

CONDOMINIUM RESALE CERTIFICATE

The Gardens at Owings Mills II

Current Owner: Barbara J. Jackson

**Property Address: 12009 Tarragon Road Unit: E
Reisterstown, MD 21136**

Date Prepared: 04-10-2018

This Condominium Resale Certificate is being furnished to the selling unit owner named above by the council of Unit Owners of the association, in accordance with MD Real Prop. Code Ann. Section 11-135.

The following items, which the selling unit owner must provide to the purchaser, are attached to this Certificate:

1. A copy of the declaration (other than plats);
2. A copy of the by-laws; and
3. A copy of the rules and regulations of the condominium
4. The following information should be conveyed by the selling unit owner to the purchaser.

PLEASE RETURN THIS FORM WITH SETTLEMENT CHECKS AND CERTIFIED COPIES of THE HUD-1 SETTLEMENT STATEMENT/CLOSING DISCLOSURE, AND/OR THE GRANT OR WARRANTY DEED TO: TIDEWATER PROPERTY MANAGEMENT, INC. 3706 CRONDALL LANE STE. 105 OWINGS MILLS, MD 21117. PLEASE INDICATE CONFIRMATION NUMBER ON THE CHECK TO ENSURE PAYMENT IS CREDITED PROPERLY.

#	Question	Response
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	The effect on the proposed conveyance of any right of first refusal or other restraint on the free alienability of the selling unit other than any restraint created by the selling unit owner is as follows:	
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None

The selling unit is subject to a common expense assessment as follows:

For financial and account information, please contact Mission Financial Management at 800-414-9455 or mission@missionmgt.com

As of the date of this Certificate, the following unpaid common expenses or special assessments adopted by the council of unit owners that is due and payable from the selling unit owner are:

For financial and account information, please contact Mission Financial Management at 800-414-9455 or mission@missionmgt.com

A breakdown of this balance is:

Common expense assessments will continue to accrue in the stated amount, subject to the adoption of any budget changes, and will be due and payable by the selling unit owner until the selling unit has been conveyed.

Assessments which become due and payable after the date of this Certificate and prior to the conveyance of the selling unit, and which remain unpaid by the selling unit owner, may constitute a lien against the selling unit. If unpaid, this accrual must be added to the unpaid amount, if any, stated above, as of the date of conveyance of the selling unit.

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#	Question	Response
	<p>Other than common expenses and special assessments, the following fees are payable by the unit owners to the Council of Unit Owners:</p> <p>For financial and account information, please contact Mission Financial Management at 800-414-9455 or mission@missionmgt.com</p> <p>Capital expenditures approved by the Council of Unit Owners planned at the time of conveyance which are not reflected in the current operating budget are:</p> <p>For financial and account information, please contact Mission Financial Management at 800-414-9455 or mission@missionmgt.com</p> <p>Please note that any front foot benefit fees must be disclosed to purchaser at time of sale. If our office is aware of any such additional fees due for this property, we will do our best to disclose that here. However, it is ultimately the responsibility of the seller to do so. The association and its managing agent may not be held liable for any missing or inaccurate information provided herein regarding these fees.</p>	
	<p>Is this an age-restricted community?</p>	No
	<p>Attached is the most recently prepared balance sheet and income expense statement (dated as):</p> <p>2018</p> <p>The current operating budget of the Condominium is attached and is for fiscal year:</p> <p>2018</p>	
	<p>Does the budget include the current reserve study report or a summary of the report, a statement of the status and amount of any reserve or replacement fund?</p>	No
	<p>Unsatisfied judgments as of the date of this certificate are listed here.</p> <p>None</p>	
	<p>As of the date of this Certificate, the Council of Unit Owners is a party to the following pending lawsuits, excluding assessment collection suits:</p> <p>None</p>	
	<p>The insurance policy provided for the benefit of unit owners is Policy Number:</p> <p>90BXN1295</p> <p>The Master Insurance Policy is issued by:</p> <p>State Farm - Mike Sawyer II 9275 Baltimore National Pike #101 Ellicott City, MD 21042 410-461-6100</p>	
	<p>The Master Insurance Policy covers the following period (from/to):</p> <p>6/1/2014-Until Cancelled</p> <p>The policy contains the following coverages:</p>	

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#	Question	Response
	<p>Please see policy</p> <p>Insurance deductible amount:</p> <p>\$5,000</p> <p>Per Condominium law, the owner is responsible for up to \$5,000.00 of the insurance deductible.</p> <p>The policy is available for inspection during normal business hours at the offices of Tidewater Property Management, Inc., 3706 Crondall Lane, Suite 105, Owings Mills, MD 21117.</p> <p>The terms of the policy prevail over the description given in this Certificate.</p> <p>The Council of Unit Owners has actual knowledge of the following violation of the applicable health or building codes with respect to the common elements of the Condominium:</p> <p>None to our knowledge.</p> <p>The recreational or other facilities which are to be used or maintained by the unit owners or the Council of Unit Owners are:</p> <p>Tennis Court, Clubhouse</p> <p>Are these facilities part of the common elements?</p>	
	<p>The Council of Unit Owners has caused this Certificate to be prepared in compliance with MD, Real Prop. Code Ann. Section 11-135. To the best of the knowledge, information, and belief of the Board of Directors of the association, and its agents engaged in the preparation of this Resale Certificate, the statements contained in this Certificate are accurate and complete as of the date of issuance.</p>	<p>Yes</p> <p>yes</p>

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TO BE COMPLETED BY THE SELLING UNIT OWNER

The selling unit owner has knowledge that the following alteration to the selling unit or to the limited common elements assigned to the selling unit violates a provision of the declaration, by-laws, or rules and regulations:

The selling unit owner has knowledge of the existence of the following violation of the health or building codes with respect to the selling unit or the limited common elements assigned to the selling unit:

The selling unit owner has the knowledge that the selling unit ___ is ___ is not subject to an extended lease under Real Property Article Section 11-137 or local law. If the selling unit is subject to an extended lease, a copy of the lease is attached.

Selling Unit Owner

CONDOMINIUM RESALE CERTIFICATE

The Gardens at Owings Mills II

Comments

**Articles of Incorporation
The Gardens at Owings Mills II**

This document is currently either not available or not applicable for this association.

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Budget
The Gardens at Owings Mills II

**GARDENS at OWINGS MILLS CONDOMINIUM II
2018 BUDGET**

	Approved 2017 BUDGET	ACTUAL Y-T-D- Thru 7/17	PROJECTED 8/17 Thru 12/17	PROJECTED 2017 TOTALS	2018 BUDGET
INCOME:					3% increase
Condominium Fees	195,057	102,314	73,081	175,395	200,909
Late Fees	1,800	807	576	1,383	1,500
Interest On Collections	0	0	0	0	0
Laundry Room Commissions	2,400	1,581	1,129	2,709	2,400
Returned Check Fee		0	0	0	0
Bad Debt	(3,000)	(1,095)	-782	-1,878	(3,000)
Fines	100	0	0	0	100
Collection Expense	0	0	0	0	0
Interest On Savings/Checking	50	198	142	340	50
Unit Maintenance Charges	6,000	8,583	6,131	14,714	7,500
TOTAL INCOME	202,407	112,386	80,276	192,662	209,459
EXPENSES:					
ADMINISTRATIVE:					
Accounting/Audit	4,000	0	0	0	4,000
Bank Charges	0	0	0	0	0
Legal Fees	3,600	1,674	1,196	2,870	3,000
Management Fees	12,500	8,022	5,730	13,753	13,750
Office Supplies	501	1,287	919	2,206	2,000
Postage	1,500	0	0	0	0
Website	75	0	0	0	75
TOTAL ADMIN. EXP.	22,176	10,983	7,845	18,828	22,825
INSURANCE:					
Insurance/ P&C & Umbr	15,000	8,721	6,229	14,950	20,000
Insurance Claims	500	0	0	0	500
Interior Repairs-Casualty Loss	0	0	0	0	0
TOTAL INSURANCE	15,500	8,721	6,229	14,950	20,500
TAXES:					
Income Tax	200	0	0	0	200
TOTAL TAXES	200	0	0	0	200
MAINTENANCE EXPENSE					
General Repairs & Maint	30,000	33,788	24,134	57,922	31,000
Driveway/Parking	750	60	43	103	250
Door Repair	3,500	100	71	171	600
Roofs/Gutters Repair	3,500	1,897	1,355	3,251	3,500
Electrical Repairs	2,500	904	646	1,550	2,000
Emergency/Unit Repairs	25,000	3,101	2,215	5,316	7,500
Painting	2,000	0	0	0	2,000
Brick/Building Repair	450	4,996	3,569	8,565	5,000
Plumbing Repairs	7,200	3,597	2,569	6,166	7,500
Sprinkler Repairs	600	0	0	0	600
Tree Maintenance	1,500	0	0	0	534
Maintenance Supplies	1,000	443	316	759	1,000
TOTAL MAINTENANCE	78,000	48,885	34,918	83,802	61,484
CONTRACT EXPENSES:					
Lawn Maintenance Contract	5,800	4,903	3,502	8,405	8,000
Exterminating	1,500	1,243	888	2,132	2,000
Fire Extinguisher Annual Svc.	1,000	689	492	1,181	1,000
Fire Sprinkler Insp. Contract	1,500	0	0	0	1,500

**GARDENS at OWINGS MILLS CONDOMINIUM II
2018 BUDGET**

	Approved 2017 BUDGET	ACTUAL Y-T-D- Thru 7/17	PROJECTED 8/17 Thru 12/17	PROJECTED 2017 TOTALS	2018 BUDGET
Carpet Cleaning	1,000	155	111	266	500
Gutter Cleaning	500	225	161	386	500
Janitorial	8,400	5,299	3,785	9,084	9,500
Bulk Trash	2,400	2,014	1,438	3,452	3,500
Landscaping	840	60	43	103	100
Trash Removal	1,600	867	619	1,487	1,500
Snow Removal	7,200	2,463	1,759	4,222	7,500
TOTAL CONTRACT	31,740	17,918	12,799	30,717	35,600
UTILITIES:					
Electric/Gas/Gas Delivery	18,000	11,309	8,078	19,387	20,000
Water & Sewer	6,000	1,252	895	2,147	2,850
TOTAL UTILITIES	24,000	12,561	8,972	21,534	22,850
POOL EXPENSES:					
Pool Contract					
Pool - General Maint.		0	0	0	0
Pool - Furniture					
Pool- License / Permit					
Pool - Supplies					
Pool - Telephone.					
TOTAL POOL	0	0	0	0	0
TOTAL OPERATING EXPENSES	171,616	99,068	14,074	169,831	163,459
RESERVES:					
	30,791	26,942	19,244	46,187	46,000
Interest Allocation	0	198	142	340	0
TOTAL RESERVES	30,791	27,140	19,386	46,526	46,000
TOTAL EXPENSES	202,407	126,209	33,460	216,358	209,459
NET INCOME/EXPENSE	0			-23,695	0

Bylaws
The Gardens at Owings Mills II

BY-LAWS

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EXHIBIT C

THE GARDENS AT OWINGS MILLS II, A CONDOMINIUM

BY-LAWS

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THE GARDENS AT OWINGS MILLS II, 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, any term which is defined in Section 1 of the Declaration shall be deemed to have the meaning ascribed to it therein.

(b) As used in the By-Laws, the following terms have the meanings hereinafter ascribed to them:

(1) "Annual Assessment" has the meaning ascribed to it by the provisions of subsection 3.1.1.

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

(3) "Board Meeting" means a meeting of the Board of Directors, held pursuant to the provisions of subsection 2.4.7.

(4) "Condemnation" means either a taking in condemnation or by the exercise of a power of eminent domain or a conveyance made to a governmental or quasi-governmental authority which possesses such power, in settlement of any pending or threatened exercise thereof.

(5) "Council Property" means any and all real or personal property or other assets owned by the Council at any time.

(6) "the Declaration" means 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.

(7) "Director" means a member of the Board of Directors.

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(8) "Manager" means a person with whom the Council contracts to manage the Condominium and the Council's affairs pursuant to the provisions of subparagraph 2.4.10(b)(v).

(9) "Membership Meeting" means an Annual Membership Meeting or a Special Membership Meeting.

(10) "Notice Address" has the meaning ascribed to it by the provisions of Section 6.2.

(11) "Officers" means, 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 creates pursuant to the provisions of subparagraph 2.4.10(b)(xx).

(12) "Proxy" means the right given, pursuant to the provisions of paragraph 2.3.6, by a Unit Owner to any person to cast such Unit Owner's Votes on questions voted upon at a Membership Meeting.

(13) "Proxy Holder" means a person who holds a Proxy.

(14) "Special Assessment" has the meaning ascribed to it by the provisions of subsection 3.1.1.

(15) "Special Membership Meeting" means a special meeting of the Membership held pursuant to the provisions of subsection 2.3.3.

(c) Any other term to which meaning is specifically ascribed by any provision of these By-Laws shall for purposes of these 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.

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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 Council's administration of the Condominium's affairs, acting through its Officers, the Board of Directors or the Unit Owners;

(b) the ownership, sale, lease, 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, assignment or other transfer of any interest referred to in the provisions of subsection 1.2.1(b), 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. In accordance with the provisions of Section 11-109 of the Act and Title 5, Subtitle 2 of the Corporations and Associations Article of the

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Annotated Code of Maryland, the affairs of the Condominium shall be governed and administered by the Council. The Council shall be incorporated as a nonstock corporation. Unless and until changed by the Board of Directors, the mailing address of the Council of Unit Owners shall be c/o Beacon Street Realty, Inc., 11907-K Tarragon Road, Reisterstown, Maryland 21136.

Section 2.2. Powers and Duties.

2.2.1. General Powers. The Council shall have 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); or

(b) 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 held by the Unit Owners pursuant to the provisions of the Declaration;

(b) to adopt and amend reasonable Rules and Regulations, as it deems appropriate, in accordance with the provisions of the Act;

(c) to adopt and amend budgets for revenues, expenditures, and reserves and collect Assessments for common expenses from Unit Owners;

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

(e) 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;

(f) to make contracts and guarantees, incur liabilities and borrow money;

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(g) to sell, mortgage, lease, pledge, exchange, convey, transfer or otherwise dispose of any or all of its property and assets;

(h) to issue bonds, notes and other obligations, and secure the same by mortgage, deed of trust or other security conveyance of any or all of its property and income;

(i) 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, including any Unit, or any interest therein, wherever located;

(j) to hire and terminate a Manager and other employees, agents and independent contractors;

(k) 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

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

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

(n) to grant easements, rights-of-ways, licenses, leases in excess of one (1) year and similar interests in the General Common Elements in accordance with Section 11-125(f) of the Act and the Declaration;

(o) to impose charges for late payments of Assessments and, to the extent and in the manner permitted by the Act, to levy fines for violation of the Declaration, these By-Laws and the Rules and Regulations;

(p) to impose reasonable charges for the preparation and recordation of amendments to the Declaration, By-Laws, Rules and Regulations, resale certificates or statements of unpaid assessments;

(q) to provide for the indemnification of and maintain liability and errors and omissions insurance for Officers, Directors, and any Manager or other employee charged with the operation or maintenance of the Condominium;

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(r) to enforce the implied warranties made to the Council by the Developer under Section 11-131 of the Act;

(s) to enforce the provisions of the Act, the Declaration, these By-Laws and the Rules and Regulations against any Unit Owner or any lessee or guest of a Unit Owner;

(t) to pay to the council of unit owners of The Gardens at Owings Mills I, a condominium, the proportional costs and expenses for the upkeep and maintenance of the Recreational Facilities (as defined in the Declaration), as provided in the Declaration, and to ensure that the council of unit owners of The Gardens at Owings Mills I, a condominium, maintains separate books and records for costs and expenses associated with the Recreational Facilities and annually furnishes the Council with an itemized statement of such costs and expenses within ninety (90) days after the end of each calendar year, and to further ensure that all sums paid over by the Council towards such Recreational Facilities are properly utilized by the council of unit owners of The Gardens at Owings Mills I, a condominium to adequately maintain the facilities; and

(u) 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, 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

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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. The first Annual Membership Meeting shall be held on a date within sixty (60) days from the date on which initial purchasers of Units first hold at least fifty percent (50%) of the percentage interests in the Common Expenses and Common Profits of the Condominium, (but not on a Sunday or a legal holiday) at a time between 7:00 p.m. and 8:30 p.m., and at a place in Baltimore County, Maryland, all as chosen by the Board of Directors. At the first Annual Membership Meeting, the Council shall elect Directors in accordance with the provisions of Section 2.4 and may transact any other business which properly comes before it.

(b) Subsequent Annual Membership Meetings. Subsequent Annual Membership Meetings shall be held each year at a time between 7:00 P.M. and 8:30 P.M., on the first Tuesday of the month during which the first Annual Membership Meeting was held, and at a place in Baltimore County, Maryland, all as chosen by the Board of Directors. At each such subsequent Annual Membership Meeting, the Council shall elect the successors to each person whose term as a Director expires as of such Annual Membership Meeting and may transact any other business which properly comes before it.

(c) Notice of Annual Membership Meetings. By not later than ten (10), but not earlier than ninety (90), days before the date on which any 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.

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2.3.3. Special Membership Meetings.

(a) Circumstances. 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. Each Special Membership Meeting shall be held on a date which is not a Sunday or a legal holiday, and at a place in Baltimore County, 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 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 determine the date, time and place thereof.

(ii) The President shall call a Special Membership Meeting upon the Council's receipt, at any time after the first Annual Membership Meeting, of a petition requesting that such Special Membership Meeting be called, stating each intended purpose thereof, and signed by Unit Owners or Proxy Holders having at least twenty-five percent (25%) of the total number of Votes then outstanding. Whenever any such Special Membership Meeting is requested by any such petition, the President shall set a date therefor which is not later than ninety (90) days after the Council's receipt of such petition.

(c) Notice of Special Membership Meetings. By not later than ten (10), but not more than ninety (90), days before 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 to that effect, setting forth the intended purpose, the date, the time and the 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), 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

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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 Unit Owners and Proxy Holders whose respective Votes constitute, in the aggregate, twenty-five percent (25%) of the total number of Votes which are then outstanding shall be required for and shall constitute a quorum for such Membership Meeting.

(b) 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 Unit Owner or Proxy Holder.

2.3.5. Conduct of Membership Meetings.

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

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

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(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.

2.3.6. Voting at Membership Meetings.

(a) At any Membership Meeting, the persons entitled to vote shall consist of and only of the following persons:

(i) As to each Unit Owner for whom no Proxy is then in effect, such Unit Owner shall be entitled to cast the Votes appurtenant to his Unit, provided that if such Unit Owner consists of more than one person, any such person who is present shall be entitled to cast such Votes, but if more than one such person is present, and such persons are not able to agree upon how to cast such Votes, then the secretary of the Membership Meeting shall allocate such Votes evenly among them.

(ii) As to each Unit Owner for whom a Proxy is then in effect, the Proxy Holder shall be entitled to cast such Votes.

~~(b) The Secretary need not recognize any person as a Unit Owner or Proxy Holder at a Membership Meeting unless prior thereto the Unit Owner or Proxy Holder has furnished to the Secretary the information which is referred to in the provisions of Section 6.1.~~

(c) Except as may otherwise be set forth in 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 Council or the Unit Owners, such condition shall be satisfied by the affirmative vote of a majority of the Votes cast thereon.

(d) 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 such Proxy shall only be effective until revoked and unless such person is a lessee or Mortgagee 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 except with respect to a vote to amend these By-Laws, in which event the Proxy shall not be

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effective for more than ninety (90) days after its date. Any such Proxy shall only entitle the Proxy Holder to cast the Unit Owner's Votes at an election of Directors if such Proxy specifies the candidates for whom such Votes are to be cast.

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 and (ii) at least twenty-one (21) years old. A Director need not be a Unit Owner.

2.4.2. Terms of Directorships.

(a) The initial members of the Board of Directors shall be those persons named in the Articles and shall serve as Directors until the first Annual Membership Meeting, at which time their terms as Directors shall expire.

(b) (i) At the first Annual Membership Meeting, a successor shall be elected to each Director. One such successor shall be elected to serve for a term of three (3) years, one such successor shall be elected to serve for two (2) years, and one such successor shall be elected to serve for one (1) year.

(ii) At each subsequent Annual Membership Meeting, a successor shall be elected to the Director whose term then expires, to serve for a term of three (3) years.

(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.

2.4.3. Nomination of Directors.

(a) At least sixty (60) days before each Annual Membership Meeting, the President shall appoint a nominating committee of three Unit Owners, 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

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directorship to be filled at such Annual Membership Meeting, and shall present its nominations to the Secretary by not later than thirty (30) days before such Annual Membership Meeting.

(b) Any Unit Owner 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 by not later than fifteen (15) days before the written list of such nominees is furnished to the Unit Owners pursuant to subparagraph (c) hereof.

(c) By not later than ten (10) days before the date of such Annual Membership Meeting, each Unit Owner shall be furnished a written list of all nominees for directorships submitted pursuant to subparagraphs (a) or (b) and shall be furnished with a ballot for the directorial election, on which the names of each candidate shall be either typed or printed and on which no preference shall be indicated for any candidate. Where there is more than one (1) candidate, their names shall be arranged in alphabetical order.

2.4.4. 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) The person who receives the greatest number of Votes cast in such election, shall be declared elected. Where more than one (1) directorship is being filled, a separate election shall be held for each directorship.

(c) Subject to the limitations of paragraph 2.3.6(a)(ii), each Unit Owner may cast his Votes in such election either while in attendance at such Membership Meeting or prior thereto by depositing his completed ballot with the Secretary, who shall open it at such Membership Meeting.

