

Coldspring Stage 1A

Articles of Incorporation



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

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Coldspring Stage 1A

Budget



Annual Budget

Coldspring Stage 1A

Year 2023



	Amount
Budget 2023	
Revenue	
Revenue	
4110 - Assessment Income	681,195.00
Total: Revenue	681,195.00
Total: Revenue	681,195.00
Expense	
Expense	
Administrative	
550200 - Mgmt Fee	36,155.00
5504 - Tax/Audit Prep Fees	3,000.00
5510 - Professional Service	15,000.00
551200 - Insurance Premium - General	48,310.56
5516 - Insurance Deductible	10,000.00
5520 - Legal-Collection	1,000.00
556000 - Office Exp - Misc Admin/Expense	4,500.00
556002 - Office Exp - Postage	250.00
556003 - Office Exp - Printing/Copying	200.00
556004 - Office Exp - Coupon	475.00
Total: Administrative	118,890.56
Utilities	
5610 - Electric Expense	17,000.00
5650 - Water/Sewer Expense	135,000.00
Total: Utilities	152,000.00
Operating	
570206 - Grounds - Landscape Enhancemnt	3,000.00
5730 - Snow Removal Exp.	19,000.00
574906 - Excess Trash Removal	3,600.00
577002 - Site Maint - Building Maint. Rep	76,315.52
577010 - Site Maint - Exterminating	3,000.00
577012 - Gutter Cleaning	10,000.00
577022 - Site Maint - Roof Repairs	10,000.00
577028 - Site Maint - Electric Repairs	1,800.00
577032 - Plumbing Repairs	5,000.00
577092 - Site Maint - Janitorial Supplies	250.00
577105 - Contract - Security	20,864.00
577110 - Contract - Lawn Maint	22,755.00
577118 - Contract - Janitorial	36,640.00
5892 - Loan Expense	19,579.92
5896 - Reserve Study Expense	3,500.00
Total: Operating	235,304.44
Reserve Transfer	
592000 - Rsv Transfer - General Replacement	175,000.00
Total: Reserve Transfer	175,000.00
Total: Expense	681,195.00
Total: Expense	681,195.00

Coldspring Stage 1A

Bylaws



COLDSRING NORTH CONDOMINIUM

BY-LAWS

ARTICLE I. GENERAL PROVISIONS.

Section 1.1. Definitions.

1.1.1. Specifically defined terms.

(a) The definitions established in Section 1 of the Declaration shall apply to the terms used in these By-Laws, except as expressly modified herein.

(b) Each of the following terms shall be defined as follows:

(1) "Annual Assessment" shall have the meaning ascribed to it by Section 7.2.1.

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

(3) "Architectural Committee" shall mean the person or persons so designated under Article VII of the Coldspring Declaration.

(4) "Assessment Year" shall have the meaning ascribed to it by Section 7.2.2.

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

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

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

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

(9) "Council Property" shall mean any and all real property, personal property or other assets which are owned or leased by the Council (other than any such property or other assets which are held by the Council in trust), including, but not limited to, (A) any such property or other assets which the Council shall have purchased or otherwise acquired; and (B) any leasehold interest or other right which the council may hold or possess, at law or in equity, in or to property or otherwise.

(10) "The Declaration" shall mean the instrument entitled "Declaration" which has been recorded among the Land Records immediately prior to 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 in accordance with the provisions thereof and of the Act.

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

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

(13) "Manager" shall mean a person whom the Council shall have employed, or with whom the Council shall have contracted, to manage the Condominium and/or the affairs of the Council pursuant to Section 2.4.11(b)(v).

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

(15) "Notice Address" shall have the meaning ascribed to it by Section 6.2.

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

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

(18) "Proxy" shall mean the right given by a Unit owner pursuant to Section 2.3.5(e), to any other person to cast such Unit Owner's Votes at a Membership Meeting.

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

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

(21) "Special Assessment" shall have the meaning ascribed to it by Section 7.2.1.

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

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

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

(25) "Voting Representative" shall mean any of the persons who are enumerated as such in Section 2.3.5(b).

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

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

Section 1.2. Applicability of By-Laws.

1.2.1. Scope of coverage. The provisions of these By-Laws shall apply to, and shall govern,

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

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

(i) any of the Units,

(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 of the Council; and

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

1.2.2. Persons bound. Any Unit Owner, Contract Purchaser, Mortgagee, Lessee or other person who (a) shall enter into or accept the delivery of any instrument affecting the sale, conveyance, pledge, loan, sublease, assignment or other transfer of any of the interests which are referred to in the provisions of subsection 1.2.1(b), or (b) shall occupy or otherwise use any Unit or any of the Common Elements, or allow any of his agents, employees, invitees, visitors or guests or any other person to occupy or otherwise use the same, shall conclusively be deemed by such act 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 the Colding Spring Declaration, and to have agreed to comply with, and to be bound by, the same.

ARTICLE II. THE COUNCIL OF UNIT OWNERS.

Section 2.1. Function.

Pursuant to Section 5 of the Declaration, and in accordance with §11-109 of the Act, the affairs of the Condominium shall be governed and administered by the Council of Unit Owners, an entity which shall not be incorporated.

Section 2.2 Powers and duties.

2.2.1. General powers. The Council shall be vested with all of the following powers:

(a) to have perpetual existence, subject to the right held by the Unit Owners under §11-121 of the Act to terminate the Condominium Regime.

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

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

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

(e) to sell, mortgage, lease, pledge, exchange, convey, transfer or otherwise dispose of all or any part of the Council Property (other than Council Property leased from the Mayor and City Council of Baltimore or from Coldspring Community Association, Inc.);

(f) to issue bonds, notes and other obligations, and secure the same by mortgage, deed of trust or other security conveyance of all or any part of the Council Property (other than Council Property leased from the Mayor and City Council of Baltimore or from Coldspring Community Association, Inc.) and Council ~~income~~ Receipts;

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

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

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

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

2.2.2 General duties.

The Council shall be charged with all of the duties

(a) which are imposed upon a council of unit owners by the provisions of the Act; and

(b) which are imposed upon the Council by the provisions of the Declaration or these By-Laws.

2.2.3. Specific duties.

Without limiting the provisions of subsection 2.2.2, the Council shall (a) govern and administer the affairs of the Condominium; (b) establish the methods and procedures for collecting from the Unit

Owners their respective Assessments and for paying to the Unit Owners their respective shares of the Common Profits; (c) manage or arrange for the management of the Condominium and of all Council Property; and (d) have the other duties specifically imposed upon the Board of Directors or any Officer by these By-Laws.

Section 2.3. The Council Membership.

2.3.1. Composition.

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

2.3.2. Annual Membership Meetings.

(a) First Annual Membership Meeting.

(i) Provided that notice thereof has been given in accordance with the provisions of these By-Laws, the first Annual Membership Meeting shall commence at 7:30 o'clock P.M. on a date set by the Developer in the exercise of its absolute discretion, which is not later than one year from the recording of the Declaration among the Land Records, and is not a Saturday, a Sunday or a legal holiday, and at a place in Baltimore, Maryland specified by the Developer.

(ii) At the first Annual Membership Meeting,

(1) the Council Membership shall elect the Directors, in the manner and for the respective terms which are set forth in Section 2.4; and

(2) the Council Membership may transact such other business as may properly come before it.

(b) Subsequent Annual Membership Meetings.

(i) Provided that notice has been given in accordance with the provisions of these By-Laws, an Annual Membership Meeting shall commence at 7:30 o'clock P.M. on the first Monday of December of each year following the year during which such first Annual Membership Meeting shall have been held, as aforesaid, and at such place in Baltimore, Maryland, as shall be determined by the Board of Directors.

(ii) At each such subsequent Annual Membership Meeting,

(1) there shall be an election of the successors to those persons whose terms as Directors shall expire as of such Annual Membership Meeting; and

(2) the Council Membership may transact such other business as may properly come before it.

(c) Notice of Annual Membership Meetings.

(i) By not less than fifteen (15), but not more than forty-five (45), days prior to the date upon which the first Annual Membership Meeting is to be held pursuant to the provisions of Section 2.3.2(a), the Developer shall give to each Unit Owner and each Proxy Holder a written notice to that effect, setting forth the date, time and place thereof.

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

2.3.3. Special Membership Meetings.

(a) Circumstances.

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

(ii) (1) Each Special Membership Meeting shall commence at a time between 7:00 o'clock P.M. and 8:30 o'clock P.M. on a date which is not a Saturday, a Sunday or a legal holiday, and at a place in Baltimore, Maryland.

(2) Notwithstanding anything contained in the foregoing provisions of this subparagraph (ii), in any emergency situation in which the satisfaction of the requirements set forth in such provisions would not reasonably be possible without unreasonably jeopardizing any or all of the Condominium or the health, safety, comfort or welfare of the occupants of any of the Units, or any Council Property, or without imposing an unreasonable burden upon the Council, such Special Membership Meeting shall commence at such date, time and place as shall be determined by the President or the Board of Directors.

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

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

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

(2) Whenever the calling of any such Special Membership Meeting is requested by any such petition,

(A) if the petition specifies a date, time and/or place thereof which is or are in accordance with the criteria set forth in Section 2.3.3.(a), such Special Membership Meeting shall be held at such date, time and/or place; but

(B) if the petition fails to specify a date, time or place which is in accordance with such criteria, the President shall in accordance with such criteria determine such of the same as shall not have been so specified; provided that any such date to be determined by the President shall be not later than thirty (30) days after the Council's receipt of the petition.

(c) Notice of Special Membership Meetings.

(i) Except where a Special Membership Meeting is to be held as the result of the existence of an emergency, as set forth in subsection 2.3.3.(a)(ii), and compliance with the provisions of this subparagraph (i) is for that reason not reasonably possible, by not later than seven (7) nor earlier than forty-five (45) days prior to the date of a Special Membership Meeting the Secretary shall give to each Unit Owner and each Proxy Holder a written notice stating that such Special Membership Meeting is to be held, its intended purpose, and the date, time and place thereof.

(ii) Where a Special Membership Meeting is to be held as the result of the existence of such an emergency and compliance with the provisions of subparagraph (i) of this subsection is not reasonably possible, as aforesaid, the Secretary shall give to each Unit Owner and each Proxy Holder whatever notice is reasonably possible under the circumstances.

2.3.4. Quorum.

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

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

(i) notwithstanding the absence of such quorum, such Membership Meeting may be adjourned (by a motion approved by a Majority of the Votes cast), without further notice to any Unit

Owner or Proxy Holder, to a date, time and place which are in accordance with the criteria set forth in Section 2.3.2.(a) (provided that such date shall be not less than two (2) and not more than ten (10) days from the date for which such Membership Meeting shall first have been called), in which event, so long as one or more Voting Representatives whose respective Votes shall constitute, in the aggregate, ten per cent (10%) of the total number of outstanding Votes, shall be present at the date, time and place to which such Membership Meeting shall have been so adjourned, only such business may be transacted thereat which might have been transacted at the Membership Meeting as originally called; but,

(ii) unless called or held pursuant to the passage of such motion, no Membership Meeting shall be called or held other than pursuant to subsections 2.3.2 and 2.3.3.

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

2.3.5. Conduct of Membership Meetings.

(a) (i) The President shall, if present, act as the chairman of each Membership Meeting. In the absence of the President at a Membership Meeting, it shall be chaired by the Vice-President, if present; or in the absence of the Vice-President, by any other person who shall be present and elected chairman thereof by a plurality of the Votes cast thereon.

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

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

(ii) The secretary of each Membership Meeting shall take the minutes (and, if such person is not the Secretary, promptly after such Membership Meeting, he 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 subsection 2.3.6) of any person to cast Votes, shall make the official count of the Votes cast on each such question; and shall perform all other duties assigned by these By-Laws to the secretary of a Membership Meeting.

(c) The most recent edition of Robert's Rules of Order shall govern the conduct of all Membership Meetings, when and to the extent that the same shall not be in conflict with any provision of the Declaration, these By-Laws or applicable law.

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

(1) In the absence of both the President and the Vice-President, the election of the chairman of the Membership Meeting pursuant to the foregoing provisions of this subsection;

(2) In the absence of both the Secretary and all Assistant Secretaries, the appointment of the secretary of the Membership Meeting pursuant to the foregoing provisions of this subsection;

(3) the determination by the secretary of the Membership Meeting of whether a quorum exists, either by a call of the roll of all Unit Owners and Proxy Holders, the names of which shall be determined by reference to the roster which is to be maintained by the Secretary pursuant to Section 6.1, or otherwise as the secretary chooses;

(4) the presentation of a written certification by or on behalf of the Secretary that each Unit Owner and Proxy Holder has been given notice of the Membership Meeting, as required by these By-Laws;

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

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

(7) the presentation of any report which is to be given by or on behalf of any other Officer;

(8) the presentation of any report which is to be given on behalf of the Board of Directors;

(9) the presentation of any report to be given on behalf of any committee created pursuant to any of the provisions of these By-Laws;

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

(11) any unfinished business;

(12) any new business; and

(13) the adjournment of the Membership Meeting.

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

(1) in the absence of both the President and the Vice-President, the election of the chairman of the Meeting pursuant to the foregoing provisions of this subsection;

(2) in the absence of both the Secretary and all Assistant Secretaries, the appointment of the secretary of the Meeting pursuant to the foregoing provisions of this subsection;

(3) the determination by the secretary of the Meeting of whether a quorum exists, either by a call of the roll of all Unit Owners and Proxy Holders, the names of which shall be determined by reference to the roster which is to be maintained by the Secretary pursuant to Section 6.1, or otherwise as the secretary chooses;

(4) the presentation of a written certification by or on behalf of the Secretary that each Unit Owner and Proxy Holder has been given such notice of the Meeting as required by these By-Laws;

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

(6) the adjournment of the Meeting.

2.3.6. Voting at Membership Meetings.

(a) (I) Voting at a Membership Meeting shall be limited to those persons present who shall be Voting Representatives with respect to such Membership Meeting.

(II) Each such Voting Representative shall be entitled to cast upon such question that number of Votes which are held, pursuant to the provisions of Section 5 of the Declaration, by the Unit Owner for which he is a Voting Representative.

(b) At any Membership Meeting, the Voting Representatives shall consist only of the following persons:

(I) As to each Unit Owner for whom no Proxy is then in effect:

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

(2) If the Unit Owner consists of two or more natural persons (but has not designated a Voting Representative in accordance with Section 6.1), any such person who shall be present

thereat may be the Voting Representative for such Unit Owner (provided, that, if more than one such person shall be present, in counting the Votes cast on any question which is to be voted upon at such Meeting the secretary of the Meeting shall be entitled to treat any one of such persons who shall be casting such Unit Owner's Votes on such question as the Voting Representative for such Unit Owner, unless any other such person shall, prior to the conclusion of voting, make known to the secretary of the Meeting that he objects to the first person's being treated as the Voting Representative, as aforesaid, in which event the secretary of the Meeting shall announce the objection to the Meeting and shall disallow the Unit Owner's Votes on such question (but such disallowance shall not affect the existence of a quorum at the Meeting)); and

(3) otherwise, any person who, prior to the voting, has been designated a Voting Representative by such Unit Owner in accordance with Section 6.1 shall be the Voting Representative for such Unit Owner (but only if such designation shall then remain in effect).

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

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

(2) otherwise, any person who, prior to such voting, shall have been designated a Voting Representative by such Proxy Holder in accordance with Section 6.1 shall be the Voting Representative for such Proxy Holder (but only if such designation shall then remain in effect).

(c) Anything contained in Section 2.3.5(b) to the contrary notwithstanding, no person may be a Voting Representative at a Membership Meeting unless prior thereto the Unit Owner or Proxy Holder with respect to which such person is to be a Voting Representative shall have furnished to the Secretary the information with respect to such Unit Owner or Proxy Holder which is referred to in Section 6.1.

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

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

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 until the first Annual Membership Meeting; and five (5) Directors after the first Meeting, of which one (1) shall be a person designated by the Commissioner of Housing and Community Development of Baltimore City ("Commissioner of HCD") to serve at the pleasure of said Commissioner, one (1) shall be a person designated by the Developer (if subsection 2.4.2(b) applies), and three (3) shall be elected; but if subsection 2.4.2(b) does not apply, then four (4) shall be elected.

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

2.4.2. Initial Directors.

(a) The following persons shall be the Directors until the first Annual Membership Meeting: Irwin Silver, F. D. Rich, III and David H. Fishman.

(b) At all times after the first Annual Membership Meeting at least one Director shall be a resident owner of a Unit; and for so long as Developer owns ten percent (10%) or more of the Units, at least one Director shall be the agent or designee of the Developer. The rights of the Developer under this subsection shall be continuing, so that at any time or times that Developer shall own ten percent (10%) or more of the Units then included in the Condominium, Developer shall be entitled to name one Class B Director. Developer shall have the right to remove either Class B Director serving at the time Developer names a Director pursuant to this subsection, and to replace the Director so removed with the Director so named by Developer to serve so long as this subsection shall be applicable.

2.4.3. Terms of directorships.

(a) The persons who are named in subsection 2.4.2.(a) shall serve as the Directors of the Council until the first Annual Membership Meeting, at which time their terms as Directors shall expire.

(b) At the first Annual Membership Meeting, two (2) Directors shall be elected to serve for a term of two (2) years, and one (1) Director (or two (2) if subsection 2.4.2(b) does not apply) shall be elected to serve for a term of one (1) year, and the Directors named by the Commissioner of HCD and by Developer (if subsection 2.4.2(b) applies) shall begin their terms. At all subsequent Annual Membership Meetings, Directors shall be elected for a term of two (2) years. The Directors originally elected for a term of two (2) years and their successors shall be known as Class A Directors; and the Director or Directors originally elected for a term of one (1) year and his or their successors shall be known as Class B Directors. If the Developer shall name a Director pursuant to subsection 2.4.2(b), and if thereafter said subsection shall cease to be applicable, the remaining Directors shall elect a replacement for the Director named by Developer at the next Board Meeting. The Director so elected shall be a Class B Director.

(c) Anything contained in this subsection to the contrary notwithstanding, each elected Director shall serve as such until his successor has been elected and qualified; and any Director named by the Commissioner of HCD or by the Developer shall serve until removed by the party appointing him.

2.4.4. Nomination of Directors.

(a) At least one (1) month preceding each Annual Membership Meeting after the first such Meeting, the President shall appoint a nominating committee of three Voting Representatives, at least one of whom shall be an elected Director. Such nominating committee shall select one or more nominees for each elected directorship which is to be filled at such Annual Membership Meeting. Such committee shall present its nominations to the Secretary by not later than fifteen (15) days prior to the date of such Annual Membership Meeting.

(b) Any Unit Owner present at an Annual Membership Meeting may nominate a candidate for each elected directorship which is to be filled at such Meeting.

(c) By not later than five (5) days prior to the date of each Annual Membership Meeting after the first such Meeting, each Unit Owner and Proxy Holder shall be furnished a list of all the nominees for elected directorships selected by the nominating committee.

2.4.5. Election of Directors.

(a) At each Annual Membership Meeting, there shall be a separate election to fill the directorship of each elected Director.

(b) Those persons who have been nominated in accordance with subsection 2.4.4, and who receive the greatest number of Votes cast in such election, shall be declared elected. Cumulative voting shall not be permitted.

(c) Each Voting Representative may cast his Votes in such election either (i) at such Membership Meeting, or (ii) prior thereto by depositing a ballot with the Secretary, who shall open it at such

Membership Meeting (in which event the Voting Representative need not attend such Membership Meeting for his Votes to be counted).

2.4.6. Filling vacancies in directorships.

If any directorship shall become vacant by reason of an elected Director's death, resignation, retirement, disqualification, removal from office or otherwise, the remaining Directors shall, at a Board Meeting duly called for such purpose, elect a successor to such Director, who shall serve for the remainder of the term of such Director.

2.4.7. Removal of Directors.

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

2.4.8. Board Meetings.

(a) A Board Meeting shall be held immediately upon adjournment of each Annual Membership Meeting and at the same place where such Annual Membership Meeting was held, provided that a quorum of Directors is present. If a quorum of Directors is not present, a Board Meeting shall be held as soon thereafter as may be practicable, provided that notice is given to each Director no later than twenty-four (24) hours prior thereto, or such notice is waived in accordance with paragraph (e) of this subsection.

(b) Thereafter, a Board Meeting shall be held at least once each quarter in the first full week of January, April, July and October in each year, or on such other day as the Board of Directors may select, and at such time and place as the Board of Directors may from time to time select.

(c) After the date, time and place of the regular Board Meetings have been selected, such regular Board Meetings may thereafter be held without notice of such date, time and place, and such date, time and place may not be changed unless notice of such change has been 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, by telephone, or by wire to each Director, and must be called on the demand of two or more Directors.

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

2.4.9. Quorum.

At all duly convened Board Meetings, the presence in person of a majority of the Directors shall constitute a quorum for the transaction of business, except as may otherwise be expressly provided in these By-Laws or applicable by law. Each Director shall be entitled to cast one (1) vote upon each question which may come before the Board of Directors, and the decision of the majority of the Directors present shall be the decision of the Board of Directors. If at any meeting of the Board of Directors there is less than a quorum present, the Director or 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.

2.4.10. Unit Owners' attendance at Board Meetings.

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

(b) Each Unit Owner shall have the right to be heard, but not the right to vote, on the question of the approval and adoption of the Council's budget at the Board Meeting at which such actions are to

be taken, as aforesaid, and shall be given notice of such Board Meeting in the manner set forth in Section 2.3.3.(c) or Special Membership Meetings.

2.4.11. Powers and duties of the Board of Directors.

(a) All of the business and affairs of the Council shall be managed, and all of the rights, powers and duties of the Council shall be exercised and performed on the Council's behalf, by the Board of Directors and the Officers in accordance with this Section and 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 provisions of the Act, other applicable law, the Declaration or these By-Laws pursuant to which the Council's right to take any action may be conditioned upon authorization or approval by the Council Membership.

