans submitted to it whenever, in its opinion, any of the following circumstances exist:

(a) such Plans, or any Structure or Use which is the subject of such Plans, are not in accordance with the provisions of the Declaration or these By-Laws;

(b) such Plans do not contain information which the Architectural Committee may reasonably require to be contained therein;

(c) any Structure which is the subject of such Plans is incompatible with any Structure or Use upon, within or of any Unit, due to the former's exterior design, height, bulk, shape, color scheme, finish, style of architecture, configuration, appearance, materials, location or relative cost;

(d) any Use which is the subject of such Plans is incompatible with any Structure or Use upon, within or of any Unit;

(e) the existence, size, configuration or location of any parking area which is proposed for such Unit is incompatible with, or insufficient, inadequate or inappropriate in relation to, any existing or proposed Use or Structure upon such Unit or elsewhere within the Condominium; and

(f) any other set of circumstances which, in the reasonable judgment of the Architectural Committee, would render any Structure or Use which is the subject of such Plans inharmonious with the general plan of improvement of the Condominium.

6.4.2. Notice of approval or disapproval. If the Architectural Committee disapproves any Plans or approves the same only upon the satisfaction of any specified condition requiring the modification of such Plans or the taking of any other action, it shall immediately notify the applicant of such action in writing, and shall furnish with such no-

tice a statement of the grounds upon which such action was based. If the Architectural Committee approves any Plans without conditioning such approval upon the satisfaction of such approval, it shall immediately notify the applicant of such action in writing. Unless the Architectural Committee, by written notice to the applicant, disapproves any Plans submitted to it or approves the same only upon the satisfaction of any specified condition, as aforesaid, within twenty-one (21) days after such Plans are submitted to it, the Architectural Committee shall conclusively be deemed for all purposes of this Declaration to have approved such Plans unconditionally for each Lot for which they were so submitted.

Section 6.5. Effect of approval. The Architectural Committee's approval of Plans for any Unit for which such Plans are submitted to it shall not constitute a waiver of the Architectural Committee's right, in its sole discretion, to disapprove such Plans or any of the features or elements included therein if such Plans are subsequently submitted to it for any other Unit; but (subject to the operation and effect of the provisions of subsection 6.1.3 hereof), as to any Unit, for which such Plans have been so approved, such approval shall be final and irrevocable.

Section 6.6. Inspection of Units. Any agent of the Council may at any reasonable time (but only after having given written notice of the same to the Unit Owner thereof by not later than five (5) days prior thereto) enter upon and inspect any Unit and the exterior of any Structure thereon to ascertain whether the maintenance, construction or alteration of such Unit or Structure, and any Use thereof, are in accordance with the provisions hereof, and neither the Council nor such agent shall be deemed to have committed any trespass or other wrongful act by reason of such entry or inspection.

Section 6.7. Certificate of compliance and approval.

(i) Upon the completion upon or within a Unit of the construction or alteration of any Structure, or the commencement of any Use thereon, the Council (or the Developer, as to Plans approved by the Developer pursuant to the provisions of subsection 6.9 hereof) shall upon written request of the Unit Owner thereof issue a certificate in a form which is suitable for recordation among the Land Records.

(A) identifying such Unit and such Structure or Use; and

(B) stating that the Architectural Committee (or the Developer, as the case may be) has approved Plans covering such Structure or Use in the manner set forth in the provisions of this Section, and believes that such Structure or Use complies therewith.

(ii) The Council may charge such Unit Owner a reasonable fee for the issuance of such certificate, the payment of which at the time of the request for such certificate shall be a condition to the Council's obligation hereunder to issue the same.

(iii) Such Unit Owner shall bear the cost of recording such certificate among the Land Records.

Section 6.8. Removal.

6.8.1. Violation. If any Structure is altered, erected, placed or maintained, or any new Use commenced upon or within any Unit, other than in accordance with Plans which have been approved by the Architectural Committee pursuant to the foregoing provisions of this Section, such action shall be deemed to be a violation of the provisions of this Article and, promptly after the Council has given written notice of such violation to the Unit Owner thereof, such Structure shall be removed or restored to its condition prior to such action, and such Use shall cease, so as to terminate such violation.

6.8.2. Right of entry. If within fifteen (15) days after having been given such notice such Unit Owner has not taken reasonable steps toward the termination of such violation, any agent of the Council may enter upon such Unit and take such steps as are reasonably necessary to terminate such violation. Such Unit Owner shall be personally liable to the Council for the cost thereof, to the same extent as he is liable for an Assessment levied against such Unit, and the Council shall have a lien therefor which is enforceable in the same manner as an Assessment Lien imposed upon such Unit.

Section 6.9. Developer's Plans. Nothing in the foregoing provisions of this Article shall be deemed in any way to require that the Developer submit to the Architectural Committee, or obtain its approval of, Plans for any Structure to be constructed upon or within a Unit (or any Use thereof) prior to the initial conveyance of record of the title to such Unit to a person other than the Developer, if and only if Plans therefor have been approved in writing by the Developer, it being the Developer's intention that, where the Developer has approved such Plans, the provisions of this Article which require approval of such Plans by the Architectural Committee not be applicable to a Unit until the title thereto is hereafter first acquired of record by a person other than the Developer.

Section 6.10. Rights and responsibilities of Unit Owner with respect to use and maintenance of Units.

(a) Each Unit Owner shall

(i) maintain, repair or replace at his own expense any portion of his Unit which may cause injury or damage to any other Unit or the Common Elements;

(ii) paint, wallpaper, plaster, decorate and/or otherwise maintain the exposed surfaces of all portions of his Unit (including, by way of example rather than of limitation, all interior and exterior walls, ceilings, doors, door frames, windows, window glass, window frames, vents, shutters, meter covers, front stoop, patio and floors, if and to the extent that any of the same form part of his Unit);

(iii) pay any expense duly incurred by the Council in making any repair to or replacement of the Common Elements which results from the willful or negligent act or failure to act of such Unit Owner or of any Tenant, Contract Purchaser, or other occupant or user of his Unit;

(iv) exercise his rights and perform his duties under the provisions of the Act, the Declaration and these By-Laws in such manner and at such hours as will not unreasonably disturb any other Unit Owner;

(v) prior to performing any repair work of any kind, the responsibility for which lies with the Council, furnish the Council with written notice of the same (provided that the Council's failure to take action on any such notice shall not be deemed a waiver by it of its said responsibility, a consent by it to the taking of such action, or an agreement by it to bear the expense of such work; and further provided, that the Unit Owner shall abide by any terms specified by the Council relating to the conduct of such work); and

(vi) comply in every respect with the Rules and Regulations, as the same are from time to time promulgated by the Council.

(b) The Council shall be entitled from time to time to assume the burden of mowing the front lawns of all of the Units, in which event the cost of doing so shall be a Common Expense.

ARTICLE VII. MISCELLANEOUS PROVISIONS.

Section 7.1. Roster of Unit Owners, Mortgagees, Proxy Holders and Voting Representatives.

7.1.1. Duty to furnish information. Immediately upon a person's having become the Unit Owner or a Mortgagee of a Unit, or the Proxy Holder of a Unit Owner's Votes, such Unit Owner, Mortgagee or Proxy Holder shall in writing both notify the Council of its status as such and supply the following information to the Secretary:

(a) the full and correct name of such Unit Owner, Mortgagee or Proxy Holder;

(b) the number of the Unit of which such person is a Unit Owner or Mortgagee, or with respect to the Unit Owner of which such person is a Proxy Holder;

(c) if such Unit Owner, Mortgagee or Proxy Holder consists of more than one person, the full and correct name of each such person;

(d) if such Unit Owner, Mortgagee or Proxy Holder, or any such person of which it consists, is not a natural person, (i) the type of legal entity of which it consists, and (ii) the state or other jurisdiction under which it is organized and exists;

(e) a single address for such Unit Owner, Mortgagee or Proxy Holder in the United States of America, which shall constitute its Notice Address for purposes of the provisions of Section 7.2 hereof;

(f) unless such Unit Owner and any such Proxy Holder consists of one natural person (or of two or more natural persons who do not desire to designate any Voting

Representative), the name of each natural person who is to be a Voting Representative for such Unit Owner or Proxy Holder; and

(g) upon request by the Secretary, such evidence of such Unit Owner's, Mortgagee's or Proxy Holder's status as such as the Secretary may reasonably demand.

7.1.2. Failure to furnish information. Unless a Unit Owner, Mortgagee or Proxy Holder has notified the Council of its status as such and supplied the Secretary with the information which is required to be supplied by the foregoing provisions of this Section, such person shall have no right under the provisions of the Act, the Declaration or these By-Laws (a) to be given any notice, demand, consent, approval, request or other communication or document by the Council or any Director or Officer, (b) to participate in the consideration of or cast any Vote upon any question voted upon by the Council Membership, or (c) otherwise to be recognized as such by the Council, any Director or Officer, employee or agent thereof, or any Unit Owner.

7.1.3. Maintenance of and reliance on roster. The Secretary shall maintain on a current basis a roster showing, with respect to each Unit, any and all information pertaining to the Unit Owner thereof, any Mortgagee thereof, and any Proxy Holder or Voting Representative with respect thereto, which is supplied to the Secretary pursuant to the foregoing provisions of this Section. Unless the Council has received express, written notice to the contrary, the Council, its Directors, Officers, employees and agents, and each Unit Owner shall be entitled to rely upon the accuracy of such roster as reflecting the existence, current identity, composition, legal standing, and Notice Address of the Unit Owner and any Mortgagee or Proxy Holder of a Unit, and the designation and identity of any Voting Representative for any such Unit Owner or Proxy Holder, all in making any determination for purposes of the provisions of the Act, the Declaration or these By-Laws as to whom any notice, demand, consent, approval, request or other communication or document is to be given or delivered by the Council or any Director or officer thereof, or by whom or on whose behalf any Vote may be cast at any Meeting, or in connection with any other action to be taken by the Council or any of its Directors or Officers.

Section 7.2. Notices. Any notice, demand, consent, approval, request or other communication or document which is to be provided hereunder by the Council or any Director, Officer or other person, to any person shall be in writing, and (a) shall be deemed to have been provided forty-eight (48) hours after having been deposited as certified or registered mail in the United States mails, postage prepaid, return receipt requested, and addressed (i) if the addressee is a Unit Owner, Proxy Holder, Voting Representative or Mortgagee who (in accordance with the provisions of Section 7.1 hereof) has notified the Council of its status as such and furnished the Secretary with the information referred to therein, to such person's address (herein referred to as such person's "Notice Address") as set forth in the roster which is referred to herein, and (ii) if the addressee either (A) has not so notified the Council and furnished the Secretary with such information, or (B) is any other person,

to such address in the United States of America as is used by the United States Postal Service for the delivery of mail to such person, or (b) shall be deemed to have been provided upon actual hand or other delivery to such person.

Section 7.3. Severability. No determination by any court, governmental or administrative body or agency or otherwise that any provision of these By-Laws or any amendment hereto is invalid or unenforceable in any instance shall affect the validity or enforceability of (a) any other provision of these By-Laws or of such amendment, or (b) such provision in any instance not controlled by such determination. Each such provision shall be valid and enforceable to the fullest extent allowed by law, and shall be construed wherever possible as being consistent with applicable law.