2.4.5. 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, at a Board Meeting duly called for such purpose, shall elect

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his successor, who shall serve for the remainder of his term; provided, that if such position remains unfilled at the next Annual Membership Meeting, such successor shall be elected thereat by the Council, for the remainder of such term.

2.4.6. Removal of Directors. Any Director may be removed from his position as such, with or without cause, by the affirmative vote of Unit Owners having a Majority of the outstanding Votes, at any Annual Membership Meeting, or at any Special Membership Meeting duly called for such purpose.

2.4.7. 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 Tuesday thereof 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 to the Director 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

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be deemed to be a waiver by him of his right to be given notice thereof.

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

2.4.9 Unit Owners' Attendance at Board Meetings.

(a) Unless, pursuant to the provisions of Section 11-109.1 of the Act the Board of Directors is entitled to close a Board Meeting and affirmatively votes to do so in the manner required under Section 11-109.1, each Unit Owner shall be entitled to attend any Board Meeting, but no Unit Owner, other than a Unit Owner who is a Director, shall have any right to vote upon or (except with respect to that Board Meeting at which the Council's budget is to be approved and adopted pursuant to subsection 3.1.4) participate in the deliberations with respect to any question coming before such Board Meeting. Each Unit Owner shall be given notice of all Board Meetings, which notice may be given in a single annual notice setting forth the date, time and location of all Board Meetings for such year.

(b) 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. By not later than thirty (30) days before the date on which such Board Meeting is to be held, the Secretary shall give to each Unit Owner and each Proxy Holder a written notice to such effect, setting forth the intended purposes thereof, the date, time and place thereof, and a copy of the budget proposed to be adopted by the Board of Directors at such Board Meeting.

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2.4.10. 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; 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 Unit Owners.

(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 for the (x) operation, management, maintenance, renewal, replacement, repair and protection of the Common Elements and Council Property, and (y) to pay to the council of unit owners of The Gardens at Owings Mills I, a condominium, the proportional costs and expenses for the upkeep and maintenance of the Recreational Facilities (as defined in the Declaration) attributable to the Condominium as provided in the Declaration, provided that the Council may make no expenditure which would result in an increase of more than fifteen percent (15%) in the Assessments for the current fiscal year unless (x) such expenditure is made to correct conditions which, if not corrected, could

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reasonably result in a threat to the health or safety of the Unit Owners or a significant risk of damage to the Condominium, or (y) such increase shall have been adopted at a special meeting of the Board convened in accordance with the provisions of subsection 2.4.7 and subsection 2.4.9(b) as an amendment to the previously adopted budget;

(v) Selection of the Manager. to employ or contract with a Manager to manage the Condominium and/or the affairs of the Council; 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 11-110 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 shall be paid by the Council as part of the Common Expenses; and

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(4) any charges for water and sewer service levied against the Units shall be paid by the Council as part of the Common Expenses.

(viii) Employees, Services and Materials. to employ and dismiss such 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 to be prepared by an independent certified public account at the end of each fiscal year of the Council, and furnish to each Unit Owner, an annual audited financial statement for the Council;

(2) keep detailed books of account, in chronological order, of the receipts of the Council 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; and

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(xiii) Rules and Regulations

to (1) make, promulgate and amend from time to time reasonable Rules and Regulations, all as the Board of Directors deems appropriate, in accordance with the provisions of Section 11-111 of the Act; and

(2) enforce compliance by each Unit Owner and his family members, guests, invitees, contractors and tenants with the Rules and Regulations by injunction or such other legal action or means, including the levying of fines against a Unit Owner for any violation of the Rules and Regulations by the Unit Owner or his family members, guests, invitees, contractors and tenants, all as the Board of Directors deems appropriate and in accordance with the provisions of Section 11-113 of the Act;

(3) disseminate any rules and regulations applicable to the Recreational Facilities which have been enacted by the council of unit owners of The Gardens at Owings Mills I, a condominium;

(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;

(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 Direc-

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tors to act as trustees for the Council in holding title to such Unit; and/or (3) authorize the President or any other person 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, provided, that the Board of Directors shall obtain the approval by the Council of any alteration, addition or improvement which the Board of Directors estimates would cost more than \$10,000.00; 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; and

(xxi) Recreational Facilities. to collect as a part of the assessments for Common Expenses and pay to the council of unit owners of The Gardens at Owings Mills I, a condominium, the proportional costs and expenses for the upkeep and maintenance of the Recreational Facilities (as defined in the Declaration) attributable to the Condominium, as provided in the Declaration; and

(c) For purposes of the provisions of Section 11-107(d) and Section 11-115 of the Act, the Board of Directors (i) shall constitute, and is hereby

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designated to be, "the person or entity designated in the By-Laws to be in charge of the administration" of the Condominium, and (ii) shall be empowered to execute any amendment of the Declaration, to authorize any Unit Owner to remove all or part of any walls separating the Units or portions of them, and to grant any other consent or take any other action of a type referred to in the provisions of Section 11-107 or Section 11-115 of the Act, upon the terms and subject to the conditions set forth herein, and without the necessity of obtaining any consent thereto or joinder therein by the Unit Owners.

2.4.11. Limitation of Directors' and Officers' Liability.

(a) No Director or Officer, in his capacity as such, except in the event of his own individual willful misconduct or gross negligence in the performance of his duties, shall 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 and Officer, 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 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 Officer, or in connection with any settlement thereof, and (with respect to such expense whether or not he is a Director or Officer 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 or Officer is adjudged guilty of gross negligence or willful misconduct

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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 Unit Owners or the Board of Directors, or otherwise.

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

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, partner, employee or agent of a corporation, partnership, trust or other legal entity which, either alone or in combination with or as a partner of one or more other persons, is a Unit Owner.

(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.

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2.5.2. Election of Officers. The Officers shall be elected annually by the Board of Directors, 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; (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, and all drawings and specifications for the Condominium received by the Council and all insurance policies maintained by the Council pursuant to Article IV hereof (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); and (f) annually file with the appropriate agencies of the State of Maryland the names and mailing addresses of the Officers, Directors and resident agent of

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the Council and the Manager of the Condominium in accordance with the provisions of Section 11-119 of the Act.

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; 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 accounts and records to be maintained by the Treasurer 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. The Treasurer shall present at each Annual Membership Meeting an annual audited financial statement prepared by an independent certified public accountant 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 Unit Owners. 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.

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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 Council in Maryland shall be James C. Oliver, whose address is c/o Frank, Bernstein, Conaway & Goldman, 300 East Lombard Street, Baltimore, Maryland 21202. Such resident agent (a) is authorized to accept on behalf of the Council service of process in any action relating to the Common Elements, or the Council, and (b) shall serve until his successor is designated as provided by Section 11-119 of the Act.

Section 2.7. 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. Each of the Council's subsequent fiscal years shall begin on the first (1st) day of January of each succeeding calendar year and shall end on the thirty-first (31st) day of December of such succeeding calendar year.

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

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to the operation and effect of such provisions) be made in the following manner:

3.1.1. Classes of Assessments. 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"). The proceeds of the Annual Assessments may be used by the Council to defray any Common Expenses, including the proportion of the costs and expenses associated with the Recreational Facilities attributable to the Condominium. 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 for unreported Common Expenses.

3.1.2. Period of Assessments. 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. Not more than one Annual Assessment shall be levied against a Unit for any Assessment Year.

3.1.3. Allocation of Assessments Among Units.

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.

3.1.4. Adoption by Board of Directors; Notice of Assessment; When Assessments Become Due and Payable

(a) By not later than the thirtieth (30th) 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, (ii) the respective amount of the Annual Assessment to be levied against each Unit, and (iii) on a line-item basis the amounts allocated to each of the items set forth in paragraph (b) hereof and such

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other items as the Board of Directors deems appropriate. Such budget shall also separately set forth the projected proportional costs and expenses associated with maintaining, repairing, replacing and insuring the Recreational Facilities and which are attributable to Unit Owners of the Gardens at Owings Mills II, a condominium. By not later than thirty (30) days prior to the adoption of such budget, the Council shall provide a copy of the proposed budget to each Unit Owner at its Notice Address. Within fifteen (15) days after the adoption of such budget, the Council shall provide a copy of the budget, as adopted, to each Unit Owner at its Notice Address.

(b) For each fiscal year of the Council, an adequate amount of the annual budget shall be reserved for periodic maintenance, repair and replacement of Council Property and portions of the Common Elements. Such funds shall be deposited in a special interest-bearing account with a lending institution the accounts of which are insured by an agency of the United States of America, or may, in the discretion of the Board, be invested in the obligations of, or fully guaranteed as to principal, by, the United States of America, states, municipalities, or counties thereof. Such funds may be expended only for the purpose of effecting the periodic maintenance, repair and replacement of the Common Elements and Council Property of the Condominium and for operating contingencies of a non-recurring nature.

(c) Each Annual Assessment shall be paid to the Council in equal monthly installments in advance on the first day of each month, without notice. In the event that a Unit Owner shall fail to pay any such installment when and as the same shall be due and payable, then the Council shall have the right to declare the entire Assessment for such Assessment Year, less any amounts theretofore paid toward such Assessment, to be immediately due and payable, provided the Council complies with all of the requirements of the Act applicable to such action.

(d) Any Special Assessment shall be due on the date or dates specified therefor by the Association.

(e) Each Unit Owner acquiring title to his Unit from the Developer shall, in addition to any and all Assessments levied against his Unit, deliver to the Council, at the time of the transfer of such title, a contribution to the initial working capital of the Council equal to two (2) months' of the then Annual Assessment. Such working capital funds shall be used by the Council for

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initial organizational expenses, acquisition of capital equipment, operating equipment, initial furnishings and supplies, for establishment of a general working capital fund and for such other organizational costs at the start of the operation of the Condominium as the Council deems appropriate, but shall not be used for normal operating expenses of the Condominium.

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 due against a Unit and before it is paid in full to the Coun-

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cil, the Council, may establish and enforce a lien on the Unit. The Council may execute and record among the Land Records of Baltimore County, after complying with the provisions of Section 11-110 of the Act and Section 14-201 of the Maryland Contract Lien Act, a statement of lien with respect to such Assessment (or any installment thereof, if payable in installments and if the Council elects to make such statement of 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 Council in the exercise of its sole discretion, provided that, upon its having been executed and recorded among said Land Records, it constitutes a "statement of lien" for purposes of the provisions of Section 14-201 of the Maryland Contract Lien 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 lien with respect to such Assessment or installment is recorded among the Land Records of Baltimore County pursuant to the provisions of Section 11-110 of the Act and Section 14-201 of the Maryland Contract Lien Act, and the provisions of subsection 3.3.1 hereof until such Assessment or installment is paid, provided that notice is given to the Unit Owner within two (2) years of the Unit Owner's nonpayment.

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 said Land Records prior to the recordation thereamong of a statement of 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.

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(b) The Council shall be entitled (i) 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, (ii) to hold, lease, sublet, sell, convey and mortgage any such Unit so purchased; and (iii) if authorized by the Board of Directors, to borrow any or all of the purchase money therefor. 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.

(c) Any Unit Owner, against whose Unit the Council has recorded an Assessment Lien, may not vote at any meeting of the Council unless the amount necessary to release the lien has been paid at or prior to the time of such meeting.

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 highest rate of interest which from time to time is permitted by the Act to be charged with respect to the same. In addition, the Council may impose a late charge for each such Assessment or monthly installment thereof not paid within fifteen (15) days after the date upon which it becomes due in accordance with the provisions of the Act.

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, 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 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, reasonable attorneys' fees).

3.5.2. Limitation on Action. Anything contained in the foregoing provisions of this Section to the con-

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trary 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 Non-payment. The Council, 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, shall 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 upon the Condominium (including all of the Units and the Common Elements) all personal property located within the Common Elements, and all Council Property, and, in any event, not less than that insurance coverage required by the Act. The Council shall give written notice to each Unit Owner and each Mortgagee of the termination of any such insurance coverage within ten (10) days of such termination.

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.

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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 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.

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.

4.1.7. Inspection. The Council shall make available for inspection to any Unit Owner or Mortgagee copies of all insurance policies maintained by the Council upon the request of any such Unit Owner or Mortgagee.

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 each Unit and 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 from time to time after reasonable prior request. Such certificate shall show the relative amount of insurance covering each Unit and the undivided percentage interest in the Common Elements held by such Unit Owner, and shall provide that any improvements made to a Unit by any Unit Owner shall not affect the valuation of other improvements forming part of the Condominium for purposes of such insurance. Such master policies and certificates shall, to the extent obtainable by the Council using its best efforts, contain those provisions required by the Act, including without limitation, (a)

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that the insurer waives its rights to subrogation as to any claim against the Manager, 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. 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 are as follows:

4.3.1. Physical Damage Insurance. Physical damage insurance in an amount equal to not less than 80% of the full replacement value of all insurable improvements which form part of the Condominium, exclusive of wall coverings, carpeting and any other improvements or betterments installed in any Unit by or on behalf of the Unit Owner thereof, 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 \$10,000.00.

(a) Such coverage shall be all risk insurance and shall contain an extended coverage endorsement.

(b) The policies affording such coverage shall provide, to the extent obtainable by the Council, using its best efforts, 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.

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(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 (including medical payments insurance) insuring the Council, and, as employees, each Officer, Director, employee or agent (exclusive of independent contractors) thereof, each Unit Owner and the Manager against liability for bodily injury, death or property damage arising out of the use, ownership or maintenance of the Common Elements by any person or out of any of their activities on behalf of the Council. Such insurance shall have at least a Two Hundred Thousand Dollar (\$200,000.00), limit per individual claim and a Five Hundred Thousand Dollar (\$500,000.00) limit per total claims that arise from the same occurrence.

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 (exclusive of independent contractors) as is required by applicable law.

4.3.4. Fidelity Insurance. Fidelity insurance covering, as employees, the Manager and those Officers, Directors, employees and agents (exclusive of independent contractors) of the Council who handle Council receipts or Council Property, in an amount equal to the sum of three months of the Annual Assessments then being levied against all Unit Owners plus such amounts as are then being held by the Council as reserve funds pursuant to paragraph 3.1.4(b) hereof, or such greater amount as is 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 any wall coverings, carpeting

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and any other improvements or betterments installed in 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 the same waiver of subrogation by the insurer as that referred to in the provisions of Section 4.2, and either shall provide that the insurer shall have no right of contribution against any casualty insurance affording coverage against such risk held 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.

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.

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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, 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 Section 6.9 and Section 6.10 of the Declaration in the case of damage by fire or other casualty, and the provisions of Section 6.9 and Section 6.10 of the Declaration 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 Section 6.9 and Section 6.10 of the Declaration 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 on 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.

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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, 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 floor area of the Unit immediately after such Condemnation bears to the floor area 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

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Declaration setting forth such adjustment shall be executed and acknowledged by each Unit Owner and Mortgagee, and recorded among the Land Records of Baltimore County by the Council. The Council shall hold a power of attorney from each Unit Owner and Mortgagee for such purpose.

ARTICLE VI. MISCELLANEOUS PROVISIONS.

Section 6.1. Roster of Unit Owners, Mortgagees, and Proxy Holders.

6.1.1. 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 (and if a Proxy Holder, a statement as to whether the Proxy Holder is also a Mortgagee with respect to such Unit);

(b) the number of the Unit of which such person is a Unit Owner or Mortgagee, or for 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) 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 6.2; and

(e) 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.

6.1.2. Failure to Furnish Information. Unless the Council has been notified of the existence of a Unit Owner, Mortgagee or Proxy Holder and the Secretary has been supplied 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

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Officer, (b) unless permitted by the President, to participate in the consideration of or cast any vote upon any question voted upon by the Council or (c) otherwise to be recognized as such by the Council, any Director or Officer, employee or agent thereof, or any Unit Owner.

6.1.3. Maintenance of and Reliance on Roster. The Secretary shall maintain on a current basis a roster showing, with respect to each Unit, information pertaining to the Unit Owner thereof, any Mortgagee thereof, and any Proxy Holder with respect thereto. 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, 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 6.2. 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 in the United States mails, postage prepaid, and addressed (i) if the addressee is a Unit Owner, Proxy Holder, or Mortgagee who (in accordance with the provisions of Section 6.1 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 is the Council, to the address of the Council's resident agent, or to such other address in the United States of America as the Council may designate from time to time by notice to the Unit Owners, and (iii) 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 his Unit, or (b) shall

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be deemed to have been provided upon actual hand or other delivery to such person.

Section 6.3. Information to be Furnished in the Event of Resale by a Unit Owner.

6.3.1. Documentation to be Furnished to Purchaser. In the event of a resale of a Unit by a Unit Owner (other than the Developer), such Unit Owner is required by the provisions of Section 11-135 of the Act (and other provisions thereof) to furnish, and shall furnish, to the prospective purchaser thereof not later than fifteen (15) days prior to the conveyance of such Unit (a) a copy of the Declaration (other than the Condominium Plat), the By-Laws, the Rules and Regulations, (b) a certificate containing the statements and other information enumerated in such provisions of the Act (as such provisions may from time to time hereafter be amended), and (c) a statement by the Unit Owner as to whether the Unit Owner has knowledge (i) that any alteration to the Unit being sold or to the Limited Common Elements appurtenant thereto violates any provision of the Declaration, By-Laws or Rules and Regulations, and (ii) that the Unit or the Limited Common Elements appurtenant thereto are in violation of any applicable health or building code.

6.3.2. Certificate Provided by Council. The Council shall, within 20 days after its receipt of a written request therefor by a Unit Owner and payment of any fee therefor established by the Board of Directors, furnish to such Unit Owner a certificate setting forth the information required to be contained in the statement referred to in the provisions of subsection 6.3.1. Any Unit Owner who provides any such certificate to any such prospective purchaser pursuant to the provisions of subsection 6.3.1 shall not be liable to such purchaser for any error in or omission from such information provided by the Council and included in such certificate, and the Council shall defend, indemnify and hold harmless such Unit Owner against and from any liability or claim thereof to any person, or any expense, arising out of any such error or omission. Without altering or impairing the Council's obligation under the provisions of the immediately preceding sentence to defend, indemnify and hold harmless such Unit Owner, and subject to the operation and effect of such provisions, the Council shall not be liable to any Unit Owner or directly to any such purchaser for any misleading or erroneous information contained in any such certificate, provided it has acted

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reasonably and has exercised good faith in supplying such information.

6.3.3. Information to be Provided by Purchaser. Immediately after the sale of a Unit, the purchaser or his agent shall provide to the Council, to the extent available, the name and forwarding address of the prior Unit Owner, the name and address of the purchaser, the name and address of any Mortgagee, the date of settlement, and the proportionate amounts of any outstanding Assessments assumed by each of the parties to the transaction.

Section 6.4. 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 6.5. Amendment. These By-Laws may be amended in, and only in, the manner set forth in the Declaration and the Act.

Section 6.6. Applicable Law. These By-Laws shall be given effect and construed by application of the law of Maryland.

Section 6.7. 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 6.8. 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.

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THE GARDENS AT OWINGS MILLS II, A CONDOMINIUM

DECLARATION

EXHIBIT D

Allocation of Storage Space Limited Common Elements

<u>Building</u>	<u>Unit</u>	<u>Allocated Storage Bin</u>	
12001	A	Bin A	
	B	Bin B	
	D	Bin D	
	E	Bin E	
	F	Bin F	
	G	Bin G	
	H	Bin H	
	I	Bin I	
	J	Bin J	
	K	Bin K	
	L	Bin L	
	12003	A	Bin A
		C	Bin C
D		Bin D	
E		Bin E	
F		Bin F	
G		Bin G	
H		Bin H	
I		Bin I	
J		Bin J	
K		Bin K	
L		Bin L	
12005		A	Bin A
		B	Bin B
	D	Bin D	
	E	Bin E	
	F	Bin F	
	G	Bin G	
	H	Bin H	
	I	Bin I	
	J	Bin J	
	K	Bin K	
	L	Bin L	
	12007	A	Bin A
		C	Bin C
D		Bin D	
E		Bin E	

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<u>Building</u>	<u>Unit</u>	<u>Allocated Storage Bin</u>	
12007	F	Bin F	
	G	Bin G	
	H	Bin H	
	I	Bin I	
	J	Bin J	
	K	Bin K	
	L	Bin L	
	12009	A	Bin A
		B	Bin B
		D	Bin D
E		Bin E	
F		Bin F	
G		Bin G	
H		Bin H	
I		Bin I	
J		Bin J	
K		Bin K	
L		Bin L	
12011		A	Bin A
		C	Bin C
		D	Bin D
	E	Bin E	
	F	Bin F	
	G	Bin G	
	H	Bin H	
	I	Bin I	
	J	Bin J	
	K	Bin K	
	L	Bin L	

Dear Clerk: After recordation please return to R. Kelvin Antill,
Esquire, Frank, Bernstein, Conaway & Goldman, 300 East Lombard
Street, Suite 1700, Baltimore, Maryland 21202.