(b) Without limiting the generality of the foregoing provisions of this subsection, the Board of Directors shall have the right, power and duty 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 VII;

(iii) Assessments, to levy Assessments pursuant to Article VII hereof;

(iv) Expenditures, to authorize the use and expenditure of any or all Council Receipts (except for so much thereof as the Council shall have resolved to require to be deposited in a reserve fund pursuant to Section 7.2.5(a)) for the operation, management, maintenance, renewal, replacement, repair and protection of the Common Elements and all Council Property, provided that after the first Annual Membership Meeting no expenditures for capital improvements in excess of \$1,000.00 for any one item shall be authorized by the Board of Directors unless the same shall have been authorized by a Majority of the Votes cast at an Annual or Special Membership Meeting;

(v) Selection of the Manager, to employ or contract with one or more persons, or with Goldspring Community Association, Inc., to manage the Condominium and/or the affairs of the Council (subject to the control of the Board of Directors at all times); to fix the Manager's compensation (which shall be paid by the Council as part of the Common Expenses); and to determine the nature and extent of the Manager's powers and duties, subject to any limitation in 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 premium on each such bond to be paid by the Council as part of the Common Expenses;

(vii) Taxes; liens; water and sewer rents, to pay all taxes (including charges or payments in lieu thereof) and assessments which may be levied, and all liens which may be imposed, against all or any portion of the Condominium or the Council Property; provided, that

(1) any of such taxes or assessments which may be levied separately against each Unit or are otherwise chargeable under applicable law directly and separately to each Unit Owner shall be paid by such Unit Owner;

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

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

(vii) Employees, services and materials, to employ and dismiss such clerks, workmen, janitors, watchmen and other personnel, and to purchase or arrange for such services, machinery, equipment, tools, materials and supplies, as in the opinion of the Board of Directors may from time to time be 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 which may have accrued thereon and any costs and expenses which the Council may have incurred in connection therewith (including, but not limited to, any filing fees, court costs or attorneys' fees), whether by suit or otherwise;

(x) Professional assistance, to employ or retain legal counsel, engineers, accountants, consultants or other professionals of any kind, and to determine the amount and terms of their compensation, whenever the professional assistance of such persons may be deemed necessary by the Board of Directors for any purposes related to the Council's exercise of its rights and powers, or to the Council's performance of its duties;

(xi) Operating accounts, to cause such operating, escrow and other accounts, if any, to be established and maintained as the Board of Directors may deem appropriate from time to time and which are in accordance with generally accepted accounting practices;

(xii) Audits and books of account,

to (1) cause a complete audit of the books and accounts of the Council to be made by a certified public accountant at the end of each fiscal year of the Council, and at such other time or times as may be deemed necessary by the Board of Directors;

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

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

(xiii) Rules and Regulations,

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

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

(3) provide a copy of such Rules and Regulations, as from time to time so amended, to each Unit Owner promptly upon the adoption thereof (although the failure to furnish the same to any Unit Owner shall not excuse non-compliance therewith);

(xiv) Insurance,

to (1) procure and maintain the Insurance which is required by Section 3.3 to be procured and maintained; and

(2) collect the proceeds of all such Insurance, and to apply the same 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) Prosecution and defense of condemnation proceedings, to exercise and perform, on behalf of the Council, the Council's rights and duties with respect to the prosecution and defense of condemnation proceedings pursuant to the provisions of Article IV hereof;

(xvi) **Leases and Licenses.** to lease or license the use of any of the Common Elements and Council Property in a manner which is not inconsistent 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 which may be purchased by the Council; (2) designate and enter into a trust agreement with two or more Directors to act as trustees for the Council in holding title to any such Unit; and/or (3) authorize the President, and Vice-President or any other Officer to execute and acknowledge, on behalf of the Council, any and all mortgages, leases, or other instruments, the execution of which may be necessary;

(xviii) **Personal property.** to cause the Council to acquire by purchase, lease or in any other manner, and to take, receive, own, hold, use, employ, improve, mortgage, sell, lease, sublease, dispose of and otherwise deal with, any Council Property, wherever located;

(xix) **Additions and Improvements.** (1) 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 in its opinion may be appropriate, and to require, before undertaking any such work, the consent in writing of such Unit Owners and first Mortgagees whose rights may, in the opinion of the Board of Directors, be prejudiced by such alteration, addition or improvement, provided, that after the first Annual Membership Meeting the Board of Directors shall obtain the approval by the Council Membership of any alteration, addition or improvement which the Board of Directors estimates would cost more than \$1,000.00;

(2) 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 shall be charged to such Unit Owner or Unit Owners in such proportion as the Board of Directors shall determine to be fair and equitable, provided that prior to undertaking such alteration, addition or improvement such Unit Owner or Unit Owners has consented to be assessed. Nothing contained in the foregoing provisions of this subparagraph (xix) shall be deemed in any way to prevent the Unit Owners affected by the alteration, addition or improvement from agreeing with the Council, either before or after such charge has been made, to have the charge allocated among themselves in different proportions.

(3) 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.

(xxi) **Incidental powers.** to exercise such other powers as are vested in the Council by the Act or other applicable law.

2.4.12 Limitation of Directors' and Officers' liability.

(a) No Director in his capacity as such, (i) shall be liable 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 which may be caused by the elements, any Unit Owner or any other person, or which may result from the leakage or flow of electricity, gas, water, rain or dust from the outside of any Building, from any Unit, from any pipe, drain, conduit, appliance or equipment, or from any other place, unless caused by willful misconduct or gross negligence of such Director; (ii) shall be liable to any Unit Owner as a result of the performance of his duties for any mistake of judgment, negligence or otherwise, except for his own individual willful misconduct; (iii) shall have any personal liability in contract 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; (iv) shall have any personal liability, in tort or otherwise, directly or indirectly, to any Unit Owner or any person by virtue of his act or failure to act, except for such Director's own individual willful misconduct or gross negligence in the performance of his duties; and (v) shall have any personal liability arising out of the use, misuse or condition of the Common Elements, or which might in any way be chargeable against or imputed to him as a result or by virtue of his performance of his duties except for his own individual willful misconduct.

(b) Each Director, in his capacity as such, and his heirs and personal representatives shall be indemnified by the Council against all liability and expense (including, but not limited to, that of reasonable attorneys' fees), which may be imposed upon or reasonably incurred by him in connection with any proceeding in which he may become involved by reason of his being or having been a Director, or in connection with any settlement thereof, and (with respect to such expense) whether or not he is a Director at the time such expense is incurred, except for any such liability imposed or expense incurred in connection with any such proceeding wherein the Director is adjudged guilty of willful misconduct in the performance of his duties; provided, that the foregoing provisions of this paragraph shall not be applicable to any such liability or expense which may be 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, shall have approved such settlement as being in the best interests of the Council. Any amount paid by the Council pursuant to the foregoing provisions of this paragraph (b) 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 which such Director and/or Officer may be entitled to under applicable law, by authorization of the Council Membership or the Board of Directors, or otherwise.

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

(d) The provisions of paragraphs (a) and (b) of this subsection shall apply also to all Officers of the Council.

2.4.13 Compensation of Directors.

Each Director shall serve as such without compensation, unless any compensation has been expressly authorized by the Council Membership.

Section 2.5 Officers.

2.5.1. Designation; qualifications of Officers.

(a) The Officers shall consist of the President, the Vice-President, the Secretary, the Treasurer and (if the Board of Directors creates one or more offices of assistant secretary, assistant treasurer, or any such other office, pursuant to Section 2.4.11(b)(xx)) each Assistant Secretary, Assistant Treasurer or other Officer.

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

(c) The President and the Secretary shall be Directors. Any other Officer need not be a Director.

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

2.5.3. Powers and duties of the President. The President shall be the chief executive officer of the Council and the chairman of the Board of Directors. He shall have the general powers and duties which are usually vested in the office of president of a corporation organized under the laws of Maryland (including the power to appoint such committees from among the Unit Owners as he may from time to time deem appropriate, to assist in the conduct of the affairs of the Council).

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 (a) shall act as secretary of each Board Meeting and of each Membership Meeting at which he is present, (b) shall record in a minute book to be kept for that purpose, all Votes cast on questions coming before each such meeting and the minutes of each such meeting, including such resolutions as may be adopted, (c) shall have charge of and keep such minute book and of such records and papers of the Council as the Board of Directors shall direct, (d) shall have the general powers and duties which are usually vested in the office of secretary of a corporation organized under the laws of Maryland (including the duty to send notices of Membership Meetings and Board Meetings to, respectively, the Unit Owners and the Directors) as well as such other duties as may be prescribed by these By-Laws or by the Board of Directors or the President, and (e) shall keep at the office of the Council the roster referred to in Section 6.1, as well as copies of the Declaration, the Condominium Plat, these By-Laws, the Rules and Regulations and the Coldspring Declaration, all as from time to time amended, all of which shall be available at such office for inspection by the Unit Owners and each Mortgagee during the Council's regular business hours.

2.5.6. Powers and duties of the Treasurer. The Treasurer (a) shall have charge and custody of, and be responsible for, the funds and securities of the Council; (b) shall deposit all of the Council's monies, checks and other valuable effects in the name and to the credit of the Council in such depositories as may from time to time be designated for such purpose by the Board of Directors; (c) shall disburse the funds as may from time to time be ordered by the Board of Directors or by the President, making proper vouchers for such disbursements; (d) shall keep or cause to be kept full, complete and accurate accounts and records of all financial transactions of the Council; (e) shall submit or cause to be submitted to the Board of Directors and the Council Membership such reports as the law, the Declaration, the Board of Directors or these By-Laws may from time to time require (including chronological listings of all Council Receipts, Common Expenses, the amount of each Assessment made with respect to each Unit, and the amounts paid and the amounts due on such Assessments). Such records shall specify and itemize the Common Expenses relating to the Common Elements and Council Property, and any other Common Expenses; shall be kept at the office of the Council; and shall 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 audit (prepared and certified 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 for the Council's next succeeding fiscal year.

2.5.7. Compensation of Officers. The Officers shall serve as such without compensation unless compensation has been expressly authorized by the Council Membership. Any compensation shall be paid by the Council as part of the Common Expenses. Each Officer shall be entitled to be reimbursed by the Council for all expenses which he reasonably incurs in the discharge of his duties.

2.5.8. Resignation and removal of Officers. Any Officer may resign his office at any time by giving written notice to the Board of Directors. Unless such resignation indicates an earlier date, it shall become effective at the next Board Meeting. Any Officer may be removed from office at any time by resolution of the Board of Directors. Any Director who resigns or is removed and who is then the President or the Secretary shall also be deemed to have resigned or 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 a successor to such Officer.

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 such power may otherwise be delegated to the Manager or any other person pursuant to a resolution of the Board of Directors.

Section 2.6. Resident agent.

The name and post office address of the resident agent of the Condominium in Maryland shall be David H. Fishman, Esquire, 1200 Garrett Building, 237 East Radwood Street, Baltimore, Maryland 21202. Such resident agent is authorized to accept service of process in any action relating to two or more Units, to

the Common Elements, to the Council, to the Unit Owners as a class, or to the Council Membership, and shall serve until his successor has been designated pursuant to §11-116 of the Act.

Section 2.7. Fiscal year.

2.7.1. First fiscal year. The first fiscal year of the Council 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 of the same calendar year.

2.7.2. Subsequent fiscal years. Each subsequent fiscal year of the Council shall begin on the first (1st) day of January and shall end on the thirty-first (31st) day of December.

Section 2.8. Principal office.

The initial mailing address of the Council shall be c/o David H. Fishman, Esquire, 1200 Garrett Building, Baltimore, Maryland 21202. Another mailing address may be designated from time to time by the Board of Directors by resolution.

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

Section 3.1. Insurance for the benefit of Council, Unit Owners and Mortgagees.

3.1.1. Duty to procure and maintain. The Council shall procure and maintain, to the extent available, insurance coverage of the types which are enumerated in Section 3.3 upon the Condominium (including all of the Units and the Common Elements), all other personal property which may be located upon or within the Common Elements, and all Council Property.

3.1.2. 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.

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

3.1.4. 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 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 such insurance shall be responsible for doing so at his own initiative and expense, and in accordance with the provisions of Section 3.4.

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

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

Section 3.2. Master policies of insurance.

The Council shall obtain master policies of insurance which provide that the proceeds be paid to the Council 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 shall be issued to the Council, each Unit Owner, and each Mortgagee. Such certificate shall, if possible, show the relative amount of insurance covering each Unit and the percentage interest in the Common Elements which is appurtenant thereto. Such master policies and certificates shall, to the extent obtainable by the Council, contain provisions (a) that the insurer waives its rights to subrogation as to any claim against the Council, any Officer, Director, agent or employee of the Council, each Unit Owner, their respective servants, agents and guests, and to any defense based on invalidity arising from the acts of the insured, and (b) that the insurer shall not be entitled to contribution from the issuer of any insurance purchased by any Unit Owner in accordance with Section

3.4. The original master policies shall be deposited with the Council and a memorandum thereof shall be furnished to each first Mortgagee who requests the same. The Council shall pay the premiums for such insurance no later than thirty (30) days prior to the expiration of the term of each such policy, and shall notify each Mortgagee who has requested notification of such payment within ten (10) days after having made the same.

Section 3.3. Types of insurance.

The types of insurance coverage which the Council shall procure and maintain pursuant to Section 3.1 are as follows:

3.3.1. Casualty or physical damage insurance. Casualty or physical damage insurance in an amount equal to at least one hundred percent (100%) of replacement value of each of the Buildings, and all other insurable improvements which form part of the Condominium and the Council Property, as such value shall be determined annually by the Board of Directors with the assistance of the insurer; provided that, at the option of the Board of Directors, such policy or policies may contain a "deductible" provision in an amount which shall be determined by the Board of Directors, but shall not exceed \$2,500.00. Said deductible amount shall be subject to increase by the Board of Directors by not more than 25% after each five (5) years of the policy term.

(a) Such coverage shall afford protection against

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

(ii) such other risks as from time to time customarily shall be covered with respect to buildings similar in construction, location and use as the Buildings, (including, but not limited to, the risks of vandalism, malicious mischief and windstorm and flood, if required by law), or as the Board of Directors may from time to time believe warrant insurance.

(b) The policies affording such coverage shall provide that, notwithstanding any provisions which may 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 of the Act, without the approval of those Unit Owners whose approval may be required by such provisions.

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

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

3.3.3. Workmen's compensation insurance. Workmen's compensation insurance affording at least such coverage of the Council and its Directors, Officers, employees and agents as shall be required by applicable law.

3.3.4. Fidelity insurance. Fidelity insurance covering the Manager and those Officers, Directors, employees and agents of the Council who handle Council Receipts or Council Property, in such amounts as shall from time to time be determined by the Board of Directors, unless such bond is afforded by the management company.

3.3.5. Other Insurance. Such other coverage as the Board of Directors may deem advisable.

Section 3.4. Unit Owners' Insurance.

3.4.1. Coverage. Each Unit Owner may obtain insurance at his own expense affording coverage against (a) damage to or destruction of his Unit or any of his personal property which may be located anywhere upon the Council Property or within the improvements which constitute the Condominium, and (b) personal liability incurred by such Unit Owner and arising out of the use of his Unit by any person, but each policy which affords such coverage shall contain the same waiver of subrogation by the insurer as that which is referred to in Section 3.2, and either shall provide that the insurer shall have no right of contribution against any casualty insurance affording coverage against such risk which may be 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 which issued such insurance held by the Council.

3.4.2. Copy of policy to be filed with Council. A copy of each such policy or a certificate shall be filed with the Council by such Unit Owner within ten (10) days after his purchase hereof.

3.4.3. 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 which the Council may then hold pursuant to Section 3.3. shall be reduced because of proration or, or right of contribution from any insurance against the same risk which any Unit Owner holds under the provisions of this Section, such Unit Owner shall assign to the Council any proceeds of his insurance which may be payable on account of such loss, to the extent of the amount of such reduction, to be distributed by the Council in the same manner as proscribed by these By-Laws for the distribution of proceeds which are payable under a policy of insurance which is held by the Council.

Section 3.5. Improvements made by Unit Owner to his Unit.

3.5.1. Notice to Council. Each Unit Owner shall, promptly upon his completion of any improvements made to his Unit, notify the Council if the value of such improvements is in excess of one thousand dollars (\$1,000.00), and shall be liable to the Council for any increase in the premium for any policy of insurance held by the Council pursuant to subsection 3.3.1 which may result from the making of such improvements.

3.5.2. Consequences of failure to provide notice and pay additional premium.

Unless a Unit Owner shall have notified the Council of any improvements in accordance with this Section, and shall have paid to the Council the amount of any increase in the premium for any policy of insurance held by the Council, as aforesaid, following the Council's written demand therefor of such Unit Owner (if the demand was made prior to the occurrence of damage or destruction), such Unit Owner (a) shall not be entitled to receive, on account of any damage to or destruction of such improvements, any distribution of any proceeds payable under any policy of insurance held by the Council, as the result of the occurrence of any damage to or destruction of the Building, and (b) shall not be entitled to have such improvements repaired or restored by the Council pursuant to subsection 3.6.3.

Section 3.6. Proceeds of Insurance.

3.6.1. Receipt and distribution of proceeds by the Council.

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

(b) The Council shall not distribute 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.

3.6.2. 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 may be payable under policies purchased by the Council.

3.6.3. Repair or reconstruction of the Condominium following a casualty.

(a) Except as may be otherwise provided by the Act, the Declaration or these By-Laws, if a Building shall be damaged or destroyed, it shall be fully and promptly repaired and restored by the Council using any proceeds which may be payable, under any policy of insurance on account of the same which may then be held by the Council (or any insurance trustee), and the Unit Owners affected by such damage or destruction shall be liable to the Council for the amount by which the cost of such restoration and repair shall exceed the amount of such proceeds, in proportion to the ratio of their respective undivided percentage interests in the Common Elements to the total percentage interests of all Unit Owners affected by such damage or destruction; except to the extent that such excess shall be declared a Common Expense by the Council.

(b) Subject to the operation and effect of subsection 3.4.3, if any Unit Owner shall, as a result of any damage to or destruction of the Building, be paid any proceeds under any policy of insurance held by such Unit Owner pursuant to Section 3.4, such Unit Owner may apply such proceeds in payment of his share of any excess for which he may be liable under subsection 3.6.3.(a), or of any Assessment which may be levied against his Unit as a result of any such declaration by the Council.

(c) The Council shall (subject to the operation and effect of Section 3.5) be responsible for restoring the Condominium only to substantially the same condition it was in immediately prior to the occurrence of any damage to or 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 within the Common Elements, the Council shall record among the Land Records an amendment to the Condominium Plat which relocates the boundaries of such Unit or the Common Elements so as to conform to the location of such improvements as so changed, and shall hold a power of attorney from each Unit Owner and Mortgagee for such purpose.

3.6.4. Estimate of cost of repair.

Immediately after the occurrence of any damage to or destruction of all or any portion of the Condominium which the Council is required by the provisions of these By-Laws to repair, the Board of Directors shall obtain a reliable and detailed estimate of the cost of repair (including the cost of any professional services and any bond which the Board of Directors may desire to obtain in connection with such repair).

3.6.5. Construction fund.

Any proceeds of insurance received by the Council as a result of any damage to or destruction of the Condominium, and any other sums received by the Council from any Unit Owner as a result of the same, shall constitute a construction fund which shall be disbursed by the Council (or by any insurance trustee, as the case may be) in payment of the costs of the reconstruction and repair 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 one hundred thousand dollars (\$100,000.00), such construction fund shall be disbursed by the Council in payment of such cost upon authorization by the Board of Directors; provided that, at the written request of a Mortgagee which is a beneficiary of any such fund, such fund shall be disbursed in the manner which is set forth in 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 more than one hundred thousand dollars (\$100,000.00), the construction fund shall be disbursed in payment of such cost from time to time as reconstruction and repair progresses, and upon the approval of an architect licensed to practice in Maryland and employed by the Council to supervise such reconstruction and repair. The architect shall be required to furnish to the Council a certificate giving a brief description of the services and materials supplied by each contractor, subcontractor, materialman, architect or other person who has rendered services or furnished materials in connection with such reconstruction and repair, and stating: (1) that the sum requested by each person is justly due and owing, and that such sum does not exceed the value of the services and materials furnished; (2) that there is, to the best of such architect's knowledge, information and belief, no other outstanding indebtedness for the services and materials described; and (3) whether the cost, as reasonably estimated

by such architect, for so much of such repair and reconstruction as remains to be done after the date of such certificate does not exceed the amount which will remain in the construction fund after the payment of the sum requested.

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

Section 3.7. Substantial or total destruction of the Buildings.

3.7.1. **Right of partition.** If the Buildings are damaged or destroyed by fire or other casualty and the cost of repairing and reconstruction (as estimated by an architect pursuant to subsection 3.6.5.(b)) exceeds two-thirds (2/3) of the then replacement cost of the Buildings, unless the Unit Owners shall within sixty (60) days after such casualty unanimously resolve to proceed with such repair and reconstruction, the Condominium shall be deemed to be owned in common by the owners of all of the Units in the same proportion as their respective undivided percentage interests in the Common Elements and the Condominium shall be subject to an action for partition at the suit of any Unit Owner or Mortgagee.

3.7.2. **Distribution of proceeds.** Upon the completion of any such partition and of any sale of the Condominium made pursuant thereto, the net proceeds of such sale and of any insurance which may be payable to the Council as a result of such damage or destruction shall be held by the Council in one fund, which shall be distributed by the Council (or by any insurance trustee, as the case may be) among all of the Unit Owners in proportion to their respective undivided percentage interests in the Common Elements, after first applying the share of each Unit Owner to the payment of any unpaid amount for which a lien then exists upon his Unit, in the order of priority of such liens.

ARTICLE IV. CONDEMNATION

Section 4.1. Condemnation proceedings.

4.1.1. **Council's right to prosecute and defend.** The Council shall be entitled to prosecute and defend all proceedings with respect to the taking, injury or destruction by eminent domain of the Common Elements or any part thereof, or any Council Property, provided that the Council shall not compromise any claim without the approval of Unit Owners having a Majority of the outstanding Votes.

4.1.2. **Notice to Unit Owners.** The Council shall give notice to each Unit Owner of any such proceeding affecting the Building in which such Owner's Unit is located, and each affected Unit Owner shall be entitled to participate in the proceeding on his own behalf.

Section 4.2. When repair and reconstruction are required.

Subject to the operation and effect of Section 4.3, 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 set forth in Article III in the case of damage by fire or other casualty, and the provisions of Article III 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 Article III to be held and disbursed upon the occurrence of a casualty.

Section 4.3. Substantial or total Condemnation of the Condominium.

4.3.1. **Right of partition.** If (a) more than two-thirds (2/3) in number of the Units are rendered untenantable 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 within sixty (60) days after the date of such Condemnation, then, with the approval in writing by Mortgagees holding 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.

4.3.2. Distribution of proceeds of condemnation and partition.

In the event of such partition, the net proceeds of any sale made pursuant thereto, together with the total award for such Condemnation, shall be considered as 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 each unpaid amount for which a lien exists upon his Unit, in the order of priority of such liens.

Section 4.4. Effect of Condemnation on undivided percentage interest in the Common Elements and percentage interest in the Common Expenses and Common Profits.

4.4.1. Adjustment of percentage interests. If, as a result of a Condemnation, the Declaration is no longer applicable to any Unit or portion thereof, and if the Condominium is not partitioned pursuant to subsection 4.3.1, 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 the Condemnation in the following manner:

(a) If the 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 the proportion which the respective percentage interests of each of the other Units immediately prior to the Condemnation bears to the aggregate of the respective percentage interests for all of the other Units immediately prior to the Condemnation.

(b) If the 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 the Condemnation as the ratio which the floor area of the Unit immediately after the Condemnation bears to the floor area of the Unit immediately prior to the 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 the Condemnation (including each Unit with respect to which such reduction shall have been made) in proportion to the respective percentage interests of such Units immediately prior to the Condemnation, except that in the case of each Unit with respect to which such reduction shall have been made, the percentage interests used in this computation shall be the percentage interests of the Unit as so reduced.

4.4.2. Amendment of the Declaration. Promptly after any Condemnation which necessitates any adjustment of the undivided percentage interest in the Common Elements or the percentage interest in the Common Expenses and Common Profits pursuant to the provisions of this Section, an amendment to the Declaration setting forth such adjustment shall be executed by or on behalf of each Unit Owner and Mortgagee, and shall be recorded among the Land Records by the Council. The Council shall hold a power of attorney from each Unit Owner and Mortgagee for such purpose.