Section 7.4. Amendment. These By-Laws may be amended in and only in the manner set forth in the provisions of the Declaration and the Act.

Section 7.5. Applicable law. These By-Laws shall be given effect and construed by application of the law of Maryland, and any action or proceeding arising hereunder shall be brought in the courts of Maryland; provided, that if any such action or proceeding arises under the Constitution, laws or treaties of the United States of America, or if there is a diversity of citizenship between the parties thereto, so that it is to be brought in a United States District Court, it shall be brought in the United States District Court for the District of Maryland.

Section 7.6. Headings. The headings of the Articles, Sections and subsections hereof are provided herein for and only for convenience of reference, and shall not be considered in construing the contents thereof.

Section 7.7. Construction. All references made herein (a) in the neuter, masculine or feminine gender shall be deemed to have been made in all such genders; and (b) in the singular or plural number shall be deemed to have been made, respectively, in the plural or singular number as well.

Bedford Village Condominium

Condominium Declaration



CC&Rs-Condo Declaration
C/U/O Bedford Village, A Condominium

BEDFORD VILLAGE, a condominium

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TRANSFER TAX NOT REQUIRED
 Walter R. Richardson
 Director of Finance

PRINCE GEORGE'S COUNTY, MARYLAND

Per: *[Signature]*
 Authorized Signature per Richardson

10-31-78

BEDFORD VILLAGE, a condominium

DECLARATION

THIS DECLARATION, made this 5th day of October, 1978, by BEDFORD VILLAGE, a limited partnership organized and existing under the law of Maryland, having an address at c/o Ivan Stern, 3605 Anton Farms Road, Baltimore, Maryland 21208 (hereinafter referred to as "the Developer"),

WITNESSETH, THAT WHEREAS the Developer is the owner of all of that land, situate and lying in Baltimore County, Maryland, which is hereinafter more particularly described, together with the improvements thereon and the appurtenances thereto; and

WHEREAS the Developer intends by this Declaration to subject the said land, improvements and appurtenances to a condominium regime established pursuant to the law of Maryland, thereby creating a condominium; and

WHEREAS the Developer desires to reserve the right hereafter to subject additional land, together with the improvements thereon and the appurtenances thereto, to such condominium regime, thereby expanding such condominium,

NOW, THEREFORE, the Developer hereby declares the Developer's intent to subject, and does hereby subject, to a regime established under the provisions of title 11 of the Real Property Article of the Annotated Code of Maryland (1974 edition, as amended), all of that tract of land, situate and lying in the said County, which is described in Exhibit A hereto, such tract having been designated as "Parcel I" on those certain plats entitled "Bedford Village",

dated May, 1978, labeled (and hereby designated) as Exhibit B hereto, and intended to be recorded among the Land Records of the said County simultaneously with the recordation thereamong of this Declaration,

TOGETHER WITH all of the improvements thereon (including, by way of example rather than of limitation, those buildings, the location and the dimensions of which are shown within such tract on the said plats), and all of the rights, alleys, ways, waters, privileges, appurtenances and advantages, to the same belonging or in any way appertaining (all of which tract, improvements and appurtenances are hereinafter referred to collectively as "Parcel I"),

SUBJECT TO the operation and effect of any and all instruments which have been recorded among the said Land Records prior to the recordation thereamong of this Declaration,

UPON THE TERMS and subject to the conditions which are hereinafter set forth:

Section 1. Definitions.

(a) (1) As used in the provisions of this Declaration, each of the following terms shall be deemed to have the meaning which is hereinafter in this Section ascribed to it:

(1) "the Act" shall mean the statute entitled "Horizontal Property Act" and codified as title 11 of the Real Property Article of the Code.

(2) "the Architectural Committee" shall mean the entity referred to in the provisions of Section 8 hereof, which is created pursuant to the By-Laws.

(3) "Assessment" shall mean an amount assessed by the Council against a Unit Owner with respect to a Unit, pursuant to the provisions of Section 5(e) hereof.

(4) "the Board of Directors" shall mean the board of directors of the Council.

(5) "the By-Laws" shall mean those by-laws, the initial form of which is referred to in the provisions of Section 5(a) hereof, as from time to time amended.

(6) "the Code" shall mean the Annotated Code of Maryland (in each instance of reference whichever edition contains the most recent codification of the statute to which reference is made), as from time to time amended.

(7) "the Common Elements" shall have the meaning ascribed to it by the provisions of Section 3 hereof.

(8) "Common Expenses" shall mean the aggregate of (A) any and all expenses which are incurred by the Council in the exercise of the rights and powers, and in the discharge of the duties, which are vested in, exercisable by or imposed upon the Council under the Act, the Declaration or the By-Laws, and (B) any and all amounts which the Council resolves to deposit in a reserve fund pursuant to the By-Laws.

(9) "Common Profits" shall, for the period with respect to which reference is made, mean the amount, if any, by which the Council Receipts for such period exceed the Common Expenses for such period.

(10) "the Condominium" shall mean the aggregate of (A) Parcel 1 and (B) each Future Parcel which, at the time with respect to which reference is made, has been included within the Condominium through an expansion thereof.

(11) "the Condominium Plat" shall mean, collectively, those plats which are designated as Exhibit B hereto, as aforesaid, together with any amendatory plat thereto which at any time hereafter has become effective pursuant to the provisions of the Act, this Declaration and the By-Laws.

(12) "the Condominium Regime" shall mean the condominium regime to which, pursuant to the provisions of section 11-102 of the Act, all of the land, improvements thereon and appurtenances thereto which from time to time collectively constitute the Condominium are subjected by the recordation among the Land Records of this Declaration, the By-Laws and the Condominium Plat, as from time to time amended.

(13) "Contract Purchaser" shall mean any person who enters into a contract (other than a land installment contract as that term is defined by the provisions of title 10, section 10-101(b) of the Real Property Article of the Code, which has been recorded among the Land Records) which, at the time with respect to which reference is made, entitles such person to purchase a Unit from the Developer or any other Unit Owner, but who does not hold the legal title of record to such Unit.

(14) "the Council" shall mean the Council of Unit Owners.

(15) "Council Receipts" shall mean any and all monies beneficially received or derived by the

Council in any manner whatsoever, including, by way of example rather than of limitation, any and all income received by the Council (A) from leasing or licensing the use of either (1) any of the Common Elements on behalf of the Unit Owners or (2) any real or personal property or other assets owned by the Council (B) as interest accrued upon an unpaid Assessment or derived from any other source, (C) as a dividend, or (D) through the payment to the Council of any or all of an Assessment.

(16) "the Council of Unit Owners" shall mean the entity referred to in the provisions of Section 5(b) hereof.

(17) "this Declaration" shall mean this instrument, as from time to time amended.

(18) "the Developer" shall mean (A) the person hereinabove named as such, (B) such person's successors, (C) each person to whom such named person or any other person who is the Developer expressly assigns his rights as the Developer hereunder in the manner set forth in the provisions of Section 10(b) hereof, and (D) each such assignee's heirs, personal representatives and successors; provided, that no Unit Owner, Mortgagee, Lessee or Contract Purchaser shall, merely by virtue of its status as such, be deemed to be the Developer.

(19) "the Development Period" shall have the meaning ascribed to it by the provisions of Section 5 hereof.

(20) "Dwelling" shall mean a "dwelling," as that term is defined by the provisions of Section 101 of the zoning regulations.

(21) "Future Parcel" shall have the meaning ascribed to it by the provisions of Section 7(a) hereof.

(22) "the General Common Elements" shall have the meaning ascribed to it by the provisions of Section 3(c) hereof.

(23) "the Land Records" shall mean the Land Records of the said County.

(24) "Lessee" shall mean any lessee or sublessee of a Unit from the Developer or another Unit Owner or person.

(25) "the Limited Common Elements" shall have the meaning ascribed to it by the provisions of Section 3(c) hereof.

(26) "the Membership" shall mean, collectively, all of the Unit Owners in their capacities as members of the Council.

(27) "Mortgage" shall mean any mortgage or deed of trust encumbering any Unit, and any other security interest therein which exists by virtue of any other form of security instrument or arrangement which is used from time to time in the locality of the Condominium (in-

cluding, by way of example rather than of limitation, any such other form of security arrangement which arises under any deed of trust, sale and leaseback documents, lease and leaseback documents, security deed or conditional deed, or any financing statement, security agreement or other documentation used pursuant to the provisions of the Uniform Commercial Code or any successor or similar statute), provided that such mortgage, deed of trust or other form of security instrument, and an instrument evidencing any such other form of security arrangement, has been recorded among the Land Records.

(28) "Mortgagee" shall mean the party secured by a Mortgage.

(29) "Mortgagee in Possession" shall mean any person who is either (A) a Mortgagee which has possession of a Unit as a result of a default under a Mortgage held by such person, or (B) the Unit Owner of a Unit as the result of the conveyance to such person of the Mortgagor's equity of redemption therein either as the result of a foreclosure proceeding under a Mortgage securing such person and covering such Unit, or in lieu of such foreclosure proceeding.

(30) "Mortgagor" shall mean the Unit Owner of a Unit, the legal title to which is encumbered by a Mortgage.

(31) "Parcel" shall mean Parcel I or any Future Parcel.

(32) "Parcel I" shall have the meaning hereinabove ascribed to it.

(33) "Parcel II" and "Parcel III" shall each have the meaning ascribed to it by the provisions of Section 7 hereof.

(34) "percentage interest in the Common Expenses and Common Profits" shall mean that fraction of the Common Expenses and Common Profits which is appurtenant to a Unit and which the Unit Owner thereof shall have, all under the provisions of section 11-107(B) of the Act and of Section 4 hereof.

(35) "person" shall mean any natural person, trustee, corporation, partnership or other legal entity.

(36) "the Rules and Regulations" shall mean the rules and regulations adopted by the Council pursuant to the By-Laws, as from time to time in effect.

(37) "Structure" shall mean any building, fence, wall, sign, tank, pavement, television or radio antenna, or other structure of any kind.

(38) "undivided percentage interest in the Common Elements" shall mean that undivided interest in the Common Elements which is appurtenant to a Unit and is owned by the Unit Owner thereof, all under the provisions of section 11-107(A) of the Act and of Section 4 hereof.

(39) "Unit" shall have the meaning ascribed to it by the provisions of Section 3 hereof.

(40) "Unit Owner" shall mean any person or combination of persons (including, by way of example rather than of limitation, the Developer) who (A) holds the legal title to a Unit under a deed or other instrument, or (B) is the purchaser of a Unit under a land installment contract (as that term is defined by the provisions of title 10, section 10-101(b) of the Real Property Article of the Code), if and only if such deed, other instrument or land installment contract is recorded among the Land Records at the time with respect to which reference is made; provided, that (A) no Lessee or Contract Purchaser shall, merely by virtue of such person's status as such, be deemed to be a Unit Owner; and (B) no Mortgagee shall be deemed to be the Unit Owner of a Unit, unless and until such Mortgagee acquires of record the Mortgagor's equity of redemption therein.