CC&Rs-Declaration
The Gardens at Owings Mills II

DECLARATION OF
COVENANTS,
CONDITIONS
AND
RESTRICTIONS

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THE GARDENS AT OWINGS MILLS II, A CONDOMINIUM

DECLARATION

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Assessments & Taxation
for Baltimore County

[Signature]

AGRICULTURAL TRANSFER TAX
NOT APPLICABLE

SIGNATURE *[Signature]* DATE 8-1-88

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THE GARDENS AT OWINGS MILLS II,
A CONDOMINIUM

DECLARATION

THIS DECLARATION, made this 1st day of August, 1989, by NORTHWEST PROPERTIES CO., a Maryland general partnership having an address at c/o MG Associates, Inc., 75 Scattle Street, Allston, Massachusetts 02134 (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 (which improvements consist of six (6) three story residential buildings containing a total of sixty-six (66) dwelling units) and the appurtenances thereto, and

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

NOW, THEREFORE, the Developer does hereby subject to a regime established under the provisions of the Maryland Condominium Act, all of that tract of land, situated and lying in Baltimore County, which is described in Exhibit A hereto, such property having been designated as "THE GARDENS AT OWINGS MILLS II, A CONDOMINIUM" on those certain plats collectively entitled "Condominium Plat - THE GARDENS AT OWINGS MILLS II, A CONDOMINIUM", dated April 18, 1988, prepared by Spellman, Larson & Associates labeled as Sheets 1 through 4, 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, and all of the rights, alleys, ways, waters, privileges, appurtenances and advantages to the same belonging or in any way appertaining (all of which land, improvements and appurtenances are hereinafter referred to collectively as "the Condominium"),

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,

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

Section 1. Definitions.

1.1. Specific Definitions. As used in the provisions of this Declaration, each of the following terms shall be deemed to have the meaning which is hereinafter ascribed to it:

(1) the "Act" shall mean the statutes entitled "The Maryland Condominium Act" codified as Title 11 of the Real Property Article of the Code, as from time to time amended.

(2) "Assessment" shall mean an amount assessed by the Council against a Unit Owner with respect to a Unit, pursuant to the provisions of Section 5.5.

(3) "Balcony Limited Common Elements" shall have the meaning ascribed to it by the provisions of subsection 3.3.2.

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

(5) "By-Laws" shall mean those by-laws, the initial form of which is referred to in the provisions of Section 5.1 and is attached hereto as Exhibit C, as from time to time amended.

(6) the "Code" shall mean the Annotated Code of Maryland as presently enacted.

(7) "Common Elements" shall mean all of the Condominium except the Units.

(8) "Common Expenses" shall mean the aggregate of 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.

(9) "Common Profits" shall mean all profits realized by the Council.

(10) the "Condominium" shall have the meaning given to it hereinabove.

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(11) "Condominium Plat" shall mean, collectively, those plats hereinabove referred to, together with any amendatory plats thereto.

(12) "Contract Purchaser" shall mean any person who enters into a contract which 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.

(13) "Council" shall mean the Council of Unit Owners, the entity described in the provisions of Section 5.2 hereof.

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

(15) "Developer" shall mean Northwest Properties Co. and each person or persons to whom such named person or any other person who is the Developer expressly assigns its rights as the Developer hereunder in the manner set forth in the provisions of Section 8.2 hereof.

(16) "General Common Elements" shall have the meaning ascribed to it by the provisions of Section 3.3.

(17) "Limited Common Elements" shall have the meaning ascribed to it by the provisions of Section 3.3.

(18) "Mortgage" shall mean any mortgage or deed of trust encumbering any Unit, and any other security instrument used from time to time in the locality of the Condominium (including by way of example rather than of limitation, any such other form of security arrangement which arises under any 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 has been recorded among the Land Records of Baltimore County.

(19) "Mortgagee" shall mean the party secured by a Mortgage and any private, public or quasi-public entity guaranteeing or insuring any Mortgage.

(20) "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

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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, or in lieu of such foreclosure proceeding.

(21) "Patio Limited Common Elements" shall have the meaning ascribed to it by the provisions of Section 3.3.2.

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

(23) "Recreational Facilities Agreement" shall mean the Recreational Facilities Declaration of Covenants and Easements having been duly executed and acknowledged by the Developer and recorded among the Land Records of Baltimore County, in Liber 7869, Folio 714.

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

(25) "Storage Space Limited Common Elements" shall have the meaning ascribed to it by the provisions of Section 3.3.2.

(26) "Unit" shall have the meaning ascribed to it by the provisions of Section 3.2.

(27) "Unit Owner" shall mean any person or combination of persons (including, by way of example rather than of limitation, the Developer) who holds the legal title to a Unit under a deed or other instrument; 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.

(28) "Votes" shall mean the votes which under the provisions of Section 5.3 hereof, the Unit Owners are entitled to cast in their capacities as such at meetings of the Council.

1.2. General Definitions. 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.

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1.3. Consistency With Act. Any term to which meaning is specifically ascribed by any provision of this Declaration and the ByLaws, 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 "THE GARDENS AT OWINGS MILLS II, A CONDOMINIUM".

Section 3. Units and Common Elements.

3.1. General. The Condominium shall be comprised of Units and Common Elements.

3.2. Units.

3.2.1. The Condominium shall contain sixty-six (66) Units.

3.2.2. 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 this Section 3.

3.2.3. Each Unit shall have and be known by a number or letter, or combination thereof, corresponding to the number or letter, or combination thereof, shown with respect to it on the Condominium Plat.

3.2.4. Except as may be otherwise provided herein, each Unit shall consist of all of the following:

(a) The space bounded by and contained within:

(i) with respect to the vertical limits, the following portions of the vertical perimetrical walls enclosing such Unit:

(A) the stud side of the wall-board of the vertical perimetrical walls enclosing such Unit; and

(B) with respect to any window opening or doorway opening to the outside surface of any of the said walls, the exterior surface (in the closed

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position) of the outermost window (including storm window), or the outermost door, set within such opening;

(ii) with respect to the upper horizontal limit, the stud side of the wallboard ceiling above such Unit; and

(iii) with respect to the lower horizontal limit, the upper surface of the wood flooring system for Units on the second and third floors, and the upper surface of the concrete slab for Units on the first floor; and

(b) Any circuit breaker panel, electrical meter, gas meter and any and all gas or electrical installations and fixtures (including, by way of example rather than of limitation, any and all outlets, meters, switches, lampholders or other electrical or gas service terminals, wherever located) which exist for the exclusive use of such Unit, and all wiring and conduits running from any such circuit breaker panel to any such installation or fixture.

(c) All of the equipment for the heating and air conditioning of such Unit, including all mechanical equipment and appurtenances located outside such Unit which are designed, designated or installed to serve only that Unit, and all of their controls and control wiring.

(d) All duct work running from such heating and air conditioning equipment to its outlets into such Unit, and any such outlets.

(e) All pipes and other lines running into the Unit from the hot water heating equipment.

(f) All range hoods or bath fans for such Unit, and all duct work connecting the same to any common exhaust duct serving such Unit as well as other Units.

(g) All bathroom and kitchen plumbing fixtures and connections thereto for such Unit, including, by way of example rather than of limitation, all sinks, faucets, commodes, bathtubs, shower stalls, hot or cold water pipes or drain pipes connecting any of the same with any common water or drain pipes serving such Unit as well as other Units.

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(h) All regular windows, storm windows, screens, regular doors, screen doors and storm doors which are set within any of the walls of such Unit.

(i) Any smoke detectors serving such Unit.

(j) All floor coverings, wall furnishings and all improvements, fixtures and installations of every kind and nature whatsoever located within the boundaries of such Unit as hereinabove set forth, as well as all improvements, fixtures and installations specifically designated by the provisions hereof as being part of such Unit, but not located within such boundaries.

3.2.5. Anything contained in the foregoing provisions of this Section 3.2 to the contrary notwithstanding, whenever there is located within the boundaries of a Unit, as described hereinabove, either (a) any load-bearing or structural wall, partition or column, or (b) any main, duct, stack, raceway, wire, conduit, line, drain, pipe, meter or other similar thing or device 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 include the loadbearing or structural portions of such wall, partition or column, or such thing or device.

3.2.6. 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 (a) any Unit Owner, by virtue of his status as such, or (b) any other person having any other interest in such Unit, by virtue of such interest, any interest in any other Unit.

3.3. The Common Elements.

3.3.1. The Common Elements (a) shall consist of all of the Condominium other than Units the legal title to which is held by a person other than the Council, and (b) shall be comprised of the Limited Common Elements and the General Common Elements.

3.3.2. The Limited Common Elements.

(a) The Limited Common Elements shall consist of those Common Elements which are designated as Limited Common Elements on the Condominium Plat and shall be comprised of the following classes of Limited Common Elements:

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(i) "Balcony Limited Common Elements" which shall include all those Limited Common Elements specifically designated by such name on the Condominium Plat;

(ii) "Patio Limited Common Elements" which shall include all those Limited Common Elements specifically designated by such name on the Condominium Plat.

(iii) "Storage Space Limited Common Elements" which shall include all those Limited Common Elements specifically designated by such name on the Condominium Plat.

(b) The exclusive right to use each of the Balcony Limited Common Elements and Patio Limited Common Elements shall be, and is hereby, reserved and restricted exclusively to the Unit Owner of the Unit immediately adjacent to such Limited Common Elements.

(c) The exclusive right to use each of the Storage Space Limited Common Elements shall be, and is, hereby reserved and restricted to the Unit Owner of the Unit especially identified with such Storage Space Limited Common Element on Exhibit D hereto.

3.3.3. The General Common Elements. The General Common Elements shall consist of all of the Common Elements other than the Limited Common Elements.

3.3.4. Ownership of the Common Elements. The Common Elements shall be owned by all of the Unit Owners, each of whom shall have that undivided percentage interest therein which is established pursuant to the provisions of Section 4 hereof.

3.3.5. Recreational Facilities. Pursuant to the Declaration of The Gardens at Owings Mill I, a Condominium, the Unit Owners and their lessees have been granted the right to use the recreational facilities consisting of the swimming pool, tennis court, tot lot and bathhouse (the "Recreational Facilities") now or hereafter located on Lot 1 as shown on the Subdivision Plat entitled "Tiffany Square Apartments" and recorded among the Land Records of Baltimore County in Plat Book OTG No. 34, Folio 55 and which constitute part of the General Common Elements of The Gardens at Owings Mills, I, a Condominium. The Council in turn, is obligated to pay, as part of the Common Expenses, a proportionate part of the cost of operating,

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maintaining, repairing, insuring and replacing said facilities.

3.4. Presumption as to Existing Physical Boundaries of Units and Common Elements.

The existing physical boundaries of any Unit or Common Element which are constructed or reconstructed in such a way that such existing physical boundaries substantially conform to the boundaries shown on the Condominium Plat shall conclusively be presumed to be the boundaries of such Unit or Common Element, regardless of whether (a) 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 (b) there exists any minor variation between the boundaries shown on the Condominium Plat and the existing physical boundaries.

3.5. 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) 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.

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

4.2. Common Elements Percentage Interest. Each Unit Owner's undivided percentage interest in the Common Elements shall equal the fraction thereof which is set forth with respect to his Unit in a schedule attached hereto as Exhibit B.

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4.3. Common Expenses and Common Profits. Each Unit Owner's percentage interest in the Common Expenses and Common Profits shall equal the fraction thereof which is set forth with respect to his Unit in Exhibit B.

4.4. Characteristics of Percentage Interests. The percentage interests which are created by the foregoing provisions of this Section may not be separated from the respective Units to which they are appurtenant, shall have a permanent character, and shall not be changed unless and until:

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

4.4.2 this Declaration has been amended to effect such change through the recordation of an appropriate amendatory instrument among the Land Records of Baltimore County.

4.5. Relationship of Unit to Common Element Percentage Interest. 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.

5.1. 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 as Exhibit C hereto, is to be recorded among the land records simultaneously herewith, and may be amended from time to time in accordance with the provisions thereof and of the Act and this Declaration.

5.2. The Council of Unit Owners.

5.2.1. The affairs of the Condominium shall be governed by The Council of Unit Owners of The Gardens at Owings Mills II, a Condominium, Incorporated, an entity which is both a council of unit owners under the provisions of the Act and a nonstock corporation organized and existing under the law of Maryland.

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5.2.2. The membership of the Council shall be comprised of and limited to all of the Unit Owners.

5.2.3. The Council shall have the rights, powers and duties which are vested in, exercisable by or imposed upon it by the provisions of this Declaration, the By-Laws, its articles of incorporation or applicable law.

5.3. Votes.

Each Unit Owner shall be entitled to cast one (1) Vote at meetings of the Council. 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 shall be deemed (i) 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 (ii) to alter or impair the operation and effect of any provision of this Declaration, the By-Laws or applicable law pursuant to which a Unit Owner's 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.

5.4. 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 (a) any right, title or interest in or to any of the Council's property or other assets, or (b) 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 the Act, this Declaration, the By-Laws or the Council.

5.5. 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 percentage 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.

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Section 6. Control of, and Rights in, Common Elements and Units.

6.1. Conveyance or Dedication by Council of Easements or Other Rights in the Common Elements.

6.1.1. The Council may grant to any person an easement, right-of-way, license, lease in excess of one (1) year, or similar interest in the Common Elements, if and only if such grant is approved by the affirmative vote of Unit Owners holding in the aggregate at least sixty-six and two-thirds percent (66-2/3%) of the number of Votes held by all of the Unit Owners, and with the express written consent of the Mortgagees of those Units as to which the Unit Owners vote affirmatively.

6.1.2. Notwithstanding the foregoing, the Board of Directors may grant easements, rights-of-way, licenses, leases in excess of one (1) year or similar interests for the provision of utility services (including, without limitation coin operated washers and dryers) or communication systems for the exclusive benefit of Units within the Condominium, provided that such grant is first approved by the affirmative vote of a majority of the Directors and further provided that such grant is otherwise in compliance with all of the applicable requirements of Section 11-125(f) of the Act.

6.1.3. 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 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 (i) 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,

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all as the Council considers appropriate for the provision of any utility or utility service to the Condominium and (ii) to Baltimore 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.

(b) 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 (i) through the condemnation thereof or the exercise of any power of eminent domain with respect to the same, or (ii) 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).

(c) grant easements, rights-of-way, licenses, leases in excess of one (1) year and other similar interests provided such grant has been approved in accordance with the provisions of subparagraphs 6.1.1 or 6.1.2.

(d) grant to the Developer an easement in, over and through the Common Elements for the construction, installation, use, operation, maintenance, repair and replacement of any improvement of the types enumerated in the provisions of paragraph 6.2.2 or subsection 6.3.

(e) execute, enseal, 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, ensealing, 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 subsection 6.1 or to exercise any of the rights and powers granted to the Council under this subsection 6.1.

6.1.4. Any instrument executed by the Council pursuant to the aforesaid power of attorney shall contain a certification that such instrument, or the transactions contemplated thereby have been approved by Unit Owners having the requisite number of Votes to approve such instrument or transaction, if such instrument or transaction requires such approval.

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6.2. Easements Benefiting Units.

6.2.1. Each Unit shall have the benefit of an easement for the lateral and vertical support of the improvements included within such Unit, which easement shall burden the Common Elements and each other Unit.

6.2.2. Each Unit shall have the benefit of a non-exclusive easement for the use of

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

(b) each street, parking space, sidewalk, corridor, stairway or entranceway which from time to time is part of the General Common Elements.

6.2.3. Each Unit shall have the benefit of a non-exclusive easement for the use 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) 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 General Common Elements; and

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

6.2.4. Conveyance of Easements. 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.

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6.3. Development and Other Easements.

6.3.1. The Developer shall have, and the Developer hereby reserves, easements in, over and through the Common Elements,

(a) for pedestrian and vehicular ingress and egress to and from each public roadway which at any time abuts the Condominium, from and to each Unit, for access by (i) the Developer and its personal representatives, successors and assigns as owner of each respective Unit or other portion thereof, (ii) any contractor, subcontractor, real estate agent or broker utilized by the Developer, and (iii) their respective agents, officers, employees, and invitees, all for any purpose consistent with applicable law in connection with the construction, replacement, repair, maintenance, development or marketing of such respective Unit; and

(b) for the construction, installation, maintenance, repair, replacement and use of any or all utility lines and facilities, to and from their respective points of connection with those respective public utility lines and facilities to which the same are to be connected, from and to each Unit for the benefit of (i) the Developer and its personal representatives, successors and assigns as owner of any Unit or other portion thereof, (ii) each resident or other occupant of such Unit or other portion, and (iii) their respective agents, employees, invitees, visitors and guests, and

(c) for the construction, installation, maintenance, repair and replacement of advertising signs, construction trailers and sales trailers and for the storage of construction materials anywhere on the Common Elements and for the use of any Unit owned by the Developer or any affiliate of the Developer as a model unit, sales office or management office, in connection with the sale, leasing, management, development and marketing of the Units in the Condominium, and/or in other rental or condominium projects in the vicinity of the Condominium.

6.3.2. Pursuant to the Declaration of The Gardens at Owings Mills 1, a condominium, the Unit Owners and their lessees have been granted the benefit of a non-exclusive easement for use, of the swimming pool, bathhouse, tennis court and tot lot now or hereafter located on Lot 1 (as shown on the subdivision plat entitled "Tiffany Square Apartments" which is recorded among the land records of Baltimore County, Maryland in Plat Book OTG No. 34, folio 55), together with a right of pedestrian egress across the

sidewalks and driveways of Lot 1 for access to the Recreational Facilities. The benefit of such easement is and shall be subject to the following conditions:

(a) The Council shall pay, as part of the Common Expenses, 66/330ths of the total costs associated with the Recreational Facilities (the "Costs"), and the council of unit owners for The Gardens at Owings Mills I, a Condominium shall have the right and is hereby granted the right to enforce such obligations against the Council;

(b) The Costs shall be determined by the council of unit owners of The Gardens at Owings Mills I, a Condominium on a calendar year basis and such costs shall be due and payable in equal monthly installments of \$183.33 commencing on August 1, 1988 and continuing on the first day of each month thereafter through December 31, 1988. Beginning on January 1 of each succeeding calendar year, the amount of such monthly installments shall be adjusted and such adjusted amount shall be due and payable on such January 1 and on the first day of each month thereafter during the calendar year. Not later than sixty (60) days prior to the commencement of any calendar year, the council of unit owners of the Gardens at Owings Mills I, a condominium shall provide to the Council an itemized budget of the estimated Costs for the next succeeding calendar year. Within sixty (60) days after the end of each calendar year, the council of unit owners of The Gardens at Owings Mills I, a condominium, shall provide to the Council an itemized statement of the Costs actually incurred during the preceding calendar year and any overpayment or underpayment of Costs shall be promptly adjusted.

Pursuant to the Declaration of The Gardens at Owings Mills I, a condominium, upon the written request of the Council in conjunction with the council of unit owners of The Gardens at Owings Mills, III a condominium (or the Owner of Lot 2, as shown on the Subdivision Plat entitled "Tiffany Square Apartments" and recorded among the Land Records of Baltimore County in Plat Book OTG No. 34, folio 55, if such lot has not yet been subjected to a condominium regime), such itemized statement shall be prepared by an independent certified public accountant. The council of unit owners of The Gardens at Owings Mills I, a condominium shall keep and maintain separate books and records for the Costs, which books and records may be inspected from time to time by the Council or its representatives upon reasonable prior notice to the council of unit owners of The Gardens at Owings Mills I, a condominium.

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(c) The use of the Recreational Facilities by the Unit Owners and their lessess shall at all times be subject to reasonable and uniform rules and regulations issued by the council of unit owners of The Gardens at Owings Mills I, a condominium which shall have the right and is hereby granted the right to enforce such reasonable rules and regulations.

(d) Pursuant to the provisions of the Declaration of The Gardens at Owings Mills I, a condominium, if this Declaration and By-Laws are hereafter amended so as to relieve the Council of the obligations imposed on it in this Section 6.3.2., then the Unit Owners and their lessees shall lose the benefit of the non-exclusive easement for use (and ingress to and egress from) of the Recreational Facilities and such easement will automatically terminate.

6.4. Rights and Responsibilities of Unit Owners and Council.

6.4 1. Rights and Responsibilities of Unit Owner with Respect to Use and Maintenance of Units and Limited Common Elements. Each Unit Owner shall:

(a) maintain, repair and replace all portions of his Unit, except those portions of his Unit, if any, which, under the provisions of this Declaration, are to be maintained, repaired and replaced by the Council, and otherwise keep such Unit in a neat and clean condition;

(b) maintain, repair and replace (i) the heating and air conditioning system and the smoke detector serving his Unit, (ii) all fixtures, equipment and appliances installed in his Unit, and (iii) all chutes, flues, ducts, conduits, wires, pipes or other apparatus forming a part of his Unit;

(c) maintain, repair and replace the windows, screens, storm windows, doors (including sliding glass doors) which are a part of his Unit, excluding the exterior finished surface of the entry door and doorframe to such Unit, and the exterior finished surface of the window frames to such Unit;

(d) 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;

(e) make all routine repairs and perform all ordinary maintenance with respect to the Balcony

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Limited Common Elements and Patio Limited Common Elements appurtenant to such Unit Owner's Unit and keep such Balcony Limited Common Elements and Patio Limited Common Elements in a neat and clean condition and free of standing water; provided, however, that all structural repairs and replacements to (including any repair or replacement of the floor thereof) and all exterior painting of such Balcony Limited Common Elements and Patio Limited Common Elements shall be the obligation of the Council;

(f) make all routine repairs and perform all ordinary maintenance with respect to the Storage Space Limited Common Elements appurtenant to such Unit Owner's Unit and keep such Storage Space Limited Common Element regularly swept and free of garbage and debris, provided, however, that all structural repairs and replacements to the Storage Space Limited Common Elements shall be the obligation of the Council;

(g) pay any expense which is 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, invitee or other occupant or user of his Unit;

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

(i) 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);

(j) comply in every respect with the By-Laws and the Rules and Regulations, as the same are from time to time promulgated by the Council; and

(k) maintain carpeting on at least eighty percent (80%) of any floor area directly above another Unit (exclusive of kitchen and bathroom areas).

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6.4.2. Responsibilities of Council with Respect to Maintenance, Repair and Replacement of Common Elements.

(a) Except as provided in paragraphs (e) and (f) of subsection 6.4.1, the Council shall maintain, repair and replace all General Common Elements and Limited Common Elements, including all structural repairs and replacements to Limited Common Elements and all exterior painting of same.