ARTICLE V. USE AND MAINTENANCE OF UNITS.

Section 5.1. Structural changes. No Unit Owner shall (a) make any structural modification or alteration within his Unit without obtaining the Council's prior written consent thereto; (b) take any other action which may tend to impair the structural integrity, soundness or safety of any part of the Building; (c) take any action which would impair the existence of, or the ability to enjoy, any easement, right or hereditament appurtenant to any Unit or the Common Elements; or (d) take any action which would adversely affect the Common Elements or the ability to use and enjoy the same without first obtaining the written consent of each Unit Owner whose Unit or enjoyment thereof may be affected thereby. No Unit Owner shall contract for or perform any maintenance, repair, replacement, removal, alteration or modification of the Common Elements without first obtaining the Council's written consent. The consent of the Council to certain of the foregoing actions may be subject to the overriding right of approval vested in the Architectural Committee. The Council shall refer to the Architectural Committee any of the aforesaid actions proposed by a Unit Owner which is subject to approval by such Committee.

Section 5.2. Rights and responsibilities of Unit Owners with respect to use and maintenance of Units.

Each Unit Owner shall:

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

(b) paint, wallpaper, plaster, decorate and/or otherwise maintain the exposed surfaces of all portions of his Unit and the Limited Common Elements appurtenant thereto (including, but not limited to, all interior and exterior walls, ceilings, doors, door frames, windows, window glass, window frames, skylights, vents, shutters, meter covers, front stoop, patio, terrace, balcony, planters, and floors, if, and to the extent that any of these form part of his Unit and the Limited Common Elements appurtenant thereto);

(c) pay any expense which the Council incurs in making any repair to or replacement of the Common Elements due to the willful or negligent act or failure to act of such Unit Owner or of any Tenant, Contract Purchaser, or other occupant or user of his Unit;

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

(e) refrain from (i) maintaining, repairing, altering, replacing, painting, decorating or otherwise altering any of the Common Elements (including, but not limited to, any of the Common Elements which lies within the space included within any Unit), and (ii) repairing, altering, replacing, painting, decorating or changing any portion of his Unit which may be visible from any other Unit or from the common areas or exterior of the Building, without first obtaining the written consent of the Council and the Architectural Committee.

(f) prior to performing any repair work, 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 of its responsibility or a consent to bear the expense of such work and further provided, that the Unit Owner shall abide by any terms specified by the Council relating to the conduct of such work); and

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

Section 5.3. Non-liability of Directors. Nothing in the provisions of this Article shall be construed to impose a personal liability upon any Director or Officer for the maintenance, repair or replacement of any Unit or the Common Elements.

Section 5.4. Restrictions on use. Except as may otherwise be permitted by the provisions of the Declaration, each Unit shall be used only as a single-family (private) residence. The definition of a "family" shall be either: (a) an individual; or (b) two or more persons related by blood, marriage, or adoption living together as a single housekeeping unit; or (c) a group of not more than four persons, who need not be related by blood, marriage, or adoption, living together as a single housekeeping unit, plus, in all cases usual domestic servants. No roomers or boarders may be accommodated within the Unit. In no case shall more than four unrelated persons constitute a "family".

Section 5.5. Offensive uses. No Unit Owner may use, or permit the use of, his Unit for any purpose which is offensive or unlawful or in violation of the Coldspring Declaration, or permit the maintenance of any nuisance within his Unit, or use or permit the use of his Unit in any manner which would be a source of unreasonable annoyance to any other Unit Owner or other resident of the Condominium or which would in any way interfere with the possession, enjoyment and proper use of the Condominium by any other Unit Owner or other resident.

ARTICLE VI. MISCELLANEOUS PROVISIONS.

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

6.1.1. Duty to furnish information. Any person who becomes a Unit Owner or a Mortgagee of a Unit, or the Proxy Holder of a Unit Owner's Votes, shall immediately notify the Council of his status and shall supply the following information to the Secretary in writing:

- (a) his full and correct name;
- (b) the number of the Unit;
- (c) if the Unit Owner, Mortgagee or Proxy Holder shall consist of more than one person, the full and correct name of each such person;
- (d) if the Unit Owner, Mortgagee or Proxy Holder, is not a natural person, (i) the type of legal entity which it is, and (ii) the jurisdiction under the laws of which it has been organized;
- (e) a single address in the United States of America which shall constitute the Unit Owner's, Mortgagee's or Proxy Holder's Notice Address for purposes of Section 6.2;
- (f) unless the Unit Owner and any Proxy Holder consists of one natural person (or shall consist of two or more natural persons but shall not desire to designate any Voting Representative), the name of each natural person who is to be a Voting Representative for such Unit Owner or Proxy Holder; and
- (g) upon request by the Secretary, such evidence of the Unit Owner's, Mortgagee's or Proxy Holder's status as the Secretary may reasonably demand.

6.1.2. Consequences of failure to furnish information.

Unless a Unit Owner, Mortgagee or Proxy Holder has notified the Council of its status and has supplied the Secretary with the information required by subsection 6.1.1, such person shall have no right under the provisions of the Act, the Declaration or these By-Laws (a) to be given any notice, demand, consent, approval, request or other communication or document by the Council or any Director or Officer, (b) to participate in the consideration of or cast any vote upon any question voted upon by the Council Membership, or (c) otherwise to be recognized as such by the Council or any Director, Officer, employee or agent thereof, or by any other Unit Owner.

6.1.3. Maintenance of roster; reliance thereon by the Council.

The Secretary shall maintain a current roster showing, with respect to each Unit, all information pertaining to the Unit Owner, any Mortgagee, and any Proxy Holder or Voting Representative with respect thereto, which shall have been supplied to the Secretary pursuant to subsection 6.1.1. Unless the Council shall have received express, written notice to the contrary, the Council, its Directors, Officers, employees and agents, and each Unit Owner shall be entitled to rely upon the accuracy of such roster as reflecting the existence, current identity, composition, legal standing, and Notice Address of the Unit Owner and any Mortgagee or Proxy Holder of a Unit, and the designation and identity of any Voting Representative for any such Unit Owner or Proxy Holder, all in making any determination for purposes of the provisions of the Act, the Declaration or these By-Laws as to whom any notice, demand, consent, approval, request or other communication or document is to be given or delivered by the Council or any Director or Officer thereof, or by whom or on whose behalf any Vote may be cast at any Meeting, or in connection with any other action to be taken by the Council or any of its Directors or Officers.

Section 6.2. Notices.

Any notice, demand, consent, approval, request or other communication or document which is to be provided by or on behalf of the Council, any Director or Officer or any other person, to any person hereunder shall be in writing, and (a) shall be deemed to have been provided or delivered forty-eight (48) hours after having been deposited as first class mail in the United States mails, postage prepaid; or (b) shall be deemed to have been provided upon actual hand or other physical delivery to such person. If the addressee of a mailed communication shall be a Unit Owner, Proxy Holder, Voting Representative or Mortgagee who (in accordance with the provisions of subsection 6.1.1) has notified the Council of its status as such and supplied the Council Secretary with the information which is referred to therein, the communication shall be addressed 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. If the addressee of a mailed communication shall be any other person, the communication shall be addressed to such address in the United States of America as such person has designated by notice to the Council.

Section 6.3. Severability.

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

Section 6.4. Amendment.

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

Section 6.5. Applicable Law.

These By-laws shall be given effect, and shall be construed by application of the law of Maryland, and any action, suit or proceeding arising hereunder shall be brought in the courts of Maryland.

Section 6.6. Headings.

The headings of the Articles, Sections and subsections hereof are provided only for convenience of reference, and shall not be considered in construing the contents of any Article, Section or subsection.

Section 6.7. Construction.

As used herein.

(a) All references in the neuter, masculine or feminine gender shall be deemed to have been made in all such genders.

(b) All references to numbered Sections or subsections without designation of the instrument in which they appear or use of the word "hereof" shall be deemed to refer to Sections or subsections of these By-Laws.

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

ARTICLE VII. ASSESSMENTS.

Section 7.1. Right to levy Assessments.

The Council shall be entitled to obtain funds for the payment of the Common Expenses by levying an assessment (hereinafter referred to individually as an "Assessment" and collectively as "Assessments") against each Unit Owner and his respective Units, all upon the terms and subject to the conditions set forth in the provisions of the Act, the Declaration and these By-Laws.

Section 7.2. Procedure for levying Assessments.

Any determination by the Council either to levy Assessments against the Unit Owners or of the respective amounts of such Assessments shall be made in accordance with the provisions of the Act and the Declaration, subject to the operation and effect of the following provisions of this Section:

7.2.1. Classes of Assessments.

The Assessments shall consist of annual Assessments (hereinafter referred to as "Annual Assessments") and special Assessments (hereinafter referred to collectively as "Special Assessments").

7.2.2. Period of Assessments.

Each Assessment shall be levied with respect to one of those periods of one (1) year (each of which is hereinafter referred to as an "Assessment Year") which shall be co-extensive with the Council's fiscal years, as determined from time to time in accordance with Section 2.7; but more than one (1) Annual Assessment may be made for any Assessment Year if the Board so determines.

7.2.3. Allocation of Assessments among Units.

The respective amounts of the Annual Assessments and any Special Assessments which are levied with respect to an Assessment Year, shall be allocated among the Units in accordance with the provisions of Section 4 of the Declaration, but this shall apply to Special Assessments only after the first date on which Unit Owners other than the Developer have a majority of the Votes in the Council.

7.2.4. Annual Assessments to be Universally Levied.

No Annual Assessment shall be levied for an Assessment Year with respect to any Unit unless an Annual Assessment shall have been made for such Assessment Year with respect to each Unit, in amounts determined in accordance with the provisions of subsection 7.2.3. Special Assessments need not be levied on all Units.

7.2.5. Adoption by Board of Directors; Notice of Assessment; when Assessment becomes Due and Payable.

(a) By not later than sixty (60) days 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 the aggregate amount of the Annual Assessments to be made against the Unit Owners for such Assessment Year, and shall set forth the respective amount of the Annual Assessment for each Unit, as determined in accordance with the provisions of the Act and the Declaration and the foregoing provisions of this Article. The budget may be adopted only at a Board Meeting held pursuant to subsection 2.4.10(b). The Board of Directors shall cause a copy of such budget to be provided to each Unit Owner at its Notice Address by not later than thirty (30) days prior to the commencement of such Assessment Year.

(b) Such Annual Assessment (or the initial installment thereof, if the Council shall have determined pursuant to subsection 7.2.6. to permit payment in installments) shall become due and payable upon the first (1st) day of such Assessment Year, without the necessity of further action by the Council.

(c) If the Council levies a Special Assessment or an additional Annual Assessment during an Assessment Year, such Assessment (or the initial installment thereof, if the Council shall have determined pursuant to Section 7.2.6. to permit payment in installments) shall become due and payable either on the fifteenth (15th) day after the imposition of such Assessment or on any later date specified by the Council.

7.2.5. Payment of Assessments in Installments.

The Council shall be entitled to permit any Annual Assessment or Special Assessment which is levied with respect to each Unit to be paid to the Council in monthly, quarterly or other installments in accordance with a schedule which shall be determined by the Council at any time, in which event such Assessments shall be payable in such manner.

Section 7.3. Personal Liability of Unit Owners for Assessments.

(a) Each Unit Owner shall be personally liable for the payment of each Assessment (or each installment thereof, if the Council has determined to permit payment in installments) which becomes due with respect to his Unit either (i) while he is the Unit Owner, or (ii) prior to his having become the Unit Owner if either (1) a statement of condominium lien with respect to such Assessment has been recorded among the Land Records by the Council pursuant to the provisions of §11-110 of the Act before he becomes the Unit Owner, or (2) he becomes the Unit Owner other than by a "grant for value", as that term is used in the said provisions, except as otherwise provided in Section 8(d) of the Declaration.

(b) A Unit Owner may not avoid such liability by waiving any right to the use and enjoyment of the Common Elements which such Unit Owner may hold under the provisions of the Act, the Declaration or these By-Laws, by abandoning or otherwise terminating his use and enjoyment of his Unit, or by conveying to another person the title to his Unit.

(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 have paid on account of such liability.

(d) No Unit Owner shall be personally liable for the payment of any Assessment (or any installment thereof) which becomes due with respect to his Unit, other than as set forth in the foregoing provisions of this Section.

Section 7.4. Lien of Assessment; Priority of Lien of Assessment.

7.4.1. Imposition of condominium lien.

(a) At any time following the levying of an Assessment with respect to a Unit and prior to the Council's receipt of payment in full of the same, the Council may record among the Land Records a statement of condominium lien either (i) with respect to such Assessment, or (ii) with respect to any installment thereof, if the Council has determined to permit payment in installments, and if the Council shall elect to make such installment rather than to such Assessment in full, in accordance with the provisions of §11-110 of the Act.

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

7.4.2. Duration and Extent of Lien.

Each Assessment (or installment thereof, if the Council has determined to permit payment in installments) made with respect to a Unit shall constitute a lien upon the title to such Unit from the date upon which a statement of condominium lien with respect to such Assessment shall have been recorded among the Land Records by the Council pursuant to the provisions of §11-110 of the Act and the provisions of subsection 7.4.1 until the Assessment has been paid in full to the Council; provided that the statement of condominium lien has been recorded among the Land Records prior to both (a) the second (2nd) anniversary of the date upon which the Assessment or installment thereof first became due, and (b) the recordation among the Land Records of a deed or other instrument which effects a "grant for value" (as that term is used in §11-110(d) of the Act) of such Unit by the person who was the Unit Owner of such Unit at the time that such Assessment or installment thereof first became due.

7.4.3. Subordination to Mortgages.

The lien of each Assessment or installment thereof which may be created pursuant to the foregoing provisions of this Section shall be subordinate to the lien of any Mortgage covering the Unit with respect to which such Assessment has been levied, if and only if such Mortgage has been recorded among the said Land Records prior to the recordation of a statement of condominium lien with respect to such Assessment or installment thereof, pursuant to the provisions of subsection 7.4.1.

7.4.4. Enforcement of Lien of Assessment.

(a) The lien of each Assessment may be enforced and foreclosed by the Council, or on behalf of the Council by the President, the Manager or any other person who may be specified for such purpose by the Board of Directors, 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 Baltimore City.

(b) The Council shall be entitled to protect its right to collect any unpaid Assessment by purchasing on its own behalf the Unit against which the Assessment was levied, at any judicial or other sale involving the enforcement of any lien against the Unit, provided that such action is authorized by the Council Membership; and to hold, lease, sublet, sell, convey and mortgage any Unit so purchased. The Board of Directors shall be entitled to authorize the Council to borrow any or all of the funds needed to make such purchase. The payment of the purchase price for the Unit and of any interest charged for any funds borrowed shall be a Common Expense, and any income from any resale, mortgage or lease of the Unit shall be Council Income.

(c) Anything contained in the foregoing provisions of this Section to the contrary notwithstanding, each such lien shall expire, automatically, and without the necessity of any action by the Council

or any other person, if no action to enforce and foreclose such lien shall have been brought within three (3) years following the recordation among the Land Records of a statement of condominium lien.

Section 7.5. Accrual of Interest on unpaid Assessments.

Each Assessment (or each installment thereof, if the Council has determined to permit payment in installments) shall bear interest on the unpaid balance thereof from the thirtieth (30th) day after the date upon which the same first becomes due, until paid, at the lesser of (i) the rate of twelve percent (12%) per annum, or (ii) the highest rate of interest per annum which shall from time to time be permitted under applicable law to be charged with respect to the same.

Section 7.6. Right of Council to Seek Recovery of Unpaid Assessments.

7.6.1. The Council shall be entitled (a) to recover in an action at law or in equity, from any person liable for the payment of an Assessment or any installment thereof, so much of such Assessment as remains unpaid following application thereto of the proceeds of any foreclosure sale made pursuant to subsection 7.4.3, and (b) to obtain in an action at law or in equity, from any such person, a money judgment for any or all of any Assessment for which such person shall be liable, plus reasonable attorney's fees and court costs, all without waiving the lien of such Assessment.

Section 7.7. Certificate as to Payment or Nonpayment of Assessments.

The Council shall, upon written request at any time by any person who has any liability for an Assessment or any installment thereof, or who owns any interest in a Unit which is subject to the lien of such Assessment, and upon payment of such reasonable fee as may be established by the Council, deliver to such person (or to any other person designated) a certificate signed by the President, the Secretary, or the Manager, which states whether the Assessment or installment thereof has been paid. Any certificate delivered as aforesaid shall (if relied upon by such person) constitute conclusive evidence of the payment of the Assessment or installment thereof which is therein stated to have been paid.

END OF BY-LAWS

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**COLDSRING COMMUNITY ASSOCIATION, INC.
BY-LAWS**

**ARTICLE I
NAME**

The name of the Corporation shall be "Coldspring Community Association, Inc."

**ARTICLE II
PURPOSES**

The purposes of the Corporation shall be as set forth in the Charter of the Corporation.

**ARTICLE III
MEMBERSHIP**

Membership in the Corporation shall be limited to the members of the Board of Directors of the Corporation as duly chosen and qualified from time to time, and a member of the Corporation shall be member-director. Membership in the Corporation will terminate upon termination of membership on the Board of Directors. All rights and powers of members of the Corporation may be exercised by the Board of Directors. Any reference to a director of the Corporation in the By-laws shall be deemed to refer equally to a member of the Corporation, and any reference to a member of the Corporation shall be deemed to refer equally to a director of the Corporation.

**ARTICLE IV
BOARD OF DIRECTORS**

Section 1. **Powers.** The business and affairs of the Corporation shall be managed by the Board of Directors. The Board of Directors may exercise all the powers of the Corporation as are conferred upon it by its Charter or By-laws.

Section 2. **Number of Directors.** Until the Final Completion Date, as that term is defined in Article Seventh (1) of the Charter, the number of directors shall be as set forth in Article Seventh (1) of the Charter. Thereafter, the number of directors shall be determined by the Board of Directors, provided that such number shall never be less than three (3) nor more than sixteen (16).

Section 3. **Election of Directors.**

(a) The Original Class I Directors and the initial Class II Directors of the Corporation shall be as designated in Article Seventh of the Charter.

(b) Until the Final Completion Date, and subject to the provisions of Article Seventh (4) of the Charter, as each five hundred (500) Units in Coldspring are sold, leased, or otherwise disposed of, the Residents of such five hundred (500) Units shall elect a Class I Director from among themselves who shall continue to hold office until the next Annual Residents Meeting, as hereinafter provided in Article V of these By-laws. Within thirty (30) days after the sale, lease or other disposition of each such five hundred (500) Units, the Secretary of the Corporation shall send to the Residents of each such Unit, written notice of a Special Residents Meeting to be held on a date selected by the Board of Directors, which shall be not less than thirty (30) nor more than forty-five (45) days, after the date of such notice; stating the time and place thereof; and setting forth the procedures for nominations as contained in Article IV, Section 3(e) of these By-laws. Each such Unit shall be entitled to one vote for the director to be elected at such Special Residents Meeting, such vote to be exercised by the Residents thereof in the manner set forth in Article Seventh (5) of the Charter. No Resident may cast a vote by proxy. The presence of twenty-five (25) Residents entitled to vote at such Special Residents Meeting shall be sufficient to constitute a quorum thereat, and the vote of a majority of such Residents present at a Special Residents Meeting at which a quorum is present shall bind such Residents.

(c) At each Annual Residents Meeting prior to the Final Completion Date, all Residents of Coldspring on the record date for such Meeting established by the Board shall be entitled to elect, on an at-large basis, the number of Class I Directors which they are then entitled to elect under Article Seventh of the Charter.

(d) After the Final Completion Date, there shall be one Class of directors, and the Residents

(e) Any Resident seeking election to the Board of Directors of the Corporation may be nominated by delivering to the Secretary of the Corporation at least fifteen (15) days prior to the date of the Annual Residents Meeting or Special Residents Meeting, as the case may be, a written petition signed by the Residents of at least ten (10) Units (as that term is defined in Article Seventh (5) of the Charter), who are entitled to vote at such Meeting. The Secretary of the Corporation shall then prepare a written ballot containing the names of those Residents so nominated, which he shall post in one or more conspicuous places on the premises of Coldspring at least seven (7) days prior to the date of such Annual Residents Meeting or Special Residents Meeting, and which shall be distributed to all Residents attending such Meeting and entitled to vote thereat. This shall constitute the official ballot, and there shall be no nominations from the floor.

Section 3A. Removal. Any Director appointed by the Commissioner or acting Commissioner of the Department of Housing and Community Development of Baltimore City (or such other official of the City then exercising the powers now held by said Commissioner) may be removed at the pleasure of said Commissioner or other official exercising the powers now held by said Commissioner. Any Director appointed by Coldspring New Town Corporation or its successors or assigns then holding development rights in Coldspring pursuant to a Disposition Agreement may be removed at the pleasure of Coldspring New Town Corporation or its successors or assigns as aforesaid."

Section 4. Vacancies. Except as otherwise provided in Paragraph 6 of Article Seventh of the Charter, any vacancy occurring in the Board of Directors may be filled from among the Residents by a majority of the remaining members of the Board of Directors entitled to vote thereon, even if such majority is less than a quorum. A director elected by the Board of Directors to fill a vacancy shall be elected to hold office until the next Annual Residents Meeting or until his successor is elected and qualified.

Section 5. Regular Meetings. Regular meetings of the Board of Directors shall be held on such dates and at such places within or without the State of Maryland as may be designated from time to time by the Board of Directors.

Section 6. Special Meetings. Special meetings of the Board of Directors may be called at any time by the President or by a majority of the Board of Directors by vote at a meeting, or in writing with or without a meeting. Such special meetings shall be held at such place or places within or without the State of Maryland as may be designated from time to time by the Board of Directors. In the absence of such designation, such meetings shall be held at such places as may be designated by the President of the Corporation.

Section 7. Notice of Meeting. Notice of the place, day and hour of every regular and special meeting shall be given to each director five (5) days (or more) before the meeting by telephone, by delivering the same to him in writing personally, by sending the same to him by telegraph, or by leaving the same at his residence or usual place of business, or, in the alternative, by mailing such notice seven (7) days (or more) before the meeting, postage prepaid and addressed to him at his last known post office address, according to the records of the Corporation. Unless required by these By-laws or by resolution of the Board of Directors, no notice of any meeting of the Board of Directors need state the business to be transacted thereat. No notice of any meeting of the Board of Directors need be given to any director who attends, or to any director who, in writing executed and filed with the records of the meeting either before or after the holding thereof, waives such notice. Any meeting of the Board of Directors, regular or special, may adjourn from time to time to reconvene at the same or some other place, and no notice need be given of any such adjourned meeting other than by announcement.

Section 8. Quorum. At all meetings of the Board of Directors, a majority of the entire Board of Directors shall constitute a quorum for the transaction of business. Except in cases in which it is by statute, by the Charter or by the By-laws otherwise provided, the vote at a duly constituted meeting of a majority of all of the directors shall be sufficient to elect and pass any measure. In the absence of a quorum, the directors present by majority vote and without notice other than by announcement may adjourn the meeting from time to time until a quorum shall attend. At any such adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the meeting as originally notified.