(41) "Use" shall have the meaning ascribed to it by the provisions of the zoning regulations of the said County; provided, that without limiting the generality of the foregoing provisions of this sentence, (I) any activity or purpose which is deemed by any governmental authority charged with enforcing such regulations to be a "use" for purposes of such regulations, and (II) any purpose for which any Structure or land is used or occupied, and (III) any activity, occupation, business or operation carried on in a Structure or on any land, shall be deemed to be a "Use".

(42) "Votes" shall mean the votes which, under the provisions of section 11-109(C)(4) of the Act and Section 5 hereof, the Unit Owners are entitled to cast in their capacities as such at meetings of the Membership.

(ii) Any other term to which meaning is specifically ascribed by any provision of this Declaration shall, for purposes of this Declaration and the By-Laws be deemed to have such meaning.

(b) Any term to which meaning is specifically ascribed by any provision of this Declaration and/or the By-Laws, and which is used in the Act, shall wherever possible be construed in a manner which is consistent with any construction of such term as so used in the Act. Where such consistency of construction is not possible, the definitions set forth hereinabove shall govern to the extent allowed by law.

Section 2. Name.

The Condominium shall be known as "BEDFORD VILLAGE," a condominium.

Section 3. Units and Common Elements.

(a) The Condominium shall be comprised of (i) those portions of the Condominium which are referred to in the provisions of Section 3(b) hereof (each of which is hereinafter referred to as a "Unit"); and (ii) common elements (hereinafter referred to collectively as "the Common Elements").

(b) Units.

(i) (1) So long as the Condominium has not been expanded pursuant to the provisions of Section 7 hereof, the Condominium shall contain eight (8) Units.

(2) From and after any such expansion, and until any further such expansion, the Condominium shall contain that number of Units equaling the total of (A) the number of Units contained therein immediately prior to such expansion, and (B) the number of Units which are added to the Condominium by such expansion.

(ii) The location within the Condominium, and the dimensions, of each Unit are shown on the Condominium Plat and are more particularly defined by the provisions of Sections 3(b)(iv) and 3(e) hereof.

(iii) Each Unit shall have and be known by a number corresponding to the number shown with respect to it on the Condominium Plat.

(iv) Except as may be otherwise provided herein, each Unit contained within Parcel I (and each Unit created by an expansion of the Condominium pursuant to the provisions of Section 7 hereof, unless otherwise indicated by the provisions of any amendatory instrument which is recorded among the Land Records pursuant to such provisions to effectuate such expansion) shall consist of all of the following:

(1) All of the land contained within the boundary lines of such Unit as shown on the Condominium Plat, from the center of the earth to the surface of the ground;

(2) all of the improvements thereon (including, by way of example, so much of any party wall as is located thereon); and

(3) all of the airspace lying above such land, from such surface to the sky.

(v) Anything contained in the foregoing provisions of this Section 3(b) to the contrary notwithstanding, whenever there is located within the boundaries of a Unit, as described hereinabove, any main, duct, stack, raceway, wire, conduit, line, drain, pipe, meter or other similar thing or device which is used in providing any utility or service to any portion of the Condominium other than, or in addition to, such Unit, such Unit shall not be deemed to include the loadbearing or structural portions of such wall, partition or column, or such thing or device.

(vi) Each Unit shall have all of the incidents of real property under applicable law. Nothing in the provisions of this Declaration shall be deemed to confer upon (1) any Unit Owner by virtue of his status as such, or (2) any other person having any other interest in such Unit, by virtue of such interest, any interest in any other Unit.

(c) The Common Elements.

(1) The Common Elements (1) shall consist of all of the Condominium other than the Units, and (2) shall be comprised of the Limited Common Elements and the General Common Elements.

(ii) The Limited Common Elements.

(1) The Limited Common Elements shall consist of those of the Common Elements which, by the provisions of this Declaration or the Condominium Plat, are (by shading or otherwise) designated as such and as being reserved hereunder for the exclusive use of the Unit Owners of one or more, but less than all, of the Units.

(2) The right to the use of the Limited Common Elements shall be, and is hereby, so reserved and restricted to the respective such Unit Owner or Unit Owners in accordance with such designation.

(iii) The General Common Elements. The General Common Elements shall consist of all of the Common Elements other than the Limited Common Elements.

(iv) Ownership of the Common Elements. The Common Elements shall be owned by all of the Unit Owners as tenants-in-common, each of which shall have that undivided percentage interest therein which is set forth in the provisions of Section 4 hereof.

(d) Presumption as to existing physical boundaries of Unit.

The existing physical boundaries of any Unit (as defined by the provisions of Section 3(b) hereof) or Common Element which is constructed or reconstructed in such a way that such existing physical boundaries substantially conform to the boundaries therefor as shown on the Condominium Plat shall conclusively be presumed to be the boundaries of such Unit or Common Element, regardless of whether (1) there has occurred any shifting, settlement or lateral movement of the building or other portion of the Condominium within or upon which such Unit or Common Element is located, or (2) there exists any minor variation between the boundaries therefor as are shown on the Condominium Plat and such existing physical boundaries.

(e) Encroachment. If any of the improvements included within the Common Elements encroach upon any Unit, or if any of the improvements included within a Unit encroach upon another Unit or the Common Elements, as a result of any construction, reconstruction, repair, shifting, settlement or movement of any building or other improvement forming part of the Condominium which occurs for any reason (including, by way of example rather than of limitation, the partial or total destruction thereof by fire or other casualty, or as a result of the condemnation or other taking thereof through the exercise or threatened exercise of a power of eminent domain) in accordance with the provisions of this Declaration, the By-Laws and applicable law, an easement for such encroachment and for the maintenance of the improvements so encroaching shall exist for so long as such improvements exist.

Section 4: Percentage Interests.

(a) Each Unit Owner, by virtue of his ownership of a Unit, shall own (i) an undivided percentage interest in the Common Elements (as they from time to time exist), and (ii) a percentage interest in the Common Expenses and Common Profits, each of which shall be determined in accordance with the provisions of this Section.

(b) So long as the Condominium has not been expanded pursuant to the provisions of Section 7 hereof,

(i) each Unit Owner's undivided percentage interest in the Common Elements shall equal 12.5000%; and

(ii) each Unit Owner's percentage interest in the Common Expenses and Common Profits shall equal 12.5000%.

(c) From and after any expansion of the Condominium pursuant to the provisions of Section 7 hereof, each Unit Owner's undivided percentage interest in the Common Elements, and each Unit Owner's percentage interest in the Common Expenses and Common Profits, shall thereby automatically no longer equal the said respective fractions which are set forth with respect to his Unit in Exhibit C-1, but shall thereby automatically become and (until any further such expansion) thereafter remain equal to the product (carried to four (4) decimal places) obtained by dividing the sum of 100.0000 by the number of Units contained in the Condominium immediately following such expansion.

(d) The percentage interests which are created by the foregoing provisions of this Section

(i) may not be separated from the respective Units to which they are appurtenant;

(ii) shall have a permanent character; and

(iii) shall not be changed unless and until

(1) each Unit Owner and each Mortgagee has consented thereto in writing (except where such change is made pursuant to the provisions of this Section and Section 7 hereof, or of section 11-107(d) of the Act), and

(2) this Declaration has been amended to effect such change through the recording of an appropriate amendatory instrument among the Land Records.

(e) Any instrument, matter, circumstance, action, occurrence or proceeding which in any manner affects a Unit shall also affect in a like manner the undivided percentage interest in the Common Elements and the percentage interest in the Common Expenses and Common Profits which are appurtenant to such Unit.

Section 5. The By-Laws; the Council of Unit Owners; Votes; Council property; Assessments.

(a) The By-Laws. The affairs of the Condominium shall be governed in accordance with the By-laws, the initial form of which has been labeled (and is hereby designated) as

Exhibit C hereto, is to be recorded among the Land Records immediately following the recordation thereamong of this Declaration, and may be amended from time to time in accordance with the provisions thereof and of the Act and this Declaration.

(b) The Council of Unit Owners.

(i) The affairs of the Condominium shall be governed by The Council of Unit Owners of Bedford Village, a condominium, incorporated, an entity which constitutes both a council of unit owners organized and existing under the provisions of the Act and a nonstock corporation organized and existing under the law of Maryland.

(ii) The membership of the Council shall be comprised of and limited to all of the Unit Owners.

(iii) The Council shall have the rights, powers and duties which are vested in, exercisable by or imposed upon it by the provisions of this Declaration, the Articles of Incorporation of said nonstock corporation, the By-Laws or applicable law.

(c) Votes.

(i) Subject to the operation and effect of the provisions of Section 5(c)(iii) hereof, the By-Laws or applicable law, and regardless of whether the Condominium is expanded pursuant to the provisions of Section 7 hereof, each Unit Owner shall be entitled to cast at meetings of the Membership one (1) Vote in the affairs thereof.

(ii) The Votes which a Unit Owner is entitled to cast shall be appurtenant to, and may not be separated from, his Unit. Nothing in the foregoing provisions of this paragraph (ii) shall be deemed to prohibit any Unit Owner from giving a proxy to cast such Votes to any person in accordance with the provisions of this Declaration and the By-Laws or to alter or impair the operation and effect of any provision of this Declaration, the By-Laws or applicable law pursuant to which either (1) a Unit Owner's right to cast such Votes may be suspended, or (2) his exercise of such right may be conditioned upon his having furnished to the Council any information which he is required to furnish under any such provision.

(iii) The Development Period.

(1) Anything contained in the foregoing provisions of this subsection (c) to the contrary notwithstanding, the Developer hereby reserves during the Development Period all of the rights and powers which, under the provisions of this Declaration, the By-Laws or applicable law, are held by (A) the Council (including those exercisable on behalf of the Council by the Board of Directors), and (B) the Unit Owners, both individually and in their collective capacity as the Membership (including, by way of example rather than of limitation, the power vested in the Membership to elect the Board of Directors). Such rights and powers shall be exercisable during the Development Period exclusively by the Developer, without the necessity of requiring any vote thereon or other participation therein by any Unit Owner or other person.

(2) Each person who, alone or with any other person, becomes a Unit Owner shall conclusively be presumed, by his having accepted the conveyance of the legal title to his Unit,

(A) to have given to the Developer an irrevocable and exclusive proxy entitling the Developer, at each meeting of the Membership held during the Development Period, to cast the Votes which are appurtenant to such Unit on each question which comes before such meeting;

(B) to have agreed with the Developer to renew such proxy whenever during the Development Period such proxy expires or becomes ineffective under applicable law as construed by the Developer's legal counsel; and

(C) to have agreed with the Developer that such proxy and any such renewal or agreement to renew are given to, or made with, and relied upon by, the Developer in connection with the Developer's development, construction, marketing, sale and leasing of any or all of the Condominium (including any Future Parcel) which at any time are owned by the Developer, and are coupled with an interest.

(3) Anything contained in the foregoing provisions of this paragraph (iii) to the contrary notwithstanding (but without limiting the Developer's exercise of the rights and powers reserved by it under the provisions of Section 7 hereof), the Developer shall not be entitled, by virtue of the rights, powers or proxy reserved by or granted to the Developer under the foregoing provisions of this paragraph (iii), to amend this Declaration, the By-Laws or the Condominium Plat without first obtaining the written consent thereto of each Unit Owner, and (in the case of this Declaration or the Condominium Plat) Mortgagee, and (in the case of this Declaration, but subject to the provisions of Section 10(m) hereof) Baltimore County.