(b) Without limiting the generality of the foregoing provisions of this subsection, the Council shall (unless such maintenance duty is assumed by any governmental authority having jurisdiction thereover) (i) keep all grass growing within the General Common Elements regularly mowed, and (ii) maintain each storm water retention or sedimentation pond within the Common Elements, keeping it clean and free of debris.

(c) Notwithstanding the provisions of paragraph (c) of subsection 6.4.1, the Council (i) shall paint and maintain the exterior surfaces of all exterior doors, door frames and window frames, except that the replacement and cleaning of all glass therein shall be the responsibility of the Unit Owner, (ii) shall paint or stain the exterior surfaces of all Balcony Limited Common Elements which, in either event, are of wooden construction, and (iii) shall paint, maintain and clean the internal lobbies and stairwells of each condominium building.

6.5. Control of Common Elements. Anything contained in the foregoing provisions of this Section to the contrary notwithstanding, the Council may:

6.5.1. borrow money to improve the Common Elements in accordance with the provisions of this Declaration, and secure its repayment by subjecting any or all of the General Common Elements to the lien of a mortgage or by pledging all or any portion of the Assessments; 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, as 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, their family members and guests, and (c) if necessary and if not prohibited by applicable law, opening the

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enjoyment thereof to the general public or any segment thereof until such debt is satisfied;

6.5.2. 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);

6.5.3. may adopt reasonable Rules and Regulations as it deems appropriate with respect to the use of the Common Elements, including the Limited Common Elements, by Unit Owners, their family members, invitees and guests or any other person, in accordance with the provisions of the By-Laws and the Act.

6.6. Right of Entry.

6.6.1. 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 is the responsibility of the Council or is necessary to prevent injury or damage to any other Unit or to the Common Elements.

6.6.2. Such right of entry shall be exercised only (a) during the hours of 8:00 A.M. to 8:00 P.M., and (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) such Unit Owner or his authorized representative shall have the right to be present; provided, that such conditions need be satisfied only to the extent that such satisfaction is reasonably possible without so jeopardizing the Condominium or such occupants.

6.7. Use of Units.

6.7.1. Use Restrictions. Subject to the operation and effect of the provisions of paragraph 6.7.4.

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

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(b) no machinery shall be placed or operated within any Unit or the Limited Common Elements appurtenant to such Unit, except for that customarily utilized in occupying a private residence;

(c) no profession or home industry shall be conducted within any Unit;

(d) no noxious or offensive activity shall be carried on or within any Unit or the Limited Common Elements appurtenant to such 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 the Condominium or any occupant thereof; and

(e) no Unit Owner shall make any changes in, nor perform any work with respect to, the electrical wiring and systems servicing his Unit, unless such changes or work are performed by a licensed electrician.

6.7.2. Structural Changes. No Unit Owner shall (a) make any structural modification or alteration within his Unit or the Limited Common Elements appurtenant to his Unit, or contract for or perform any maintenance, repair, replacement, removal, alteration or modification of the Common Elements (including, by way of example rather than of limitation, any of the Common Elements which lie within the space included within any Unit), or repair, alter, replace, paint, decorate or change any portion of the exterior of his Unit, without obtaining the Council's prior written consent thereto; or (b) take any action which (i) tends to impair the structural integrity, soundness or safety of any part of the Condominium; (ii) impairs the existence of, or the ability to enjoy, any easement, right or hereditament appurtenant to any Unit or the Common Elements; or (iii) adversely affects the Common Elements -- the ability to use and enjoy the same, without first obtaining the written consent thereto of the Council and of each Unit Owner whose Unit or enjoyment thereof may be affected thereby.

6.7.3. Sale or Leasing.

(a) The right of any Unit Owner, including the Developer, to sell, transfer, convey, mortgage, encumber or pledge the Unit owned by such Unit Owner shall not be subject to any right of first refusal or any

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similar restriction in favor of the Council or any other Unit Owner.

(b) No Unit Owner may lease his Condominium Unit for transient or hotel purposes. All leases shall be in writing, on a form approved by the Council, with a minimum term of at least six (6) months. A copy of any lease executed by a Unit Owner shall be delivered to the Council promptly after the execution thereof. Any lease shall be subject in all respects to the provisions of the Declaration, the By-Laws and the Rules and Regulations (including those Rules and Regulations especially enacted to address the purchase and use of Units which are not to be used as the primary residence of the Unit Owner), and any failure by the tenant to comply with the terms of such instruments shall be a default under his lease, and any lease shall so provide. In the event of the non-compliance by any tenant of a Unit with the terms of this Declaration, the By-Laws or the Rules and Regulations, the Council shall have the right, in addition to any other rights available to it, to require the Unit Owner of such Unit to terminate such lease because of such default and otherwise to treat such noncompliance as noncompliance by the Unit Owner.

(c) Anything to the contrary contained in this paragraph 6.7.3 notwithstanding, the lease by the Developer of any Unit owned by the Developer or the Lease by a Mortgagee in Possession of a Unit shall not be subject to the provisions of this paragraph except that the occupancy of any Unit by any tenant of such person shall be subject to the other provisions of this Declaration, the By-Laws and the Rules and Regulations (excluding those Rules and Regulations especially enacted to address the purchase and use of Units which are not to be used as the primary residence of the Unit Owner).

6.7.4. Developer Rights. 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 each Unit of which the Developer, or an affiliate of the Developer is then the Unit Owner (i) as offices or model dwellings in connection with its development, construction, replacement, repair, maintenance, marketing or leasing of any Unit or any dwelling in any other apartment or condominium project in the vicinity of the Condominium, or (ii) in any other manner, unless any other person would, were

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he the Unit Owner thereof, be prohibited or restricted in the same manner; or

(b) the maintenance by or on behalf of the Developer or any affiliate of the Developer within the Common Elements or any Unit of which it is then the Unit Owner of one or more signs advertising the Condominium or the sale or rental of Units in the Condominium or advertising another apartment or condominium project in the vicinity of the Condominium or the sale or rental of dwelling units therein.

6.8. Management of Condominium.

6.8.1. The Council shall enter into an agreement with a professional management company to provide management services to the Council for the Condominium. Such agreement:

(a) shall expressly provide that the Council may, without the consent of any other party thereto and without payment of any termination fee or penalty, terminate such agreement (i) 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 before the effective date of such termination, and (ii) without 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 ninety (90) days before the effective date of such termination;

(b) shall be for a term of not more than one (1) year; and

(c) if provision is made therein for a renewal of such agreement from time to time by agreement of the parties thereto, shall provide 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.

6.8.2. 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.

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Section 6.9. Proceeds of Insurance.

6.9.1. Receipt and Distribution of Proceeds by Council.

(a) The Council shall receive any proceeds which are payable under any policy of casualty or physical damage insurance held by it, and shall hold and distribute the same in trust for the purposes set forth in this Section, 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 mortgagee 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.

6.9.2. 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.

6.9.3. Repair or Reconstruction Following a Casualty.

(a) Except as may be otherwise provided by the Act, or this Declaration, if any of the improvements which are insured by the Council 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, 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) The Council (subject to the operation and effect of the provisions of subsection 6.10) shall 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 of Baltimore County an amendment to the Condominium Plat which

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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.

6.9.4. 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 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).

6.9.5. 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 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 from time to time 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 or professional engineer licensed to practice in Maryland and employed by the Council to supervise such reconstruction and repair, from time to time as such reconstruction and repair progress. Such architect or professional engineer 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, engineer 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

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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 or engineer'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 or engineer, 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 6.10. Substantial or Total Destruction.

6.10.1. Grounds for Not Reconstructing. Any portion of the Condominium which is damaged or destroyed shall be repaired and reconstructed unless (a) the Condominium is terminated pursuant to the provisions of the Act and this Declaration, (b) the reconstruction and repair of such portion would be illegal under any applicable Maryland or local health or safety statute or ordinance, or (c) at least eighty percent (80%) of the Unit Owners (including every Unit Owner of a Unit which would not be reconstructed) vote not to reconstruct such portion at a special meeting of the Council held pursuant to the provisions of the By-Laws.

6.10.2. Distribution of Proceeds. If pursuant to the provisions of paragraph 6.10.1 such damage or destruction is not to be repaired or reconstructed, subject to the provisions of subsection 7.6 hereof, the net proceeds of any insurance which are payable to the Council as a result of such damage or destruction shall be held in one fund, which shall be used or distributed by the Council as follows:

(a) the net proceeds attributable to damaged Common Elements shall be used to restore such damaged Common Elements to a condition compatible with the remainder of the Condominium;

(b) the net proceeds attributable to Units and Limited Common Elements which are not to be rebuilt

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shall be distributed to the Unit Owners of such Units in accordance with the provisions of the Act; and

(c) the remainder of such net proceeds shall be distributed to all of the Unit Owners in proportion to their respective undivided percentage interests in the Common Elements.

Section 6.11. Conflicts. Except to the extent otherwise required by the Act, the provisions of subsections 6.10 and 6.11 shall govern in lieu of any provisions of the Act concerning restoration and repair and the use of insurance proceeds.

Section 7. Rights of Mortgagees.

7.1. General.

7.1.1. Regardless of whether a Mortgagee in Possession of a Unit is the Unit Owner thereof, (a) 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, unless such rights are exercisable only by a Unit Owner pursuant to applicable law, and (b) 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.

7.1.2. 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 7.1.2 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.

7.2. Rights of First Refusal. Any Mortgagee in Possession shall be exempt from any right of first refusal or similar restriction held by the Council.

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

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7.3.1. free of any claim or lien for any Assessment which is levied against such Unit prior to the recordation of such Mortgage (unless prior to such recordation a statement of lien [as that term is defined by the provisions of Section 14-201 of the Maryland Contract Lien Act, and sufficient for the purposes thereof] covering such Assessment is recorded); and

7.3.2. 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.

7.4. Actions Conditioned on Mortgagee's Approval.

7.4.1 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

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

(b) 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

(c) 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 event that:

(i) the Condominium is terminated pursuant to subsection 8.3 hereof;

(ii) repair or replacement would be illegal under any state or local health or safety statute; or

(iii) eighty percent (80%) of the Unit Owners, including every Unit Owner of a Unit which would not be rebuilt and every Unit Owner to whom the use of a Limited Common Element which would not be rebuilt is assigned, vote not to rebuild.

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7.5. 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

7.5.1. inspect the Council's books and records during normal business hours;

7.5.2. receive an annual financial statement of the Council within ninety (90) days following the end of any fiscal year of the Council;

7.5.3. be given timely written notice by the Council of all meetings of the Unit Owners, and designate a representative to attend all such meetings; and

7.5.4. 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 (i) the boundaries of any Unit, (ii) 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, (iii) the number of Votes held by the Unit Owner of any Unit, or (iv) 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) any default in the performance by the Unit Owner of the Unit on which such Mortgagee holds a Mortgage of any obligations under the Declaration or By-Laws which is not cured within sixty (60) days;

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

(f) any lapse, cancellation or material modification of any insurance policy held by the Council.

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7.6. Rights in Event of Damage or Destruction.

7.6.1. If any part 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 and this Declaration (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 the Votes which are appurtenant to the Units, and any restoration or repair of the Condominium necessitated thereby).

7.6.2. Nothing in the provisions of this Declaration, the By-Laws or the Condominium Plat 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.

Section 8. General.

8.1. 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 of Baltimore County.

8.2. Assignment.

8.2.1. The Developer shall be entitled at any time to assign to any person or persons 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 Section 6) by an instrument which makes specific reference to this subsection, and is executed and delivered by the Developer and recorded among the Land Records of Baltimore County. Notwithstanding any such assignment, the Developer shall remain liable for the performance of the obligations of the Developer hereunder.

8.2.2. The Developer from time to time hereafter may permit any right which it holds under the

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provisions of this Declaration to be exercised on its behalf by any of its officers, directors, employees or agents.

8.3. Amendment and Termination.

8.3.1. Except as is hereinafter provided, this Declaration and the Condominium Plat may be amended with and only with the prior, express written consent thereto of eighty percent (80%) of the Unit Owners, acting in accordance with the provisions of the Act.

8.3.2. Notwithstanding the provisions of paragraph 8.3.1, this Declaration and the Condominium Plat may be amended with and only with the prior express, written consent thereto of each Unit Owner and each Mortgagee acting in accordance with the provisions of the Act if:

(a) such amendment would effect a change in (i) the boundaries of any Unit, (ii) the individual percentage interest in the Common Elements or the percentage interest in the Common Expenses and Common Profits which is appurtenant to any Unit, or (iii) the number of Votes held by the Unit Owner of any Unit;

(b) such amendment would permit any Unit to be used for other than a residential use;

(c) such amendment would modify in any way rights expressly reserved for the benefit of the Developer (including, without limitation, the provisions of subsection 6.3, paragraph 6.7.3, paragraph 6.7.4, subsection 8.2 and paragraph 8.3.3(c)) or provisions required by any governmental authority (including, without limitation, the provisions of subsection 6.8 and Section 7) or provisions for the benefit of any public utility;

(d) such amendment would redesignate General Common Elements as Limited Common Elements; or

(e) such amendment would modify this paragraph 8.3.2.

8.3.3. Anything contained in any of the provisions of this Declaration to the contrary notwithstanding,

(a) for purposes of the provisions of paragraph 8.3.1, an amendment of the By-Laws in accordance

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with the provisions thereof shall not be deemed an amendment of this Declaration;

(b) the By-Laws may be amended by and only by the affirmative vote of Unit Owners having at least sixty-six and two-thirds percent ($66 \frac{2}{3}\%$) of the total number of Votes then held by all of the Unit Owners;

(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, mathematical or similar 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 amendment of this Declaration made pursuant to the provisions of Section 11-107(d) or Section 11-115 of the Act, so long as such amendment is made in accordance with such provisions of the Act.

8.3.4. Any amendment to this Declaration shall become effective upon and only upon the recordation of an appropriate amendatory instrument or plat among the Land Records of Baltimore County.

8.3.5. Except as is otherwise provided in this Declaration, the Condominium regime may be terminated with and only with the prior express written consent thereto of each Unit Owner acting in accordance with the provisions of the Act.

8.4. Waiver. Neither the Developer nor the Council shall be deemed to have waived the exercise of any right which it holds hereunder unless such waiver is made expressly and in writing. Without limiting the generality of the foregoing, no delay or omission by the Developer or the Council 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.

8.5. Applicable Law. This Declaration shall be given effect and construed by application of the law of Maryland.

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8.6. Headings. The headings of the sections, subsections, paragraphs and subparagraphs hereof are provided herein for and only for convenience of reference, and shall not be considered in construing the contents thereof.

8.7. 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 (a) any other provision thereof, or (b) 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.

8.8. Construction. All references made herein in the neuter, masculine or feminine gender shall be deemed to have been made in all such genders, and in the singular or plural number shall be deemed to have been made, respectively, in the plural or singular number as well.

8.9. 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.

8.10. 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.

8.11. General Plan of Development.

8.11.1. 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.

8.11.2. Subject to the provisions of the Act, if any Unit Owner or other person fails to comply with any of the provisions of this Declaration, the By-Laws or the Condominium Plat, such failure shall give rise to a cause of action for the recovery of damages, injunctive

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relief or both, in the Council and each Unit Owner (including the Developer if he is a Unit Owner), and their respective heirs, personal representatives, successors and assigns.

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

8.12. Liability of Unit Owners. 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 and of the By-Laws shall be joint and several.

8.13. Notices.

8.13.1. Any notice, demand, consent, approval, request or other communication or document to be provided hereunder to the Developer, the Council, a Unit Owner or any other person shall be in writing, and shall be provided by first-class mail, postage prepaid, or by hand delivery.

8.13.2. Anything contained in the provisions of this Declaration to the contrary notwithstanding, unless a Unit Owner or a Mortgagee has notified the Council of its status as such and furnished the Council with its Notice Address in accordance with the provisions of the By-Laws, such person shall have no right under the provisions thereof or of this Declaration (a) to be given any notice, demand, consent, approval, request or other communication or document by the Council, (b) to participate in the consideration of or cast any vote on any question voted upon by the Membership, or (c) otherwise to be recognized as such by the Council or any Unit Owner.

8.14. Waiver of Reversionary Right. The provisions of this Declaration shall not be construed as conditions subsequent, or as creating a possibility of reverter, and no provision hereof shall be deemed to vest in the Developer or any other person any reversionary right with respect to any Unit or the Common Elements. Any such reversionary right is hereby expressly waived.

8.15. 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

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11-102.1 of the Act, if applicable to this Declaration or to the Condominium, have been fulfilled.

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

WITNESS:

NORTHWEST PROPERTIES CO.,
a Maryland General Partnership

By: MG Associates, Inc.,
managing general partner

Suzanne Bonney

By: Alex McCreary

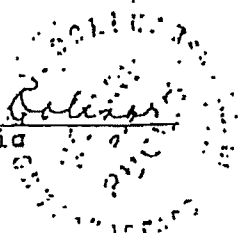
The Developer

STATE OF MARYLAND: ^{City} ~~COUNTY~~ OF Baltimore: TO WIT:

I HEREBY CERTIFY that on this 26th day of July, 1987, before me, the subscriber, a Notary Public for the state and county aforesaid, personally appeared ALEXANDER KHERUZE, known to me or satisfactorily proven to be the person whose name is subscribed to the foregoing instrument, who acknowledged that he is the Executive Vice-President of MG Associates, Inc., the managing general partner of NORTHWEST PROPERTIES CO., a Maryland general partnership, and 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 partnership for the purposes therein set forth, and that the same is its act and deed.

AS WITNESS my hand and Notarial Seal.

Suzanne A. Bonney
Notary Public



My commission expires on 7-1-90.

CONSENT AND SUBORDINATION

Capitol Bank and Trust Company, a Massachusetts banking corporation (the "Mortgagee"), holder of a Mortgage-Security Agreement (the "Mortgage") made by Northwest Properties Co., a Maryland General Partnership (the "Mortgagor"), in favor of Mortgagee, dated October 7, 1987 effective on October 8, 1987, recorded among the Land Records of Baltimore County, Maryland in Liber 7696 at Folio 61 et seq., hereby consents, and subordinates and subjects so much of the lien of the Mortgage as is applicable to the land, together with the buildings thereon numbered 12001, 12003, 12005, 12007, 12009 and 12011 Tarragon Road, Reisterstown (a/k/a Owings Mills), MD 21136, being Lot No. 4 Tiffany Square Apartments on Exhibit A attached to the Mortgage (the "Premises"), to the provisions of (a) the Declaration of Mortgagor (as "Developer") creating, in respect to the Premises, The Gardens at Owings Mills II, A Condominium, (b) the By-Laws in connection therewith (each of which instruments is to be recorded herewith among the Land Records of Baltimore County, Maryland), and (c) the Maryland Condominium Act, as referred to in the Declaration, as fully and with the same force and effect as if (i) the Declaration and By-Laws were dated, executed and recorded prior to the Mortgage, and (ii) the Mortgage, and the security interests thereof, included all of the condominium units

comprising The Gardens at Owings Mills II, A Condominium and the respective undivided percentage interests of each of said units in the common areas and facilities of said Condominium (hereinafter referred to as the "Units" or as the "Mortgaged Premises"), subject to and together with the benefit of all applicable rights, easements, restrictions, covenants, agreements, obligations, conditions and other provisions set forth in said Declaration, By-Laws and the Maryland Condominium Act. This instrument of Consent and Subordination is expressly made subject, in all events, to the following conditions, understandings and agreements:

1. Nothing in, or resulting from this Consent and Subordination shall be deemed in any way to create between Mortgagor, as Developer, and Mortgagee any relationship of partnership or joint venture, or to impose upon Mortgagee any liability, duty or obligation whatsoever.

2. The security interests of the Mortgage shall include all of the rights, powers, privileges and interests of and reserved by Mortgagor as Developer under the foregoing Declaration and By-Laws.

Mortgagor, in addition to all other covenants and agreements of Mortgagor under the Mortgage, does hereby covenant and agree as follows:

1. That the Mortgaged Premises shall always conform to law and to the laws of the County of Baltimore and the State of

Maryland, and that neither Mortgagor, nor anyone claiming a right of possession by, through or under Mortgagor, nor any other occupant will commit, permit or suffer any waste, impairment or deterioration of the Mortgaged Premises or any part thereof or use the same or any portion thereof for any purpose in violation of any provisions as to use or restrictions set forth in the Declaration, the By-Laws, any rule or regulation promulgated thereunder or under any such law or ordinance.