Section 9. Compensation. By resolution of the Board of Directors, expenses of attendance, if any, may be allowed to directors for attendance at each regular or special meeting of the Board of Directors

or of committees thereof, but directors as such shall not receive any other compensation for their services. A director who serves the Corporation in any other capacity, however, may receive compensation therefor.

Section 10. **Informal Action by Directors.** Any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting, if a written consent to such action is signed by all members of the Board and such written consent is filed with the minutes of proceedings of the Board.

Section 11. **Informal Action by Committees.** Any action required or permitted to be taken at any meeting of any committee of the Board of Directors, subject to the limitations of Article VI hereof, may be taken without a meeting, if a written consent to such action is signed by all members of the committee, and such written consent is filed with the minutes of proceedings of such committee.

ARTICLE V RESIDENTS

Section 1. **Definition.** Residents shall be as defined in Article Seventh (5) of the Charter of the Corporation.

Section 2. **Annual Residents Meeting.** The Annual Meeting of the Residents shall be held at a place fixed by the Board of Directors of the Corporation on the second Tuesday of the month of June of each year, beginning in 1979 for the sole purpose of electing any directors of the Corporation whom the Residents are entitled to elect in accordance with the Charter.

Section 3. **Record Date.** The Board of Directors shall set a record date not more than thirty (30) days nor less than fifteen (15) days prior to each Annual Residents Meeting for the purpose of determining the eligibility of Residents to vote thereat.

Section 4. **Notice of Annual Residents Meeting.** Notice of the Annual Residents Meeting shall be given at least fifteen (15) days prior to the date of such meeting by being posted in one or more conspicuous places on the premises of Coldspring. Such notice shall state the date, time and place of such meeting and the record date thereof.

Section 5. **Quorum.** The presence in person of at least fifty (50) Residents shall be sufficient to constitute a quorum of any Annual Residents Meeting.

Section 6. **Voting.** Each Unit, as that term is defined in Article Seventh (5) of the Charter, shall be entitled to one (1) vote for each director to be elected at the Annual Residents Meeting, or any other action to be taken thereat, to be exercised by the Residents in the manner set forth in Article Seventh (5) of the Charter. No Resident may cast a vote by proxy, and the vote of a majority of the Residents present at an Annual Resident Meeting at which a quorum is present shall bind the Residents. There shall be no cumulative voting.

Section 7. **Presiding Officer.** The President of the Corporation, or in his absence, the Vice President, shall preside at the Annual Residents Meeting.

ARTICLE VI COMMITTEES

The Board of Directors may by resolution provide for an Executive Committee and for such other standing or special committees as it deems desirable, and may discontinue the same at its pleasure. Each such committee shall have such powers and perform such duties, not inconsistent with law, as may be assigned to it by the Board of Directors.

ARTICLE VII OFFICERS

Section 1. **Executive Officers.** The Board of Directors may choose from among the directors a President, a Vice President, a Secretary and a Treasurer. No two offices may be held by the same person. Each such officer shall hold office until the first meeting of the Board of Directors after the Annual Residents Meeting next succeeding his election, or until his successor shall have been duly chosen and

qualified, or until he shall have resigned or shall have been removed. Any vacancy in any of the above offices may be filled for the unexpired portion of the term by the Board of Directors at any regular or special meeting.

Section 2. **President.** The President shall preside at the Annual Residents Meetings and at all meetings of the Board of Directors at which he shall be present; he shall have general charge and supervision of the business of the Corporation; he may sign and execute, in the name of the Corporation, all authorized deeds, mortgages, bonds, contracts or other instruments, except in cases in which the signing and execution thereof shall have been expressly delegated to some other officer or agent of the Corporation; and, in general, he shall perform all duties incident to the office of a president of a corporation, and such other duties as, from time to time, may be assigned to him by the Board of Directors.

Section 3. **Vice President.** The Vice President, at the request of the President or in his absence or during his inability to act, shall perform the duties and exercise the functions of the President, and when so acting shall have the powers of the President. The Vice President shall have such other powers and perform such other duties as may be assigned to him or them by the Board of Directors or the President.

Section 4. **Secretary.** The Secretary shall keep the minutes of the meetings of the members, of the Board of Directors and of any committees, in books provided for the purpose; he shall see that all notices are duly given in accordance with the provisions of the By-laws or as required by law; he shall be custodian of the records of the Corporation; he shall see that the corporate seal is affixed to all documents the execution of which, on behalf of the Corporation, under its seal, is duly authorized, and when so affixed may attest the same; and in general he shall perform all duties incident to the office of a secretary of a corporation, and such other duties as, from time to time, may be assigned to him by the Board of Directors or the President.

Section 5. **Treasurer.** The Treasurer shall have charge of and be responsible for all funds, securities, receipts and disbursements of the Corporation, and shall deposit, or cause to be deposited in the name of the Corporation, all moneys or other valuable effects in such banks, trust companies or other depositories as shall, from time to time, be selected by the Board of Directors; he shall render to the President and to the Board of Directors whenever requested, an account of the financial condition of the Corporation, and, in general, he shall perform all the duties incident to the office of a treasurer of a corporation, and such other duties as may be assigned to him by the Board of Directors or the President.

Section 6. **Subordinate Officers.** The Board of Directors may from time to time appoint such subordinate officers as it may deem desirable. Each such officer shall hold office for such period and perform such duties as the Board of Directors may, from time to time, authorize.

Section 7. **Compensation.** The Board of Directors shall have power to fix the compensation of all officers of the Corporation. It may authorize any committee or officer, upon whom the power of appointing subordinate officers may have been conferred, to fix the compensation of such subordinate officers.

Section 8. **Removal.** Any officer or agent of the Corporation may be removed by the Board of Directors whenever, in its judgment, the best interests of the Corporation will be served thereby, but such removal shall be without prejudice to the contractual rights, if any, of the person so removed.

ARTICLE VIII FINANCE

Section 1. **Checks, Drafts, Etc.** All checks, drafts and orders for the payment of money, notes and other evidence of indebtedness, issued in the name of the Corporation, shall unless otherwise provided by resolution of the Board of Directors, be signed by the President or a Vice President and countersigned by the Treasurer or Secretary.

Section 2. **Annual Reports.** There shall be prepared annually a full and correct statement of the affairs of the Corporation, including a balance sheet and a financial statement of operations for the preceding calendar year, which shall be filed within one hundred twenty (120) days after the end of each fiscal year of the Corporation at the principal office of the Corporation in this State. Such statement shall be prepared

by such executive officer of the Corporation as may be designated by the Board of Directors. If no other executive officer is so designated, it shall be the duty of the President to prepare such statement.

Section 3. **Fiscal Year.** The fiscal year of the Corporation shall be the twelve (12) calendar month period ending December 31 of each year, unless otherwise provided by the Board of Directors.

ARTICLE IX SUNDRY PROVISIONS

Section 1. **Seal.** The Board of Directors shall provide a suitable seal, bearing the name of the Corporation, which shall be in the charge of the Secretary. The Board of Directors may authorize one or more duplicate seals and provide for the custody thereof.

Section 2. **Bonds.** The Board of Directors may require any officer, agent or employee of the Corporation to give a bond to the Corporation, conditioned upon the faithful discharge of his duties, with one or more sureties and in such amount as may be satisfactory to the Board of Directors.

Section 3. **Voting Upon Shares in Other Corporations.** Any shares in other corporations or associations, which may from time to time be held by the Corporation, may be voted at any meeting of the shareholders thereof by the President or Vice President of the Corporation or by proxy or proxies appointed by the President or one of the Vice Presidents of the Corporation. The Board of Directors, however, may by resolution appoint some other person or persons to vote such shares, in which case such person or persons shall be entitled to vote such shares upon the production of a certified copy of such resolution.

Section 4. **Amendments.** Any and all provisions of these By-laws may be altered or repealed and new By-laws may be adopted at any regular or special meeting of the Board of Directors by the vote of a majority of the entire Board of Directors, provided that actual notice thereof shall have been given with the notice of any such meeting.



COLDSPRING COMMUNITY ASSOCIATION, INC.

CCA

Box 16288 • Baltimore, MD 21210 • (410) 664-6341

COLDSPRING COMMUNITY ASSOCIATION, INC.

AMENDED AND RESTATED BYLAWS

ARTICLE I

OFFICES

Section 1. PRINCIPAL OFFICE. The principal office of the corporation in the State of Maryland shall be located in Baltimore City or at any other place or places as the board of directors may designate.

Section 2. ADDITIONAL OFFICES. The corporation may have additional offices at such places as the board of directors may from time to time determine or the business of the corporation may require.

ARTICLE II

PURPOSES

The purpose of the corporation shall be as set forth in the Articles of Incorporation of the corporation.

ARTICLE III

MEMBERS

The members of the corporation shall be composed of the directors and any other person, firm or corporation as may be elected a member from time to time by the board of directors. Members shall satisfy those qualifications for membership and shall have those rights and privileges which are established from time to time by the board of directors. Membership in the corporation is personal and is not transferable. No member shall receive any compensation for serving as a member.

ARTICLE IV

DIRECTORS

Section 1. GENERAL POWERS. The business and affairs of the corporation shall be managed under the direction of its board of directors.

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 Section 2. NUMBER, CLASS AND TENURE. The number of directors of the corporation shall be not less than the minimum number required by the Maryland General Corporation Law. The director positions shall be divided into classes, and the number of directors within each class shall be determined, as follows: There shall be a separate class of directors (of the corporation) for each Neighborhood Association within the Property. There shall be two (2) Class I Directors, both of whom shall represent the Council of Unit Owners of Coldspring Stage 1A Condominium. There shall be two (2) Class II Directors, both of whom shall represent the Council of Unit Owners of Coldspring Stage 1B Condominium. There shall be one (1) Class III Director, who shall represent the Ruscombe Gardens Tenants Association. As each additional Neighborhood Association is established upon the Property, a separate class of directors (of the corporation) shall automatically be established for such Neighborhood Association. Each director in a class shall be a natural person who is (a) an Owner or Resident of a Dwelling Unit governed by the Neighborhood Association represented by such class, or (b) an Affiliate of any Association or a Tenants Association. Each Owners Association governing less than one hundred (100) Dwelling Units shall be represented by one (1) director, and each Owners Association governing one hundred (100) or more Dwelling Units shall be represented by two (2) directors. Each Tenants Association governing a Multi-Family Property containing two hundred (200) or more Dwelling Units shall be represented by a maximum of two (2) minimum of one (1) directors. Each director shall serve until the next annual meeting of directors and until his or her successor is elected and qualifies.

"Affiliate" shall mean with respect to any legal or natural person (a) any general or limited partner of such person, (b) any corporation, partnership, trust or other person that directly or indirectly through one or more intermediaries controls or is controlled by or is under common control with such person, (c) any officer, director or trustee or such person, and (d) any stockholder of such person who owns at least twenty-five percent (25%) or more of any class of voting securities of such person.

"Declaration" shall mean the Coldspring Community Association, Inc. Agreement and Declaration of Covenants, Easements, Charges and Liens dated July 19, 1978 and recorded among the Land Records of Baltimore City in Liber 3673, folio 125, et seq., as amended.

"Dwelling Unit" shall mean each Permanent Improvement or portion thereof which provides living facilities for one Family.

"Elderly Housing Facility" shall mean a "Convalescent, Nursing or Rest Home: or "Housing for the Elderly", as such terms are defined in the Zoning Ordinance of Baltimore City (regardless of the zoning status of the Parcel of which such facility is a part).

"Family" shall mean any number of individuals lawfully living together as a single housekeeping unit and doing their cooking on the premises.

"Multi-Family Property" shall mean a Parcel containing two or more Dwelling Units, including, but not limited to, a "Cooperative Project", as such term is defined in Section 5-6B-01 of the Maryland Cooperative Housing Corporation Act.

"Owner" shall mean the person, firm, corporation, trustee, or other legal entity, or combination thereof, holding record title to a Parcel within the Property, as said Parcel is now or may from time to time hereafter be established, either in his, her or its own name, or as joint tenants, tenants in common, tenants by the entirety, or tenants in co-partnership, if the Parcel is held in such real property tenancy or partnership relationship. If more than one person holds the record title to any Parcel, whether in a real property tenancy, partnership relationship or otherwise, each such person shall be deemed an Owner, and as such, shall be eligible to serve on the board of directors. The term "Owner" shall include any contract seller, but shall not include any contract purchaser, as such, nor shall it include any mortgagee, as such.

"Owner Association" shall mean any homeowners association, council of unit owners (of a condominium) or cooperative housing corporation governing at least ten (10) Dwelling Units.

"Parcel" shall mean each portion of the Property which is less than the whole thereof and which (a) is assessed as a unit by the appropriate public officials for the purpose of real estate taxes imposed by the State of Maryland and/or Baltimore City, or (b) is exempt from State and City real estate taxes, but is shown as a lot or other type of separate parcel (such as "open space") on a subdivision plat recorded among the Land Records of Baltimore City. A Parcel may consist of land, Permanent Improvements, and/or other improvements, and a Parcel may be a condominium unit.

"Permanent Improvement" shall mean each dwelling or other structure (within the Property) for which a certificate of use and occupancy (or similar evidence of substantial completions, if certificates of use and occupancy are discontinued) has been issued by Baltimore City, and each accessory structure appurtenant to any such dwelling or other structure.

"Property" shall have the meaning ascribed thereto in the Declaration.

"Resident" shall mean (a) each Owner or Tenant actually residing on any part of the Property. (b) each person actually residing in the same household with such Owner or Tenant, and (c) each person actually residing within any Elderly Housing Facility.

"Tenant" shall mean and refer to any person, firm, corporation, trustee or other legal entity, or combination thereof, holding leasehold title to a Parcel, or portion thereof, within the Property, whether by lease, sublease or otherwise, and shall include, but shall not be limited to, each sublandlord and subtenant.

"Tenants Association" shall mean any incorporated or unincorporated tenants' organization having as its members a majority of the tenants in any Multi-Family Property containing at least ten (10) Dwelling Units, except that the cooperative housing corporation governing a Cooperative Project shall constitute an Owners Association.

Section 3. QUALIFICATIONS AND ELECTION. On or before November 1 or each year, each Neighborhood Association shall submit to the secretary of the corporation one nomination for each director position afforded to such Neighborhood Association (e.g., the Council of Unit Owners of Coldspring Stage 1A Condominium shall nominate at least ~~two~~ (2) persons to serve as Class I Directors, the Council of Unit Owners of Coldspring Stage 1B Condominium shall nominate at least two (2) persons to serve as Class II Directors, and the Ruscombe Gardens Tenants Association shall nominate one (1) person to serve as a Class III Director). At the annual meeting of the board of directors, the directors then in office shall elect from among the nominee (s) for each such number of directors as is required to fill all of the vacant director positions within such class. If one or more vacancies shall arise in any class of directors for any reason (such as, the initial creation of such class, or the death, resignation or removal of a director within such class), the Neighborhood Association for which such class or directors has been established shall submit to the secretary of the corporation one (1) or more nominations for each vacant director position within such class. At an annual or special meeting of the board of directors held within forty-five (45) days after the delivery of such nomination (s) to the secretary of the corporation, the directors then in office shall elect from among such nominee (s) such number of directors as is required to fill all of the vacant director positions within such class of directors.

Section 4. ANNUAL AND REGULAR MEETINGS. An annual meeting of the board or directors shall be held either during June/July or November/December of each calendar year on a date, time and place to be determined by the board of directors. The board of directors may provide, by resolution, the time place, within the State of Maryland, for the holding of regular meetings of the board of directors. Each director (and each other member, if any, of the association) shall be notified of the time and place of such regular meetings in accordance with the requirements of the Maryland Homeowners Association Act.

Section 5. SPECIAL MEETINGS. Special meetings of the board or directors may be called by or at the request of the president or by a majority of the directors then in office. The person or persons authorized to call special meetings of the board of directors may fix any place, within the State of Maryland, as the place for holding any special meeting of the board of directors called by them.

Section 6. NOTICE. Notice of any special meeting shall be given by written notice delivered personally, telecopied or mailed to each director at his or her business or residence address or telecopy number, as the case may be. Personally delivered or telecopies notices shall be given at least five days before the meeting. Notice by mail shall be given at least five days before the meeting. If mailed, the notice shall be deemed to be given when deposited in the United States mail property addressed, with postage thereon prepaid. If given by telecopy, the notice shall be deemed to be given when the telecopy is transmitted to the proper telecopy number. Neither the business to be transacted at, nor the purpose of, any annual, regular or special meeting of the board of directors need be stated in the notice, unless specifically required by statute or these bylaws.

Section 7. QUORUM. A majority of the board of directors then in office shall constitute a quorum for transaction of business at any meeting of the board of directors, provided that, if less than a majority of such number of directors are present at said meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

The directors present at a meeting which has been duly called and convened may continue to transact business until adjournment, notwithstanding the withdrawal of enough directors to leave less than a quorum.

Section 8. VOTING. The action of the majority of the directors present at a meeting at which a quorum is present shall be the action of the board of directors, unless the concurrence of a greater proportion is required for such action by applicable statute or the Declaration.

Section 9. TELEPHONE MEETINGS. Members of the board of directors may participate in a meeting by means of a conference telephone or similar communications equipment if all persons participating in the meeting can hear each other at the same time. Participation in a meeting by these means shall constitute presence in person at the meeting.

Section 10. INFORMAL ACTION BY DIRECTORS. Any action required or permitted to be taken at any meeting of the board of directors may be taken without a meeting, if a consent in writing to such action is signed by each director, and the written consent is filed with the minutes of proceedings of the board of directors.

Section 11. VACANCIES. Any vacancy on the board of directors for any cause other than an increase in the number of directors must be filled in accordance with Section 3 of this Article. Any vacancy on the board of directors by reason of an increase in the number of directors may be filled by a majority vote of the entire board of directors. A director elected by the board of directors to fill a vacancy shall serve until the next annual meeting of members and until his or her successor is elected and qualifies.

Section 12. COMPENSATION. Directors shall not receive any stated salary for their services as directors. However, by resolution of the board of directors, a fixed sum and expenses of attendance, if any, may be allowed to directors for attendance at each annual, regular or special meeting of the board of directors or of any committee thereof. Nothing herein contained shall be construed to preclude any director from serving the corporation in any other capacity and receiving compensation therefor.

Section 13. REMOVAL OF DIRECTORS. The members may, at any time, remove any director, with or without cause, by a majority vote of the entire membership. Any director whose removal is being considered by the members shall be given an opportunity to be heard at this meeting; however the director will not be deemed a member for purposes of determining the existence of a quorum at the removal proceedings. Voting by proxy shall not be allowed for removal proceedings. Additionally, a director may be removed, with or without cause, by the Neighborhood Association which nominated such director to the director position he or she holds. Any person removed as a director of the corporation shall also be deemed to be removed as a member of the corporation at the same time.

ARTICLE V

COMMITTEES

Section 1. NUMBER, TENURE AND QUALIFICATIONS. The board of directors may appoint from among its members an Executive Committee and other committees, composed for two or more directors,

to serve at the pleasure of the board of directors.

Section 2. MEETINGS. A majority of the members of a committee shall constitute a quorum for transaction of business at any meeting of such committee. In the absence of any member of a committee, the members thereof present at any meeting of the committee, whether or not they constitute a quorum, may appoint a director to act in the place of the absent member.

Section 3. TELEPHONE MEETINGS. Members of a committee of the board of directors may participate in a meeting by means of a conference telephone or similar communications equipment if all persons participation in the meeting can hear each other at the same time. Participation in a meeting by these means shall constitute presence in person at the meeting.

Section 4. INFORMAL ACTION BY COMMITTEES. Any action required or permitted to be taken at any meeting of a committee of the board or directors may be taken without a meeting, if a written consent to the action is signed by each member of the committee and the written consent is filed with the minutes of proceedings of such committee. Committees may not enter into any contractual relationship or encumber funds without the directors/board approval.

ARTICLE VI

OFFICERS

Section 1. POWERS AND DUTIES. The officers of the corporation shall be elected annually by the board of directors at each annual meeting of the board of directors. If the election of officers shall not be held at such meeting such election shall be held as soon thereafter as may be convenient. Each officer shall hold office until his or her successor is elected and qualifies or until his or her death, resignation or removal in the manner hereinafter provided. Any two or more offices except president and vice president may be held by the same person. Election or appointment of an officer or agent shall not of itself create contract rights between the corporation and such officer or agent.

Section 2. REMOVAL AND RESIGNATION. Any officer or agent of the corporation may be removed by the board of directors if in its judgement the best interests of the corporation would be served thereby, but the removal shall be without prejudice to the contract rights, if any, of the person so removed. Any officer of the corporation may resign at any time by giving written notice of his or her resignation to the board of directors, the chairman of the board, the president or secretary. Any resignation shall take effect at the time specified therein or, if the time when it shall become effective is not specified therein, immediately upon its receipt. The acceptance of a resignation shall not be necessary to make it effective unless otherwise stated in the resignation.

Section 3. VACANCIES. A vacancy in any office may be filled by the board of directors for the balance of the term.

Section 4. PRESIDENT. The president shall be the principal executive officer of the corporation and shall in general supervise and control all of the business and affairs of the corporation. He or she shall preside at all meetings of the membership and of the board of directors and shall be ex officio a member of all committees that may, from time to time, be constituted by the board of directors. The president may execute any deed mortgage, bond, contract or other instrument which the board of directors has authorized to be executed, except in cases where the execution thereof shall be expressly delegated by the board of directors or by these bylaws to some other office or agent of the corporation or shall be required by law to be otherwise executed; and in general shall perform all duties incident to the office of president and any other duties as may be prescribed by the board of directors from time to time.

Section 5. VICE PRESIDENTS. In the absence of the president, or in the event of a vacancy in such office, the vice president (or in the event there be more than one vice president, the vice presidents in the order designated at the time of their election or, in the absence of any designation, then in the order of their election) shall perform the duties of the president and when so acting shall have all the powers of and be subject to all the restrictions upon the president; and shall perform such other duties as from time to time may be assigned to him or her by the president or by the board of directors. The board of directors may designate one or more vice presidents as executive vice president or as vice president for particular areas of responsibility.

Section 6. SECRETARY. The secretary shall (a) keep the minutes of the proceedings of the members, the board of directors and committees of the board of directors in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these bylaws or as required by law; (c) be custodian of the corporate records and of the seal of the corporation; (d) keep a register of the post office address of each member which shall be furnished to the secretary by such member; and (e) in general perform such other duties as from time to time may be assigned to him or her by the president or by the board of directors.

Section 7. TREASURER. The treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the corporation in such depositories as may be designated by the board of directors.

The treasurer shall disburse the funds of the corporation as may be ordered by the board of directors, taking proper vouchers for such disbursements, and shall render to the president and board of directors, at the regular meetings of the board of directors or wherever they may require it, an account of all his or her transactions as treasurer and of the financial condition of the corporation

If required by the board of directors, the treasurer shall give the corporation a bond in such sum and with such surety or sureties as shall be satisfactory to the board of directors for the faithful performance of the duties of his or her office and for the restoration to the corporation, in case of his or her death, resignation, retirement or removal from office, all books, papers, vouchers, moneys or other property of whatever kind in his or her possession under his or her control belonging to the corporation.