(4) The Development Period shall consist of the period commencing on the date hereof and terminating on the first to occur of (A) the Developer's termination thereof by recording among the Land Records an instrument expressly providing for such termination and making specific reference to this subparagraph, or (B) the fifth (5th) anniversary of the date hereof, or (C) the acquisition by a person other than the Developer of the legal title to each Unit of the Condominium.

(d) Council property. Except for his ownership of a percentage interest in the Common Expenses and Common Profits pursuant to the provisions of this Declaration, no Unit Owner shall, by virtue of his status as such or as a member of the Council, have either (i) any right, title or interest in or to any of the Council's property or other assets, or (ii) any right to possess, use or enjoy any such property or other assets, other than as is expressly conferred upon him by the provisions of this Declaration, the By-Laws or applicable law, or by the Council.

(e) Assessments. The Council may obtain funds for the payment of Common Expenses from time to time by levying assessments (each of which is hereinafter referred to as an "Assessment") against the Unit Owners and their respective Units in proportion to their respective interests

In the Common Expenses and Common Profits, all upon the terms, for the purposes and subject to the conditions which are set forth in the provisions of the Act, this Declaration and the By-Laws, and in the manner set forth in the By-Laws.

(f) Fidelity bonds. Each director, officer and employee of the Council, any manager of the Condominium, and each director, partner, officer or employee of such manager, whose duties as such require him to handle or be responsible for funds of the Council or in its possession or control through any trust or other arrangement, shall prior to his commencement of such duties furnish the Council with a fidelity bond covering his said activities, in form and amount and with a corporate surety which are reasonable and appropriate under the circumstances and which are satisfactory to the Board of Directors. The premium for any such bond shall be paid by the Council as a Common Expense.

Section 6. Control of, and rights in, the Common Elements.

(a) Conveyance or dedication by Council of easements or other rights in the Common Elements.

(1) Subject to the operation and effect of the provisions of Sections 6(a)(ii) and 6(c) hereof, the Council may convey to any person the legal title to, or any easement, leasehold or other right of use or enjoyment in, any of the Common Elements, with and only with the approval of Unit Owners holding in the aggregate at least seventy-five (75%) of the number of Votes held by all of the Unit Owners.

(ii) Each Unit Owner, purchaser, heir, assignee or other transferee of or to the legal or beneficial title to, or any other interest in, any Unit shall be conclusively presumed, by his acceptance thereof, irrevocably to have appointed the Council to be his attorney-in-fact, with full and irrevocable power and authority (which shall be deemed and to be coupled with an interest) in the name of and on behalf of the Condominium, the Council and/or such Unit Owner, purchaser, heir, assignee or other transferee, to take any of the following actions:

(A) grant, convey or dedicate (1) to any one or more public or quasi-public governmental authorities or utility companies, any and all licenses, easements and/or rights-of-way in, over and through the Common Elements for the construction, installation, use, operation, maintenance, repair and replacement of any and all sanitary, sedimentary control or storm sewer lines, drains, culverts, ponds or pumping stations, water lines, mains, or pumping stations, electrical lines or cables, telephone or television lines or cables, gas lines or mains, and other similar facilities, for similar or other purposes, all as the Council considers appropriate for the provision of any utility or utility service to any Parcel (whether or not it then or thereafter forms part of the Condominium), and (2) to the said County or any other governmental body, any land then forming part of the Common Elements which is improved or to be improved by a roadway or sidewalk; provided that no such grant, conveyance or dedication shall be made unless the entity to

which it is to be made has agreed with, or provided reasonable assurances to, the Council, in a bona fide manner, that thereafter it will operate and maintain the same for the use and enjoyment of the Unit Owners and any other members of the general public who are thereafter entitled to use and enjoy the same, and provided further that no such grant, conveyance or dedication to Baltimore County shall be effective unless approved by Baltimore County.

(B) grant a Mortgage pursuant to the provisions of Section 6(e)(i) hereof.

(C) convey the legal title to, or any interest in, any or all of the Common Elements to, or at the direction of any governmental or quasi-governmental authority either (1) through the condemnation thereof or the exercise of any power of eminent domain with respect to the same, or (2) under threat of such condemnation or exercise and in lieu thereof (after which grant, conveyance or dedication that portion of the Common Elements which is the subject of the same shall not form part of the Common Elements).

(D) grant a leasehold interest in or a license with respect to any or all of the Common Elements to any person, for a period which terminates not later than the third (3rd) anniversary of the date of such grant.

(E) grant to the Developer, for the benefit of any Future Parcel (whether or not it then or thereafter forms part of the Condominium), an easement in, over and through the Common Elements for the construction, installation, use, operation, maintenance, repair and replacement of any facility or roadway of the types enumerated in the provisions of Section 6(a)(ii)(A) hereof.

(F) enter into a contract with (1) the owner of any Future Parcel which has not then been added to the Condominium, or (2) any community association or homeowner's association having jurisdiction over such land, or (3) any council of unit owners having jurisdiction over such land (if such land has been subjected to a condominium regime pursuant to the provisions of the Act), pursuant to which such owner, the members of such association or council, or any other occupants of such land, and their families and guests, may use and enjoy any or all of the Common Elements for such consideration, during such period, upon such terms and subject to such conditions as are set forth in the provisions of such contract, all as the Council considers appropriate, provided same is not in derogation of zoning requirements.

(G) execute, seal, acknowledge, deliver and record on behalf of and in the name of the Condominium, the Council and/or such Unit Owner, purchaser, heir, personal representative, successor, assign or other transferee, any and all documents, the execution, sealing, acknowledgment, delivery or recordation of which in the name of and on behalf of the same is deemed appropriate by the Council, in order to effectuate the provisions of this Section or to exercise any of such rights and powers.

(b) Easements benefiting Units.

(i) (A). Each Unit shall have the benefit of an easement for the lateral and vertical support of the im-

provements included within such Unit, which easement shall burden the Common Elements and each other Unit.

(B) Without limiting the generality of the foregoing provisions of this subsection, each wall or fence, a portion of the thickness of which is included within a Unit and the balance of the thickness of which is included within a contiguous Unit, and which therefore is a party wall or party fence, shall be used and enjoyed as such by the Unit Owners thereof jointly with each other, and each such Unit shall have the benefit of and be burdened with an easement for the support and maintenance of such party wall or fence in accordance with the following provisions of this subparagraph (B):

(1) Subject to the operation and effect of the following provisions of this subparagraph (B), the general rules of law regarding party walls and liability for property damage due to negligent or willful acts or omissions shall apply thereto.

(2) If any such party wall or fence is deliberately or negligently damaged or destroyed by the act or omission of one (but not both) of such Unit Owners (or his agent, employee, invitee, family member, visitor or guest), such Unit Owner shall promptly repair it at his expense.

(3) If any such party wall or fence is damaged or destroyed in any other manner or otherwise requires maintenance, such Unit Owners shall repair it at their joint expense.

(4) If either surface of any such party wall at any time becomes exposed to the elements, the Unit Owner of the Unit on which such surface stands shall promptly and at his expense take such action as is reasonably necessary to protect such surface against the elements.

(ii) Each Unit shall have the benefit of a non-exclusive easement for the use of

(1) each main duct, stack, raceway, wire, conduit, line, drain, pipe, meter or other device which is located within the Common Elements or another Unit and used in providing any utility or service to the first such Unit; and

(2) each street or sidewalk which from time to time is part of either (A) the General Common Elements or (B) those of the Limited Common Elements, the right to the exclusive use of which is reserved to the Unit Owner of such Unit (either alone or together with the Unit Owner of any other Unit).

(iii) Each Unit shall have the benefit of a non-exclusive license for the use of the remainder of the General Common Elements, provided that:

(A) such use is in accordance with applicable law and the provisions of this Declaration, the By-Laws and the Rules and Regulations;

(B) any admission or other fee which the Council then charges for such use is paid;

(C) no person other than the Council may construct, reconstruct, alter or maintain any structure or make or create any excavation or fill upon, or remove any tree, shrub or other vegetation from, or otherwise damage, the Common Elements; and

(D) no person shall without first obtaining the Council's consent do anything within the Common Elements which will cause an increase in any premium paid by the Council for liability or other insurance with respect to the Common Elements, or the cancellation of any such insurance.

(iv) Conveyance of benefit or burden of easement.

The conveyance of the title to any Unit having the benefit or the burden of an easement created by any of the provisions of this Declaration shall constitute a conveyance of such benefit or burden, without the necessity of any reference thereto in any instrument by which such conveyance of title is made. No such benefit or burden may be conveyed other than with a conveyance of the title to such Unit.

(c) Development easements. The Developer shall have, and hereby reserves, a perpetual easement for the uses set forth in Section 6(a)(ii)(E) hereof, and for ingress and egress in, over and through the Common Elements, to and from each public roadway which at the time of the exercise thereof abuts the Condominium, from and to each Parcel (whether or not it then forms part of the Condominium), for use and access by (i) the Developer, (ii) any contractor, subcontractor, real estate agent or broker being utilized by the Developer, and (iii) the agents, officers, employees, invitees and licensees of any of the same, all for any purpose consistent with applicable law in connection with the construction, replacement, repair, maintenance, development, use, ownership, marketing or leasing of any Parcel (and as to any future Parcel, whether or not it is then part of the Condominium).

(d) Maintenance of the Common Elements. The Council shall regularly maintain all of the Common Elements (including, by way of example rather than of limitation, each street, walkway or utility line or facility which crosses any Unit and over which any other Unit has the benefit of an easement for ingress and egress, or for any utility or service, under the provisions of this Declaration).

(e) Control of the Common Elements. Anything contained in the foregoing provisions of this Section to the contrary notwithstanding, the Council may

(i) borrow money for the purpose of improving the Common Elements in accordance with the provisions of this Declaration, and may secure the repayment thereof by subjecting any or all of the Common Elements to the lien of a Mortgage, provided that anything contained in the provisions of such Mortgage to the contrary notwithstanding, if there

is a default in the performance of the borrower's obligations thereunder the Mortgagee's remedies on account of such default shall, with respect to the property covered by such lien, be limited to those of (A) taking possession of any or all of the same, (B) thereafter charging admission or other fees as a condition to the continued use thereof by the Unit Owners, and (C) if necessary and if not prohibited by applicable law, opening the enjoyment thereof to the general public or any segment thereof until such debt is satisfied;

(ii) take such steps as are reasonably necessary to protect such property against foreclosure under such Mortgage (including, by way of example rather than of limitation, that of opening the enjoyment thereof to the general public or any segment thereof, as aforesaid);

(iii) adopt reasonable rules and regulations governing the use of the Common Elements by Unit Owners, their family members and guests or any other person;

(iv) charge reasonable admission and other fees for use of the Common Elements (other than those streets, walkways and utility lines and facilities which are subject to the easement created by the provisions of Section 6(b)(ii) hereof); and

(v) suspend the right of any Unit Owner or his family members and guests to use the Common Elements (except for such streets, walkways, and utility lines and facilities).