2. To cause the Council of Unit Owners of The Gardens at Owings Mills II, A Condominium, and the officers and directors thereof, to maintain in full force and effect a master insurance policy which shall keep the common areas and facilities of the Condominium, the Mortgaged Premises, all fixtures and equipment now or hereafter affixed thereto and made a part thereof, and all additions, alterations and improvements thereto, insured against fire and extended coverage and such other casualties, risks and contingencies as Mortgagee may, from time to time require; and to deposit certificates of insurance therefor with Mortgagee, including new certificates for any insurance about to expire at least ten (10) days before such expiration. Subject to the rights, powers and duties of the Council of Unit Owners, all such insurance shall, in respect to the Mortgaged Premises, be first payable in case of loss to Mortgagee, hereby granting to Mortgagee, in the event of foreclosure, full authority as attorney irrevocable of Mortgagor to transfer Mortgagor's

interests in such insurance to any person or persons claiming title to the Mortgaged Premises, or any part thereof, by virtue of foreclosure proceedings without claim on the part of Mortgagor, or those claiming title under Mortgagor, for compensation therefor. Mortgagor shall promptly notify Mortgagee of any additions, alterations and improvements to the Mortgaged Premises which may require an increase in coverage under any master insurance policy or policies required to be obtained by Mortgagor in accordance with the foregoing, so as to prevent the application of any co-insurance provisions. So much of the master insurance policy as insures against loss from fire and other hazards comprehended in extended coverage insurance, as purchased by the Council of Unit Owners, shall be in an amount equal to the full replacement value of the Condominium exclusive of land. In the event of any casualty loss to the Condominium or to any portion of the Mortgaged Premises:

(a) Mortgagor shall immediately notify Mortgagee of any such loss;

(b) Mortgagee may elect to vote in place and in the stead of Mortgagor with respect to all matters of repair, restoration and insurance disposition, with all of Mortgagor's rights and powers under the Council of Unit Owners and its By-Laws, and rules and regulations thereunder; and, in order to effectuate the foregoing, Mortgagor hereby irrevocably appoints Mortgagee as Mortgagor's agent (under an agency coupled with an

interest) with full right and power in Mortgagee so to vote and act for, in the name and on behalf of Mortgagor;

(c) Mortgagor shall, in the event of a vote to repair and restore, promptly make advances of such funds as are required by the Council of Unit Owners in the case of inadequacy of insurance;

(d) Mortgagee may make such advances for Mortgagor (without obligation to do so) and the same shall be secured by the Mortgage; if Mortgagee makes any such advance, Mortgagor shall, upon demand, execute, deliver and record, at Mortgagor's expense, such documents as Mortgagee may reasonably require to evidence such advance and establish such security; and

(e) In the event that Mortgagor receives any funds, including (without limitation) insurance proceeds arising from damage to the Mortgaged Premises, whether from casualty or otherwise, Mortgagor shall immediately pay over, transfer and assign such funds to Mortgagee.

3. To keep or cause to be kept the Mortgaged Premises in such repair, order and condition as the same are now in or may hereafter be put, damage by fire or other casualty being expressly not excepted.

4. To keep, perform and otherwise comply with all applicable statutes of the State of Maryland and all such covenants, restrictions, agreements and provisions of the Declaration and

the foregoing By-Laws, and rules and regulations promulgated thereunder.

5. Not to vote to amend, or to execute any instrument or otherwise to cause, or by abstention from voting or other inaction to permit, the Declaration or the By-Laws to be altered, amended or terminated, or the Condominium to be removed from the provisions of the Maryland Condominium Act, without first obtaining the written consent of Mortgagee.

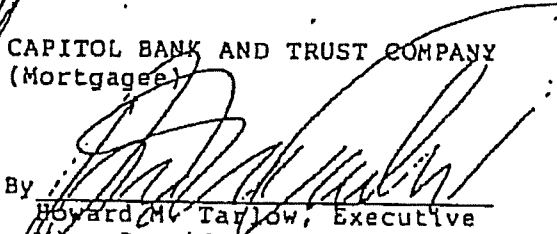
6. To pay and discharge, as they become due and payable, all sums and charges assessed by the Council of Unit Owners to Mortgagor, as Mortgagor's share of the common expenses, both general and special, and any other sums and charges assessed against or chargeable to the Mortgaged Premises or to Mortgagor in accordance with the Declaration, the By-Laws and rules and regulations promulgated thereunder; upon request of Mortgagee, Mortgagor shall deliver to Mortgagee receipts for the payment of all sums specified herein; Mortgagor shall, in any event, deliver to Mortgagee promptly upon receipt by Mortgagor, a true and complete copy of each and every notice of default and notice of non-compliance received by Mortgagor with respect to any obligation of Mortgagor under the Declaration, the By-Laws and rules and regulations promulgated thereunder.

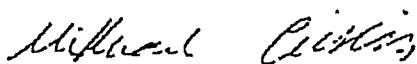
7. Except as affected by the foregoing provisions, which are and shall at all times and for all purposes be deemed to be "additional provisions" applicable to and on account of the

Premises included in and as a part of The Gardens at Owings Mills II, A Condominium, the Mortgage is and shall remain in full force and effect as originally made and granted by Mortgagor to Mortgagee.

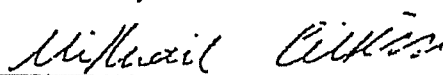
Executed as a sealed instrument on this 5th day of July, 1988.

✓ NORTHWEST PROPERTIES CO.
(Mortgagor), acting herein
by all of its General
Partners, namely:
TIFFANY SQUARE LIMITED
PARTNERSHIP, by its sole
General Partner:
MG VENTURES, INC.

✓ CAPITOL BANK AND TRUST COMPANY
(Mortgagee)
By 
Howard M. Tarlow, Executive
Vice President

By 
Mikhail Gissin, President
and Treasurer

MG ASSOCIATES, INC.

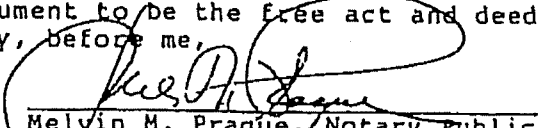
By 
Mikhail Gissin, President
and Treasurer

COMMONWEALTH OF MASSACHUSETTS

SUFFOLK, SS.

July 5, 1988

Then personally appeared the above-named Howard M. Tarlow, Executive Vice President of Capitol Bank and Trust Company, and acknowledged the foregoing instrument to be the free act and deed of Capitol Bank and Trust Company, before me,


Melvin M. Prague, Notary Public
My Commission Expires: 10/8/93



COMMONWEALTH OF MASSACHUSETTS

SUFFOLK, SS.

July 8, 1988

Then personally appeared the above-named Mikhail Gissin, President and Treasurer of MG Associates, Inc., and acknowledged the foregoing instrument to be the free act and deed of MG Associates, Inc., as a General Partner of Northwest Properties Co., before me,

Tina M. Bonney
Tina M. Bonney, Notary Public
My Commission Expires: 9/17/93

COMMONWEALTH OF MASSACHUSETTS

SUFFOLK, SS.

July 8, 1988

Then personally appeared the above-named Mikhail Gissin, President and Treasurer of MG Ventures, Inc., General Partner of Tiffany Square Limited Partnership, and acknowledged the foregoing instrument to be the free act and deed of MG Ventures, Inc. and of Tiffany Square Limited Partnership, as a General Partner of Northwest Properties Co., before me,

Tina M. Bonney
Tina M. Bonney, Notary Public
My Commission Expires: 9/17/93

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THE GARDENS AT OWINGS MILLS II, A CONDOMINIUM

DECLARATIONEXHIBIT ADescription of Lot 4

Beginning for the same at a point on the second line of that parcel of land which by deed dated April 6, 1971 and recorded among the Land Records of Baltimore County in Liber OTG No. 5177, Folio 541 was conveyed by Melvin Berger and Mildred Schwartz, Co-Partners trading as Cherry Hill Venture, and Lowell Glazer and Leonard Attman to Lowell R. Glazer, Leonard Attman, Melvin Berger and Mildred Schwartz, Co-Partners trading as Northwest Properties Co. at the distance of 289.41 feet measured Northeasterly along said second line from the beginning thereof said point being on the Northeast side of Tarragon Road, 60 feet wide, and running thence and binding on a part of said second line and on a part of the third line and referring the courses of this description the Baltimore County Grid Meridian North 32 Degrees 32 Minutes 15 Seconds East 392.70 feet and South 55 Degrees 15 Minutes 10 Seconds East 356.58 feet thence leaving said third line and running South 34 Degrees 44 Minutes 50 Seconds West 323.17 feet to the Northeast side of Tarragon Road herein referred to and running thence and binding thereon Northwesterly by curve to the left with a radius

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of 700 feet the distance of 35.95 feet, North 72 Degrees 24 Minutes 56 Seconds West 150.00 feet, Northwesterly by curve to the right with the radius of 400.00 feet the distance of 157.39 feet and Northwesterly by curve to the right with the radius of 670 feet the distance of 8.00 feet to the place of beginning.

Being Lot No. 4 as shown on a Plat and titled "Tiffany Square Apartments" said Plat being recorded among the Plat Records of Baltimore County in Plat Book OTG No. 34, Folio 55.

Subject to a 10 foot drainage and utility easement along the first and second line of the above referred to parcel of land.

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THE GARDENS AT OWINGS MILLS II, A CONDOMINIUM

DECLARATION

EXHIBIT B

Undivided Percentage Interests in Common Elements
and in Common Expenses and Common Profits

1. Each one bedroom Unit's undivided percentage interest in the Common Elements and undivided percentage interest in the Common Expenses and Common Profits shall be 1.187%. The one bedroom Units consist of the following Units:

<u>Unit No.</u>	<u>Unit No.</u>	<u>Unit No.</u>	<u>Unit No.</u>
12001 A	12001 E	12001 G	12001 H
12001 I	12001 K	12001 L	12003 D
12003 E	12003 F	12003 H	12003 I
	12003 J	12003 L	

2. Each two bedroom (whether Type A or Type B) Unit's undivided percentage interest in the Common Elements and undivided percentage interest in the Common Expenses and Common Profits shall be 1.523%. The two bedroom Units consist of the following Units:

<u>Unit No.</u>	<u>Unit No.</u>	<u>Unit No.</u>	<u>Unit No.</u>
12001 B	12001 D	12001 F	12001 J
12003 A	12003 C	12003 G	12003 K
12005 A	12005 E	12005 G	12005 H
12005 I	12005 K	12005 L	12007 D
12007 E	12007 J	12007 F	12007 H
12007 I	12009 G	12007 L	12009 A
12009 E	12009 L	12009 H	12009 I
12009 K	12011 H	12011 D	12011 E
12011 F	12011 L	12011 I	12011 J

3. Each three bedroom (whether Type A or Type B) Unit's undivided percentage interest in the

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Common Elements and undivided percentage interest in the Common Expenses and Common Profits shall be 1.802%. The three bedroom Units consist of the Following Units:

<u>Unit No.</u>	<u>Unit No.</u>	<u>Unit No.</u>	<u>Unit No.</u>
12005 B	12005 D	12005 F	12005 J
12007 A	12007 C	12007 G	12007 K
12009 B	12009 D	12009 F	12009 J
12011 A	12011 C	12011 G	12011 K

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THE GARDENS AT OWINGS MILLS II, A CONDOMINIUM

DECLARATION

EXHIBIT C

Initial Form of By-Laws

Current Unaudited Financial Documents
The Gardens at Owings Mills II

3706 Crondall Lane
Suite 105
Owings Mills MD 21117

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

Subtotal Reserves	—	0.00
Subtotal Other Assets	—	0.00
Total Assets		<u>0.00</u>

LIABILITIES & EQUITY

EQUITY

Current Year Net Income/(Loss)	<u>0.00</u>	
Subtotal Equity		0.00
TOTAL LIABILITIES & EQUITY		<u>0.00</u>

Insurance Dec Page
The Gardens at Owings Mills II



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

3 Ravinia Drive
Atlanta GA 30346-2117

DECLARATIONS

Policy Number	90-BX-N129-5	
Policy Period	Effective Date	Expiration Date
12 Months	JUN 1 2017	JUN 1 2018
The policy period begins and ends at 12:01 am standard time at the premises location.		

M-21-92DF-FAF0 F V

002024 3123

Named Insured

GARDENS AT OWINGS MILLS
CONDO II
C/O TIDEWATER PROPERTY MGMT
3706 CRONDALL LN STE 105
OWINGS MILLS MD 21117-2243

Agent and Mailing Address
MIKE SAWYER II
9275 BALTIMORE NATL PIKE #101
ELLICOTT CITY MD 21042

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: CONDOMINIUM

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 \$14,348.00
Your premium has increased by \$1,599.00 since the last term.
Please call your agent if you want additional information about the premium increase.

TIDEWATER PROPERTY

MAR 13 2017

RECEIVED

POLICY PREMIUM \$ 15,947.00

Discounts Applied:
Renewal Year
Protective Devices
Claim Record

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

Prepared
MAR 06 2017
CMP-4000

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Continued on Reverse Side of Page

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DECLARATIONS (CONTINUED)

Residential Community Association Policy for GARDENS AT OWINGS MILLS
 Policy Number 90-BX-N129-5

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	12001,12003,12005,12007,12009, 12011 TARRAGON RD REISTERSTOWN MD 21136-3136	\$ 7,522,400	\$ 64,700

AUXILIARY STRUCTURES

Location Number	Description	Limit of Insurance* Coverage A - Buildings	Limit of Insurance* Coverage B - Business Personal Property
001A	Fence, walls, etc.	\$ 11,000	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: 177.5

SECTION I - DEDUCTIBLES

Basic Deductible \$5,000

Prepared
 MAR 06 2017
 CMP-4000

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DECLARATIONS (CONTINUED)

Residential Community Association Policy for GARDENS AT OWINGS MILLS
Policy Number 90-BX-N129-5

Special Deductibles:

Money and Securities	\$250	Employee Dishonesty	\$250
Equipment Breakdown	\$2,500		

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

DECLARATIONS (CONTINUED)

Residential Community Association Policy for GARDENS AT OWINGS MILLS
 Policy Number 90-BX-N129-5

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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 MAR 06 2017
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DECLARATIONS (CONTINUED)

Residential Community Association Policy for GARDENS AT OWINGS MILLS
Policy Number 90-BX-N129-5

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

DECLARATIONS (CONTINUED)

Residential Community Association Policy for GARDENS AT OWINGS MILLS
Policy Number 90-BX-N129-5

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
CMP-4561.1	*Policy Endorsement
CMP-4705.1	*Loss of Income & Extra Expnse
CMP-4220.1	*Amendatory Endorsement
CMP-4746.1	*Hired Auto Liability
FE-6999.2	*Terrorism Insurance Cov Notice
CMP-4862	*Building Ordinance or Law Cov
CMP-4550	Residential Community Assoc
CMP-4508	Money and Securities
CMP-4814	Directors & Officers Liability
CMP-4818	Directors & Officers- Prop Mgr
CMP-4710	Employee Dishonesty
CMP-4860	AI Design Person Org
FD-6007	Inland Marine Attach Dec
	* New Form Attached

SCHEDULE OF ADDITIONAL INTERESTS

Interest Type: Addl Insured-Section II
Endorsement #: CMP4860
Loan Number: N/A

TIDEWATER PROPERTY MANAGEMENT
 3706 CRONDALL LN STE 105
 OWINGS MILLS MD 211172243

Prepared
 MAR 06 2017
 CMP-4000

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DECLARATIONS (CONTINUED)

Residential Community Association Policy for GARDENS AT OWINGS MILLS
Policy Number 90-BX-N129-5

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.

90-BX-N129-5

M 19197



STATE FARM FIRE AND CASUALTY COMPANY
 A STOCK COMPANY WITH HOME OFFICES IN BLOOMINGTON, ILLINOIS
 3 Ravinia Drive
 Atlanta GA 30346-2117

INLAND MARINE ATTACHING DECLARATIONS

M-21-92DF-FAF0 F V

Named Insured

GARDENS AT OWINGS MILLS
 CONDO II
 C/O TIDEWATER PROPERTY MGMT
 3706 CRONDALL LN STE 105
 OWINGS MILLS MD 21117-2243

Policy Number	90-BX-N129-5	
Policy Period	Effective Date	Expiration Date
12 Months	JUN 1 2017	JUN 1 2018
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-8743.1 *Inland Marine Computer Prop
 FE-8739 Inland Marine Conditions

*New Form Attached

See Reverse for Schedule Page with Limits

Prepared
 MAR 06 2017
 FD-6007

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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

OTHER LIMITS AND EXCLUSIONS MAY APPLY - REFER TO YOUR POLICY

Prepared
MAR 06 2017
FD-6007

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IMPORTANT NOTICE

Effective with this policy term, **CMP-4561.1 POLICY ENDORSEMENT** is added to your policy.

This notice summarizes the changes being made to your policy. Please read the new endorsement carefully and note the following changes:

REDUCTIONS IN COVERAGE OR LIMITS

- **SECTION II — LIABILITY, Section II – Exclusions, Access or Disclosure of Confidential or Personal Information and Data-Related Liability:** There is no coverage for damages arising out of any access to or disclosure of any person's or organization's confidential or personal information. This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses, or any other loss cost or expense incurred by you or others arising out of that which is otherwise excluded.
- **SECTION II — GENERAL CONDITIONS, Financial Responsibility Laws:** There is no coverage for liability, uninsured motorist, underinsured motorist, no fault, or other coverages required by any motor vehicle law with respect to mobile equipment.
- **SECTION II — DEFINITIONS**
 - Language is added to the definition of "Auto" to include any other land vehicle subject to a compulsory or financial responsibility law or other motor vehicle insurance or motor vehicle registration law where it is licensed or principally garaged. However, "Auto" does not include "mobile equipment."
 - "Mobile equipment" does not include land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance or motor vehicle registration law where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law or motor vehicle registration law are considered "autos."

POTENTIAL REDUCTIONS IN COVERAGE

Although not intended to change coverage, this change could potentially reduce or eliminate coverage depending on how it is interpreted and, in that regard, should be viewed as either an actual or potential reduction in or elimination of coverage.

- **SECTION I — EXTENSIONS OF COVERAGE**
 - Paragraph **4.a.(1)** under **Collapse** is revised to state that "Collapse" means an abrupt falling down or caving in of a building or any part of a building. Language stating that as a result of the collapse, the building or part of the building cannot be occupied for its intended purpose is deleted.
 - **Water Damage, Other Liquids, Powder or Molten Material Damage:** We will not pay the cost to tear out and replace any part of a building necessary to repair the system or appliance from which water or other substance escaped. However, we will pay the cost to tear out and replace only that particular part of the covered building necessary to gain access to the system or appliance from which the covered water or other substance escaped.
- **SECTION II — LIABILITY, Section II – Exclusions**
 - **Liquor Liability:** This exclusion applies even if the claims allege negligence or other wrongdoing in the supervision, hiring, employment, training, or monitoring of others by an insured, or providing or failing to provide transportation with respect to any person who may be under the influence of alcohol if the occurrence that caused the bodily injury or property damage involved that which would be otherwise excluded.
 - **Recording and Distributing Material:** Language is added to state there is no coverage for damages arising directly or indirectly out of any communication, by or on behalf of any insured, that violates or is alleged to violate any other federal, state or local law, statute, regulation or ordinance that may provide a basis for a separate claim or cause of action arising out of any communication referenced in this section.

- **SECTION II — WHO IS AN INSURED:** Language is added to state that any person or entity employed by the owner or person or entity from whom you hire or borrow a "non-owned auto" is not an insured. Language is added to emphasize that an employee, regarding the use of a "non-owned auto" you own, hire, or borrow, is not an insured with respect to bodily injury to a co-employee or for any consequential bodily injury to the spouse, child, parent, brother or sister of that co-employee.

BROADENINGS OR ADDITIONS OF COVERAGE

- **SECTION II — LIABILITY, Section II – Exclusions, Aircraft, Auto or Watercraft:** This exclusion does not apply to the operation of your business from a land vehicle:
 - While it is parked and functioning, other than "loading and unloading," as a premises for your business operations; and
 - That would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance or registration law where it is licensed or principally garaged.

OTHER CHANGES

- **SECTION I AND SECTION II — COMMON POLICY CONDITIONS**
 - **Our Rights Regarding Claim Information:** We have added a provision stating that we will not be restricted or prohibited from obtaining, using, or retaining records as part of the claim process. The records will be obtained, used, and retained in accordance with applicable laws and regulations consistent with our business functions.
 - **Electronic Delivery:** We have added a provision permitting electronic delivery of documents and notices with the consent of the insured.
- **SECTION II — MEDICAL EXPENSES, Coverage M – Medical Expenses:** Paragraph 1.d.(2) is revised to state that we will pay medical expenses when the injured person or, when appropriate, someone acting on behalf of that person executes authorization to allow us to obtain copies of medical bills, medical records, and any other information we deem necessary to substantiate the claim. Such authorizations must not:
 - Restrict us from performing our business functions in obtaining records, bills, information, and data or in using or retaining records, bills, information, and data collected or received by us;
 - Require us to violate federal or state laws or regulations;
 - Prevent us from fulfilling our data reporting and retention obligations to insurance regulators; or
 - Prevent us from disclosing claim information and data to enable performance of our business functions, meet our reporting obligations to insurance regulators and data consolidators, and as otherwise permitted by law.

If the holder of the information refuses to provide it to us despite the authorization, then at our request, the person making claim or his or her legal representative must obtain the information and promptly provide it to us.

Endorsement **CMP-4561.1** follows this notice. Please read it thoroughly and place it with your policy. If you have any questions about the information in this notice, please contact your State Farm® agent.

This notice is a general description of coverage and/or coverage changes and is not a statement of contract. This message does not change, modify, or invalidate any of the provisions, terms, or conditions of your policy, or any other applicable endorsements.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CMP-4561.1 POLICY ENDORSEMENT

This endorsement modifies insurance provided under the following:
BUSINESSOWNERS COVERAGE FORM

1. BUSINESSOWNERS COVERAGE FORM TABLE OF CONTENTS is amended as follows:

- a. The title Electronic Data is changed to Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability.
- b. The title Recording And Distribution Of Material or Information In Violation Of Law is changed to Recording And Distribution Of Material.

2. Paragraph 2.f. Dishonesty under **SECTION I – EXCLUSIONS** is replaced by the following:

f. Dishonesty

- (1) Dishonest or criminal acts by you, anyone else with an interest in the property, or any of your or their partners, "members", officers, "managers", employees, directors, trustees, or authorized representatives, whether acting alone or in collusion with each other or with any other party; or
- (2) Theft by any person to whom you entrust the property for any purpose, whether acting alone or in collusion with any other party.

This exclusion applies whether or not an act occurs during your normal hours of operation.