Section 8. ASSISTANT SECRETARIES AND ASSISTANT TREASURERS. The assistant secretaries and assistant treasurers, in general, shall perform such duties as shall be assigned to them by the secretary or treasurer, respectively, or by the president or the board of directors. The assistant treasurers shall, if required by the board of directors, give bonds for the faithful performance of their duties in such sums and with such surety or sureties as shall be satisfactory to the board of directors.

Section 9. ANNUAL REPORT. The president or other executive officer of the corporation shall prepare or cause to be prepared annually a full and correct statement of the affairs of the corporation, including a balance sheet and a statement of the results of operations for the preceding fiscal year, which shall be submitted at the annual meeting of the members and filed within 20 days thereafter at the principal office of the corporation in the State of Maryland.

ARTICLE VII

CONTRACTS, LOANS, CHECKS AND DEPOSITS

Section 1. CONTRACTS. The board of directors may authorize any officer or agent to enter into any contract or to execute and deliver any instrument in the name of and on behalf of the corporation and such authority may be general or confined to specific instances.

Section 2. CHECKS AND DRAFTS. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the corporation shall be signed by the officer or officers, agent or agents of the corporation and in such manner who shall from time to time be designated by the board of directors.

Section 3. DEPOSITS. All funds of the corporation not otherwise employed shall be deposited from time to time to the credit of the corporation in such banks, trust companies or other depositories as the board of directors may designate. The moneys of the Corporation shall be deposited in interest bearing accounts or savings certificates at those banks or depositories which from time to time are designated by the board of directors or invested in those bonds, securities or investments which are authorized by the vote of a majority of the directors attending any meeting at which a quorum of directors is present and shall be subject to check as designated by the board of directors. Income may be deposited, pending disposition, in any checking accounts which the board of directors authorizes from time to time. Disposition of the principal amount of any deposits or investments may be authorized only by the affirmative vote of the majority of all of the directors. No funds of the corporation may be distributed except for the purposes, and subject to the restrictions, set forth in the charter.

ARTICLE VIII

ACCOUNTING YEAR

The board of directors shall have the power, from time to time, to fix the accounting year of the corporation by a duly adopted resolution.

ARTICLE IX

SEAL

Section 1. SEAL. The corporate seal shall have inscribed thereon the name of the corporation, the year of its organization and the words "Incorporated Maryland". The board of directors may authorize one or more duplicate seals and provide for the custody thereof.

Section 2. AFFIXING SEAL. Whenever the corporation is required to place its corporate seal to a document, it shall be sufficient to meet the requirements of any law, rule or regulation relating to a corporate seal to place the word "(SEAL)" adjacent to the signature of the person authorized to execute the document on behalf of the corporation.

ARTICLE X

INDEMNIFICATION

To the maximum extent permitted by Maryland law in effect from time to time, the corporation shall indemnify, and shall pay or reimburse reasonable expenses in advance of final disposition of a proceeding to, (i) any individual who is a present or former director or officer of the corporation or (ii) any individual who serves or has served another corporation, partnership, joint venture, trust, employee benefit plan or any other enterprise as a director or officer of such corporation or as a partner or trustee of such partnership, joint venture, trust or employee benefit plan at the request of the corporation. The corporation may, with the approval of its board of directors, provide such indemnification and advancement of expenses to a person who served a predecessor of the corporation in any of the capacities described in (i) or (ii) above and to any employee or agent of the corporation or a predecessor of the corporation.

Neither the amendment nor repeal of this Section, nor the adoption or amendment of any other provision of the bylaws or charter of the corporation inconsistent with this Section, shall apply to or affect in any respect the applicability of the preceding paragraph with respect to any act or failure to act which occurred prior to such amendment, repeal or adoption.

ARTICLE IX

WAIVER OF NOTICE


Whenever any notice is required to be given pursuant to the charter or bylaws of the corporation or pursuant to applicable law, a waiver thereof in writing, signed by the person or persons entitled to the notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of the notice. Neither the business to be transacted at nor the purpose of any meeting need be set forth in the waiver of notice, unless specifically required by statute. The attendance of any person at any meeting shall constitute a waiver of notice of the meeting, except where the person attends a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

ARTICLE XII

AMENDMENT OF BYLAWS

The board of directors shall have the power to alter or repeal any bylaws of the corporation and to make new bylaws, provided, however, that no amendment shall be made which alters the rights of any class of directors or limits their term in office without the affirmative vote of all of the directors of such class then in office.

The foregoing are certified as the bylaws of the corporation adopted by the board of directors on March 11, 1995.


Secretary

Return to:
David W. Cohen Esq.
10 N. Calvert St.
Suite 540
P. O.



COLDSRING COMMUNITY ASSOCIATION, INC.

CCA

Box 16288 • Baltimore, MD 21210 • (410) 664-6341

Liber 4886 page 3

MAY 24 1995

COLDSRING COMMUNITY ASSOCIATION, INC.

AMENDMENT TO THE BYLAWS RECORDED ON APRIL 20, 1995

IN THE LAND RECORDS OF THE CITY OF BALTIMORE

LIBER #4830
FOLIO #370 ET.SEQ

At a duly called meeting of the Board of Directors of the Coldspring Community Association, the following amendment to the bylaws as approved by unanimous vote of all directors:

"To replace the word Neighborhood on page 2 Section 2. Number, Class and Tenure; on page 4 Section 3. Qualifications and Election and on page 6 Section 13. Removal of Directors to read Owners and or Tenants Association."

IN WITNESS WHEREOF, the Corporation has caused these Bylaws to be amended in its name on its behalf by its President and attested by its Secretary on this 9 day of May, 1995.

ATTEST:

COLDSRING COMMUNITY ASSOCIATION, INC.,

James Curry
Secretary

By: *Alex J. Kramer*
Alex J. Kramer, President

Coldspring Stage 1A

Bylaws - Amendment



37-8/All
11.20.87

AMENDMENT TO BY-LAWS OF
COLDSRING STAGE 1A CONDOMINIUM

THIS AMENDMENT TO BY-LAWS OF COLDSRING STAGE 1A
CONDOMINIUM, made this 29th day of December, 1987,
by the Council of Unit Owners of Coldspring Stage 1A Condominium,
hereinafter referred to as "Council".

WHEREAS, the Declaration and By-Laws of Coldspring
Stage 1A Condominium were recorded among the Land Records of
Baltimore City, Maryland, in Liber 3673, folio 146, et seq.,
creating the Condominium; and

WHEREAS, the Council on the _____ day of _____,
1987, by the requisite vote of the Unit Owners resolved to
and did amend the By-Laws of the Condominium;

NOW, THEREFORE, WITNESSETH:

That the aforementioned By-Laws be and they hereby are
amended to provide as follows:

1. That Article V, Section 5.2(b) is hereby deleted in its
entirety and the following provision is enacted in lieu thereof:

"Section 5.2(b) paint, glaze, wallpaper, plaster,
decorate and/or otherwise clean, maintain, repair
and replace the exposed surfaces of all portions of
his Unit and the Limited Common Elements appurtenant
thereto (including, but not limited to, ceilings,
doors, door frames, windows, window glass, window
frames, screens and screen frames, all interior
walls, skylights, fences, vents, shutters, meter
covers, patio, terrace, balcony, planters, and
floors, if and to the extent that any of these form
part of his Unit and the Limited Common Elements
appurtenant thereto). Notwithstanding the foregoing,
the Council shall clean, maintain, repair, and
replace the drains and downspouts located under and
appurtenant to the balconies or terraces of each
and every upper level Unit, the cost of which shall
be a Common Expense of the Council."

2. That Article VII, Section 7.5 is hereby deleted in
its entirety and the following provision is enacted in lieu
thereof:

"Section 7.5. Accrual of Interest on Unpaid Assessments
and Imposition of Late Charge. Each Assessment (or each
installment thereof, if the Council has determined to
permit payment in installments) shall bear interest on
the unpaid balance thereof from the fifteenth (15th)
day after the date upon which the Assessment becomes
due, until paid, at the maximum rate of interest permitted
under Section 11-110 of the Maryland Condominium Act.

LIBER 1609 PAGE 268

4756

REC'D 13.50
MISC #
#32268 CASH FOR 112415
CHECK 11 13.50

In addition, the Board of Directors may impose a late charge upon any Unit Owner failing to pay an Assessment within fifteen (15) days from the date when due, in an amount not exceeding the maximum rate permitted under Section 11-110 of the Maryland Condominium Act. A late charge may only be imposed once for the same delinquent Assessment."

IN WITNESS WHEREOF, the Secretary of the Board of Directors of Coldspring Stage 1A Condominium, the unincorporated Council of Unit Owners of Coldspring Stage 1A Condominium, certifies that he/she is the Officer designated in the aforementioned By-Laws to count the votes at a meeting of the Council of Unit Owners and that the foregoing By-Law Amendment was approved by unit owners having the required percentage of the votes of the Council of Unit Owners.

WITNESS: COLDSRING STAGE 1A CONDOMINIUM

[Signature] President Hilda Stevan Secretary

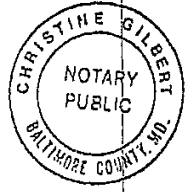
STATE OF MARYLAND)
County of Baltimore) to wit:

I HEREBY CERTIFY, that on this 29th day of December, 1987, before me, the subscriber, a Notary Public of the State aforesaid, personally appeared Hilda Stevan, who acknowledged that he/she is the Secretary of the Board of Directors of Coldspring Stage 1A Condominium and that he/she, as Secretary, being authorized so to do, executed the foregoing instrument herein contained by signing for the Condominium by himself/herself as Secretary.

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

Christine Gilbert
NOTARY PUBLIC

My Commission Expires: 7/1/90



Coldspring Stage 1A

Certificate of Insurance



**ADDITIONAL REMARKS SCHEDULE**

AGENCY Schoenfeld Insurance Associates, Inc.		NAMED INSURED Coldspring 1A Condominium Assn c/o American Community Mgmt. 1099 Winterson Road, Ste. 200 Linthicum, MD 21090	
POLICY NUMBER SEE PAGE 1		EFFECTIVE DATE: SEE PAGE 1	
CARRIER SEE PAGE 1	NAIC CODE SEE P 1		

ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,
FORM NUMBER: ACORD 25 FORM TITLE: Certificate of Liability Insurance

Certificate of Liability Remarks**Additional Insurance:**

Directors and Officers Liability (\$1,000,000 Limit) Policy# EPP3324684-10 Eff. 7/1/22-7/1/23 Issued by Great American Insurance

Additional Coverage Notes:

The Master Policy for Coldspring 1A Condominium Assoc. is written in accordance with the Maryland Condominium Act, Section 11-114, to include revisions implemented in October 2009, updated/posted in January 2011. Property Section/Replacement Cost of the Master Policy is written on an All Risk/SPECIAL Form basis, excluding ANY Betterments & Improvements installed by Unit owner's, other than the Developer. Homeowners are recommended to purchase a Homeowners Policy designed for Condominium Owners, commonly known as a HO6 Policy.

Fidelity Coverage is NOT included. Please contact Management Company for Fidelity Insurance Coverage.

124 Residential Units

Wind/Hail Coverage - Included (no separate deductible)

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

Ordinance Coverage - Included

Earthquake and Flood Coverage - Excluded

Coldspring Stage 1A

Declaration-CC&Rs



COLDSRING NORTH CONDOMINIUM

DECLARATION

THIS DECLARATION, made this 19th day of July, 1978, by COLDSRING NEW TOWN CORPORATION, a Connecticut corporation, having an address at 2400 Ruscombe Lane, Baltimore, Maryland, 21209 (hereinafter referred to as "the Developer").

WITNESSETH:

WHEREAS, the Developer is the owner of all of that tract of land, situate and lying in Baltimore City, Maryland, which is more particularly described in Exhibit A hereto, by virtue of a Deed of even date from the Mayor and City Council of Baltimore, recorded prior hereto in the Land Records of Baltimore City, together with the improvements thereon and the appurtenances thereto; and

WHEREAS, the Developer intends by this Declaration to subject certain of the improvements on the said tract of land, to a condominium regime established pursuant to the law of Maryland, and to reserve the right to subject additional tracts of land, from time to time, to the same regime.

NOW, THEREFORE, the Developer hereby declares the Developer's intent to subject, and does hereby subject, to a regime established under the provisions of Title 11 of the Real Property Article of the Annotated Code of Maryland (1974 edition, as amended), all of the building improvements located upon that tract of land situate and lying in the said City which is described in Exhibit A hereto, the outlines of which have been set forth on a plat which has been designated as "Drawing No. 1" and is one of those certain plats (the "plats") which are dated , 1978, are entitled "Coldspring Stage 1A Condominium, Baltimore, Maryland", and are being recorded among the Land Records of the said City simultaneously with the recordation of this Declaration,

TOGETHER WITH all of the rights, alleys, ways, waters, privileges, appurtenances and advantages, to the same belonging or in any way appertaining (all of which improvements and appurtenances are hereinafter referred to collectively as "the Condominium"),

SUBJECT TO the operation and effect of the Coldspring Urban Renewal Plan adopted by Ordinance No. 242, approved January 2, 1973, as amended, and the Coldspring Declaration which has been recorded among the said Land Records prior to the recordation of this Declaration,

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

Section 1. Definitions.

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

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

(2) "Assessment" shall mean an amount assessed by the Council against a Unit Owner with respect to a Unit.

(3) "the Association" shall mean Coldspring Community Association, Inc., a Maryland nonstock corporation, its successors and assigns.

(4) "the Board of Directors" shall mean the board of directors of the Council, as established by the By-Laws.

(5) "the Buildings" shall mean those structures which are included within the Condominium, the locations of which are designated on the plats.

(6) "the By-Laws" shall mean those by-laws, the initial form of which is referred to in the provisions of Section 5(a) hereof, as from time to time amended in accordance with the provisions thereof and of the Act and this Declaration.

(7) "the City" shall mean The Mayor and City Council of Baltimore.

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

(9) "the Coldspring Declaration" shall mean the Agreement and Declaration of Covenants, Easements, Charges and Liens relating to the Coldspring Project made by and among the

Developer, the Association and the City, and recorded in the Land Records of Baltimore City, as from time to time amended.

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

(11) "Common Expenses" shall mean the aggregate of (A) any and all expenses which shall be 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 Coldspring Declaration, the Act, the Declaration, or the By-Laws, and (B) any and all amounts which the Council shall resolve to require to be deposited in a reserve fund pursuant to the By-Laws.

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

(13) "the Condominium" shall have the meaning which is above ascribed to it, and shall include any land and improvements leased by the Council of Unit Owners from others.

(14) "the Condominium Plat" shall mean, collectively, those plats which have been so designated and recorded among the Land Records concurrently herewith in accordance with the provisions of § 11-105 of the Act, as from time to time amended pursuant to the provisions of the Act, this Declaration, and the By-Laws.

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

(16) "Contract Purchaser" shall mean any person who shall have entered into a contract (other than a land installment contract, as that term is defined by the provisions of Title 10 of the Real Property Article of the Code, which at such time shall have been recorded among the Land Records) which, at the time with respect to which reference is made, shall entitle such person to purchase a Unit from the Developer or from any other Unit Owner, but who shall not as yet have acquired the legal title of record to such Unit pursuant to such contract.

(17) "Council Receipts" shall mean any and all monies beneficially received or derived by the Council in any manner whatsoever, including, by way of example rather than of limitation, any and all income received by the Council (A) from leasing or licensing the use of any of the Common Elements, on behalf of the Unit Owners, (B) from leasing or licensing the use of any of the real or personal property or other assets which are owned or leased by the Council, (C) as interest paid upon an unpaid Assessment, (D) as interest derived from any other source, (E) as a dividend, or (F) through the payment to the Council of any or all of an Assessment.

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

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

(20) "the Developer" shall mean the corporation above named as such, and its successors and assigns in interest hereunder; provided, that no Unit Owner, Mortgagee, Lessee or Contract Purchaser shall, merely by virtue of its status as such, be deemed to be the Developer.

(21) "this Declaration" shall mean this instrument, as from time to time amended in accordance with the provisions hereof and of the Act.

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

(23) "the Land Records" shall mean the Land Records of Baltimore City, Maryland.

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

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

(26) "Mortgage" shall mean any mortgage or deed of trust encumbering one or more Units, and any other security interest in one or more Units which shall exist by virtue of any other form of

security instrument or arrangement which may be used from time to time in Baltimore City (including but not limited to any such other form of security arrangement which shall arise under any deed of trust, sale and leaseback documents, lease and leaseback documents, security deed or conditional deed, or any financing statement, security agreement or other documentation used pursuant to the provisions of the Uniform Commercial Code or any successor or similar statute), provided that such mortgage, deed of trust or other form of security instrument, and an instrument evidencing any other such form of security arrangement, shall have been recorded among the Land Records.

(27) "Mortgagee" shall mean the party secured by a Mortgage which is in effect at the time with respect to which reference is made.

(28) "Mortgagee in Possession" shall mean any person who, at the time with respect to which reference is made, either (A) shall be a Mortgagee which shall have possession of a Unit as a result of a default under a Mortgage with respect to which such person is a Mortgagee, or (B) shall be the Unit Owner of such Unit as the result of the delivery to such person of a deed conveying to such person the Mortgagor's equity of redemption in such Unit either as the result of a foreclosure proceeding under a Mortgage covering such Unit under which such person shall have been a Mortgagee, or in lieu of a foreclosure proceeding under such Mortgage.

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

(30) "percentage interest in the Common Expenses and Common Profits" shall mean that fraction of the Common Expenses and Common Profits which is appurtenant to a Unit under the provisions of §11-107(b) of the Act and of Section 4 hereof.

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

(32) "the Rules and Regulations" shall mean the rules and regulations which are adopted by the Council pursuant to the By-Laws, as amended from time to time in accordance with the same.

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

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

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

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

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

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

Section 2. Name.

The name of the Condominium originally created with respect to the improvements located on the land described in Exhibit A hereto shall be "Coldspring Stage 1A Condominium." Every future section added to the Condominium pursuant to the expansion provisions contained in Section 10 of this Declara-

tion shall be named in the Amendment to this Declaration so expanding the Condominium in a similar manner, i.e., "Coldspring Stage _____ Condominium." All sections from time to time comprising the Condominium shall collectively be known as the "Coldspring North Condominium."

Section 3. Units and Common Elements.

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

(b) Units.

(i) The Condominium shall contain one hundred twenty-four (124) Units.

(ii) The location within the Condominium, and the dimensions, of each of the Units which shall exist at the time with respect to which reference is made, are shown on the Condominium Plat, and are more particularly defined by the provisions of Sections 3(b)(iv) and 3(e) hereof.

(iii) Each of the Units shall have, and for purposes of the Act, this Declaration, and the By-Laws, shall be known by, a number corresponding to the street address which is shown with respect to such Unit on the Condominium Plat and on Exhibit B hereto.

(iv) Except as may be otherwise provided herein, each of the Units shall consist of all of the following:

(1) The space bounded by and contained within:

(A) the following portions of the perimetrical walls of such Unit:

(i) the inside unfinished surface of any of such walls which are exterior walls, and the inside one-half of the thickness of any of such walls which are shared in common with another Unit as party walls; and

(ii) with respect to any window opening or doorway opening to the outside surface of any of the said walls, the plane formed across such opening by extending the surfaces mentioned in subparagraph (i) above;

(B) the lower unfinished surface of the poured or pre-cast concrete portion of the ceiling and the upper side of any suspended ceiling; and

(C) the upper unfinished surface of the concrete floor slab or plank.

(2) Any and all kitchen or other appliances installed therein (including, by way of example rather than of limitation, the heat exchanger which is installed therein).

(3) Any circuit breaker panel installed therein, any and all electrical installations and fixtures for the exclusive use of such Unit (including outlets, switches, lampholders or other electrical service terminals, wherever located, which shall exist for the exclusive use of such Unit) and wiring and conduit running from any such circuit breaker panel to any of such installations and fixtures.

(4) Heating and air conditioning duct work serving such Unit exclusively and any and all such outlets therefrom.

(5) Range hoods and bath fans serving such Unit, and any duct work connecting the same to any common exhaust duct serving such Unit.

(6) Bathroom and kitchen plumbing fixtures and connections thereto for such Unit, including 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.

(7) Any and all improvements, fixtures and installations of every kind and nature whatsoever located within the boundaries of such Unit as are hereinabove set forth, as well as any and all improvements, fixtures and installations specifically designated by the provisions hereof as being part of such Unit, whether or not such improvements, fixtures and installations are located within the said boundaries.

(v) Anything contained in the foregoing provisions of this Section 3(b) to the contrary notwithstanding, whenever any loadbearing or structural wall, partition or column, or any exhaust duct or water or drain pipe serving such Unit as well as other Units, is located within the said boundaries, such Unit shall be deemed to include only the non-loadbearing or nonstructural portions of such wall, partition or column, and shall be deemed not to include such duct or pipe.

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

(c) The Common Elements.

(i) The Common Elements shall (1) consist of all of the Condominium other than the Units, and (2) be comprised of the Limited Common Elements and the General Common Elements. Where the law and the context permits, the term "Common Elements" shall include land and Improvements leased to the Council by the City and/or the Association under a long-term lease or leases.

(ii) The Limited Common Elements.

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

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

(3) With respect to each Unit, each of the following shall constitute Limited Common Elements which are hereby reserved for the exclusive use by the Unit Owner thereof:

(A) The balcony or terrace appurtenant to the Unit, with its railings, walls and planters, floors and drains; and any staircase serving the Unit.

(B) Any and all skylights, windows, screens, doors, screen doors and window boxes which are set within or attached to any of the exterior surfaces of the Unit.

(C) The fenced-in yard area appurtenant to any Unit, with the fence surrounding the same, located on land leased (or subleased) by the Council from the City and/or the Association. The exclusive right to use such yard area and fence shall be deemed an easement appurtenant to the Unit and shall run with title to the Unit. The Unit Owner having the right to use such yard and fence shall be fully liable for the maintenance, care, cleaning and repair of the same at his sole expense. Maintenance of yards and fences shall be subject to the provisions of the Coldspring Declaration, and each Unit Owner having the right to use such a yard and fence shall be deemed the "Owner" thereof for purposes of the maintenance obligations under the Coldspring Declaration.

(4) Nothing in the foregoing provisions of this Section 3(c)(ii) shall be deemed to limit the operation and effect of any designation on the Condominium Plat or elsewhere in this Declaration of other Common Elements as being Limited Common Elements.

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

(iv) The Common Elements (excluding any land and improvements leased by the City and/or the Association to the Council) shall be owned by all of the Unit Owners as tenants-in-common, each of which shall have that undivided percentage interest therein which is set forth in Section 4 hereof.

(d) (i) 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.

(ii) Each Unit shall have the benefit of a nonexclusive easement for the use of:

(1) each and every main, duct, stack, raceway, wire, conduit, line, drain, pipe, meter or other device which shall be located within any one or more other Units or within any of the Common Elements, and which shall be used in providing any utility or service to such Unit; and,

(2) each and every street sidewalk, bridge, corridor, stairway, elevator, elevator shaft, lobby or entranceway which shall from time to time be included within either (A) the General Common Elements, or (B) those of the Limited Common Elements, the right to the use of which shall have been reserved to the Unit Owner of such Unit (either alone or together with the Unit Owner or Unit Owners of one or more other Units).