(A) for so long as such an Assessment levied against such Unit Owner's Unit remains unpaid, and

(B) for any period (not exceeding in length thirty (30) days plus the time during which such infraction continues) for any infraction of the Rules and Regulations.

(f) Management of the Condominium.

(i) The Council may enter into an agreement with any person for such person to provide management services for the Council or the Unit Owners with respect to the Condominium, so long as such agreement

(A) expressly provides that the Council may, without the consent of any other party thereto, terminate such agreement for cause at any time provided that it has given to each other party thereto written notice of its intention to do so by not later than thirty (30) days prior to the effective date of such termination;

(B) is for a term of not longer than one

(1) year;

(C) if provision is made therein for a renewal of such agreement from time to time by agreement of the parties thereto, provides that no such renewal provision and no such renewal or combination of renewals made pursuant thereto shall be effective to bind the Council to such agreement for longer than one (1) year from the date of such renewal or combination of renewals (and to the extent that

any such agreement does not expressly so provide, it shall be deemed to do so):

(ii) Anything contained in the foregoing provisions of this subsection to the contrary notwithstanding, the Council shall not effectuate any decision by it both (A) to terminate any such management agreement, and (B) thereafter to assume or undertake the management of the Condominium without utilizing or employing professional management services with respect to the same, without obtaining each first Mortgagee's prior written approval thereof.

(g) Right of entry.

(i) The Council, acting through the Board of Directors, its officers, or any manager of the Condominium, and their duly authorized representatives, may enter any Unit whenever such entry is reasonably necessary in order (A) to install, inspect, maintain, repair or replace any of the Common Elements to which access can reasonably be obtained only through such entry, or (B) to maintain, repair or replace any portion of such Unit if such maintenance, repair or replacement are necessary to prevent injury or damage to any other Unit or to the Common Elements.

(ii) Such right of entry shall be exercised only (A) during the hours of from 8:00 o'clock A.M. to 8:00 o'clock P.M., (B) after the Board of Directors, any such officer or such manager, as the case may be, has given to the Unit Owner of such Unit at least five (5) days' written notice of the intention to exercise such right, and (C) while such Unit Owner or his authorized representative is present; provided, that anything contained in the foregoing provisions of this subsection to the contrary notwithstanding, in any emergency situation in which the satisfaction of all of such conditions would not be possible without unreasonably jeopardizing any or all of the Condominium or the health, safety, comfort or welfare of the occupants of any of the Units, such conditions need be satisfied only to the extent that such satisfaction is reasonably possible without so jeopardizing the Condominium or such occupants.

Section 7. Expansion of the Condominium.

(a) The Developer hereby reserves, for a period of seven (7) years immediately following the date hereof, the right (which shall be exercisable at the Developer's sole discretion, but only in accordance with the provisions of this Section) to expand the Condominium by subjecting to the Condominium Regime, and thereby adding to the Condominium, any one or more of those parcels of land, situate and lying in the said County, which presently are owned or in the future may be acquired by Developer, and which are designated on the Condominium Plat as Parcels II and III, respectively, and are more particularly described in Exhibits D-1 and D-2 hereto, respectively, together with all of the respective improvements thereon (consisting in part of the proposed buildings, the outlines of which are shown in general terms, within the said parcels on the Condominium Plat) and all of the respective rights, alleys, ways, waters, privileges, appurtenances and advantages, to the same belonging or in any way appertaining (each of which parcels, together with such improvements thereon and appurtenances thereto, is

hereinafter sometimes referred to as "Parcel II" and "Parcel III", respectively, or as a "Future Parcel").

(b) Any such expansion shall be accomplished by, and shall be and become effective upon and only upon,

(1) the amendment of this Declaration by the recordation among the Land Records of an appropriate amending instrument which expressly subjects such Future Parcel to the operation and effect of this Declaration, and sets forth

(1) the undivided percentage interest in the Common Elements, and the percentage interest in the Common Expenses and Common Profits, of each Unit Owner following such expansion, as determined in accordance with the provisions of Section 4 hereof;

(2) the number of Votes which each Unit Owner is entitled to cast at meetings of the Membership following such expansion, as determined in accordance with the provisions of Section 5 hereof; and

(3) a legal description of each Future Parcel which is added to the Condominium by such expansion.

(ii) the amendment of the Condominium Plat by the recordation among the Land Records of an appropriate amending plat (consisting of one or more sheets) setting forth the detail and information with respect to each Future Parcel and the Units and the Common Elements which are added to the Condominium by such expansion, the setting forth of which in such amending plat may be required by applicable law in order to effectuate such expansion.

(c) Except to the extent that the form and contents of any such amending instrument or plat are dictated by applicable law, they may be determined by the Developer in the exercise of its sole discretion, and the effectiveness of neither any such expansion nor the execution or recordation of any such instrument or plat shall be conditioned upon the consent thereto or joinder therein by any person (including by way of example rather than of limitation, any Unit Owner) other than the Developer. The Developer shall be entitled to execute and/or record any such instrument or plat, and/or to take any other action with respect thereto, to the extent that such action is, in the opinion of the Developer's legal counsel, necessary or desirable in order to effectuate the provisions of this Section.

(d) The outlines of those portions of each Future Parcel which, if added to the Condominium, as aforesaid, will constitute buildings or be part of the Common Elements, are shown on the Condominium Plat.

(e) The maximum number of Units which may be added to the Condominium as the result of any such expansion shall be that number of Units which is set forth, with respect to each Future Parcel which would thereby be added to the Condominium, in a schedule which is attached hereto as Exhibit E.

(f) Upon any such expansion of the Condominium,

(i) the title to each Future Parcel which is thereby added to the Condominium shall be and thereafter remain subject to the operation and effect of the provisions of this Declaration, to the same extent as if it formed part of the Condominium on the date hereof; and

(ii) each Mortgage which is in effect immediately prior to such expansion shall, automatically and without the necessity of any action by any party thereto, be deemed to encumber the undivided percentage interest in the Common Elements which is appurtenant to that Unit, the title to which is encumbered by such Mortgage, as and only as such undivided percentage interest and the Common Elements exist immediately following such expansion.

Section 8. Use of Units

(a) Uses prohibited absolutely.

(i) Subject to the operation and effect of the provisions of Section 8(a)(ii) hereof,

(A) no Unit shall be devoted to a principal Use other than a residential Use;

(B) no Unit may contain more than one residential Structure at any time (which Structure must be an attached residential Structure, may constitute not more than one Dwelling, and may be used as a residence at any one time by not more than one family);

(C) no Unit Owner other than a First Mortgagee in Possession shall lease his Unit for transient or hotel purposes or for any period which is less than thirty (30) days in duration, or shall lease less than his entire Unit for any purpose.

(D) no trailer, basement, tent, shack, garage, barn, other outbuilding or other Structure of a temporary character located upon any Unit shall be used as a temporary or permanent residence.

(ii) Nothing in the provisions of this Declaration shall be deemed in any way to prohibit

(A) the use by the Developer and its agents, employees, officers, contractors and invitees, of the improvements within each Unit of which the Developer is then the Unit Owner (1) as offices or sample dwellings in connection with its development, construction, replacement, repair, maintenance, marketing or leasing of any or all of the Units (and of any or all of those portions of any Future Parcel which, by virtue of an expansion of the Condominium pursuant to the provisions of Section 7 hereof, would become Units); or (2) in any other manner, unless any other person would, were he the Unit Owner thereof, be prohibited or restricted in the same manner; or

(B) the maintenance by or on behalf of the Developer during the Development Period, within any Unit of which it is then the Unit Owner or upon the Common Elements,

of one or more signs advertising the existence of the Condominium or the sale of Units.

(b) Uses prohibited without approval by the Architectural Committee.

Subject to the foregoing provisions of this Section, and unless the Architectural Committee has approved the same in the manner set forth in the By-Laws,

(i) no (A) house trailer, trailer, tractor-trailer or other truck (other than a van or "pick-up" truck) or any similar item, or (B) (unless current and valid license plates are affixed thereto) van, "pick-up" truck, boat, boat trailer, camper, recreational bus or automobile, shall be stored in the open within any Unit or upon any street or parking area within the Common Elements, either temporarily or permanently.

(ii) no machinery shall be placed or operated within any Unit, except for such machinery as is customarily utilized in occupying a private residence.

(iii) no profession or home industry shall be conducted within any Unit.

(iv) no lumber, metals, bulk materials, refuse or trash shall be kept, stored or allowed to accumulate within any Unit.

(v) no chain link fence shall be erected or maintained upon any Unit.

(vi) no livestock, poultry or other animal, bird or insect of any kind shall be raised, bred or kept within any Unit, except that two (2) or fewer dogs, cats or other typical household pets may be kept within a Unit if not for a commercial purpose.

(c) Nuisances. No noxious or offensive activity shall be carried on within any Unit, no odor shall be permitted to emanate therefrom, and nothing shall be done thereon in any other manner, so as to render any Unit or portion thereof unsanitary, unsightly, unreasonably offensive or detrimental, or a nuisance, to any of the Condominium or any occupant thereof.

(d) Repair of Structures. Each Structure shall at all times be kept in good condition and repair and adequately painted or otherwise finished.

(e) Landscaping. Except for patios, walkways, flower gardens, hedges and trees, which shall be neatly maintained, all unimproved open areas within any Unit shall be maintained in lawns, which shall be kept mowed to a height not in excess of four inches. The Council may enter any Unit and trim or prune, at the expense of its Unit Owner, any tree, hedge or other planting whose height or location within such Unit is, in the Council's judgment, unreasonably detrimental to any adjoining property, is unattractive or obscures the view of street traffic from any Unit, provided that such Unit Owner is given fifteen (15) days prior written notice of such action.

Section 9. Rights of Mortgagees.(a) General.

(i) Regardless of whether a Mortgagee in Possession of a Unit is the Unit Owner thereof, (1) it shall have, in addition to its rights hereunder as a Mortgagee, all of the rights under the provisions of this Declaration, the Condominium Plat, the By-Laws and applicable law which would otherwise be held by such Unit Owner, subject to the operation and effect of anything to the contrary contained in its Mortgage, and (2) the Council and any other Unit Owner or person shall be entitled, in any matter arising under the provisions of this Declaration and involving the exercise of such rights, to deal with such Mortgagee in Possession as if it were the Unit Owner thereof.

(ii) Any Mortgagee in Possession of a Unit shall (subject to the operation and effect of the provisions of this Declaration, the By-Laws or applicable law) bear all of the obligations under the provisions thereof which are borne by the Unit Owner thereof; provided that nothing in the foregoing provisions of this paragraph (ii) shall be deemed in any way to relieve any Unit Owner of any such obligation, or of any liability to such Mortgagee in Possession on account of any failure by such Unit Owner to satisfy any of the same.

(b) Rights of first refusal. Any Mortgagee in Possession shall be exempt from any right of first refusal or similar restriction held by the Council, to and only to the extent that it arises under the provisions of the Act, this Declaration or the By-Laws, it being the Developer's intention that nothing in the foregoing provisions of this subsection be deemed in any way to alter or impair the operation and effect of any right of first refusal or similar restriction which at any time is given by a Unit Owner or any other person to the Council or any other person but which does not arise under the provisions of the Act, this Declaration or the By-Laws.