This exclusion does not apply to acts of destruction by your employees; but theft by your employees is not covered.

With respect to accounts receivable and "valuable papers and records", this exclusion does not apply to carriers for hire.

3. SECTION I – EXTENSIONS OF COVERAGE is amended as follows:

a. Paragraph 4.a.(1) under Collapse is replaced by the following:

- (1) Collapse means an abrupt falling down or caving in of a building or any part of a building;

b. Paragraph 5. is replaced by the following:

5. Water Damage, Other Liquids, Powder Or Molten Material Damage

If loss caused by covered water or other liquid, powder, or molten material occurs, we will also pay the cost to tear out and replace only that particular part of the covered building or structure necessary to gain access to the specific point of that system or appliance from which the water or other substance escaped.

We will not pay the cost to repair any defect that caused the loss; but we will pay the cost to repair or replace damaged parts of fire extinguishing equipment if the damage:

- a. Results in discharge of any substance from an automatic fire protection system; or
- b. Is directly caused by freezing.

The amount we pay under this Extension of Coverage will not increase the applicable Limit of Insurance.

c. Paragraph 13. is replaced by the following:

13. Personal Property Off Premises

You may extend the insurance provided by this coverage form to apply to Covered Property, other than "money" and "securities", "valuable papers and records", or accounts receivable, while it is in the course of transit or at another premises. The most we will pay for loss in any one occurrence under this Extension Of Coverage is the Limit Of Insurance for Personal Property Off Premises shown in the Declarations.

The amount we pay under this Extension Of Coverage is an additional amount of insurance.

If the Covered Property is located at another premises you own, lease, operate, or regularly use, the insurance provided under this extension applies

only if the loss occurs within 90 days after the property is first moved.

The Other Insurance Condition contained in **SECTION I AND SECTION II — COMMON POLICY CONDITIONS** does not apply to this Extension Of Coverage. The insurance provided under this Extension Of Coverage is primary and does not contribute with any other insurance.

- d. The following is added to Paragraph 22.e. under **Equipment Breakdown**:

Paragraph 5.b. under **Coverage B — Business Personal Property** is replaced by:

- b. Be your responsibility to maintain or insure according to the terms of your lease or rental agreement.

- e. The following is added:

Business Personal Property In Portable Storage Units

You may extend the insurance provided by this coverage form to apply to Business Personal Property, other than "money" and "securities", "valuable papers and records", or accounts receivable, while temporarily stored in a portable storage unit (including a detached trailer) located within 100 feet of the described premises. The most we will pay for loss under this Extension Of Coverage is \$10,000.

The amount we pay under this Extension Of Coverage will not increase the applicable Limit Of Insurance.

Coverage will end 90 days after Business Personal Property has been placed in the storage unit. Coverage does not apply if the storage unit itself has been in use at the described premises for more than 90 consecutive days, even if the Business Personal Property has been stored there for 90 or fewer days at the time of loss.

4. **SECTION II — LIABILITY** is amended as follows:

- a. **Section II — Exclusions** is amended as follows:

- (1) The following is added to Paragraph 3. **Liquor Liability**:

This exclusion applies even if the claims allege negligence or other wrongdoing in the supervision, hiring,

employment, training, or monitoring of others by an insured, or providing or failing to provide transportation with respect to any person that may be under the influence of alcohol if the "occurrence" which caused the "bodily injury" or "property damage" involved that which is described in Paragraph 3.a.

- (2) Paragraph 8.f. under **Aircraft, Auto Or Watercraft** is replaced by the following:

- f. "Bodily injury" or "property damage" arising out of:

- (1) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance or motor vehicle registration law where it is licensed or principally garaged;

- (2) The operation of any of the following machinery or equipment:

- (a) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and

- (b) Air compressors, pumps, and generators, including spraying, welding, building cleaning, geophysical exploration, lighting, and well servicing equipment; or

- (3) The operation of your business from a land vehicle:

- (a) While it is parked and functioning, other than "loading and unloading", as a premises for your business operations; and

- (b) That would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance or motor vehicle registration

law where it is licensed or principally garaged.

(3) Paragraphs **17.b.** and **17.c.** under **Personal And Advertising Injury** are replaced by the following:

- b. Arising out of oral or written publication of material, in any manner, if done by or at the direction of the insured with knowledge of its falsity;
- c. Arising out of oral or written publication of material, in any manner, whose first publication took place before the beginning of the policy period;

(4) The last paragraph of **17.h.** under **Personal And Advertising Injury** is replaced by the following:

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting;

(5) Paragraphs **18. Electronic Data** and **19. Recording And Distribution Of Material In Violation Of Law** are replaced by the following:

18. Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability

- a. Damages arising out of any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information, or any other type of nonpublic information; or
- b. Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses, or any other loss, cost or

expense incurred by you or others arising out of that which is described in Paragraph **a.** or **b.** above.

As used in this exclusion, electronic data means information, facts, or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices, or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve, or send data.

19. Recording and Distribution of Material

Damages arising directly or indirectly out of any communication, by or on behalf of any insured, that violates or is alleged to violate:

- a. The Telephone Consumer Protection Act (TCPA), CAN-SPAM Act of 2003, Fair Credit Reporting Act (FCRA), or Fair and Accurate Credit Transaction Act (FACTA); including any regulations and any amendment of or addition to such statutes;
- b. Any federal, state or local law, statute, ordinance, or regulation, in addition to Paragraph **a.** above, that addresses, prohibits or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating, or distribution of material or information; or
- c. Any other federal, state or local law, statute, ordinance, or regulation that may provide a basis for a separate claim or cause of action arising out of any communication referenced in Paragraphs **a.** or **b.** above.

b. Paragraph 1.d.(2) under **Coverage M – Medical Expenses** is replaced by the following:

(2) Executes authorization to allow us to obtain copies of medical bills, medical records, and any other information we deem necessary to substantiate the claim.

Such authorizations must not:

(a) Restrict us from performing our business functions in:

- i. Obtaining records, bills, information, and data; or
- ii. Using or retaining records, bills, information, and data collected or received by us;

(b) Require us to violate federal or state laws or regulations;

(c) Prevent us from fulfilling our data reporting and data retention obligations to insurance regulators; or

(d) Prevent us from disclosing claim information and data:

- i. To enable performance of our business functions;
- ii. To meet our reporting obligations to insurance regulators;
- iii. To meet our reporting obligations to insurance data consolidators; and
- iv. As otherwise permitted by law.

If the holder of the information refuses to provide it to us despite the authorization, then at our request the person making claim or his or her legal representative must obtain the information and promptly provide it to us; and

c. **SECTION II — WHO IS AN INSURED** is amended as follows:

(1) Paragraph 1.c. does not apply.

(2) Paragraphs 2.b.(1) and (4) are replaced by the following:

(1) "Employees" with respect to "bodily injury" to:

(a) Any co-"employee" arising out of and in the course of the co-"employee's" employment or

while performing duties related to the conduct of your business; or

(b) The spouse, child; parent, brother, or sister of that co-"employee" as a consequence of Paragraph (a) above;

(4) The owner of a "non-owned auto" or any agent of or any person or entity employed by such owner.

d. Paragraph 2.b. under **Financial Responsibility Laws of SECTION II — GENERAL CONDITIONS** does not apply.

e. **SECTION II — DEFINITIONS** is amended as follows:

(1) Paragraph 2. is replaced by the following:

2. "Auto" means:

a. A land motor vehicle, trailer, or semitrailer designed for travel on public roads, including any attached machinery or equipment; or

b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance or motor vehicle registration law where it is licensed or principally garaged.

However, "auto" does not include "mobile equipment".

(2) The following is added to Paragraph 15. "mobile equipment":

However, "mobile equipment" does not include land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance or motor vehicle registration law where they are licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law or motor vehicle registration law are considered "autos".

(3) Paragraphs 18.f. and g. of "personal and advertising injury" are replaced by the following:

f. The use of another's advertising idea in your "advertisement";



- g. Infringing upon another's trade dress or slogan in your "advertisement", or
 - h. Infringement of another's copyright, patent, trademark, or trade secret.
- f. The following are added to **SECTION I AND SECTION II – COMMON POLICY CONDITIONS**:

Our Rights Regarding Claim Information

- a. We will collect, receive, obtain, use, and retain all the items described in Paragraph **b.(1)** below and use and retain the information described in Paragraph **b.(3)(b)** below, in accordance with applicable federal and state laws and regulations and consistent with the performance of our business functions.
- b. Subject to Paragraph **a.** above, we will not be restricted in or prohibited from:
 - (1) Collecting, receiving, or obtaining records, receipts, invoices, medical bills, medical records, wage information, salary information, employment information, data, and any other information;
 - (2) Using any of the items described in Paragraph **b.(1)** above; or
 - (3) Retaining:
 - (a) Any of the items in Paragraph **b.(1)** above; or
 - (b) Any other information we have in our possession as a result of

- our processing, handling, or otherwise resolving claims submitted under this policy.
- c. We may disclose any of the items in Paragraph **b.(1)** above and any of the information described in Paragraph **b.(3)(b)** above:
 - (1) To enable performance of our business functions;
 - (2) To meet our reporting obligations to insurance regulators;
 - (3) To meet our reporting obligations to insurance data consolidators;
 - (4) To meet other obligations required by law; and
 - (5) As otherwise permitted by law.
 - d. Our rights under Paragraphs **a.**, **b.**, and **c.** above shall not be impaired by any:
 - (1) Authorization related to any claim submitted under this policy; or
 - (2) Act or omission of an insured or a legal representative acting on an insured's behalf.

Electronic Delivery

With your consent, we may electronically deliver any document or notice, including a notice to renew, nonrenew, or cancel, instead of mailing it or delivering it by other means. Proof of transmission will be sufficient proof of notice.

All other policy provisions apply.

CMP-4561.1

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IMPORTANT NOTICE

Effective with this policy term, **CMP-4705.1 LOSS OF INCOME AND EXTRA EXPENSE** replaces **CMP-4705 LOSS OF INCOME AND EXTRA EXPENSE**.

This notice summarizes the changes being made to your policy. Please read the new endorsement carefully and note the following changes:

POTENTIAL REDUCTION IN COVERAGE

Although not intended to change coverage, this change could potentially reduce or eliminate coverage depending on how it is interpreted and, in that regard, should be viewed as either an actual or potential reduction in or elimination of coverage.

The definition of loss of income has been changed to emphasize that if a business had been incurring a net loss, the continuing normal operating expenses will be offset by the net loss to determine the amount of a business income owed for a covered loss.

Endorsement **CMP-4705.1** follows this notice. Please read it thoroughly and place it with your policy. If you have any questions about the information in this notice, please contact your State Farm® agent.

This notice is a general description of coverage and/or coverage changes and is not a statement of contract. This message does not change, modify, or invalidate any of the provisions, terms, or conditions of your policy, or any other applicable endorsements.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CMP-4705.1 LOSS OF INCOME AND EXTRA EXPENSE

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

The coverage provided by this endorsement is subject to the provisions of **SECTION I — PROPERTY**, except as provided below.

COVERAGES

1. Loss Of Income

- a. We will pay for the actual "Loss Of Income" you sustain due to the necessary "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by accidental direct physical loss to property at the described premises. The loss must be caused by a Covered Cause Of Loss. With respect to loss to personal property in the open or personal property in a vehicle, the described premises include the area within 100 feet of the site at which the described premises are located.

With respect to the requirements set forth in the preceding paragraph, if you occupy only part of the site at which the described premises are located, then the described premises means:

- (1) The portion of the building which you rent, lease or occupy; and
- (2) Any area within the building or on the site at which the described premises are located, if that area is the only such area that:
 - (a) Services; or
 - (b) Is used to gain access to; the described premises.
- b. We will only pay for "Loss Of Income" that you sustain during the "period of restoration" that occurs after the date of accidental direct physical loss and within the number of consecutive months for Loss Of Income And Extra Expense shown in the Declarations. We will only pay for "ordinary payroll expenses" for 90 days following the date of accidental direct physical loss.



2. Extra Expense

- a. We will pay necessary "Extra Expense" you incur during the "period of restoration" that you would not have incurred if there had been no accidental direct physical loss to property at the described premises. The loss must be caused by a Covered Cause Of Loss. With respect to loss to personal property in the open or personal property in a vehicle, the described premises include the area within 100 feet of the site at which the described premises are located.

With respect to the requirements set forth in the preceding paragraph, if you occupy only part of the site at which the described premises are located, then the described premises means:

- (1) The portion of the building which you rent, lease or occupy; and
- (2) Any area within the building or on the site at which the described premises are located, if that area is the only such area that:
 - (a) Services; or
 - (b) Is used to gain access to; the described premises.

- b. We will only pay for "Extra Expense" that occurs after the date of accidental direct physical loss and within the number of consecutive months for Loss Of Income And Extra Expense shown in the Declarations.

3. Extended Loss Of Income

- a. If the necessary "suspension" of your "operations" produces a "Loss Of Income" payable under this policy, we will pay for the actual "Loss Of Income" you incur during the period that:
 - (1) Begins on the date property, except finished stock, is actually repaired, rebuilt or replaced and "operations" are resumed; and
 - (2) Ends on the earlier of:
 - (a) The date you could restore your "operations", with reasonable speed, to the level which would generate the Net Income amount that would have existed if no accidental direct physical loss had occurred; or

- (b) 60 consecutive days after the date determined in Paragraph a.(1) above.

However, Extended Loss Of Income does not apply to "Loss Of Income" incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause Of Loss in the area where the described premises are located.

- b. "Loss Of Income" must be caused by accidental direct physical loss at the described premises caused by any Covered Cause Of Loss.

4. Civil Authority

- a. When a Covered Cause Of Loss causes damage to property other than property at the described premises, we will pay for the actual "Loss Of Income" you sustain and necessary "Extra Expense" caused by action of civil authority that prohibits access to the described premises, provided that both of the following apply:

- (1) Access to the area immediately surrounding the damaged property is prohibited by civil authority as a result of the damage, and the described premises are within that area but are not more than one mile from the damaged property; and
- (2) The action of civil authority is taken in response to dangerous physical conditions resulting from the damage or continuation of the Covered Cause Of Loss that caused the damage, or the action is taken to enable a civil authority to have unimpeded access to the damaged property.

- b. Civil Authority coverage for "Loss Of Income" will begin immediately after the time of the first action of civil authority that prohibits access to the described premises and will apply for a period of up to four consecutive weeks from the date on which such coverage began.
- c. Civil Authority coverage for necessary "Extra Expense" will begin immediately after the time of the first action of civil authority that prohibits access to the described premises and will end:

- (1) Four consecutive weeks after the date of that action; or

- (2) When your Civil Authority coverage for "Loss Of Income" ends;
whichever is later.

EXTENSIONS OF COVERAGE

1. Newly Acquired Property

- a. You may extend the insurance provided by this endorsement to apply to newly acquired or constructed property covered as described in Paragraph 12. of SECTION I — EXTENSIONS OF COVERAGE of your policy.
- b. The most we will pay in any one occurrence under this coverage for "Loss Of Income" and necessary "Extra Expense" is the actual loss you sustain.

2. Interruption Of Web Site Operations

- a. You may extend the insurance provided by this endorsement to apply to the necessary interruption of your business. The interruption must be caused by an accidental direct physical loss to your Web Site Operations at the premises of a vendor acting as your service provider.

Such interruption must be caused by a Covered Cause Of Loss other than a loss covered under Equipment Breakdown Extension Of Coverage of your Business-owners Coverage Form.

(1) Coverage Time Period

We will only pay for loss you sustain during the seven-day period immediately following the first 12 hours after the Covered Cause Of Loss.

(2) Conditions

- (a) This coverage applies only if you have a back-up copy of your Web Site stored at a location other than the site of the Web Site vendor and to the extent "Loss Of Income" is permanently lost.
- (b) Notwithstanding any provision to the contrary, the coverage provided under this Interruption Of Web Site Operations Extension Of Coverage is primary to any LOSS OF INCOME AND EXTRA EXPENSE coverage provided by the **Inland Marine Computer Property Form**.
- b. The most we will pay in any one occurrence under this coverage is \$10,000.

3. Off Premises – Loss Of Income

- a. You may extend the insurance provided by this endorsement to apply to the necessary "suspension" of your business. The "suspension" must be caused by an accidental direct physical loss to Covered Property while it is in the course of transit or at another premises.

If the Covered Property is located at another premises you own, lease, operate, or regularly use, the insurance provided under this extension applies only if the loss occurs within 90 days after the property is first moved.

We will only pay for loss you sustain during the period beginning immediately after the time of accidental direct physical loss caused by any Covered Cause Of Loss and ending when the property should be repaired, rebuilt or replaced with reasonable speed and similar quality.

- b. The most we will pay in any one occurrence under this coverage is \$20,000.

EXCLUSIONS

We will not pay for:

1. Any "Extra Expense", or increase of "Loss Of Income", caused by:
 - a. Delay in rebuilding, repairing or replacing the property or resuming "operations", due to interference at the location of the rebuilding, repair or replacement by strikers, picketers, or any others charged with rebuilding, repairing, or replacing property; or
 - b. Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the "suspension" of your "operations", we will cover such loss that affects your "Loss Of Income" during the "period of restoration".
2. Any other consequential loss.

CONDITION

Resumption Of Operations

We will reduce the amount of your:

1. "Loss Of Income", other than "Extra Expense", to the extent you can resume your "operations", in whole or in part, by using damaged or undamaged property (including merchandise or stock) at the described premises or elsewhere.

2. "Extra Expense" loss to the extent you can return "operations" to normal and discontinue such "Extra Expense".

DEDUCTIBLE

No deductible applies to the coverage provisions provided in this "Loss Of Income" endorsement.

However, for any loss covered under Paragraph **22.b.(4)** of the Equipment Breakdown Extension Of Coverage of your policy, the Special Deductible for Equipment Breakdown will apply to this "Loss Of Income".

DEFINITIONS

1. "Extra Expense" means expense incurred:

- a. To avoid or minimize the "suspension" of business and to continue "operations":

- (1) At the described premises; or
- (2) At replacement premises or at temporary locations, including relocation expenses, and costs to equip and operate the replacement or temporary locations.

- b. To minimize the "suspension" of business if you cannot continue "operations".

- c. To:

- (1) Repair or replace any property; or
- (2) Research, replace or restore the lost information on damaged "valuable papers and records"

to the extent it reduces the amount of loss that otherwise would have been payable under this coverage or "Loss Of Income" coverage.

2. "Loss Of Income" means the sum of the amounts as described in **a.** and **b.** below:

- a. Net Income (net profit or loss before income taxes) that would have been earned or incurred if no accidental direct physical loss had occurred, including:

- (1) "Rental value";
- (2) "Maintenance fees", if you are a condominium association or other similar community association;
- (3) Total receipts and contributions (less operating expenses) normally received during the period of disruption of operations; and
- (4) Tuition and fees from students, including fees from room, board, laboratories and other similar sources.

Net Income does not include any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause Of Loss on customers or on other businesses.

- b. Continuing normal operating expenses incurred, including "ordinary payroll expenses".
3. "Maintenance fees" means the regular payment made to you by unit-owners and used to service the common property.
4. "Operations" means your business activities occurring at the described premises.
5. "Ordinary payroll expenses":
- a. Mean payroll expenses for all your employees except:
 - (1) Officers;
 - (2) Executives;
 - (3) Department Managers; and
 - (4) Employees under contract.
 - b. Include:
 - (1) Payroll;
 - (2) Employee benefits, if directly related to payroll;
 - (3) FICA payments you pay;
 - (4) Union dues you pay; and
 - (5) Workers' compensation premiums.
6. "Period of restoration":
- a. Means the period of time that:
 - (1) Begins immediately after the time of accidental direct physical loss caused by any Covered Cause Of Loss at the described premises; and
 - (2) Ends on the earlier of:
 - (a) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
 - (b) The date when business is resumed at a new permanent location.
 - b. Does not include any increased period required due to the enforcement of any ordinance or law that:

- (1) Regulates the construction, use or repair, or requires the tearing down of any property; or
- (2) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of "pollutants".

The expiration date of this policy will not cut short the "period of restoration".

7. "Rental value" means:

- a. The total anticipated rental income from tenant occupancy of the premises described in the Declarations as furnished and equipped by you;

- b. The amount of all charges which are the legal obligation of the tenant(s) and which would otherwise be your obligations; and
 - c. The fair rental value of any portion of the described premises which is occupied by you.
8. "Suspension" means:
- a. The partial slowdown or complete cessation of your business activities; or
 - b. That a part or all of the described premises is rendered untenable, if coverage for "Loss Of Income" applies.

All other policy provisions apply.

CMP-4705.1

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IMPORTANT NOTICE

Effective with this policy term, **CMP-4220.1 AMENDATORY ENDORSEMENT (Maryland)** replaces **CMP-4220 AMENDATORY ENDORSEMENT (Maryland)**.

This notice summarizes the changes being made to your policy. Please read the new endorsement carefully and note the following changes:

- **SECTION II – LIABILITY** – We have added the definition of “first-class tracking method.” It means a method that provides evidence of the date that a piece of first-class mail was accepted for mailing by the U.S. Postal Service, including certificate of mailing and an electronic mail tracking system used by the U.S. Postal Service. It does not include a certificate of bulk mailing.
- **SECTION I AND SECTION II – COMMON POLICY CONDITIONS**
 - The **Premiums** provision has been revised. The premium for this policy may vary based on the purchase of other insurance from the State Farm Companies. This provision describes when the premium is due, the rates on which the premium is based, and the effect this policy may have on other coverages obtainable from, or other premiums paid to, the State Farm Companies.
 - **Cancellation Of Policies In Effect For 45 Days Or Less** – We will provide notice of cancellation 15 days before the effective date of cancellation if we cancel because the risk does not meet our underwriting standards.
 - **Cancellation and When We Do Not Renew Provisions** – We have added a statement that we will send the notice by a “first-class mail tracking method.”
 - **Condominium Association Policy Provisions** – For Condominium Association policies, we are no longer required to send a cancellation notice to the mortgage holder or the council of unit-owners.