(e) The existing physical boundaries of any Unit (as defined by the provisions of Section 3(b) hereof) or of any Common Element which shall have been constructed or reconstructed in such a way that such existing physical boundaries substantially conform to the boundaries therefor as are shown on the Condominium Plat shall conclusively be presumed to be the boundaries of such Unit or Common Element, regardless of whether there shall have 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 shall be located,

and regardless of whether there shall exist any minor variation between the boundaries therefor as are shown on or by reference to the Condominium Plat and the existing physical boundaries of such Unit or Common Element.

(f) If any of the Improvements included within the Common Elements should encroach upon any Unit, or if any of the Improvements included within a Unit should encroach upon another Unit or upon the Common Elements, as a result of any construction, reconstruction or repair, of any building or other improvement forming part of the Condominium which shall have been undertaken for any reason in accordance with the provisions of this Declaration, the By-Laws and applicable law, an easement for such encroachment and for the maintenance of the Improvements so encroaching shall exist for so long as such Improvements shall exist.

(g) The conveyance of 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 such Unit shall be made. No such benefit or burden may be conveyed separately from the Unit having such benefit or burden.

Section 4. Percentage Interests.

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

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

(c) Nothing in this Declaration shall be deemed either (i) to require that either the undivided percentage interest in the Common Elements, or the percentage interest in the Common Expenses and Common Profits, which are owned by any Unit Owner, be determined by reference to the value, for any purpose and irrespective of how determined, of any of the Units or of the Condominium, or of both, to the extent that such reference is not otherwise required by applicable law; or (ii) to fix the price or value of any Unit, or to prohibit the Developer or any Unit Owner from fixing any price or value for any Unit owned by the Developer or such Unit Owner, for any purpose whatsoever, and in the exercise of its or his sole discretion, although the initial deed of the Unit from the Developer may contain certain restraints on price on resale.

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

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

(ii) other than pursuant to the provisions of §11-107(d) of the Act or the By-Laws, shall not be changed unless and until

(1) each Unit Owner and each Mortgagee shall have consented thereto in writing, and

(2) this Declaration shall have been amended so as to effect such change through the recordation of an appropriate amendatory instrument among the Land Records.

(e) Any instrument, matter, circumstance, action, occurrence or proceeding which shall in any manner affect 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.

(a) The By-Laws. The affairs of the Condominium shall be governed in accordance with the By-Laws, the initial form of which has been labeled (and is hereby designated) as Exhibit C hereto, is to be recorded among the Land Records immediately following this Declaration, and may be amended in accordance with the provisions thereof and of the Act and this Declaration.

(b) The Council of Unit Owners.

(i) The affairs of the Condominium shall be governed by the Council of Unit Owners of Coldspring North Condominium (hereinafter referred to as "the Council of Unit Owners"), a non-incorporated entity which shall constitute a council of unit owners organized and existing under the provisions of §11-109 of the Act.

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

(iii) The Council shall have the rights, powers and duties which are vested in, exercisable by or imposed upon it by any of the provisions of this Declaration, the By-Laws or applicable law. In addition, the Council is specifically authorized to enter into a lease or leases with the City and/or the Association covering all of the land area of the record lot or lots on which the Condominium is constructed, as such lot or lots are laid out on the Final Subdivision Plan, Section I, of the Coldspring Project, recorded among the Land Records in Pocket Folder R.H.B. No. 2549 as the same may be amended from time to time, and shall designate, for use with respect to each of the Units, at least one (1) automobile parking space located on the land so leased by the Council from the City and/or the Association. The Council may adopt uniform rules and regulations governing the use of such parking spaces; removal of unauthorized cars parked in assigned spaces; prohibition of parking or storage of commercial vehicles, vans, trailers, boats, inoperative vehicles, etc.; and such other matters as the Council sees fit. Any parking space designated for use of a Unit, from time to time, shall be deemed an easement appurtenant to the Unit and shall run with title to the Unit

(c) Votes.

(i) Subject to the operation and effect of the provisions of the By-Laws or applicable law, the Unit Owner of each Unit shall be entitled to cast at meetings of the Council Membership one (1) Vote in the affairs thereof, except that the Developer shall be entitled to cast five and two-thirds (5-2/3) Votes for each Unit owned by it.

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

(d) Council Property. Except for his ownership of a percentage interest in the Common Expenses and Common Profits pursuant to the provisions of this Declaration, no Unit Owner shall, by virtue of his status as such or as a member of the Council, have either (i) any right, title or interest in or to any of the property or other assets of the Council, or (ii) any right to possess, use or enjoy any such property or other assets other than as may be either (1) expressly provided by the provisions of this Declaration, the By-Laws or applicable law, or (2) expressly and duly granted to such Unit Owner by the Council.

Section 6. The Developer's Construction, Marketing and Sales Activities.

(a) The Developer shall have, and hereby reserves, an easement for ingress and egress in, over and through the Condominium and any land leased by the Council, to and from each of the public streets and roadways which at the time of the exercise of such easement shall abut the Condominium and any land leased by the Council, from and to each of the Units, for access by:

(i) the Developer, for any purpose whatsoever consistent with applicable law in connection with the construction, replacement, repair, maintenance, development, marketing or leasing of any or all of the land and improvements within the Condominium;

(ii) any contractor or subcontractor utilized by the Developer in the construction, replacement, repair or maintenance of any of the improvements which are being or are to be constructed within the Condominium;

(iii) any real estate agent or broker utilized or employed by the Developer in connection with the development, marketing or leasing of any of the Units, for the purposes of such development, marketing or leasing; and

(iv) the agents, employees, invitees, licensees, visitors, designees and guests of each of the persons or entities referred to in the foregoing provisions of this Section, for any purpose attendant or related to any of the purposes which are referred to in the said provisions.

(b) (i) The burden of the easement which is reserved under the foregoing provisions of this Section shall not terminate until such time, if any, as the benefit of such easement shall have terminated with respect to all of the Units pursuant to the provisions of Section 6(c) hereof, at which time the burden of such easement shall terminate with respect to all of the Condominium and any land leased by the Council.

(ii) Anything contained in the foregoing provisions of this subsection (b) to the contrary notwithstanding, the burden of such easement shall, with respect to each Unit, terminate immediately upon

there having occurred the conveyance or transfer by the Developer (to a person who, by virtue of such conveyance, shall be the Unit Owner of such Unit and who shall not have succeeded to the Developer's right, title and interest under this Declaration) of both the legal title to such Unit and the beneficial ownership thereof.

(c) The benefit of the easement which is reserved under the foregoing provisions of this Section shall terminate as to all of the Condominium upon the conveyance of record by the Developer (to a person who, by virtue of such conveyance, shall be the Unit Owner of such Unit and who shall not have succeeded to the Developer's right, title and interest as the Developer under this Declaration), of the legal title to all Units.

(d) In addition to the easement reserved under the foregoing provisions of this Section, the Developer and the other persons which are enumerated therein shall be entitled to use and maintain the improvements included within any one or more of the Units of which the Developer shall then be the Unit Owner as offices or sample dwellings, in connection with the Developer's development, construction, replacement, repair, maintenance, marketing or leasing of any or all of the Units then included within the Condominium until the Developer shall no longer hold the legal title to any Unit.

(e) Nothing in this Declaration shall be deemed to prohibit or restrict the Developer from taking any action with respect to any Unit of which the Developer is the Owner (including, by way of example rather than of limitation, the leasing of such Unit) unless any other person would, were he the Unit Owner of such Unit, be limited or restricted in the same manner.

Section 7. Conveyance or Dedication of Easements.

Each purchaser, assignee or other transferee of the legal or beneficial title to, or of any other interest in, any Unit (including each Unit Owner) shall be conclusively presumed, by his acceptance thereof, irrevocably to have appointed the Council to be his attorney-in-fact, with full power and authority (which power and authority shall be deemed to be irrevocable and to be coupled with an interest):

(a) to grant, convey or dedicate in the name of and on behalf of the Condominium, the Council and/or such purchaser, assignee or other transferee, (i) to any one or more public or quasi-public governmental bodies or authorities, or to any one or more public utility companies or authorities, one or more 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 any other similar facilities, for similar or other purposes, all as the Council shall consider necessary or appropriate in connection with the provision of any utility or utility service to the Condominium, and (ii) to the City or to any other governmental body having jurisdiction over the Condominium, any of the streets, roadways and accompanying sidewalks which then form part of the Common Elements or are leased to the Council (provided, that anything contained in the foregoing provisions of this subsection (a) to the contrary notwithstanding, no such grant, conveyance or dedication shall be made unless the entity to which the same is to be made shall have agreed with, or shall have provided reasonable assurances to, the Council in a bona fide manner that it thereafter will operate and maintain the same for the use and enjoyment by the Unit Owners who theretofore shall have been entitled to use and enjoy the same, together with the use and enjoyment by any other members of the general public who may thereafter be entitled to use and enjoy the same).

(b) In connection with any grant made pursuant to the foregoing provisions of this Section, to execute, acknowledge, deliver and record on behalf of and in the name of the Condominium, the Council and/or such purchaser, his heirs, personal representatives, successors and assigns or other transferee, any and all documents, the execution, acknowledgement, delivery or recordation of which in the name of and on behalf of the same shall be deemed necessary or appropriate by the Council in order to effectuate the provisions of this Section or to exercise any of the said rights and powers.

Section 8. Rights and Obligations of Mortgagees.

(a) (i) Regardless of whether a Mortgagee in Possession of a Unit shall be the Unit Owner thereof, (1) such Mortgagee in Possession shall have, in addition to its rights hereunder as a Mortgagee, all of the rights under the provisions of this Declaration, the By-Laws and applicable law which would otherwise be held by the Unit Owner of such Unit, subject to the operation and effect of anything to the contrary which may be contained in its Mortgage, and (2) the Council, each other Unit Owner and any other 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 of such Unit.

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

(b) Any Mortgagee of a Unit shall be entitled to written notification by the Council of any default by the Mortgagor of such Unit in the performance of such Mortgagor's obligations under the provisions of this Declaration or the By-Laws which shall not have been cured within a period of thirty (30) days immediately following the commencement of such default, provided that such Mortgagee shall have notified the Council of its status as such, and shall have supplied the Council with the information with respect thereto which is required by the By-Laws to be supplied to the Council, all in the manner which is set forth therein.

(c) Any Mortgagee in Possession shall be exempt from any right of first refusal or any similar restriction held by the Council, to and only to the extent that such right of first refusal or similar restriction shall arise under any of the provisions of the Act, this Declaration or the By-Laws, it being the Developer's intention that nothing in this subsection be deemed in any way to impair the operation and effect of any express right of first refusal or similar restriction which at any time may be given by a Unit Owner or by any other person to the Council or to any other person and which may have priority over the rights held by such Mortgagee in Possession under its Mortgage, but which does not arise under any of the provisions of the Act, the Declaration or the By-Laws.

(d) The interest in a Unit which is held by a Mortgagee thereof under its Mortgage shall be:

(i) free of any claim or lien for any Assessment which shall have been levied with respect to such Unit prior to the recording of such Mortgage among the Land Records (unless prior to such recording a statement of condominium lien [as that term is defined by the provisions of the Act] covering such Assessment shall have been recorded among the Land Records), other than any claim for a pro rata share of the amount represented by such Assessment which shall result from any pro rata reallocation of such assessment among all of the Units, including such Unit; and

(ii) free of any such claim or lien arising during the period following recording of such Mortgage, and before such Mortgagee's having become a Mortgagee in Possession of such Unit.

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

(i) change or seek to change the percentage interest in the Common Expenses and Common Profits, or the undivided percentage interest in the Common Elements, of any such Unit;

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

(iii) seek to abandon or to terminate the Condominium Regime;

(iv) 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 paragraph (iv)); or

(v) use hazard insurance proceeds for losses to any of the Units or the Common Elements for other than the repair, replacement or reconstruction of such Improvements, except to the extent and in the manner provided in the Act in the case of substantial loss to the Units or to the Common Elements.

(f) A Mortgagee shall, upon request of the Council, and provided that such Mortgagee shall have notified the Council of its status as such and shall have supplied the Council with the information with respect thereto which is required by the By-Laws to be supplied to the Council, all in the manner which is set forth therein, be entitled:

(i) to inspect the books and records of the Council during normal business hours;

(ii) to receive an annual audited financial statement of the Council within ninety (90) days following the end of any fiscal year of the Council; and

(iii) to be furnished with written notice of all meetings of the Council Membership, and to designate a representative to attend all such meetings.

(g) (i) Should there occur any substantial damage to or destruction of any Unit, or if any Unit or portion thereof should be made the subject of any condemnation or eminent domain proceeding or the acquisition thereof should otherwise be sought by any condemning authority, any Mortgagee of such Unit shall, provided that it shall have provided the Council with the notice and information which are referred to in the provisions of Section 8(f) hereof, be entitled to timely written notice thereof.

(ii) Should there occur any substantial damage to or destruction of any of the Common Elements, or if any of the Common Elements should be made the subject of any condemnation or eminent domain proceeding or the acquisition thereof should otherwise be sought by any condemning authority, any Mortgagee shall, provided that it shall have provided the Council with the notice and information which are referred to in the provisions of Section 8(f) hereof, be entitled to timely written notice thereof.

(iii) Nothing in the provisions of this Declaration shall be deemed to entitle the Unit Owner of a Unit or any other party to such Unit to priority over any Mortgagee of such Unit in the distribution with respect to such Unit of the proceeds of any insurance which may accrue as a result of any such damage or destruction, or of the proceeds of any award or settlement as a result of any such condemnation, eminent domain proceeding or acquisition.

(iv) Without limiting the generality of the foregoing provisions of this subsection (g), if the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association ("FNMA") or the Government National Mortgage Association ("GNMA") shall be a Mortgagee and shall have provided the Council with the notice and information which are referred to in the provisions of Section 8(f) hereof, the Council shall provide to such Mortgagee (c/o the Developer at the Developer's address, or c/o any other person who shall be the servicer of any Mortgage which shall then be held by such Mortgagee, at such person's address) written notice of any loss to or taking of any of the Common Elements having a value in excess of Ten Thousand Dollars (\$10,000.00).

(h) Any Mortgagee of a Unit which shall be a Mortgagee in Possession shall be entitled to lease all or any portion of such Unit for any purpose consistent with applicable law, the Coldspring Urban Renewal Plan, and the Coldspring Declaration.

Section 9. Miscellaneous.

(a) Management Agreements.

(i) Any agreement which may be entered into by the Council under which any person is to provide management services for the Council or the Unit Owners with respect to the Condominium:

(1) shall expressly provide that the Council may, without having to obtain the consent of any other party thereto, terminate such agreement for cause at any time provided that the Council shall have given each other party thereto at least thirty (30) days' prior written notice of its intention to do so;

(2) shall be for a term not exceeding one (1) year in length; and

(3) may provide for a renewal from time to time by the agreement of the parties.

(ii) The Council shall not undertake management of the Condominium without employing professional management services with respect to the same, without obtaining the prior written approval of each first Mortgagee.

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

(c) Right of Entry. The Council, acting through the Board of Directors, the President or the Vice-President of the Council, or any manager of the Condominium, and their duly authorized representatives, shall be entitled to enter any Unit whenever such entry shall reasonably be necessary in order to install, inspect, maintain, repair or replace any of the Common Elements to which access can reasonably be obtained only through entering such Unit. Such right of entry shall be exercised only (i) during the hours of from 8:00 A.M. to 8:00 P.M., (ii) after the Board of Directors, either of such officers or such manager, as the case may be, shall have given to the Unit Owner of such Unit at least two (2) days' written notice of the intention to exercise such right; provided, that the foregoing provisions of this subsection (c) to the contrary notwithstanding, in any emergency in which the satisfaction of all of such conditions would not be possible

without unreasonably jeopardizing any or all of the Condominium or the health, safety, comfort or welfare of the occupants of any of the Units, such conditions need be satisfied only to the extent reasonably possible.

(d) Leases.

(i) No Unit Owner shall lease or license or otherwise permit the use of his Unit for transient or hotel purposes, or shall lease or license less than his entire Unit for any purpose or in violation of any provision in the deed for his Unit.

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

Section 10. Expansion

(a) Developer reserves the right, pursuant to §11-117 of the Act, to expand the Condominium at any time, and from time to time, until the expiration of ten (10) years from the date of recording hereof, by subjecting additional sections of property to the Condominium regime established by this Declaration.

(b) The parcels of property which may be included in each section to be added to the Condominium are all of those parcels shown on Sheet No. 1 of the Condominium Plat, being all of the Disposition Lots of the Coldspring Project covered by the Disposition Agreement dated June 4, 1975, lying north of Coldspring Lane. The exact boundaries of any section to be added to the Condominium shall be as specified by the Developer.

(c) The maximum number of units which may be added to the Condominium is 1,600. Following any expansion of the Condominium, the percentage interests in the Common Elements, and the percentage interest of each Unit in the Common Expenses and Common Profits shall be modified to equal the percentage represented by the floor area of such Unit (as measured by Developer's architect or engineer) compared to the combined floor areas of all Units then included in the Condominium. The modified percentages shall be set forth in an amendment to this Declaration. Each Unit included in the Condominium shall always have one Vote.

(d) The sections shown as expansion sections on Sheet No. 1 of the Condominium Plat are schematic only and may be modified. Developer may expand the Condominium by adding only a part or parts of the sections shown on said plat. Each added section shall be named by the Developer in accordance with the provisions of Section 2 hereof; but from and after the first expansion of the Condominium, all sections comprising the Condominium from time to time shall collectively be known as "Coldspring North Condominium." If Developer elects not to expand the Condominium but rather to create the future sections as separate condominiums, then the Condominium established hereby shall be known merely as "Coldspring Stage 1A Condominium."

Section 11. General.

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

(b) Assignments. Nothing in any of the provisions of this Declaration shall be deemed in any way to alter or impair the right of the Developer to assign or otherwise to transfer, at any time and from time to time, any or all of its right, title and interest hereunder to any person.

(c) Amendment.

(i) Except as is otherwise provided in Section 10 of this Declaration, this Declaration and the Condominium Plat may be amended only with the written consent of each then Unit Owner and Mortgagee.

(ii) The By-Laws may be amended (A) by the affirmative vote of the Unit Owners having seventy-five percent (75%) or more of the total number of Votes which are then held by all of the Unit Owners, and (B) with the consent of all Mortgagees of Units where such amendment would materially impair the rights, priorities, remedies, or interest of Mortgagees under the Declaration, the By-Laws or the Condominium Plat. The consent of a Mortgagee shall not, however, be required to any amendment unless such Mortgagee shall have notified the Council of its status as such and shall have supplied the Council with the information with respect thereto which is required by the By-Laws to be supplied to the Council, all in the manner set forth in the By-Laws.

(iii) Any such amendment shall be effective only upon the recordation of an appropriate amendatory instrument or plat among the Land Records.

(d) Waiver. The Developer shall not be deemed to have waived the exercise of any right which the Developer may hold hereunder unless such waiver is made either expressly and in writing or pursuant to a provision of this Declaration which expressly permits such waiver to be made in any other manner (and, without limiting the generality of the foregoing, no delay or omission by the Developer in exercising any such right shall be deemed a waiver of the exercise thereof). No such waiver made with respect to one or more instances involving the exercise of any such right shall be deemed to constitute a waiver with respect to any other instance involving the exercise of such right, or with respect to other such rights.

(e) Applicable Law. This Declaration shall be given effect, and shall be construed, by application of the law of Maryland, and any action, suit or proceeding arising hereunder shall be brought in the courts of Maryland or in any court of the United States having jurisdiction.

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

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

(h) Construction. As used herein,

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

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

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


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


(k) Covenants to Run with Land. The provisions of this Declaration, the By-Laws and the Condominium Plat shall conclusively be deemed to be covenants running with, benefiting and burdening the title to (i) all of the real property which from time to time shall constitute the Condominium, (ii) each Unit and (iii) the Common Elements. If any Unit Owner or other person shall fail to comply with any of such provisions, such failure shall give rise to a cause of action for the recovery of damages, injunctive relief, or both, in any or all of the Council and each Unit Owner, and their respective heirs, personal representatives, successors and assigns in interest hereunder.

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

ATTEST:

COLDSRING NEW TOWN CORPORATION


Asst. Secretary
F. D. Rich, III

By:  (SEAL)
President
Irwin Silver

STATE OF MARYLAND, CITY OF BALTIMORE, TO WIT:

I HEREBY CERTIFY that on this day of 25th DAY of JULY 1978, before me, the subscriber, a Notary Public for the state aforesaid, personally appeared IRWIN SILVER, President of Coldspring New Town Corporation, and he acknowledged the foregoing Declaration to be the act of said corporation.

AS WITNESS my hand and Notarial Seal.

Michael J. Romans

Notary Public

My Commission Expires: 7/1/82

MICHAEL J. ROMANS

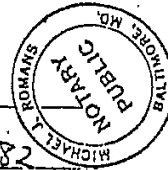


EXHIBIT A

COLDSPRING STAGE 1A. CONDOMINIUM

Beginning for the same at the point formed by the intersection of the south side of Springarden Drive, varying in width, and the division line between the parcel of land being herein described (known as Parcel No. 1 of Lot 4 Stage 1A) and the parcel of land adjoining on the west thereof (known as Parcel No. 2 of Lot 4), all as shown on the final subdivision plan of Section No. 1 of the Department of Housing and Community Development Coldspring Project, recorded among the Land Records of Baltimore City on February 10, 1977 in Pocket Folder R.H.B. No. 2549, said point of beginning being distant, measured along the south side of said Springarden Drive, the two following courses and distances; namely, by a line curving to the right with a radius of 18.00 feet the distance of 27.80 feet which arc is subtended by a chord bearing North $38^{\circ}-29'-55''$ East 25.12 feet, and North $82^{\circ}-45'-00''$ East 543.20 feet from a point on the east side of Greenspring Avenue, as now laid out, last said point being distant North $05^{\circ}-45'-10''$ West 418.49 feet measured along the east side of said Greenspring Avenue from the north side of the former bed of Ruscombe Lane, 30 feet wide, as condemned and closed in accordance with Ordinance No. 818, approved February 26, 1975, and running thence binding on the south and southwest sides of said Springarden Drive the four following courses and distances; namely, North $82^{\circ}-45'-00''$ East 37.39 feet; by a line curving to the right with a radius of 470.00 feet the distance of 357.52 feet which arc is subtended by a chord bearing South $75^{\circ}-27'-30''$ East 348.90 feet; South $53^{\circ}-40'-00''$ East 183.74 feet; and by a line curving to the left with a radius of 530.00 feet the distance of 82.58 feet which arc is subtended by a chord bearing South $58^{\circ}-07'-49.5''$ East 82.50 feet, to intersect the southwest side of Tamarind Road, varying in width, as shown on said final subdivision plan; thence binding on the southwest side of said Tamarind Road by a line curving to the right with a radius of 60.00 feet the distance of 65.55 feet which arc is subtended by a chord bearing South $31^{\circ}-17'-49.5''$ East 82.34 feet to the west side of Tamarind Road, 50 feet wide, as shown on said final subdivision plan; thence binding on the west side of last said Tamarind Road; Due South 223.89 feet to the division line between the lot being herein described known as Parcel No. 1 of Lot 4, Stage 1A and the parcel of land adjoining on the south thereof known as Lot 7, all as shown on said final subdivision plan; thence binding on said division line and on other division lines between said parcel No. 1 of Lot 4 and said Lot 7 the five following courses and distances; namely, Due West 203.00 feet, Due South 13.67 feet, Due West 65.83 feet, South $48^{\circ}-53'-15''$ West 64.62 feet and Due West 171.81 feet; to the division line between said Parcel No. 1 of Lot 4, Stage 1A and the parcel of land adjoining on the west thereof known as Lot 4A, as shown on said final subdivision plan; thence binding on last said division line and on another division line between said Parcel No. 1 of Lot 4, Stage 1A and said Lot 4A the two following courses and distances, namely, Due North 20.83 feet and Due West 75.52 feet to said division line between Parcel No. 1 of Lot 4, Stage 1A and Parcel No. 2 of Lot 4, and thence binding on last said division line, Due North 549.47 feet to the place of beginning.