(c) Priority over Assessment. The interest in a Unit held by a Mortgagee thereof under its Mortgage shall be

(i) free of any claim or lien for any Assessment which is levied against such Unit prior to the recordation of such Mortgage among the Land Records (unless prior to such recordation a statement of condominium lien (as that term is defined by the provisions of section 11-110 of the Act, and sufficient for the purposes thereof) covering such Assessment is recorded among the Land Records), other than any claim for a pro rata share of the amount represented by such Assessment which results from any pro rata reallocation of such Assessment among all of the Units, including such Unit; and

(ii) free of any such claim or lien arising after such recordation of such Mortgage, and before such Mortgagee is a Mortgagee in Possession of such Unit.

(d) Actions conditioned upon Mortgagee's approval

Unless each first Mortgagee of each Unit which would be affected by such action has given its prior written approval thereof, neither the Council nor any Unit Owner shall by act or omission

(i) partition or subdivide, or seek to partition or subdivide, any such Unit;

(ii) seek to abandon, partition, subdivide, encumber, sell or transfer any of the Common Elements (provided, that the granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Elements, or pursuant to other provisions of this Declaration, shall not be deemed to be prohibited by the foregoing provisions of this subsection; or

(iii) use any proceeds derived from hazard insurance and paid to the Council on account of any damage to or destruction of any of the improvements within any Unit or the Common Elements, for other than the repair, replacement or reconstruction of such improvements, except to the extent and in the manner provided by the Act in the case of substantial loss to the Units or the Common Elements.

(e) Right to inspect, and to receive audited statement and notice.

A Mortgagee shall, upon request of the Council, and provided that such Mortgagee has furnished the Council with the information which it is required by the By-Laws to furnish the Council, all in the manner set forth therein, be entitled to

(i) inspect the Council's books and records during normal business hours;

(ii) require the preparation of and (if such preparation is required) receive an annual audited financial statement of the Council within ninety (90) days following the end of any fiscal year of the Council;

(iii) be given timely written notice of all meetings of the Membership, and to designate a representative to attend all such meetings; and

(iv) be given timely written notice by the Council of

(A) Any proposed amendment of this Declaration, the By-Laws or the Condominium Plat which would effect a change in (1) the boundaries of any Unit, (2) the undivided percentage interest in the Common Elements or the percentage interest in the Common Expenses and Common Profits which is appurtenant to any Unit, (3) the number of Votes held by the Unit Owner of any Unit, or (4) the purposes to which any Unit or the Common Elements are restricted by the provisions of this Declaration, the By-Laws or the Condominium Plat;

(B) any proposed termination of the Condominium Regime;

(C) any condemnation or eminent domain proceeding affecting any or all of the Condominium;

(D) the occurrence of any significant damage to or destruction of the Common Elements; and

(E) any default by the Unit Owner of such Mortgagee's Unit in the performance of such Unit Owner's obligations under the provisions of this Declaration or the By-Laws which is not cured within sixty (60) days after the commencement of such default.

(f) Rights in event of damage or destruction.

(i) If any or all of a Unit is damaged substantially, destroyed or made the subject of any condemnation or eminent domain proceeding, or the acquisition thereof is otherwise sought by any condemning authority, each Unit Owner and each Mortgagee shall have such rights in connection therewith as are set forth in the provisions of the Act, this Declaration and the By-Laws (including, by way of example rather than of limitation, those of such provisions which govern the disposition or distribution of the proceeds thereof, any resulting reallocation of the respective undivided percentage interests in the Common Elements, percentage interests in the Common Expenses and Common Profits and Votes which are appurtenant to the Units, and any restoration or repair of the Condominium which is necessitated thereby).

(ii) Nothing in the provisions of this Declaration, the By-Laws, the Condominium Plat or the Council's articles of incorporation shall entitle the Unit Owner of a Unit or any other party to priority over any Mortgagee of such Unit in the distribution with respect to such Unit of the proceeds of (A) any insurance which accrue as a result of any such damage or destruction, or (B) any award or settlement made as a result of any such condemnation, eminent domain proceeding or acquisition.

(g) Right to lease Unit. Any first Mortgagee in Possession of a Unit shall be entitled to lease any or all of such Unit for any purpose consistent with applicable law, provided that such lease conforms to the standards set forth in the provisions of Section 8 hereof.

Section 10. General.

(a) Effectiveness. This Declaration shall become effective upon and only upon its having been executed and acknowledged by the Developer and recorded among the Land Records.

(b) Assignment.

(i) The Developer shall be entitled at any time to assign to any person any or all of its right, title and interest hereunder (including, by way of example rather than of limitation, the Developer's rights (and any proxy) under, or held pursuant to, the provisions of Sections 5, 6, 7 and 8 hereof) by an instrument which makes specific reference to this subsection, and is executed and delivered by the Developer and such assignee and recorded among the Land Records.

(II) The Developer may from time to time hereafter permit any right which it holds under the provisions of this Declaration to be exercised on its behalf by any of its officers, directors, employees or agents.

(c) Amendment.

(I) Except as is otherwise provided in this Declaration, this Declaration and the Condominium Plat may be amended (and the Condominium Regime may be terminated) with and only with the prior express written consent thereto of each Unit Owner and each Mortgagee, and (in the case of this Declaration, but subject to the provisions of Section 10(m) hereof) Baltimore County, acting in accordance with the provisions of the Act.

(II) Anything contained in any of the provisions of this Declaration to the contrary notwithstanding,

(A) for purposes of the provisions of the first sentence of this subsection an amendment of the By-Laws in accordance with the provisions thereof and of this Declaration shall not be deemed to be an amendment of this Declaration;

(B) the By-Laws may be amended by and only by both (1) the affirmative vote of Unit Owners having seventy-five percent (75%) or more of the total number of Votes which are then held by all of the Unit Owners; and (2) if such amendment would materially affect the rights, priorities, remedies or interest under the Declaration, the By-Laws or the Condominium Plat of such Mortgagee, the prior written approval thereof by each Mortgagee who has both notified the Council of its status as such, and furnished the Council with the information which it is required by the By-Laws to furnish to the Council, all in the manner which is set forth therein;

(C) the Developer may, without obtaining the consent thereto of any Unit Owner or Mortgagee, amend this Declaration, the By-Laws or the Condominium Plat if and only if such amendment is (in the Developer's reasonable opinion) necessary to correct obvious typographical or mathematical errors therein; and

(D) nothing in the foregoing provisions of this subsection shall be deemed in any way to require the consent of each Unit Owner and each Mortgagee to any action taken by one or more Unit Owners pursuant to the provisions of Section 11-107(d) of the Act, so long as the amendment to the Declaration which effectuates the same pursuant to such provisions is executed by the Unit Owners and Mortgagees, if any, of the Units involved in such action.

(III) Any such amendment shall become effective upon and only upon the recordation of an appropriate amending instrument or plat among the Land Records.

(d) Waiver. The Developer shall not be deemed to have waived the exercise of any right which it holds hereunder unless such waiver is made expressly and in writing (and, without limiting the generality of the foregoing, no delay or omission by the Developer in exercising any such right shall be deemed to be a waiver of the exercise thereof). No such waiver made with respect to any instance involving the

exercise of any such right shall be deemed to be a waiver with respect to any other instance involving the exercise thereof, or with respect to any other such right.

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

(f) **Headings.** The headings of the sections and subsections hereof are provided herein for and only for convenience of reference, and shall not be considered in construing the contents thereof.

(g) **Severability.** No determination by any court, governmental or administrative body or otherwise that any provision of this Declaration, the By-Laws, the Condominium Plat or any amendment thereof is invalid or unenforceable in any instance shall affect the validity or enforceability of (i) any other provision thereof, or (ii) such provision in any instance which is not controlled by such determination. Each such provision shall be valid and enforceable to the fullest extent allowed by law, and shall be construed wherever possible as being consistent with applicable law.

(h) **Construction.** All references made herein (i) in the neuter, masculine or feminine gender shall be deemed to have been made in all such genders; and (ii) in the singular or plural number shall be deemed to have been made, respectively, in the plural or singular number as well.

(i) **Contract Purchasers and Lessees.** Nothing in the provisions of this Declaration or the By-Laws shall be deemed in any way to condition the effectiveness of any action upon the consent thereto or joinder therein of any Contract Purchaser or Lessee of a Unit, notwithstanding that such effectiveness may be conditioned upon the consent thereto or joinder therein of the Unit Owner of such Unit.

(j) **Exhibits.** Each writing or plat which is referred to herein as being attached hereto as an exhibit or is otherwise designated herein as an exhibit hereto is hereby made a part hereof.

(k) **General plan of development.**

(i) The provisions of this Declaration, the By-Laws and the Condominium Plat shall conclusively be deemed to be part of a general plan or scheme of development and use for the Condominium and, as such, to be covenants running with, binding upon, benefiting and burdening the respective titles to each Unit and the Common Elements, provided, that the same shall not be deemed covenants running with, binding upon, benefiting or burdening the title to (or otherwise to be enforceable at law or in equity with respect to)

(A) any Future Parcel or portion thereof, unless and until it is added to the Condominium through an expansion thereof pursuant to the provisions of Section 7 hereof, or

(B) any land not contained within Parcel I or any Future Parcel.

(ii) If any Unit Owner or other person fails to comply with any of such provisions, such failure shall give rise to a cause of action for the recovery of damages, injunctive relief, or both, in any or all of the Developer, the Council and each Unit Owner, and their respective heirs, personal representatives, successors and assigns.

(iii) Both the Developer, by delivering to any person a deed conveying to such person the title to a Unit, and such person, by accepting such delivery, shall be deemed thereby to have agreed with each other, and with the Council and each other Unit Owner, to be bound by the provisions of this Declaration, the By-Laws and the Condominium Plat.

(iv) Any lease or licensing agreement entered into by a Unit Owner or another person as landlord and covering any or all of a Unit, or by the Council and covering any of the Common Elements, shall be in writing; and shall expressly provide (A) that the terms of the lease or license thereby created are in all respects subject to the operation and effect of the provisions of this Declaration, the By-Laws and the Condominium Plat; and (B) that any failure by the lessee or licensee thereunder to comply with such provisions shall constitute a default under such agreement. To the extent that any such agreement does not expressly so provide, it shall be deemed to do so.

(v) The liability of each person who, together with one or more other persons, is a Unit Owner or a Lessee for the adherence to the terms and the satisfaction of the conditions hereof shall be joint and several.

(l) The Developer's affirmation pursuant to section 11-102.1 of the Act.

The Developer hereby affirms under penalty of perjury that the notice requirements of section 11-102.1 of the Real Property Article of the Annotated Code of Maryland, if applicable to this Declaration or to the Condominium, have been fulfilled.

(m) Baltimore County Approvals. The provisions of this Declaration which condition the effectiveness of any amendment of this Declaration upon the consent thereto by Baltimore County, Maryland, have been included in this Declaration in reliance upon the assertion by Baltimore County, Maryland, to the Developer that Baltimore County, Maryland, is empowered under law to require its prior approval for recordation among the said Land Records of any amendment to this Declaration. Accordingly, if the Court of Appeals of Maryland or some other court of competent jurisdiction, or the Attorney General of Maryland should hold, declare or opine that Baltimore County, Maryland, does not have such power, or if any applicable state or local statute should be enacted, the effect of which is either to declare that Baltimore County, Maryland,

lacks such power, or to terminate such power, the said provisions of this Declaration by which the consent of Baltimore County, Maryland, is so required, as aforesaid, shall thereupon become of no force or effect, and shall so remain for so long as such holding, declaration, opinion or statute shall remain in effect.