Endorsement **CMP-4220.1** follows this notice. Please read it thoroughly and place it with your policy. If you have any questions about the information in this notice, please contact your State Farm® agent.

This notice is a general description of coverage and/or coverage changes and is not a statement of contract. This message does not change, modify, or invalidate any of the provisions, terms, or conditions of your policy, or any other applicable endorsements.

CMP-4220.1 AMENDATORY ENDORSEMENT (Maryland)

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

1. SECTION I is amended as follows:

- a. The following is added to Paragraph 2. of **SECTION I – EXCLUSIONS:**

Color Mismatch

Color mismatch between undamaged material and new material used to replace old, weathered or oxidized damaged material.

- b. Paragraph 1.d. of **SECTION I – CONDITIONS** is replaced by the following:

d. Legal Action Against Us

No one may bring a legal action against us under this policy unless:

- (1) There has been full compliance with all provisions and terms of this policy; and
- (2) The action is brought within three years from the date it accrues.

2. SECTION II is amended as follows:

- a. The following is added to **Coverage L – Business Liability:**

If you are a charitable institution, we may not assert the defense that you are immune from liability because you are a charitable institution.

b. The following is added to **SECTION II – DEFINITIONS:**

"First-class mail tracking method" means a method that provides evidence of the date that a piece of first-class mail was accepted for mailing by the United States Postal Service, including certificate of mailing and an electronic mail tracking system used by the United States Postal Service.

First-class mail tracking method does not include a certificate of bulk mailing.

3. **SECTION I AND SECTION II — COMMON POLICY CONDITIONS** is amended as follows:

a. Paragraph 8. is replaced by the following:

8. Premiums

a. The first Named Insured shown in the Declarations:

- (1) Is responsible for the payment of all premiums; and
- (2) Will be the payee for any return premiums we pay.

b. The premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. On each renewal, continuation, or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.

c. Unless otherwise provided by an alternative payment plan in effect with "State Farm Companies", you may continue this policy in force by paying a continuation premium for each successive one-year period. The premium must be:

- (1) Paid to us prior to the anniversary date; and
- (2) Determined in accordance with Paragraph b. above.

Our forms then in effect will apply.

d. Undeclared exposures or change in your business operation, acquisition, or use of premises may occur during the policy period that are not shown in the Declarations. If so, we may require an additional premium. That premium will be

determined in accordance with our rates and rules then in effect.

When you request changes to this policy, or the information or factors used to calculate the premium for this policy changes during the policy period, we may adjust the premium in accordance with the change during the policy period and you must pay any additional premium due within the time we specify.

e. The premium for this policy may vary based upon:

- (1) The purchase of other insurance from the "State Farm Companies".
- (2) The purchase of products or services from an organization that has entered into an agreement or contract with the "State Farm Companies". The "State Farm Companies" do not warrant the merchantability, fitness, or quality of any product or service offered or provided by that organization; or
- (3) An agreement, concerning the insurance provided by this policy, that the "State Farm Companies" has with an organization in which you have a membership, or of which you are a subscriber, licensee, or franchisee.

f. Your purchase of this policy may allow:

- (1) You to purchase or obtain certain coverages, coverage options, coverage deductibles, coverage limits, or coverage terms on other products from the "State Farm Companies", subject to their applicable eligibility rules; or
- (2) The premium or price for other products or services purchased by you, including non-insurance products or services, to vary. Such other products or services must be provided by the "State Farm Companies" or by an organization that has entered into



an agreement or contract with the "State Farm Companies". The "State Farm Companies" do not warrant the merchantability, fitness, or quality of any product or service offered or provided by that organization.

b. Paragraph 9.b. of Premium Audit is replaced by the following:

b. Premium shown in this Policy as estimated premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit premiums is 30 days from the date on the bill. If the sum of the estimated and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.

c. The following is added:

Cancellation

a. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.

b. **Cancellation Of Policies In Effect For:**

(1) 45 Days Or Less

If this policy has been in effect for 45 days or less and is not a renewal or continuation with us, we may cancel this policy by sending to the first Named Insured written notice of cancellation at least:

(a) 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or

(b) 15 days before the effective date of cancellation if we cancel because the risk does not meet our underwriting standards.

We will send the notice by a "first-class mail tracking method".

(2) More Than 45 Days

If this policy has been in effect for more than 45 days or is a renewal or continuation of a policy we issued, we may cancel this policy by sending to the first Named Insured

written notice of cancellation at least:

(a) 10 days before the effective date of cancellation if we cancel for nonpayment of premium. We will send the notice by a "first-class mail tracking method"; or

(b) 45 days before the effective date of cancellation if we cancel for a permissible reason other than nonpayment of premium, stating the reason for cancellation. We will send the notice by a "first-class mail tracking method" or by commercial mail delivery service. Under this Paragraph b.(2)(b), we may cancel only for one or more of the following reasons:

i. When there exists material misrepresentation or fraud in connection with the application, policy, or presentation of a claim.

ii. A change in the condition of the risk that results in an increase in the hazard insured against.

iii. A matter or issue related to the risk that constitutes a threat to public safety.

You may request additional information on the reason for cancellation within 30 days from the date of our notice.

c. Notice of cancellation will state the reason for and effective date of cancellation. The policy period will end on that date.

d. We will send or deliver the notice to the first Named Insured's last mailing address known to us. We will maintain proof of mailing in a form authorized or accepted by the United States Postal Service or by other commercial mail delivery service when such service is used. Proof of mailing will be sufficient proof of notice.

e. If this policy is cancelled, we will send the first Named Insured any premium refund due. The refund will be pro rata.

However, if this policy is financed by a premium finance company and we or the premium finance company or the first Named Insured cancels the policy, the refund will be pro rata of the gross unearned premium computed, excluding any expense constant, administrative fee or nonrefundable charge filed with and approved by the insurance commissioner.

The cancellation will be effective even if we have not made or offered a refund.

- f. If this policy insured more than one Named Insured:
- (1) The first Named Insured may affect cancellation for the account of all insureds; and
 - (2) Our notice of cancellation to the first Named Insured is notice to all insureds. Payment of unearned premium to the first Named Insured is for the account of all interests therein.

When We Do Not Renew

- a. If we decide not to renew this policy, we will send or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal at least 45 days before the expiration date of the policy.
- b. We will send or deliver the notice by a "first-class mail tracking method" or by commercial mail delivery service to the first Named Insured's last mailing address known to us. We will maintain proof of mailing in a form authorized or accepted by the United States Postal Service or by other commercial mail delivery service when such service is used. Proof of mailing will be sufficient proof of notice.
- c. If we decide not to renew this policy that has been in effect for more than

45 days for a reason other than non-payment of premium, we will provide a written statement of the actual reason for the refusal to renew. You may request additional information within 30 days from the date of our notice.

- d. If we offer to renew at least 45 days before the renewal date and you fail to make the required premium payment by the renewal date, the policy will terminate on the renewal date for non-payment of premium.

4. THE FOLLOWING ADDITIONAL PROVISIONS ARE APPLICABLE ONLY TO POLICIES INSURING CONDOMINIUM ASSOCIATIONS:

- a. Paragraph 2.b.(2) of Mortgageholders under SECTION I — CONDITIONS is replaced by the following:

(2) We will:

- (a) If the condominium is terminated, pay for covered loss to buildings or structures to each mortgageholder shown on the Declarations in their order of precedence, as interests may appear.
- (b) In all other respects, pay for loss to buildings or structures to you or the designated insurance trustee in accordance with the Loss Payment Condition under SECTION I — CONDITIONS.

- b. The following is added to SECTION I AND SECTION II — COMMON POLICY CONDITIONS:

Unit-Owner Acts Or Omissions

No act or omission by any unit-owner will void this policy or be a condition to recovery under this policy. But this does not apply to unit-owners acting within the scope of their authority on behalf of the association.

All other policy provisions apply.

CMP-4220.1

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(CONTINUED)



IMPORTANT NOTICE

Effective with this policy term, **FE-8743.1 INLAND MARINE COMPUTER PROPERTY FORM** replaces **FE-8743 INLAND MARINE COMPUTER PROPERTY FORM**.

This notice summarizes the changes being made to your policy. Please read the new endorsement carefully and note the following changes:

POTENTIAL REDUCTION IN COVERAGE

Although not intended to change coverage, this change could potentially reduce or eliminate coverage depending on how it is interpreted and, in that regard, should be viewed as either an actual or potential reduction in or elimination of coverage.

The definition of loss of income has been changed to emphasize that if a business had been incurring a net loss, the continuing normal operating expenses will be offset by the net loss to determine the amount of a business income owed for a covered loss.

Endorsement **FE-8743.1** follows this notice. Please read it thoroughly and place it with your policy. If you have any questions about the information in this notice, please contact your State Farm® agent.

This notice is a general description of coverage and/or coverage changes and is not a statement of contract. This message does not change, modify, or invalidate any of the provisions, terms, or conditions of your policy, or any other applicable endorsements.

FE-8743.1 INLAND MARINE COMPUTER PROPERTY FORM

INSURING AGREEMENT

We will pay for accidental direct physical loss to:

1. "Computer equipment", used in your business operations, that you own, lease from others, rent from others, or that is loaned to you. However, we do not insure "computer equipment" used to operate or control vehicles.
2. Removable data storage media used in your business operations to store "electronic data".

We do not insure property you lease to others or rent to others.

We do not insure "computer programs" or "electronic data" except as provided in the Computer Programs And Electronic Data Extension Of Coverage.

LIMIT OF INSURANCE

We will pay for all covered loss up to the limits shown on the Schedule Page.

DEDUCTIBLE

The deductible amount shown on the Schedule Page will only apply to the property covered under this form. This amount will be deducted from the amount of any loss under this coverage.

EXCLUSIONS

1. We do not insure under any coverage for any loss to any property while in transit as checked baggage on a commercial airline;

2. We do not insure for loss either consisting of, or caused by, one or more of the following:

- a. Errors and omissions in programming. However, we do insure for any resulting loss unless the resulting loss itself is excluded;
- b. Faulty, inadequate, unsound or defective design, specifications, workmanship, or repair. However, we do insure for any resulting loss unless the resulting loss itself is excluded;
- c. Wear, tear, marring, scratching, rust, corrosion or deterioration. However, we do insure for any resulting loss unless the resulting loss itself is excluded;
- d. Property that is missing, where the only evidence of the loss is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property;
- e. Any dishonest or criminal act occurring at any time by you, any of your partners, employees, directors, or trustees;
- f. Hidden or latent defect or any quality in property that causes it to damage or destroy itself. However, we do insure for any resulting loss unless the resulting loss itself is excluded; or
- g. Obsolescence;

3. We do not insure under any coverage for any loss which would not have occurred in the absence of one or more of the following excluded events. We do not insure for

such loss regardless of: (a) the cause of the excluded event; or (b) other causes of the loss; or (c) whether other causes acted concurrently or in any sequence with the excluded event to produce the loss; or (d) whether the event occurs suddenly or gradually, involves isolated or widespread damage, arises from natural or external forces, or occurs as a result of any combination of these:

a. Fungi

Growth, proliferation, spread or presence of "fungi", including:

- (1) Any loss of use or delay in repairing or replacing covered property, including any associated cost or expense, due to interference at the location of the covered property or at the location of the repair or replacement of that property by "fungi";
- (2) Any remediation of "fungi", including the cost or expense to:
 - (a) Remove the "fungi" from covered property or to repair, restore or replace that property;
 - (b) Take apart and repair any property as needed to gain access to the "fungi";
 - (c) Contain, treat, detoxify, neutralize or dispose of or in any way respond to or assess the effects of the "fungi"; or
 - (d) Remove any property to protect it from the presence of or exposure to "fungi"; and
- (3) The cost of any testing or monitoring of air or property to confirm the type, absence, presence or level of "fungi", whether performed prior to, during, or after removal, repair, restoration or replacement of covered property.

b. Governmental Action

Seizure or destruction of property by order of governmental authority.

But we will pay for acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread.

c. Nuclear Hazard

Nuclear reaction or radiation, or radioactive contamination. Loss caused by the nuclear hazard will not be considered loss caused by fire, explosion or smoke.

But if nuclear reaction or radiation, or radioactive contamination results in fire, we will pay for the loss caused by that fire.

d. War And Military Action

- (1) War, including undeclared or civil war;

- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.

EXTENSIONS OF COVERAGE

1. Computer Programs And Electronic Data

a. We will pay for accidental direct loss to:

- (1) The following types of "computer programs" and "electronic data" that you own, license from others, lease from others, or rent from others:
 - (a) "Computer programs" used in your business operations; or
 - (b) The "electronic data" that exists in "computer" memory or on "computer" storage media, used in your business operations.
- (2) That portion of your customers' "electronic data" that is supplied to you for processing or other use in your business operations. Coverage for customers' "electronic data" is limited to the specific data file(s) containing the information you are processing or using in your business operations.

We do not cover any property you lease to others, rent to others or license to others. We do not cover "computer equipment" or removable data storage media under this Extension Of Coverage. This coverage extension is included in the Limit Of Insurance shown on the Schedule Page.

Loss does not include any consequential loss except as may be provided in the optional Loss Of Income And Extra Expense coverage.

b. All items under the EXCLUSIONS section of this form apply to this Extension Of Coverage except:

- (1) Item a. in Paragraph 2. does not apply to:
 - (a) "Computer programs" other than the program in which the error or omission in programming occurs; and
 - (b) "Electronic data";
 covered under this extension;
- (2) Item b. in Paragraph 2. does not apply to "electronic data" covered under this extension; and
- (3) Items c. and d. in Paragraph 2. do not apply to "computer programs" and "electronic data" covered under this extension.



c. We do not provide coverage for loss to, or loss of value resulting from infringement of, your intellectual property rights.

2. Fire Protection Devices

We will cover your expense, for up to \$25,000, to recharge or refill any fire protection devices which have been discharged to protect the covered property.

The amount we pay under this Extension Of Coverage is an additional amount of insurance and is not subject to a deductible.

3. Debris Removal

We will cover your expense to remove the debris of covered property, caused by Covered Cause Of Loss.

The amount we pay under this Extension Of Coverage will not increase the applicable Limit Of Insurance.

SPECIAL CONDITIONS

1. Valuation

We agree all losses to:

a. "Computer equipment" will be determined based on the cost to repair or replace with that of similar performance, capacity or function.

b. Removable data storage media will be determined based on the cost to repair or replace that media with blank media of similar performance, capacity or function.

c. "Computer programs":

(1) That are commercial off-the-shelf will be determined based on the cost to repair or replace with that of similar performance, capacity or function; or

(2) That are not commercial off-the-shelf will be determined based on the cost of reproducing the programs if they are reproduced. If not reproduced, loss will be determined based on the cost of blank, readily available, removable data storage media, such as blank discs, with suitable capacity to store the programs.

d. "Electronic data" will be determined based on the cost of reproducing the data, if it is reproduced. If not reproduced, loss will be determined based on the cost of blank, readily available, removable data storage media, such as blank discs, with suitable capacity to store the data.

2. One Loss

If an initial loss causes other losses, all will be considered one loss. All losses that are the result of the same event will be considered one loss.

OPTIONAL COVERAGE – LOSS OF INCOME AND EXTRA EXPENSE

1. If a limit is shown on the Inland Marine Schedule Page for Loss Of Income And Extra Expense, coverage under this form is provided, subject to that limit, for the following:

a. The actual "Loss Of Income" you sustain due to the necessary "suspension" of your operations during the "period of restoration". The "suspension" must be caused by damage or destruction to property covered under this form, by a Covered Cause Of Loss; and

b. Any necessary "extra expense" you incur during the "period of restoration" that you would not have incurred if there had been no damage or destruction to property covered under this form, by a Covered Cause Of Loss.

We will only pay for "Loss Of Income" or "extra expense" that you sustain during the "period of restoration" that occurs within 12 consecutive months after the date of loss. We will only pay for "ordinary payroll expenses" for 90 days following the date of loss.

2. We will not pay for:

a. Any "extra expense" or increase of "Loss Of Income" caused by suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the "suspension" of your operations, we will cover such loss that affects your "Loss Of Income" during the "period of restoration";

b. Any "extra expense" caused by suspension, lapse or cancellation of any license, lease or contract beyond the "period of restoration";

c. Any other consequential loss; or

d. Loss caused by seizure or destruction of property by order of governmental authority. But we will pay for acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread.

DEFINITIONS

1. "Computer" means:

a. Programmable electronic equipment that is used to store, retrieve and process data; and

b. Associated peripheral equipment that provides communication, including input and output functions such as printing and auxiliary functions such as data transmission.

"Computer" does not include those used to operate production type machinery or equipment.

2. "Computer equipment" means "computers", "computer" cables and wiring not attached to or forming a part of a building, and equipment manuals. "Computer equipment" does not mean other types of devices with internal computing capability, such as intelligent devices that contain an embedded chip or some other form of logic circuitry, or the computing components in those devices.
3. "Computer programs" means a set of related electronic instructions which direct the operations and functions of a "computer" or device connected to it, which enable the "computer" or device to receive, process, store, retrieve or send data.
4. "Electronic data" means information, facts or "computer programs" stored as or on, created or used on, or transmitted to or from "computer" software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of "computer" software which are used with electronically controlled equipment.
5. "Extra expense" means expense incurred:
 - a. To avoid or minimize the "suspension" of business and to continue operations.
 - b. To minimize the "suspension" of business if you cannot continue operations.
 - c. To repair or replace any property to the extent it reduces the amount of loss that would otherwise have been payable under this coverage or "Loss Of Income" coverage.
6. "Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or byproducts produced or released by fungus.
7. "Loss Of Income" means the sum of the amounts as described in a. and b. below:
 - a. Net income (net profit or loss before income taxes) that would have been earned or incurred if no accidental direct loss had occurred, including:
 - (1) "Rental value";
 - (2) "Maintenance fees", if you are a condominium association or other similar community association;
 - (3) Total receipts and contributions (less operating expenses) normally received during the period of disruption of operations; and
 - (4) Tuition and fees from students, including fees from room, board, laboratories and other similar sources.
 - b. Continuing normal operating expenses incurred, including "ordinary payroll expenses".

Net income does not include any net income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause Of Loss on customers or on other businesses.
8. "Maintenance fees" means the regular payment made to you by unit-owners and used to service the common property.
9. "Ordinary payroll expenses":
 - a. Mean payroll expenses for all your employees except:
 - (1) Officers;
 - (2) Executives;
 - (3) Department Managers; and
 - (4) Employees under contract;
 - b. Include:
 - (1) Payroll;
 - (2) Employee benefits, if directly related to payroll;
 - (3) FICA payments you pay;
 - (4) Union dues you pay; and
 - (5) Workers' compensation premiums.
10. "Period of restoration" means the period of time that:
 - a. Begins immediately after the time of loss to property covered by this form; and
 - b. Ends on the date when the property covered by this form should be repaired, rebuilt, restored or replaced with reasonable speed and similar quality.

The expiration date of this policy will not cut short the "period of restoration".
11. "Rental value" means:
 - a. The total anticipated rental income from tenant occupancy of the premises described in the Declarations as furnished and equipped by you;
 - b. The amount of all charges which are the legal obligation of the tenant(s) and which would otherwise be your obligations; and
 - c. The fair rental value of any portion of the described premises which is occupied by you.
12. "Suspension" means the partial slowdown or complete cessation of your business activities.



IMPORTANT NOTICE

Effective with this policy term, **CMP-4746.1 HIRED AUTO LIABILITY** replaces **CMP-4746 HIRED AUTO LIABILITY**.

This notice summarizes the changes being made to your policy. Please read the new endorsement carefully and note the following changes:

POTENTIAL REDUCTION IN COVERAGE

Although not intended to change coverage, this change could potentially reduce or eliminate coverage depending on how it is interpreted and, in that regard, should be viewed as either an actual or potential reduction in or elimination of coverage.

Please read the new endorsement thoroughly and note that language is added under **SECTION II – WHO IS AN INSURED** to state that any person or entity employed by the owner or lessee of a hired auto is not an insured.

Endorsement **CMP-4746.1** follows this notice. Please read it thoroughly and place it with your policy. If you have any questions about the information in this notice, please contact your State Farm® agent.

This notice is a general description of coverage and/or coverage changes and is not a statement of contract. This message does not change, modify, or invalidate any of the provisions, terms, or conditions of your policy, or any other applicable endorsements.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CMP-4746.1 HIRED AUTO LIABILITY

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

1. The insurance provided under **Coverage L – Business Liability** in **SECTION II – LIABILITY**, applies to "bodily injury" or "property damage" arising out of the maintenance or use of a "hired auto" by you or your "employees" in the course of your business.
 2. For insurance provided by this endorsement only:
 - a. The exclusions under **Section II – Exclusions**, other than exclusions **1., 2., 4., 7., and 10.**, and the **SECTION II – NUCLEAR ENERGY LIABILITY EXCLUSION**, are deleted and replaced by the following:
 - (1) "Bodily injury" to:
 - (a) An "employee" of the insured arising out of and in the course of:
 - i. Employment by the insured; or
 - ii. Performing duties related to the conduct of the insured's business; or
 - (b) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph (a) above.
- This exclusion applies:
- (a) Whether the insured may be liable as an employer or in any other capacity; and
 - (b) To any obligation to share damages with or repay someone else who must pay damages because of injury.
- This exclusion does not apply to:
- (a) Liability assumed by the insured under an "insured contract"; or
 - (b) "Bodily injury" arising out of and in the course of domestic employment by the insured unless benefits for such injury are in whole or in part either payable or required to be provided under any workers compensation law.