Containing 287,094.36 square feet or 6.5908 acres of land, more or less.

All courses and distances in the above description are referred to the true meridian as adopted by the Baltimore Survey Control System.

EXHIBIT B

COLDSRING STAGE 1A CONDOMINIUM

Street Address	Deck #	Unit #	Sq. Ft. Area	Percentage of Expenses (Multiply by 100)
2201 Angelica Terrace	1	1	1,560	0.0088
2203 Angelica Terrace	1	2	1,524	0.0086
2205 Angelica Terrace	1	3	1,524	0.0086
2207 Angelica Terrace	1	4	1,560	0.0088
2222 Angelica Terrace	1	5	1,835	0.0104
2218 Angelica Terrace	1	6	1,796	0.0101
2214 Angelica Terrace	1	7	1,796	0.0101
2208 Angelica Terrace	1	8	1,796	0.0101
2206 Angelica Terrace	1	9	1,835	0.0104
2200 Angelica Terrace	1	10	1,754	0.0099
2220 Angelica Terrace	1	11	987	0.0056
2218 Angelica Terrace	1	12	987	0.0056
2212 Angelica Terrace	1	13	1,305	0.0073
2210 Angelica Terrace	1	14	1,305	0.0073
2204 Angelica Terrace	1	15	987	0.0056
2202 Angelica Terrace	1	16	987	0.0056
2209 Foxbane Square	2	1	1,682	0.0095
2211 Foxbane Square	2	2	1,682	0.0095
2213 Foxbane Square	2	3	1,524	0.0086
2215 Foxbane Square	2	4	1,524	0.0086
2217 Foxbane Square	2	5	1,524	0.0086
2219 Foxbane Square	2	6	1,524	0.0086
2221 Foxbane Square	2	7	1,524	0.0086
2240 Foxbane Square	2	8	1,688	0.0095
2238 Foxbane Square	2	9	1,688	0.0095
2236 Foxbane Square	2	10	2,068	0.0117
2234 Foxbane Square	2	11	1,948	0.0110
2228 Foxbane Square	2	12	1,942	0.0109
2224 Foxbane Square	2	13	1,467	0.0083
2232 Foxbane Square	2	14	987	0.0056
2230 Foxbane Square	2	15	987	0.0056
2226 Foxbane Square	2	16	987	0.0056
2217 Deerfern Crescent	3	1	1,524	0.0086
2219 Deerfern Crescent	3	2	1,524	0.0086
2221 Deerfern Crescent	3	3	1,524	0.0086
2223 Deerfern Crescent	3	4	1,524	0.0086
2225 Deerfern Crescent	3	5	1,524	0.0086
2220 Deerfern Crescent	3	6	1,360	0.0077

Street Address	Deck #	Unit #	Sq. FL Area	Percentage of Expenses (Multiply by 100)
2218 Deerfern Crescent	3	7	1,360	0.0077
2214 Deerfern Crescent	3	8	1,279	0.0072
2208 Deerfern Crescent	3	9	1,279	0.0072
2206 Deerfern Crescent	3	10	1,321	0.0075
2200 Deerfern Crescent	3	11	1,467	0.0083
2201 Deerfern Crescent	3	12	1,760	0.0099
2207 Deerfern Crescent	3	13	1,760	0.0099
2209 Deerfern Crescent	3	14	1,802	0.0102
2215 Deerfern Crescent	3	15	1,760	0.0099
2222 Deerfern Crescent	3	16	1,305	0.0073
2216 Deerfern Crescent	3	17	1,305	0.0073
2212 Deerfern Crescent	3	18	1,305	0.0073
2210 Deerfern Crescent	3	19	987	0.0056
2204 Deerfern Crescent	3	20	987	0.0056
2202 Deerfern Crescent	3	21	987	0.0056
2203 Deerfern Crescent	3	22	1,305	0.0073
2205 Deerfern Crescent	3	23	1,305	0.0073
2211 Deerfern Crescent	3	24	987	0.0056
2213 Deerfern Crescent	3	25	987	0.0056
2301 Pennyroyal Terrace	4	1	1,643	0.0093
2303 Pennyroyal Terrace	4	2	1,643	0.0093
2305 Pennyroyal Terrace	4	3	1,643	0.0093
2307 Pennyroyal Terrace	4	4	1,524	0.0086
2309 Pennyroyal Terrace	4	5	1,524	0.0086
2311 Pennyroyal Terrace	4	6	1,524	0.0086
2313 Pennyroyal Terrace	4	7	1,524	0.0086
2315 Pennyroyal Terrace	4	8	1,524	0.0086
2319 Pennyroyal Terrace	4	9	1,666	0.0094
2334 Pennyroyal Terrace	4	10	1,279	0.0072
2328 Pennyroyal Terrace	4	11	1,279	0.0072
2326 Pennyroyal Terrace	4	12	1,360	0.0077
2320 Pennyroyal Terrace	4	13	1,360	0.0077
2318 Pennyroyal Terrace	4	14	1,360	0.0077
2314 Pennyroyal Terrace	4	15	1,360	0.0077
2308 Pennyroyal Terrace	4	16	1,360	0.0077
2306 Pennyroyal Terrace	4	17	1,360	0.0077
2300 Pennyroyal Terrace	4	18	1,321	0.0075
2317 Pennyroyal Terrace	4	19	1,424	0.0080
2332 Pennyroyal Terrace	4	20	1,228	0.0069
2330 Pennyroyal Terrace	4	21	1,305	0.0073
2324 Pennyroyal Terrace	4	22	1,305	0.0073
2322 Pennyroyal Terrace	4	23	1,305	0.0073
2316 Pennyroyal Terrace	4	24	1,305	0.0073

Street Address	Deck #	Unit #	Sq. Ft. Area	Percentage of Expenses (Multiply by 100)
2312 Pennyroyal Terrace	4	25	1,305	0.0073
2310 Pennyroyal Terrace	4	26	987	0.0056
2304 Pennyroyal Terrace	4	27	987	0.0056
2302 Pennyroyal Terrace	4	28	987	0.0056
2301 Bayleaf Court	5	1	1,510	0.0085
2303 Bayleaf Court	5	2	1,510	0.0085
2305 Bayleaf Court	5	3	1,510	0.0085
2307 Bayleaf Court	5	4	1,520	0.0086
2314 Bayleaf Court	5	5	2,068	0.0117
2312 Bayleaf Court	5	6	1,682	0.0095
2310 Bayleaf Court	5	7	1,682	0.0095
2308 Bayleaf Court	5	8	2,068	0.0117
2306 Bayleaf Court	5	9	1,520	0.0086
2304 Bayleaf Court	5	10	1,510	0.0085
2302 Bayleaf Court	5	11	1,510	0.0085
2300 Bayleaf Court	5	12	1,510	0.0085
2303 Wineberry Terrace	6	1	1,360	0.0077
2305 Wineberry Terrace	6	2	1,321	0.0075
2311 Wineberry Terrace	6	3	1,360	0.0077
2315 Wineberry Terrace	6	4	1,360	0.0077
2317 Wineberry Terrace	6	5	1,457	0.0083
2321 Wineberry Terrace	6	6	1,279	0.0072
2327 Wineberry Terrace	6	7	1,360	0.0077
2329 Wineberry Terrace	6	8	1,360	0.0077
2325 Wineberry Terrace	6	9	1,600	0.0085
2316 Wineberry Terrace	6	10	1,560	0.0088
2314 Wineberry Terrace	6	11	1,524	0.0086
2312 Wineberry Terrace	6	12	1,524	0.0086
2310 Wineberry Terrace	6	13	1,520	0.0086
2306 Wineberry Terrace	6	14	1,524	0.0086
2304 Wineberry Terrace	6	15	1,524	0.0086
2302 Wineberry Terrace	6	16	1,524	0.0086
2300 Wineberry Terrace	6	17	1,845	0.0104
2301 Wineberry Terrace	6	18	987	0.0056
2307 Wineberry Terrace	6	19	987	0.0056
2309 Wineberry Terrace	6	20	987	0.0056
2313 Wineberry Terrace	6	21	1,305	0.0073
2319 Wineberry Terrace	6	22	1,305	0.0073
2323 Wineberry Terrace	6	23	1,228	0.0069
2325 Wineberry Terrace	6	24	1,228	0.0069
2331 Wineberry Terrace	6	25	1,305	0.0073
2333 Wineberry Terrace	6	26	987	0.0056
2308 Wineberry Terrace	6	27	1,424	0.0080

In the Circuit Court for Baltimore City

State of Maryland

City of Baltimore, Sct.

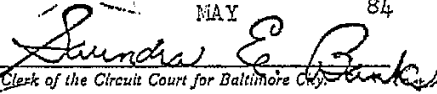
I, Sandra E. Banks, Clerk of the Circuit Court for Baltimore City, do hereby certify that the
aforegoing is a true copy of the original **COLDSRING NORTH CONDOMINIUM
DECLARATION FOR STAGE 1 A**
taken from the records of the said Circuit Court for Baltimore City as recorded in Liber RHB
No. 3673 Folio 145 one of the LAND Records of Baltimore City.

This Certificate is not authentic unless
the Seal of the Circuit Court for Balti-
more City is originally impressed here.

In Testimony Whereof, I hereto set my hand and

affix the seal of said Court, this 15 TH

day of MAY A.D. 19 84


Clerk of the Circuit Court for Baltimore City

AMENDMENT

234

NO. 1
PLANS OF CONSERVING
SPACE IN CONDOMINIUM

1986

Baltimore City, Maryland

RECEIVED FOR RECORD

FEB 2 1988 2:51 O'CLOCK
THIS DAY RECORDED IN LIBER
SAB NO. 234 FOLIO 234
ONE OF THE RECORDS OF
BALTIMORE CITY AND EXAMINED

SAUNDRA E. BANKS, CLERK

REELER FOR:

Bruce D. Brown

REGISTERED BUREAU CHADY AND ROSEN

117 N. E. Baltimore
Baltimore, Maryland

EXHIBIT C

COLDSRING NORTH CONDOMINIUM

BY-LAWS

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(3)

**COLDSRING COMMUNITY ASSOCIATION, INC.
AGREEMENT AND DECLARATION OF COVENANTS,
EASEMENTS, CHARGES AND LIENS**

THIS AGREEMENT AND DECLARATION, made this 17th day of July 1978, by and between COLDSRING NEW TOWN CORPORATION, a Connecticut corporation (hereinafter referred to as "Declarant"); MAYOR AND CITY COUNCIL OF BALTIMORE, a municipal corporation of the State of Maryland (hereinafter called "City"), acting by and through the DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT; and COLDSRING COMMUNITY ASSOCIATION, INC., a Maryland non-stock corporation (hereinafter referred to as "CCA").

WHEREAS, the City is the owner of the fee simple interest in certain land in Baltimore City known as "Coldspring", which land is hereinafter called the "Property" and is subject to an Urban Renewal Plan adopted by the City in Ordinance No. 242, approved January 2, 1973, as amended (hereinafter called the "Urban Renewal Plan"); and

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WHEREAS, Declarant is the chosen developer of the Coldspring Project, pursuant to a Disposition Agreement with the City relating thereto, which Agreement is dated June 4, 1975, and recorded among the Land Records of Baltimore City in Liber R.H.B. No. 3240, folio 688 ff. (hereinafter called the "Disposition Agreement"), and which Agreement contains a metes and bounds description of the Property as Exhibit I thereto; and
1 LOT

WHEREAS, Declarant intends to develop Coldspring as a comprehensive development affording well-planned residential, commercial, industrial, recreational and institutional buildings and facilities and open spaces and areas all in accordance with the Urban Renewal Plan; and

WHEREAS, the Disposition Agreement provides in Article I for conveyance of the Property to Declarant in stages, from time to time; and

WHEREAS, City and Declarant desire to subject each stage of the Property, as it is conveyed by the City to Declarant (or to others designated by Declarant) pursuant to the Disposition Agreement, to the covenants, easements, charges and liens imposed hereby in order (i) to provide funds for use as specified in Article IV hereof, and (ii) to grant rights, easements and privileges relating to the use of certain facilities, subject to the conditions set forth herein and subject to the limitations of Section 1.01(20); and

WHEREAS, City and Declarant have caused CCA to be formed for the purposes set forth in its Charter and for the purpose of providing a non-profit civic organization to serve as the representative of the Owners and Residents with respect to the assessment, collection and application of all charges imposed hereunder; the enforcement of all covenants contained herein and all liens created hereby; and the creation, ownership, operation, management and maintenance of the facilities and services referred to hereafter;

WHEREAS, the within instrument is the "Declaration" referred to in the Articles of Incorporation of CCA; and

NOW, THEREFORE, THIS AGREEMENT AND DECLARATION, WITNESSETH: that for and in consideration of the premises, Declarant and City do hereby establish and impose upon the Property, as defined and limited by Section 1.01(20) hereof, the covenants, restrictions, easements, charges, assessments and liens hereinafter set forth, which it is hereby covenanted and agreed shall be binding upon (i) CCA, its successors and assigns, (ii) the Declarant and its successors and assigns, (iii) the City, and its successors and assigns, and (iv) the Property, to the end that such covenants, restrictions, easements, charges, assessments and liens shall run with, bind and burden the Property, in perpetuity, or for such shorter period of time as may be hereinafter specified:

**ARTICLE I
DEFINITIONS**

Section 1.01. The following words, phrases or terms when used herein shall have the following meanings:

(1) "Architectural Committee" shall mean and refer to that person or group of persons provided for in Section 7.04 hereof.

(2) "Assessable Property" shall mean and refer to the entire Property and any improvements thereon, except such part or parts thereof as may from time to time constitute "Exempt Property", as hereinafter defined.

(3) "Association" shall mean and refer to Coldspring Community Association, Inc., (herein referred to as "CCA") its successors and assigns.

(4) "Board" shall mean and refer to the Board of Directors of CCA.

(5) "CCA Board" shall mean and refer to the Board of Directors of CCA.

(6) "CCA Charter" shall mean and refer to the Articles of Incorporation of CCA.

(7) "CCA Land" shall mean and refer to such part of the Property as may at any time hereafter be owned by CCA (or a "Successor Corporation" as defined in Section 7.04 hereof) for so long as CCA (or such Successor Corporation) may be the owner thereof, whether in fee simple or leasehold.

(7A) "Declarant" shall mean Coldspring New Town Corporation so long as it is a Developer, and at any time the then-authorized Developer or Developers of Coldspring.

(8) "Declaration" shall mean and refer to this Agreement and Declaration, as the same may from time to time be supplemented in the manner provided in Article VI hereof.

(9) "Deed" shall mean and refer to a deed, assignment or other instrument conveying the fee simple or leasehold interest in a "Lot", as hereinafter defined.

(9A) "Developer" shall mean a holder of development rights in the Coldspring Urban Renewal Area under a written agreement with City or with the City's designee.

(10) "Development Period" shall mean and refer to the seven (7) year period commencing on the day that this Agreement and Declaration is filed for recording among the Land Records of Baltimore City, Maryland.

(11) "Easement area" as outlined in Section 9.02 hereof.

(12) "Exempt Property" shall mean and refer to the following portions or parts of the Property:

(a) all land, buildings, structures and other things owned by the United States, the State of Maryland, the City or any instrumentality or agency of any such entity, or owned by the Declarant (but as to Units owned by the Declarant, only so long as such Units are held for purposes of resale by the Declarant, such period not to exceed the following: (i) as to each condominium unit in Stage 1A of Coldspring, 15 months from the date on which Declarant takes title, or one year from the issuance of a Certificate of Completion for such condominium unit pursuant to Section 4.08 of the Disposition Agreement, whichever is the later; and (ii) as to each other Unit in Coldspring, one year from the issuance of a Certificate of Completion, pursuant to Section 4.08 of the Disposition Agreement, for such Unit);

(b) all land and Permanent Improvements owned by CCA (or a "Successor Corporation" as defined in Section 7.04 hereof) for so long as CCA (or such Successor Corporation) shall be the owner thereof;

(c) all land and Permanent Improvements exempt from both Baltimore City and State of Maryland real property taxes by virtue of applicable law.

(13) "Final Development Plan" as used herein shall mean and refer to each of those recorded plats or combination of plats, drawings and narrative materials at any time approved by the Declarant and the City (or any agency or instrumentality thereof) by means of which land uses and development criteria are designated for specific portions of the Property pursuant to the Coldspring New Town Urban Renewal Plan, future amendments thereof, or other governing law.

(14) "Lot" shall mean and refer to a portion of the Assessable Property which is less than the whole thereof (including condominium units) and which is separately assessed by the appropriate public officials for the purpose of real estate taxes imposed by the State of Maryland and Baltimore City.

(15) "Mortgage" shall mean and refer to a mortgage, deed of trust or other security device and "mortgagee" shall mean and refer to the mortgagee, beneficiary, trustee or other holder of any of the foregoing instruments.

(16) "Notes" shall mean and refer to all notes, bonds, debentures or other evidences of indebtedness issued and sold by CCA.

(17) "Note Holder" shall mean and refer to the holder of any Note and all trustees or other representatives of one or more such holders.

(18) "Owner" shall mean and refer to the holder (other than a mortgagee or contract purchaser) of the fee simple or redeemable ground rent leasehold title of any "Unit" within the Property, or any common or joint interest therein if such title is held by more than one person or entity. For the purposes of Articles VI, VII, VIII, IX, X, XI, and XII hereof, "Owner" includes any condominium council composed of owners of condominium units located on the Property, and shall mean and refer to the owner of any condominium unit to whom is assigned the exclusive right to use a yard area leased or subleased from City or CCA by a condominium council.

(19) "Permanent Improvement" shall mean and refer to all buildings, structures and other matters and things which at the time of the assessment of each "Annual Charge", as hereinafter defined, are assessable by the State of Maryland or Baltimore City as real property under applicable law (whether or not exempt from taxation).

(20) "Property" as used herein shall mean and refer to all land described in Exhibit 1 annexed to the aforesaid Disposition Agreement of June 4, 1975, which shall have been conveyed by the City to the Declarant pursuant to such Disposition Agreement at any time heretofore or hereafter; provided, however, that if, in connection with development of any portion of the Property, any state or federal governmental or quasigovernmental body or organization (hereinafter in this Section called a "governmental body" and including, but not limited to, bodies such as HUD, FHA, VA, FNMA, or the Maryland CDA) is to insure a Mortgage, provide Mortgage financing, or provide housing assistance payments or other form of subsidy or aid to or for any tenant or the developer of such portion of the Property; and such governmental body requires that such portion of the Property not be subject to the provisions of this Declaration, then City and Declarant may subject such portion of the Property to covenants, conditions and restrictions which are satisfactory to such governmental body and which, in the joint opinion of City and Declarant, impose burdens on such portion of the Property similar in effect to those imposed by this Declaration to the extent reasonably possible in view of the objections expressed by such governmental body, notwithstanding that the burdens imposed on such portion of the Property (other than the Annual Charge) may be less onerous or restrictive than the burdens imposed on other portions of the Property by this Declaration.

(21) "Resident" shall mean and refer to (a) each Tenant actually residing on (or conducting a business on) any part of the Assessable Property, and (b) members of the immediate family of each Owner of a residential Unit and of each such Tenant, actually living in the same household with such Owner or such Tenant.

(22) "Restrictions" shall mean and refer collectively to all covenants, easements, charges, and liens created or imposed by this Declaration.

(23) "Structure" shall mean and refer to any thing or device the placement of which upon any Lot may affect the appearance of such Lot, including by way of illustration and not limitation, any building, garage, porch, shed, greenhouse or bathhouse, coop or cage, covered or uncovered patio, swimming pool, clothes line, radio or television antenna, fence, curbing, paving, wall, hedge, trees, shrubbery, signboard or any temporary or permanent living or business quarters (including any trailer) or any other temporary or permanent improvement to such Lot. "Structure" shall also mean (a) any excavation, fill, ditch, diversion dam or other thing or device which affects or alters the natural flow of surface waters from, upon or across

any Lot, or which affects or alters the flow of any waters in any natural or artificial stream, wash or drainage channel from, upon or across any Lot and (b) any change in the grade of any Lot of more than six inches from that existing at the time of purchase by each Owner.

(24) "Tenant" shall mean and refer to an individual who (a) actually resides on the Property under a written lease for a term of not less than one (1) year from an Owner in which such individual is named as lessee, and (b) delivers an executed copy of such lease to the CCA Board.

(25) "Unit" shall mean and include (a) any Lot within the Property; (b) a unit in any condominium development within the Property; and (c) a designated portion of a multi-occupant cooperative building in which one or more persons or entities hold exclusive possessory rights pursuant to a proprietary lease.

ARTICLE II ASSESSMENT OF ANNUAL CHARGE

Section 2.01. For the purpose of providing funds for use as specified in Article IV hereof, the Board shall in each calendar year, commencing with the year 1978, levy against all Assessable Property a charge (which shall be uniform with respect to all Assessable Property except as otherwise expressly provided in this Article) equal to a specified number of cents [not in excess of One Dollar (\$1.00) except as otherwise expressly provided in this Article until the date on which the Board is controlled by members elected by Residents (as such term is defined in the CCA Charter)] for each One Hundred Dollars (\$100) of the then current "Assessed Valuation", as hereinafter defined, of the Assessable Property. The charge levied by the Board in each year after 1978 shall be not less than Seventy-five cents (\$.75) nor more than One Dollar (\$1.00) for each One Hundred Dollars (\$100) of Assessed Valuation (but such limit shall not include any additional assessment levied under Section 2.04). The said minimum shall be subject to waiver by the Board on a uniform basis, and the said maximum shall be subject to increase in an amount equal to the percentage increase in the cost of living reflected by the Consumer Price Index of the U.S. Bureau of Labor Statistics (1967=100) for "All Urban Consumers" for Baltimore City for the month in which Baltimore is reported in the last quarter of the preceding year, over the cost of living shown by such index for the month in which Baltimore is reported in the first quarter of 1978. If the Bureau of Labor Statistics shall ever cease publication of said Index, then the increase in the maximum charge shall be determined by such other index generally used for determining increases in the cost of living as may be designated by the Board. In making each such levy, the Board shall impose a separate levy upon each Lot based upon its Assessed Valuation, and each such Lot shall be charged with and subject to a lien for the amount of such separate levy which shall be deemed the "Annual Charge" with respect to such Lot. From and after the date on which any Lot is conveyed by Declarant to an Owner, or if any Exempt Property shall at any time hereafter become Assessable Property, the Board shall promptly levy a *pro rata* Annual Charge for the remainder of the then current year and shall issue a bill therefor.