IN WITNESS WHEREOF, the Developer has caused this Declaration to be executed and sealed on its behalf by its duly authorized representatives, the day and year first above written.

WITNESS:

BEDFORD VILLAGE,
a limited partnership
existing under the law of
Maryland,

Frank J. Wierzbicki

By *[Signature]* (SEAL)
by IVAN STERN, general
partner

Developer

STATE OF *Maryland* COUNTY OF *Baltimore* TO WIT:

I HEREBY CERTIFY that on this 5th day of October, 1978, before me, the subscriber, a Notary Public for the state and county aforesaid, personally appeared IVAN STERN, known to me or satisfactorily proven to be the person whose name is subscribed to the foregoing instrument, who acknowledged that he is the General Partner of BEDFORD VILLAGE, a limited partnership organized and existing under the law of Maryland, the entity named in the foregoing instrument as "the Developer", that he has been duly authorized to execute, and has executed, the said instrument on behalf of the said entity for the purposes therein set forth, and that the same is its act and deed.

AS WITNESS my hand and Notarial Seal.

REVIEWED FOR BALTIMORE COUNTY
REQUIREMENTS

[Signature]
ASSISTANT COUNTY SOLICITOR

Frank J. Wierzbicki
Notary Public

My commission expires on July 6, 1982.

BEDFORD VILLAGE, a condominium

DECLARATIONEXHIBIT ADescription of Parcel 1

Description of 0.765 Acres of Land, More or Less
3rd Election District
Baltimore County, Maryland

Beginning for the same at a pipe heretofore set on the North side of Church Lane said pipe being at the end of the first line of a deed dated March 3, 1969 and recorded among the Land Records of Baltimore County in Liber O.T.G. 4977 Folio 56 was conveyed by Max Rubenstein and Bertha Rubenstein, his wife, unto Isaac Goldman and Jean Goldman, his wife, and running thence as now surveyed North $21^{\circ} 18' 55''$ West 310.18 feet, thence North $68^{\circ} 41' 05''$ East 134.76 feet, thence South $21^{\circ} 18' 55''$ East 60.00 feet, thence South $68^{\circ} 41' 04''$ West 22.75 feet, thence South $21^{\circ} 18' 55''$ East 250.18 feet to an iron pipe heretofore set on the North side of Church Lane thence running parallel to and approximately 15 feet distant from the centerline of the aforesaid Church Lane South $68^{\circ} 41' 05''$ West 112.01 feet to the place of beginning. Containing 0.765 acres of land, more or less.

For fee simple title of the Grantors in the above, see the following: first, deed dated January 17, 1975 and recorded among the Land Records of Baltimore County in Liber E.H.K., Jr. 5510 Folio 318 from Abraham Krutman and Stephen Henry Carner, Co-Executors of the Last Will and Testament of Jack Carner, and secondly a deed dated March 3, 1969 and recorded among the Land Records of Baltimore County in Liber O.T.G. 4977 Folio 56 from Max Rubenstein and Bertha Rubenstein, his wife, and thirdly, a plat dated November 24, 1897 and recorded among the Plat Records of Baltimore County in Plat Book J.W.S. 2, Part 1, Folio 94 and known as the lands of D. W. Dwyer, part of Lot 33, all of Lot 34 and Lot 35.

BEDFORD VILLAGE, a condominium

DECLARATIONEXHIBIT D-1Description of Parcel II

Description of 0.511 Acres of Land, More or Less
3rd Election District
Baltimore County, Maryland

Beginning for the same at a pipe heretofore set on the North side of Church Lane said pipe being at the end of the last line of the first-ly described parcel of land in a deed dated March 3, 1969 and recorded among the Land Records of Baltimore County in Liber O.T.C. 4977 Folio 56 was conveyed by Max Rubenstein and Bertha Rubenstein, his wife, unto Isaac Goldman and Jean Goldman, his wife, and running thence as now surveyed the following four courses and distances: North 15° 05' 38" West 250.18 feet, thence North 74° 54' 22" East 89.00 feet, thence South 15° 05' 38" East 250.18 feet to the North side of Church Lane, thence South 74° 54' 22" West 89.00 feet to the place of beginning. Containing 0.511 Acres of land, more or less.

BEDFORD VILLAGE, a condominium

DECLARATIONEXHIBIT D-2Description of Parcel III

Description of 1.735 Acres of Land, More or Less
3rd Election District
Baltimore County, Maryland

Beginning for the same at a point said point being at the end of the first line of the firstly described parcel of land in a deed dated March 3, 1969 and recorded among the Land Records of Baltimore County in Liber O.T.G. 4977 Folio 56 was conveyed by Max Rubenstein and Bertha Rubenstein, his wife, unto Isaac Goldman and Jean Goldman, his wife, and running thence South $74^{\circ} 54' 22''$ West 81.33 feet, thence running North $15^{\circ} 05' 38''$ West 120 feet, thence North $10^{\circ} 30'$ East 27 feet, thence North $62^{\circ} 35'$ East 22 feet, thence North $40^{\circ} 10'$ East 40 feet, thence North $89^{\circ} 30'$ East 16.2 feet, thence North $39^{\circ} 24'$ East 36.6 feet, thence North $62^{\circ} 45'$ East 39.3 feet, thence North $48^{\circ} 15'$ East 61.6 feet, thence North $66^{\circ} 30'$ East 35.4 feet, thence North $48^{\circ} 55'$ East 34.5 feet, thence North $75^{\circ} 50'$ East 14.9 feet, thence North $58^{\circ} 15'$ East 6 feet, thence South $03^{\circ} 30'$ East 95 feet, thence South $15^{\circ} 05' 38''$ East 166 feet, thence South $74^{\circ} 54' 22''$ West 45.75 feet, thence North $15^{\circ} 46' 31''$ West 60.00 feet, thence South $74^{\circ} 48' 07''$ West 134.76 feet, thence South $15^{\circ} 05' 38''$ East 60.00 feet to the place of beginning, Containing 1.735 acres of land, more or less.

For fee simple title of the Grantors in the above, see the following: first, deed dated January 17, 1975 and recorded among the Land Records of Baltimore County in Liber E.H.K., Jr. 5510 Folio 318 from Abraham Krutman and Stephen Henry Carner, Co-Executors of the Last Will and Testament of Jack Carner, and secondly a deed dated March 3, 1969 and recorded among the Land Records of Baltimore County in Liber O.T.G. 4977 Folio 56 from Max Rubenstein and Bertha Rubenstein, his wife, and thirdly, a plat dated November 24, 1897 and recorded among the Plat Records of Baltimore County in Plat Book J.W.S. 2, Part 1, Folio 94 and known as the lands of D. W. Dwyer, part of Lot 33, all of Lot 34 and Lot 35.

BEDFORD VILLAGE, a condominium

DECLARATIONEXHIBIT E

Maximum number of Units which may
may be added to the Condominium by an expansion thereof.

The maximum number of Units which may be added to
the Condominium by an expansion thereof pursuant to the
provisions of Article 7 of the Declaration shall be that
number of Units which is set forth hereinbelow with respect
each Future Parcel which is thereby added to the Condominium:

<u>Future Parcel</u>	<u>Number of Units</u>
II	9
III	23
Total	32

Rec'd for record OCT 31 1978 at *Sup*
Per Elmer H. Kahline, Jr., Clerk
Mail to *Bedford Village Assoc*
Receipt No. *97.00*

0076**** 211376K 8L-31-78
0076**** 211376K 8L-31-78

DECLARATION OF COVENANTS

THIS DECLARATION OF COVENANTS, made this 12th day of October, 1978, by BEDFORD VILLAGE, a limited partnership organized and existing under the law of Maryland (hereinafter referred to as "the Declarant").

WITNESSETH, THAT WHEREAS the Declarant is the owner of all of that tract of land situate and lying in the 3rd Election District of Baltimore County, Maryland, which is more particularly described in Exhibit A hereto, and which, together with the improvements thereon and the rights, alleys, ways, waters, privileges, appurtenances and advantages, to the same belonging or in any way appertaining, is hereinafter referred to as "Section I"; and

WHEREAS the Declarant intends to subject Section I to a regime established under the provisions of title 11 of the Real Property Article of the Annotated Code of Maryland (1974 edition, as amended) (hereinafter referred to as "the Horizontal Property Act"), and thereby to create a condominium with respect to Section I, all by the recordation among the Land Records of the said County, immediately following the recordation thereamong of this Declaration of Covenants, of a declaration (hereinafter referred to as "the Condominium Declaration") of even date herewith, of a form of by-laws (hereinafter referred to as "the By-Laws") which is more particularly referred to in the Condominium Declaration, and of those certain plats (hereinafter referred to collectively as "the Condominium Plat") entitled "BEDFORD VILLAGE

_____, dated May, 1978, prepared by McKee Duval & Associates, and designated as Exhibit B to the Condominium Declaration, and

WITNESSETH, THAT WHEREAS the Declarant is the owner of all of that tract of land situate and lying in the 3rd Election District of Baltimore County, Maryland, which is more particularly described in Exhibit A hereto, and which, together with the improvements thereon and the rights, alleys, ways, waters, privileges, appurtenances and advantages, to the same belonging or in any way appertaining, is hereinafter referred to as "Section I"; and

gla

upon which Section I has been designated; and

WHEREAS the Declarant further intends under the provisions of the Condominium Declaration to reserve the right, to be exercised at the Declarant's sole discretion, hereafter to subject certain additional tracts of land which are more particularly described in the Condominium Declaration, together with the improvements thereon and the appurtenances thereto, to the said condominium regime and thereby to expand the condominium created by the subsection of Section I to the said condominium regime, as aforesaid (each of which additional tracts of land, improvements and appurtenances is hereinafter referred to singularly as an "Additional Section", all of which are hereinafter referred to collectively as "the Additional Sections", and all of which Additional Sections, together with Section I, either at this time or at any time hereafter so subjected [but, as to each of the Additional Sections, not unless and until it shall have been so subjected], being hereinafter referred to collectively as "the Condominium"); and

WHEREAS the Declarant further intends, by this Declaration of Covenants, to impose upon the title to all of those portions (hereinafter referred to collectively as "the Open Space Areas") of Section I which are more particularly shown in Exhibit B hereto certain covenants and restrictions, all upon the terms and subject to the conditions which are hereinafter set forth, and all for the purpose of enhancing and protecting the value and attractiveness of Section I; and

WHEREAS the Open Space Areas will, under the provisions of the Condominium Declaration, form part of the Common Elements (as that term is defined therein) of the Condominium, and as such will be owned by all of the Unit

Owners of the Units (as those terms are defined therein) of the Condominium as tenants-in-common,

NOW, THEREFORE, the Declarant hereby declares that the title to the Open Space Areas shall be held, sold and conveyed subject to the covenants and restrictions which are hereinafter set forth:

Section 1. Definitions.