- (2) "Property damage" to:
- (a) Property owned or being transported by, or rented or loaned to the insured; or
 - (b) Property in the care, custody or control of the insured.
- b. We will not pay under **Coverage M – Medical Expenses** for "bodily injury" arising out of the use of any "hired auto".
- c. **SECTION II – WHO IS AN INSURED**, is replaced by the following:
1. Each of the following is an insured under this endorsement to the extent set forth below:
 - a. You;
 - b. Any other person using a "hired auto" with your permission; and
 - c. Any other person or organization, but only for their liability because of acts or omissions of an insured under a. or b. above.
 2. None of the following is an insured:
 - a. Any person engaged in the business of his or her employer for "bodily injury" to any co-"employee" of such person injured in the course of employment, or to the spouse, child, parent, brother or sister of that co-"employee" as a consequence of such "bodily injury", or for any obligation to share damages with or repay someone else who must pay damages because of the injury;
 - b. Any:
 - (1) Partner or "executive officer" for any "auto" owned by or registered to such partner or officer
 - or a member of his or her household; or
 - (2) "Employee" for any "auto" owned by or registered to such "employee" or a member of his or her household;
 3. With respect to this endorsement the following additional definitions apply:
 - a. "Auto business" means the business or occupation of selling, repairing, servicing, storing or parking "autos".
 - b. "Hired auto" means any "auto" you lease, hire, rent or borrow. This does not include any "auto" you lease, hire, rent or borrow from any of your "employees", your partners or members (if you are a partnership or joint venture), "members" or "managers" (if you are a limited liability company), your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or members of their households.

All other policy provisions apply.



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

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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.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.



CMP-4862 ORDINANCE OR LAW (Business)

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

LOSS OF INCOME AND EXTRA EXPENSE

Coverage provided under this endorsement applies only if an "X" is shown in the box for that coverage in the Schedule below.

SCHEDULE

<input checked="" type="checkbox"/>	A. Loss in Value Coverage	
<input checked="" type="checkbox"/>	B. Increased Cost And Demolition Coverage	
	<input checked="" type="checkbox"/> 10 Percent	<input type="checkbox"/> 50 Percent
	<input type="checkbox"/> 25 Percent	<input type="checkbox"/> 100 Percent

A. Loss In Value Coverage

1. In the event of damage by a Covered Cause Of Loss to a building, that is Covered Property, we will pay for the loss in value of the undamaged portion of the building as a consequence of enforcement of any "ordinance or law" that requires demolition of undamaged parts of the same building. However, we will not pay for:
 - a. Any cost of demolishing or clearing the site of undamaged portions of the covered building; or
 - b. Any increased cost to repair, rebuild or construct the building caused by enforcement of any "ordinance or law".
2. When there is a loss in value of an undamaged portion of a building to which this Loss In Value Coverage applies, the loss payment for that building, including damaged and undamaged portions, will be the lesser of:
 - a. The actual cash value of the building as of the time of loss if the covered building property is not repaired or replaced;
 - b. The amount you actually spend to repair, rebuild or reconstruct the building if the covered building property is repaired or replaced on the same or another premises; or

- c. The Limit Of Insurance shown in the Declarations as applicable to the covered building.

3. The terms of this Loss In Value Coverage apply separately to each building to which the policy applies.

B. Increased Cost And Demolition Coverage

1. In the event of damage by a Covered Cause Of Loss to a building, that is Covered Property, we will pay the:
 - a. Increased costs incurred to comply with enforcement of any "ordinance or law" in the course of repair, rebuilding or replacement of damaged parts of that property.

If you elect to rebuild at another premises, we will pay the increased cost which would have been incurred had the building been repaired or replaced at the described premises.

However, if the "ordinance or law" requires relocation to another premises, we will pay the increased cost incurred at the new premises; and
 - b. Cost to demolish and clear the site of undamaged parts of the same building, as a consequence of enforcement of any "ordinance or law" that requires demolition of such undamaged property;

2. We will not pay for:

- a. Any loss in value for an undamaged portion of a building caused by enforcement of any "ordinance or law"; or
 - b. the increased cost:
 - (1) Until the property is actually repaired or replaced, at the described or another premises; and
 - (2) Unless the repairs or replacement are made as soon as reasonably possible after the loss, not to exceed two years. We may extend this period in writing during the two years.
3. The most we will pay under this Increased Cost And Demolition Coverage, for each described premises insured under **SECTION I — PROPERTY**, is the lesser of:
- a. The amount you actually spend for the increased cost to repair or rebuild the building at the described or another premises in the same general vicinity if relocation is required by any "ordinance or law", and the cost to demolish and clear the site of the undamaged parts of the building at the described premises caused by enforcement of any "ordinance or law"; or
 - b. A percentage, as shown in the Schedule above, of the Limit Of Insurance applicable to that building.

If a damaged building(s) is covered under a blanket Limit Of Insurance which applies to more than one building or item of property, then the most we will pay, in any one occurrence under this Extension Of Coverage, regardless of the number of buildings involved, is the amount determined by multiplying the percent as shown in the Declarations by the single Limit Of Insurance applicable to the covered building(s) at the time of loss.

The amount we pay under this Increased Cost And Demolition Coverage is in addition to the applicable Limit Of Insurance.

- 4. The amount payable, as stated in Paragraph 3. above, is not subject to Paragraph e.(4)(a)iv. under Loss Payment of **SECTION I — CONDITIONS**.
- 5. The following will amend the Loss Of Income And Extra Expense endorsement if Loss Of Income And Extra Expense is shown in the Declarations:

Paragraph 11.c. under the Loss Of Income And Extra Expense Definitions, is replaced by the following:

- c. "Period of restoration";
 - (1) Means the period of time that:
 - (a) Begins immediately after the time of accidental direct physical loss caused by any Covered Cause Of Loss at the described premises; and
 - (b) Ends on the earlier of:
 - i. The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
 - ii. The date when business is resumed at a new permanent location.
 - (2) Does not include any increased period required due to the enforcement of any "ordinance or law" that requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of "pollutants".

The expiration date of this policy will not cut short the "period of restoration".

- C. The following apply to both Loss In Value and Increased Cost And Demolition Coverages provided by this endorsement:

- 1. We will not pay for:
 - a. Loss due to any "ordinance or law" that:
 - (1) You were required to comply with before the loss, even if the building was undamaged; and
 - (2) You failed to comply with;
 - b. The enforcement of any "ordinance or law" which requires the demolition, repair, replacement, reconstruction, remodeling or remediation, of property due to contamination by "pollutants", or due to the presence, growth, proliferation, spread or any activity of "fungi", wet or dry rot, virus, bacteria or other microorganism; or



- c. Any costs associated with the enforcement of any "ordinance or law" which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungi", wet or dry rot, virus, bacteria or other micro-organism.
 2. The coverage provided by this endorsement is not subject to the terms of the Ordinance Or Law Exclusion, to the extent that such Exclusion would conflict with the provisions of this endorsement.
3. "Ordinance or law" as referred to in this endorsement, means any ordinance or law that is in force at the time of loss and regulates the demolition, construction or repair of buildings or establishes zoning or land use requirements at:
 - a. The described premises; or
 - b. Another premises, if such ordinance or law requires relocation.

All other policy provisions apply.

CMP-4862

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Litigation
The Gardens at Owings Mills II

This document is currently either not available or not applicable for this association.

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Owner Forms
The Gardens at Owings Mills II

UNIT OWNER INFORMATION FORM

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

It is important that your Association has this information on file in the event of a fire, security and/or medical emergency. Please complete the following form and return it to:
Tidewater Property Management, Inc., 3706 Crondall Lane, #105, Owings Mills, MD 21117-2231.
You may also complete and fax the form to: **443-548-0196.**

Community Name: _____

Owners Full Name: (1) _____

Owners Full Name: (2) _____

Address: _____

Parking Space (If Applicable): _____

Mailing Address (if different from above): _____

Phone Numbers: (1) Day _____	(2) Day _____
Evening _____	Evening _____
Cell _____	Cell _____

Primary E-mail Address: _____

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

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

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

Name of Lessee: (1) _____

Phone Numbers: Day _____ **Evening** _____

Name of Lessee: (2) _____

Phone Numbers: Day _____ **Evening** _____

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

1) Name: _____ Age: _____

2) Name: _____ Age: _____

3) Name: _____ Age: _____

4) Name: _____ Age: _____

In case of emergency contact:

Name: _____ Relationship _____

Address: _____

Phone Number: Day _____ Evening _____

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

**Resolutions and Policies
The Gardens at Owings Mills II**

This document is currently either not available or not applicable for this association.

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**Rules and Regulations
The Gardens at Owings Mills II**



RULES & REGULATIONS

THE GARDENS AT OWINGS MILLS, " A CONDOMINIUM

RULES AND REGULATIONS

1. The sidewalks, entrances, passages, courts, public halls, corridors and stairways of the buildings shall not be obstructed or used for any other purpose than ingress to and egress from the Units in the buildings.
2. No article shall be placed in any of the halls or on any of the staircase landings.
3. Unit Owners will be held responsible for the actions of their children and their family members, guests, invitees, contractors and tenants. Children shall not play or ride bikes or skateboards in the entrances, public halls, corridors, passages, stairways, parking lots, sidewalks or any other Common Element other than designated areas.
4. No public hall, corridor, passage, stairway or laundry area shall be decorated or furnished by a Unit Owner in any manner unless authorized by the Board of Directors in writing.
5. Each Unit Owner shall keep his Unit and any Balcony Limited Common Element or Patio Limited Common Element appurtenant to his Unit in a good state of preservation and cleanliness and shall not sweep or throw or permit to be swept or thrown therefrom, or from the doors, windows or balcony of his Unit, any dirt or other substance.
6. Tools, sporting goods, barbecue or cooking equipment, bicycles and other personal articles and equipment must be kept within the Units and may not be stored or placed on any Balcony Limited Common Element or Patio Limited Common Element.
7. Boats, trailers, campers and other recreational vehicles shall not be parked in any parking area within the Condominium.
8. No radio or television antennas, aerials, awnings, sun shades, terrace covers, terrace enclosures, fans, air conditioning units, window guards, flags or similar items shall be permanently attached to, or hung from, the exterior of the buildings or the patios or balconies, and, except as otherwise provided in the By-Laws, no sign, notice, advertisement or illumination shall be inscribed or exposed to public view on or at any window or other part of the building, except such as shall have been approved in writing by the Board of Directors; nor shall anything be projected from any window of the buildings without similar approval.

9. Unit Owners and their family members, guests, invitees, contractors and tenants shall not damage or destroy any of the Common Elements of the Condominium. A Unit Owner shall be responsible for any damage or destruction of the Common Elements caused by any family members, guests, invitees, contractors or tenants of such Unit Owner.
10. The sides of all drapes, curtains, window shades or other window coverings which face the exterior of a Unit shall be white in color unless approved by the Board of Directors in writing.
11. Unit Owners and their guests will be expected to reduce noise levels after 11:00 p.m. so that neighbors are not disturbed. In general, no Unit Owner shall make or permit to be made any noises that will disturb or annoy the occupants of the buildings, or do or permit to be done anything therein which will interfere with the rights, comfort or convenience of other Unit Owners.
12. Unit Owners may have household domestic pets. Dogs and cats are restricted to any combination up to two (2) per unit. Any pet found to be causing a nuisance to other unit owners or in excess of the limit noted above shall be in violation of the Rules and Regulations and may, upon 2 weeks written notice from the Board of Directors, be removed from the property. Proof of vaccination and County License, as required by Baltimore County, must be provided to the Board of Directors upon request. Pet owners are required to pick up after their pets and keep them on leashes. All State and County Pet Ordinance are herein incorporated as part of these Rules and Regulations.
13. Unit Owners of Units located on the ground level of a building and having Patio Limited Common Elements appurtenant to their Units will be permitted to plant flowers in the Patio Limited Common Elements, provided that, in the opinion of the Board of Directors, the type of planting will not detract from the appearance of the area and will blend with the overall landscaping of the Condominium.
14. There shall be no use of the common grounds and green areas except natural recreational uses which do not injure the commons areas or the vegetation thereon, increase the maintenance thereof, or cause unreasonable embarrassment, disturbance or annoyance to Unit Owners in their enjoyment of the common grounds and green areas in the vicinity of their Units.
15. There shall be no organized sports activities or picnicking except in areas approved by the Board of Directors.
16. The speed limit for all vehicles within the Condominium shall not exceed ten (10) mph.
17. No Unit Owner shall alter any lock or install a new lock on any exterior door leading to his Unit without the written consent of the Board of Directors. If such consent is given, the Board of Directors shall be provided with a key. Passkeys shall be kept only by responsible persons selected by the Board of Directors.

18. No vehicle belonging to a Unit Owner or a member of the family or guest, tenant or employee of a Unit Owner, shall be parked in such a manner as to impede or prevent ready access to any entrance to or exit from the buildings by another vehicle or in any other locations other than those designated for the parking of vehicles. No vehicle is to be parked so as to occupy more than one parking space nor shall the designated fire lane areas be used for the parking of vehicles.
19. No garbage cans, milk bottle containers or other articles as such shall be placed in the halls, nor shall anything be hung from the windows or balconies, or be placed upon the window sills, nor shall any linens, clothes, laundry, rugs or mops be shaken or hung from any of the windows, doors or balconies, or otherwise left on or placed in such a way as to be exposed to public view.
20. No Unit Owner or any of his guests, servants, employees, licensees or visitors shall at any time bring into or keep in his Unit any inflammable, combustible or explosive fluid, material, chemical or substance, except for normal household use.
21. No Unit Owner, resident or tenant shall direct or engage any employee of the Condominium on any private business of such Unit Owner, resident or lessee while such employee is on duty, nor shall he direct, supervise or in any manner attempt to assert control over any such employee or over any contractor acting under a contract or agreement with the Council.
22. A Unit Owner may lease his Unit for a term of not less than six (6) months, unless approved in writing by the Board of Directors, provided that (i) any lease agreement shall be in writing on a form approved by the Board of Directors, shall provide that its terms are subject in all respects to the Condominium Instruments and that the failure by the tenant to comply with the Condominium Instruments shall be a default under the lease; (ii) an executed copy of said lease or renewal thereof shall be delivered to the Board of Directors within seven (7) days after execution; and (iii) the Board of Directors has the power to terminate such lease or to bring summary proceedings to evict the tenant in the name of the lessor thereunder, in the event of a default by the tenant in the performance of such lease or in the event the tenant fails to comply with the provisions of the Condominium Instruments, including these Rules and Regulations. No Unit may be leased for transient or hotel purposes, and no Unit Owner may lease less than the entire Unit. The restrictions of this paragraph shall not apply to any First Mortgagee who comes into possession of a Unit pursuant to a foreclosure sale, judicial sale or transfer or conveyance in lieu of foreclosure.

- 23 Any Unit Owner who intends to rent his Unit shall provide prior written notice of such intent to the Board of Directors. Any Unit Owner who intends to rent his Unit must employ the professional management services of a local property management company. The address, telephone number and name of the local management company must be provided with the notice of intent to rent a Unit.

A fine in the amount of twenty-five dollars (\$25.00) per occurrence will be assessed for each violation of these Rules and Regulations with the exception of Rules #22 and #23 for which a fifty dollar (\$50.00) fine will be assessed for each month that the Owner is in violation. Fines assessed and not paid will be subject to the same late fees and interest penalties schedule as established by the Board of Directors for Annual Assessments not paid when due.

**GARDENS AT OWINGS MILL CONDOMINIUM ASSOCIATION
SECTION III**

**RESOLUTION ADOPTING PARKING RULES & REGULATIONS
AND TOWING PROCEDURES**

WHEREAS, the By-Laws, recorded among the Land Records of Baltimore County (as from time to time thereafter amended) provides, in Article XIII, that the Board of Directors has the power to adopt and publish Rules and Regulations for the peaceful and orderly use and enjoyment of the condominium. The provisions of Section 11-111 of Maryland Condominium Act shall be applicable to the adoption of such Rules and Regulations; however, there shall be no appeal to the court concerning any Rules and Regulations adopted by the Board of Directors or denial of any appeal for an individual exception therefrom.

WHEREAS, there was a need for an updated compilation of the Parking Rules and Regulations and Towing Procedures to provide easy reference and understanding for all homeowners, and

WHEREAS, a copy of the attached Parking Rules and Regulations and Towing Procedures has been given by First Class U.S. Mail to each and every member of the Gardens at Owings Mills Condominium Association, Section III and

WHEREAS, a meeting of the Gardens at Owings Mills Condominium Association, Section III was held on February 12, 2004 to allow its members to voice opposition or otherwise amend the Rules and Regulations, and

WHEREAS, there was no opposition presented to the Board of Directors to the adoption of the Rules and Regulations, and

THEREFORE, BE IT RESOLVED this 12th day of February, 2004 that the attached Rules and Regulations shall be adopted for the governing of the Gardens at Owings Mills Condominium Association, Section III and Parking Rules and Regulations and Towing Procedures, and

BE IT FURTHER RESOLVED that these Parking Rules and Regulations and Towing Procedures Resolution shall supercede all former versions as previously adopted and recorded in the Land Records of Baltimore County and

BE IT FURTHER RESOLVED that this resolution shall take effect February 13, 2004, and shall remain in effect until it may be revoked or amended.

**GARDENS AT OWINGS MILL CONDOMINIUM ASSOCIATION
SECTION III**

BY: Anya White 2-12-04
Board of Director, President - Anya White

BY: Boris Vaynshteyn 2/12/04
Board of Director, Vice President - Boris Vaynshteyn

BY: Syed Ahmed 2/12/04
Board of Director, Secretary / Treasurer - Syed Ahmed

THE GARDENS AT OWINGS MILLS SECTION II

wp&m
C/O REAL ESTATE GROUP
7 Gwynns Mill Court, #F
Owings Mills, MD 21117
(443)796-7400 • FAX (443)796-7188
www.wpmlc.com

**PARKING AND TOWING POLICY FOR UNAUTHORIZED AND ABANDONED
VEHICLES**

A: The following types of motor vehicles shall not be allowed to park on the Common Areas or Parking Lots: junk vehicle or other vehicle, on which current registration plates are not displayed, trailer of any kind (such as boat, camping and hauling trailers), trucks larger than ¾ ton used for commercial purposes, boats, campers, camp trucks, house trailers, recreational vehicles; except that such motor vehicles may be parked, for a period not too exceed 6 hours, in connection with visits, commercial deliveries, moving in or out, and services performed in the community. Commercial purpose is defined as any trade or activity affecting commerce (this includes by way of example only, lawn care, construction services and repair, etc.). The Board of Directors reserves the right to determine that any truck, which openly displays ladders, lawn equipment, repair or construction tools, building materials, or gardening supplies, is a ¾ ton truck used for commercial purposes; if cited for a violation of this rule, it will be the duty of the owner of the truck to prove otherwise.

B: The Common Elements and Parking Lots shall not be used for the repair or extraordinary maintenance of vehicles. Examples of restricted activities include, but are not limited to, engine replacement or overhaul, transmission and transfer case replacement or overhaul, drive shaft or axle replacement/repair, spring replacement or repair, all vehicle exterior body work and painting, oil change, and brake repairs.

C: Parking of any motor vehicle in a fire lane, no parking zone or in front of trash forts is prohibited. These non-parking areas are for the convenience of residence's ingress and egress.

D: For the purposes hereof, an automobile shall not be deemed operable unless it contains all parts and equipment, including properly inflated tires, in such good condition and repair as may be necessary for any person to drive the same on a public highway. Vehicles that are classified as non-operable will be towed at the owner's expense.

E: Vehicles found to be in violation of any of the above rules, after (5) days of the placement of written notice on the vehicle, shall be subject to removal from the Common Elements and Parking Lots; neither the Association or Management Company will be liable for towing, storage fees, or damages of any kind suffered as a result of a parking violation. All vehicles operated or parked on the Common Elements or Parking Lots shall comply with the Maryland Vehicle Law – Title 21 (Vehicle Laws – Rules of the Road); the Association reserves the right to refer violations of the Maryland Vehicle Law to the appropriate governmental agency.

F: Vehicles parked on the Common Elements and Parking Lots, which fail to meet one or more of the following conditions, are subject to immediate removal at the owners risk and expense without notice or warning:

1. Parked or standing in a fire lane, no parking zone or limiting access to a fire hydrant; double-parked behind another vehicle, parked on an angle while occupying two or more parking spaces, parking in the central portion of parking lot, parking in any way that impedes the normal flow of traffic.
2. Presenting an immediate hazard to the community (i.e. leaking fuel or other poisonous or dangerous substances)
3. Having a malfunctioning audible alarm (sounding for more than 15 minutes after 11:00 PM or before 7:00 AM)
4. Parked in front of any trash fort that prevents the doors from being opened so the trash truck has access to the dumpster in order to empty it, or blocking the side entrance that prevents access to the dumpster for residents to place their trash.
5. Any handicap space violations.

G: Owners are responsible for vehicles belonging to his or her tenants and guests and are responsible to inform them of these rules.

H: The Association and Management Company assume no responsibility for damage done to vehicles parked within the Common Elements and Parking Lots.

I: Go - Carts, mopeds, All Terrain Vehicles, or any other unlicensed motor vehicle shall not be operated on the Common Elements and Parking Lots.

Special Assessments
The Gardens at Owings Mills II

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Welcome Packages
The Gardens at Owings Mills II

This document is currently either not available or not applicable for this association.

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