(a) As used herein, the terms "the Declarant", "Section I", "the Condominium Declaration", "the Horizontal Property Act", "the By-Laws", "the Condominium Plat", "Additional Section", "the Additional Sections", "the Condominium", "the Open Space Areas", "the Common Elements", "Unit Owner", "Unit" and "the Council of Unit Owners" shall be deemed to have the meanings which are hereinabove or hereinafter ascribed to them.

(b) As used herein,

(i) the term "person" shall be deemed to mean a natural person, a trustee, a corporation, a partnership and any other form of legal entity;

(ii) the term "Improvements" shall be deemed to mean any and all buildings, other structures, swimming pools, other recreational facilities, other facilities, fences, utility lines, roadways, parking areas or other improvements; and

(iii) the term "Residents" shall be deemed to mean, in the aggregate, the resident occupants of the Units which, from time to time, form part of the Condominium, regardless of whether such residential occupants shall be the Unit Owners of such Units.

Section 2. Restriction Upon the Use of the Open Space Areas.

(a) No portion of the land which constitutes the Open Space Areas shall be used, and no Improvements shall be

constructed thereon, for any purpose other than the following purposes:

(i) recreational, park, beautification or amenity purposes;

(ii) the construction, installation, use, operation, maintenance, repair and replacement of any and all sanitary, storm sewer or sedimentary control lines, drains, culverts, ponds, or pumping stations; water lines, sewer mains or pumping stations; electrical lines or cables; telephone or television lines or cables; gas lines or mains; and any other similar facilities for the furnishing of any utility or utilities which may be necessary or desirable for or in connection with the development or use of Section 1 (and/or of any of the Additional Sections, regardless of whether they shall then have been incorporated within the Condominium pursuant to the provisions of the Condominium Declaration), in accordance with applicable ordinances, rules and regulations of Baltimore County, Maryland, and other applicable law;

(iii) the construction, installation, use, operation, maintenance, repair and replacement of any and all roadways, parking areas, sidewalks or other improvements which are shown on the Condominium Plat as being within the Open Space Areas;

(iv) the installation, maintenance and use of sanitary containers and/or incinerator facilities for use with respect to the Condominium, subject to the operation and effect of the provisions of Section 2(b)(iv) hereof; and

(v) such other uses to which the Unit Owners may (pursuant to and in accordance with the provisions of the Horizontal Property Act and of the Condominium Declaration) determine to put any or all of the Open Space Areas.

provided that Baltimore County, Maryland, shall have given its written consent thereto.

(b) Without limiting the generality of the foregoing provisions of this Section,

(i) No noxious or offensive activity shall be carried on upon any of the Open Space Areas, nor shall anything be done thereon which may be or become an unreasonable annoyance or nuisance to any of the Residents.

(ii) No sign of any kind shall be displayed to the public view upon any of the Open Space Areas, other than one or more signs of not more than fifteen (15) square feet in area and used for one or more of the following purposes:

(A) the location, and/or the advertisement for sale or rent, of any of the Units or any other portion of Section I or of any of the Additional Sections;

(B) the advertisement of the use of one or more builders and/or lenders in connection with the construction, financing and/or marketing of any of the Units or any other portion of Section I or of any of the Additional Sections, but only during the period of any such construction, financing or marketing; and

(C) the provision of identifying, directional or other information containing no advertising matter.

(iii) No livestock, poultry or other animals shall be raised, bred or kept on any of the Open Space Areas; provided, that nothing in the foregoing provisions of this Section 2(b)(iii) shall be deemed in any way to prohibit or restrict the raising, breeding or keeping thereon of dogs, cats or other household pets for non-commercial purposes.

(iv) None of the Open Space Areas shall be used or maintained as a dumping ground for any rubbish.

trash, garbage or other waste, nor shall any rubbish, trash, garbage or other waste be kept thereon, except in one or more sanitary containers or incinerator facilities. All such sanitary containers or incinerator facilities shall be kept in a clean and sanitary condition, and all such rubbish, trash, garbage and other waste shall be collected in a manner approved by Baltimore County, Maryland.

Section 3. Maintenance.

The Unit Owners or the Council of Unit Owners (as that term is defined in the Condominium Declaration) shall supervise, manage, operate, examine, inspect, care for, preserve, replace, restore and maintain the Open Space Areas and the Improvements thereon in accordance with reasonable park and open space maintenance standards as established from time to time by applicable law (including, by way of example rather than of limitation, those relating to the removal of trash, debris, fallen trees, stumps and high grass which could reasonably be expected to contribute to accident or injury, or which shall otherwise constitute generally unsafe or unsanitary conditions). Nothing in the foregoing provisions of this Section shall be deemed in any way to impose upon the Declarant, any of the Unit Owners or any other person any liability for damages or any other relief (other than injunctive relief) on account of any violation of any of such provisions.

Section 5. Severability.

No determination or adjudication by any court, governmental or administrative body or agency or otherwise that any provision of this Declaration of Covenants or of any amendment hereto or modification hereof is invalid or unenforceable in any instance shall affect the validity or the enforceability (a) of any other provision of this De-

claration of Covenants, of such amendment or modification, or of any other such amendment or modification, or (b) of such provision in any other instance or circumstances which is or are neither within the jurisdiction of such court, body or agency nor controlled by its said determination or adjudication. Each and every provision hereof and of each such amendment or modification shall be and remain valid and enforceable to the fullest extent allowed by law, and shall be construed wherever possible as being consistent with applicable law.

Section 6. General.

(a) Effectiveness. This Declaration of Covenants shall be and become effective upon and only upon the full and complete execution, ensealment and acknowledgement hereof by the Declarant, and the recordation hereof among the said Land Records.

(b) Amendment. This Declaration of Covenants may be amended by and only by an instrument which shall have been executed, ensealed and acknowledged by each of the Unit Owners and recorded among the said Land Records, and upon which Baltimore County, Maryland, shall have indicated its consent to such amendment. Nothing in the foregoing provisions of this subsection shall be deemed in any way to alter or impair the operation and effect of any provision of any mortgage, deed of trust, other security instrument or other instrument (including, by way of example rather than of limitation, the Condominium Declaration, the Condominium Plat or the By-Laws, as any of the same may from time to time be amended) pursuant to which any mortgagee, any beneficiary under any such deed of trust, or any other person may be required to give his consent to any such amendment prior to its being effectuated.

(c) Waiver. No person shall be deemed to have waived the exercise of any right which such person may hold hereunder unless such waiver is made either expressly and in writing or pursuant to other provisions of this Declaration of Covenants (and, without limiting the generality of the foregoing, no delay or omission by any such person hereto in exercising any such right shall be deemed to constitute a waiver of the future exercise thereof). No such waiver made with respect to one or more instances involving the exercise of any such right shall be deemed to constitute a waiver with respect to other instances involving the exercise of such right, or with respect to other such rights.

(d) Applicable Law. This Declaration of Covenants shall be given effect, and shall be construed, by application of the law of Maryland, and any action, suit or proceeding arising hereunder shall be brought in the courts of Maryland; provided, that if any such action, suit or proceeding shall arise under the Constitution, laws or treaties of the United States of America, or if there shall exist a diversity of citizenship between or among the parties thereto, so that such action, suit or proceeding shall be brought in a United States District Court, such action, suit or proceeding shall be brought in the United States District Court for the District of Maryland.

(e) Headings. The headings of the sections and subsections hereof are provided herein for and only for convenience of reference, and shall not be considered in construing the contents of any such section or subsection.

(f) Construction. As used herein,

(1) all references made herein in the neuter, masculine or feminine gender shall be deemed to have been made in all such genders; and

(ii) all references made herein in the singular or plural number shall be deemed to have been made, respectively, in the plural or singular number as well.

(g) Exhibits. Each and every document or other writing which is referred to herein as being attached hereto as an exhibit or is otherwise designated herein as an exhibit hereto is hereby made a part hereof.

(h) Covenants to Run With Land. The burden of the covenants and restrictions which are created by the provisions of this Declaration of Covenants shall run with and bind upon the title to the Open Space Areas. The benefit of the said covenants and restrictions shall run with the title to each of the Units of the Condominium, as the same may hereafter be expanded from time to time pursuant to the provisions of the Condominium Declaration. Subject to the operation and effect of the provisions of Section 6(b) hereof, the said covenants and restrictions shall be perpetual.

(i) Nothing in the provisions of this Declaration of Covenants shall be deemed in any way to alter, impair or preclude the validity of the Condominium, as the same shall be established by the recordation of the Condominium Declaration, the By-Laws and the Condominium Plat among the said Land Records, as aforesaid, or to alter or impair the operation and effect of any of the provisions of any of the same.

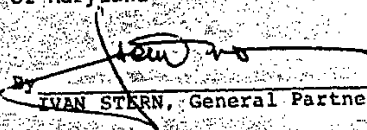
(j) The provisions of Section 2(a)(v) and Section 6(b) hereof which condition the effectiveness of, respectively, (i) certain "other uses" of the Open Space Areas, and (ii) the amendment of this Declaration of Covenants, upon the Consent thereto by Baltimore County, Maryland, have been included in this Declaration of Covenants in reliance upon the assertion by Baltimore County, Maryland, to the

Declarant that Baltimore County, Maryland, is empowered under law to require the recordation of this Declaration of Covenants as a condition to its approval for recordation among the said Land Records of the Condominium Declaration, the By-Laws and the Condominium Plat. Accordingly, if the Court of Appeals of Maryland or some other court of competent jurisdiction, or the Attorney General of Maryland should hold, declare or opine that Baltimore County, Maryland, does not have such power, or if any applicable state or local statute should be enacted, the effect of which is either to declare that Baltimore County, Maryland, lacks such power, or to terminate such power, the said provisions of this Declaration by which the consent of Baltimore County, Maryland, is so required, as aforesaid, shall thereupon become of no force or effect and shall so remain for so long as such holding, declaration, opinion or statute shall remain in effect.

IN WITNESS WHEREOF, the Declarant has caused this Declaration of Covenants to be executed, sealed and acknowledged on its behalf by its duly authorized representatives, the day and year first above written.

WITNESS:

BEDFORD VILLAGE, a limited partnership organized and existing under the law of Maryland

(SEAL)

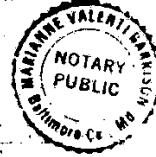
IVAN STERN, General Partner

The Declarant

STATE OF MD : COUNTY OF BALTIMORE : TO WIT:

I HEREBY CERTIFY that on this 10 day of October, 1972, before me, the subscriber, a Notary Public for the state and county aforesaid, personally appeared William E. [Signature] known to me or satisfactorily proven to be the person whose name is subscribed to the foregoing instrument, who acknowledged that he is the General Partner of BEDFORD VILLAGE, a limited partnership organized and existing under the law of Maryland and the entity named in the foregoing instrument as "the Declarant", that he has been duly authorized to execute, and has executed, the said instrument on behalf of the said entity, and that the said instrument is its act and deed.

AS WITNESS my hand and Notarial Seal.



Notary Public

My Commission Expires: 10/10/73

REVIEWED FOR BALTIMORE COUNTY
REQUIREMENTS

[Signature]
ASSISTANT COUNTY SOUTHERN