Section 2.02. As used herein, the term "Assessed Valuation" for each lot shall mean:

(a) the highest valuation placed on land and improvements comprising said Lot in the calendar year prior to the date of such levy by any authority having the power to tax real estate in Baltimore City, as assessed or determined in such manner as may from time to time be provided by applicable law, regardless of any decrease of such valuation during such year by reason of protest, appeal or otherwise;

(b) if both Baltimore City and the State of Maryland shall ever cease to impose real estate taxes, then said term shall mean in each year thereafter the highest valuation placed on land and improvements comprising such Lot during the last five (5) years when either shall have imposed real estate taxes.

(c) if a Lot and the Permanent Improvements thereon have not yet been assessed as a completed unit by the assessing authority at the time of settlement of the initial sale thereof by Declarant to the Owner, then the Assessed Valuation of said Lot for purposes of the initial Annual Charge thereon shall be deemed to be fifty percent (50%) of the contract sale price between Declarant and the Owner.

Section 2.03. As soon as may be practical in each year (or at any time that any Exempt Property becomes Assessable Property) CCA shall send a written bill to each Owner stating (a) the Assessed Valuation of each Lot owned by such Owner as the same appears on the appropriate public record or as deter-

mined under Section 2.02(c); (b) the number of cents per One Hundred Dollars (\$100) of such Assessed Valuation assessed by the Board as the Annual Charge for the year in question; and (c) the amount of the Annual Charge assessed against each such Lot, stated in terms of the total sum due and owing as the Annual Charge. Unless the Owner shall pay the Annual Charge within thirty (30) days following the date of the bill the same shall be deemed delinquent and will bear interest at the rate of eight percent (8%) per annum until paid.

Section 2.04. In connection with the development of Coldspring, it is contemplated that the City will lease certain land and improvements to CCA, and that CCA will sublease the same to a council, or to councils, of condominium unit owners hereafter to be formed. If any such sublease shall be cancelled by a council of unit owners pursuant to any statutory right of cancellation, then CCA shall nevertheless permit condominium unit owners to use and enjoy the land and improvements which were the subject of the cancelled sublease, and CCA shall be entitled to levy a special assessment against the Owners of the condominium units which are determined by CCA, in its judgment, to be directly benefited by the land and improvements which were the subject of the cancelled sublease. The amount of the special assessment in any year shall be equal to the rent and other expenses which would have been payable under the cancelled sublease, and such special assessment shall be levied on a uniform basis related to the Assessed Valuation of each condominium unit on which a special assessment is levied. Each such Unit shall be charged with and subject to a lien for the amount of such special assessment.

In order to effect any such special assessment, CCA shall send a written bill to the Owner of the condominium units affected stating the amount of the special assessment levied on such Owner's Unit. Any such assessment shall be subject to an interest charge for late payment as stated in Section 2.03 hereof for Annual Charges.

Section 2.05. If the Owner of any Lot shall fail to pay the Annual Charge within ninety (90) days following receipt of the bill referred to in Section 2.03 hereof, or shall fail to pay any special assessment within ninety (90) days following receipt of the bill referred to in Section 2.04 hereof, then in addition to the right to sue the Owner for a personal judgment, CCA shall have the right to enforce the lien hereinafter imposed to the same extent, as in the case of mortgages under applicable law, including a foreclosure sale and deficiency decree, and (to the extent the appropriate court will accept jurisdiction) upon and subject to the same procedures, and the amount due by such Owner shall include the Annual Charge and/or any special assessment, as well as the cost of such proceedings, including a reasonable attorney's fee, and the aforesaid interest. Each Owner, by accepting a deed, lease or other instrument conveying any interest in a Lot to him, shall be deemed: (i) to have assented to passage of a decree for sale of his interest in the Lot in accordance with the laws of Maryland and the Maryland Rules of Procedure, (ii) to have consented to sale of his interest in the Lot pursuant to the said laws and Rules, the payment to the trustees making the sale of a commission as allowed by the court having jurisdiction of foreclosure sales in Baltimore City, conveyance of title to the purchaser at foreclosure by deed from the trustees appointed in the decree for such sale, and distribution of the proceeds of sale first to CCA of the amounts due to it and the remainder to the person or persons entitled thereto. If in any case the appropriate court refuses jurisdiction of the enforcement of said lien, then CCA shall have the right to sell the property at public or private sale after giving notice to the Owner (by registered mail or by publication in a newspaper of general circulation in Baltimore City) at least thirty (30) days prior to such sale.

Section 2.06. The Board shall have the right to adopt procedures and regulations for the purpose of making the levies provided herein and the billing and collection of the Annual Charges, provided that the same are not inconsistent with the provisions hereof.

Section 2.07. Upon written request by an Owner, CCA shall within a reasonable period of time issue and furnish to such Owner or any person designated by the Owner a written certificate stating the amount of all Annual Charges (including accrued interest and costs, if any) for the current year, the rate of levy for the succeeding year (if then established), and if all Annual Charges have not been paid, setting forth the amount of such Annual Charges (including interest and costs, if any) due and payable as of such date. CCA may make a reasonable charge for the issuance of such certificates which must be paid at the same time that the request for such certificate is made. Any such certificate, when duly issued as herein provided, shall be conclusive and binding with regard to any matter therein stated as between CCA and any

bona fide purchaser of, or lender on, the Lot in question, unless any correction is communicated to the addressee of the certificate before the execution of a Deed or Mortgage by the addressee of the certificate.

ARTICLE III
IMPOSITION OF CHARGE AND LIEN UPON PROPERTY

Section 3.01. The parties hereto, for themselves, their successors and assigns, hereby covenant, and each Owner of any Lot, by acceptance of the Deed therefor, whether or not it shall be so expressed in the Deed, shall be deemed to covenant and agree:

(a) that each Owner will pay to CCA the Annual Charge and any special assessment levied by CCA in each year against the Lot owned by him; and

(b) that the Annual Charge and any special assessment, both prior to and after the levy thereof in each year, together with the continuing obligation to pay all future Annual Charges and special assessments, interest and costs levied in all future years, shall be and remain a first charge against, and a continuing first lien upon, the Lot on which it is levied; superior to any and all other charges, liens or encumbrances which may in any manner arise or be imposed upon the Assessable Property (or the Exempt Property to the extent that the same may later become Assessable Property), saving and excepting only such liens for taxes or other public charges as are by applicable law made superior.

Section 3.02. In addition to being subject to the charge and lien imposed by Section 3.01 hereof, each Owner of each Lot by the acceptance of a Deed therefor, whether or not it shall be so expressed in such Deed, shall be deemed to have agreed to be personally liable for the payment of each Annual Charge levied by CCA against such Lot in each year during any part of which such Owner is the Owner thereof.

Section 3.03. As used in this Article III, the terms "Annual Charge" and "special assessment" shall mean the total of the following:

- (a) the amount levied pursuant to Section 2.01 or 2.04 hereof;
- (b) the interest on delinquent charges imposed by Section 2.03 hereof; and
- (c) the cost of collecting items (a) and (b) and enforcing the lien as provided in Section 2.05 hereof.

Section 3.04. Nothing contained in this Declaration shall prevent any Owner from changing, altering or destroying any Permanent Improvement owned by him if the Annual Charge imposed hereunder with respect thereto (a) has been paid for the year in which such change, alteration or destruction takes place or (b) the Annual Charge with respect to the Permanent Improvement in question has been paid for the year preceding such change, alteration or destruction and a bill for the Annual Charge for the then current year has not been sent by CCA under Section 2.03 hereof prior to such change, alteration or destruction; nor shall this Section 3.04 be construed as authority to make any such change, alteration or destruction.

Section 3.05. Either CCA, or the Declarant and the City acting jointly, may subordinate any lien imposed by this Declaration to the lien of Mortgages insured by the U.S. Department of Housing and Urban Development, the Federal Housing Administration, the Veterans Administration, the Maryland Housing Fund, the City of Baltimore, or any other local, state or federal agency which insures one or more Mortgages secured by a portion of the Property, or any successor to any such agency, by filing of a declaration of subordination among the Land Records of Baltimore City, except that such subordination to Mortgages shall apply only to the Annual Charges or other liens hereunder which become due and payable prior to a sale or transfer of any Lot on account of the foreclosure of any such Mortgage, or on account of any deed or proceeding in lieu of foreclosure. Such sale or transfer at foreclosure or in lieu of foreclosure shall not relieve any Lot from liability for any Annual Charge or other lien hereunder thereafter becoming due. Nothing herein shall be construed to constrain or impair the payment to the proper parties of the proceeds of any subordinate lien, to the extent of any funds remaining after foreclosure and sale, or to prevent the obtaining of a personal judgment against any person owing any sum of money to CCA. The right of the Declarant and the City, acting jointly, to subordinate any lien imposed by this Declaration shall

apply only with respect to Mortgages on land conveyed to Declarant pursuant to the Disposition Agreement, and may be exercised only while Declarant holds title to the land affected by such subordination. Any subordination by the City and Declarant shall, however, continue to be effective even after Declarant ceases to own the land affected. For the purposes of this Section, the term "Declarant" shall include any assignee or transferee of any portion of the Property from Declarant after issuance of a Certificate of Completion for such portion of the Property pursuant to Paragraph 4.08 of the Disposition Agreement.

ARTICLE IV USE OF FUNDS

Section 4.01. CCA shall apply all funds received by it pursuant to this Declaration, and all other funds and property received by it from any source, including the proceeds of the loans referred to in Section 4.02 and the surplus funds referred to in Section 4.03, to the following in the order stated:

(a) the payment of all principal and interest, when due, on all funds borrowed by CCA, to the extent required under any agreement with Note Holders referred to in Section 4.02 hereof;

(b) all rent and other expenses required to be paid by CCA under any lease of property from the City to CCA, to the extent that any such rent and expenses are not fully paid by any subtenant of such property;

(c) the operating and administrative costs and expenses of CCA, including taxes; and

(d) for the benefit of the Property, Owners and Residents by devoting the same to the acquisition, construction, reconstruction, conduct, alteration, enlargement, laying, renewal, replacement, repair, maintenance, operation and subsidizing of any real or personal property owned, leased or operated by CCA, and any services operated by CCA, including but not limited to parks, recreational facilities or services; drainage systems; streets, roads, highways, walkways, curbing, gutters, sidewalks, trees, flowers and landscaping; fountains, benches, shelters, directional and informational signs, walkways, pedestrian malls and bridges, and street, road and highway lighting facilities; facilities for the collection, treatment and disposal of garbage and refuse, mass transit systems, stations and terminals, airfields, airports, air terminals and associated facilities; facilities for the lighting and preventing of fires; public utility systems, including plants, systems, facilities or properties used or useful in connection with the manufacture, production, distribution, delivery and storage of electric power and manufacture of natural gas or any other potential power source, and any integral part thereof, utility lines, poles, surface and underground ducts, relay stations, cables, pipes, pipelines, valves, motors and equipment and appurtenances, and all properties, rights, easements and franchises, relating thereto; communication systems and facilities, including all buildings, systems, facilities and properties used or useful in connection with the operation of communication networks and facilities, stations, towers, relay systems and facilities; cables, underground and surface ducts, lines, poles, receiving, transmitting and relay equipment, and appurtenances and all properties, rights, easements and franchises relating thereto; auditoriums, galleries, halls, amphitheaters, theaters, arenas and stadiums, educational buildings and facilities, including equipment, supplies and accessories in connection therewith, office buildings, buildings, storage and maintenance yards, garages and other buildings and facilities deemed necessary or desirable by the Board in connection with the administration, management, control and operation of CCA; libraries, including equipment, books, supplies and accessories in connection therewith; day care centers; hospitals and clinics, including equipment, medicines, supplies and accessories in connection therewith; traffic engineering programs and parking facilities; facilities for animal rescue and shelter; lakes, dams, parks, golf courses, tennis courts, zoos, playgrounds, boat basins and marinas, equestrian centers and facilities; skeet ranges, bowling alleys, and other related or unrelated recreational facilities; and any and all real or personal property, other improvements, equipment, systems, facilities and services owned, leased or operated by CCA, whether or not similar to the foregoing.

Section 4.02. In order to secure the repayment of any and all sums borrowed by it from time to time, CCA is hereby granted the right and power:

(a) to assign and pledge all revenues received, and to be received, by it under any provision of this Declaration, including, but not limited to, the proceeds of the Annual Charges payable hereunder;

(b) to enter into agreements with Note Holders with respect to the collection and disbursements of funds, including, but not limited to agreements wherein CCA covenants:

(i) to levy the Annual Charges on a given day in each year and, subject to the limitation on amount specified in Section 2.01 hereof, to levy the same at a particular rate or rates;

(ii) to establish sinking funds and/or other security deposits;

(iii) to apply all funds received by CCA first to the payment of all principal and interest, when due, on such loans, or to apply the same to such purpose after providing for costs of collection;

(iv) to establish such collection, payment and lien enforcement procedures as may be required by the Note Holders;

(v) to provide for the custody and safeguarding of all funds received by CCA;

(vi) to execute such confirmatory documents or further assurances as the Note Holders may require.

The amount, terms, rate or rates of all borrowing and the provisions of all agreements with Note Holders shall be subject solely to the decision of the Board acting in its absolute discretion.

Section 4.03. CCA shall not be obligated to spend in any calendar year all the sums collected in such year by way of Annual Charges, or otherwise, and may carry forward, as surplus, any balances remaining; nor shall CCA be obligated to apply any such surpluses to the reduction of the amount of the Annual Charge in the succeeding year, but may carry forward from year to year such surplus as the Board in its absolute discretion may determine to be desirable for the greater financial security of CCA and the effectuation of its purposes.

Section 4.04. CCA shall be entitled to contract with any person, corporation, firm or other entity for the performance of the various duties undertaken by CCA from time to time, and the performance by any such person or entity shall be deemed the performance of CCA hereunder.

ARTICLE V RIGHTS OF ENJOYMENT IN COMMUNITY FACILITIES

Section 5.01. It is intended that City and/or Declarant will convey or lease to CCA, subsequent to the recording of this Declaration, certain tracts of land and/or improvements within the Property for recreational purposes. Said tracts, together with such other parts of CCA land and improvements as the Board, in its absolute discretion, may by resolution from time to time hereafter acquire, build or designate for use by Owners and Residents are hereinafter collectively referred to as "Community Facilities". Upon designation of any part of CCA land as a Community Facility, as herein provided, the Board may cause a declaration to be executed and recorded among the Land Records of Baltimore City, which declaration may include a description of the land so designated and shall state that such land has been designated as a Community Facility for purposes of this Section 5.01. No CCA land, or any part thereof, shall be a Community Facility subject to the rights and easements of enjoyment and privileges hereinafter granted unless and until the same shall have been so designated and the above described declaration filed in accordance with the procedure provided herein.

Section 5.02. Every Owner, by reason of such ownership, shall have a right and easement of enjoyment in and to all Community Facilities, and such easement shall be appurtenant to and shall pass with every Unit upon transfer. All Residents shall have a non-transferable privilege to use and enjoy all Community Facilities for so long as they are Residents within the previously defined meaning of that term. Subject to such rules and regulations as CCA may hereafter specify, including the imposition of special fees for use if CCA shall so direct, the term "Resident" shall also include the employees, guests or invitees of any such Owner or Tenant if the Board, in its absolute discretion, by resolution so directs. All such rights, easements, and privileges, however, shall be subject to the right of CCA:

(a) to adopt and promulgate reasonable rules and regulations pertaining to the use of Community Facilities which shall enhance the preservation of such facilities, the safety and convenience of

the users thereof, or which, in the discretion of the Board, shall serve to promote the best interests of the Owners and Residents, including the making available of certain Community Facilities to school children, with or without charge;

(b) to charge Owners and Residents reasonable admission and other fees in connection with and as a condition of the use of any Community Facility, and in establishing such admission and other fees, the Board may, in its absolute discretion, establish reasonable classifications of Owners and Residents; such admission and other fees must be uniform within each such class but need not be uniform from class to class;

(c) to borrow money for the purpose of improving any Community Facility and in aid thereof, to mortgage the same and the rights of any such mortgage shall be superior to the easements and privileges herein granted and assured;

(d) to limit the number of guests of Owners or Tenants in or upon any Community Facility or any facilities located thereon;

(e) to grant easements or rights of way to any public utility corporation or public agency;

(f) to dedicate or transfer all or any part of the CCA Land or Improvements to any public, quasi-public or eleemosynary body, agency or authority for such purposes and subject to such conditions as may be agreed to by the Board and such transferee, as permitted by the CCA Charter.

(g) to suspend or terminate the same in accordance with any express provisions of this Declaration.

Section 5.03. CCA shall have the right to suspend the right of any Owner (and the privilege of each Resident claiming through such Owner) for any period during which the Annual Charge assessed under Article II hereof remains overdue and unpaid, or in connection with the enforcement of any rules or regulations relating to such facilities in accordance with the provisions of this Article V.

Section 5.04. Notwithstanding the rights, easements and privileges granted under this Article V, CCA shall nevertheless have the right and power to convey any property referred to in Section 5.01 hereof free and clear of all such rights, easements and privileges if such conveyance is to a public body for public use.

ARTICLE VI COVENANTS FOR MAINTENANCE

Section 6.01. Each Owner shall keep all Units owned by him, and all Improvements therein or thereon, in good order and repair, including but not limited to, the seeding, watering and mowing of all lawns, the pruning and cutting of all trees and shrubbery and the painting (or other appropriate external care) of all buildings and other Improvements, all in a manner and with such frequency as is consistent with good property management. If, in the opinion of the Architectural Committee, as hereinafter defined, any Owner fails to perform the duties imposed by the preceding sentence, Declarant (or CCA by written delegation of right and authority from Declarant) during the Development Period, and thereafter CCA, after fifteen (15) days' written notice to the Owner to remedy the condition in question, shall have the right, through its agents and employees, to enter upon the Unit in question (but not into the interior of a Structure) and to repair, maintain, repaint and restore the Unit or such Improvements and the cost thereof shall be a binding, personal obligation of such Owner as well as a lien (enforceable in the same manner as set forth in Section 2.05) upon the Unit in question. In the event of such action by CCA during the Development Period, it shall act only in its own right pursuant to any such delegation and shall not act as an agent of Declarant for such purpose. All provisions of Section 2.05 relating to enforcement of a lien are incorporated herein by reference.

Section 6.02. The lien provided in Section 6.01 hereof shall be in favor of the entity acting but shall not be valid as against a bona fide purchaser (or bona fide mortgagee) of the Unit in question unless a suit to enforce said lien shall have been filed in a court of record in Baltimore City prior to the recordation among the Land Records of Baltimore City of the deed (or mortgage) conveying the Unit in question to such purchaser (or subjecting the same to such mortgage).

**ARTICLE VII
ARCHITECTURAL COMMITTEE: ARCHITECTURAL CONTROL**

Section 7.01. The term "Architectural Committee" shall prior to January 7, 2013, be deemed to mean either (i) the Commissioner of Housing and Community Development of Baltimore City or the successor to his functions under the City Charter, or (ii) those three (3) or more individuals so designated from time to time by the Commissioner, or (iii) at the Commissioner's election, those three (3) or more individuals so designated by CCA. After January 7, 2013, the Architectural Committee shall be composed of three (3) or more individuals to be designated by CCA. Except as hereinafter provided, the affirmative vote of a majority of the membership of the Architectural Committee shall be required in order to adopt or promulgate any rule or regulation, or to make any findings, determinations, ruling or order, or to issue any permit, authorization or approval pursuant to directives or authorizations contained herein. With regard to review of plans and specifications as set forth in this Article VII, however, and with regard to all other specific matters (other than the promulgation of rules and regulations) as may be specified by resolution of the entire Architectural Committee, each individual member of the Architectural Committee shall be authorized to exercise the full authority granted herein to the Architectural Committee. Any approval by one such member of any plans and specifications submitted under this Article VII, or the granting of any approval, permit or authorization by one such member in accordance with the terms hereof, shall be final and binding. Any disapproval, or approval based upon modification or specified conditions by one such member shall also be final and binding, provided, however, that in any such case, any applicant for such approval, permit or authorization may, within ten (10) days after receipt of notice of any such adverse decision, file a written request to have the matter in question reviewed by the entire Architectural Committee. Upon the filing of any such request, the matter with respect to which such request was filed shall be submitted to and reviewed as soon as possible by the entire Architectural Committee. Thereafter, the decision of a majority of the members of the Architectural Committee with respect to such matter shall be final and binding. No member of the Architectural Committee shall have any personal liability whatever to any Owner or Resident by reason of any action or failure to act on any matter referred to said Committee under this Declaration.

Section 7.02. No Structure shall be commenced, erected, placed, moved on to or permitted to remain on any Lot, nor shall any existing Structure upon any Lot be altered in any way which materially changes the exterior appearance thereof, nor shall any new use be commenced on any Lot, unless plans and specifications (including a description of any proposed new use) therefor shall have been submitted to and approved in writing by the Architectural Committee. Such plans and specifications shall be in such form and shall contain such information, as may be required by the Architectural Committee, but in any event shall include (a) a site plan of the Lot showing the nature, exterior color scheme, kind, shape, height, materials and location with respect to the particular Lot (including proposed front, rear and side set-backs and free spaces, if any are proposed) of all Structures, the location thereof with reference to Structures on adjoining portions of the Property, and the number and location of all parking spaces and driveways on the Lot; and (b) grading and landscaping plans for the particular Lot. This Article shall not apply to the original construction by Declarant, its successors and assigns, or a successor Developer, of any Structure for which approval of City is required under the aforesaid Disposition Agreement, and for which a Certificate of Completion is to be issued under said Disposition Agreement.

Section 7.03. The Architectural Committee shall have the right to disapprove any plans and specifications submitted hereunder because of any of the following:

- (a) the failure of such plans or specifications to comply with this Declaration;
- (b) failure to include information in such plans and specifications as may have been reasonably requested;
- (c) objection to the exterior design, appearance or materials of any proposed Structure;
- (d) objection to any proposed Structure or use;
- (e) objection to the location of any proposed Structure upon any Lot or with reference to other Lots in the vicinity;

- (f) objection to the grading and landscaping plans for any Lot;
- (g) objection to the color scheme, finish, proportions, style of architecture, height, bulk or appropriateness of any proposed Structure;
- (h) objection to parking areas proposed for any Lot; or
- (i) any other matter which, in the absolute judgment of the Architectural Committee, would render the proposed Structure, Structures or uses inharmonious with the Urban Renewal Plan for the Property or with Structures or uses located upon other Lots in the vicinity.

In any case where the Architectural Committee shall disapprove any plans and specifications submitted hereunder, or shall approve the same only as modified or upon specified conditions, such disapproval or qualified approval shall be accompanied by a statement of the grounds upon which such action was based. In any such case the Architectural Committee shall, if requested, make reasonable efforts to assist and advise the applicant in order that an acceptable proposal can be prepared and submitted for approval.

Section 7.04. Upon approval by the Architectural Committee of any plans and specifications submitted hereunder, a copy of such plans and specifications, as approved, shall be deposited for permanent record with the Architectural Committee, and a copy of such plans and specifications bearing such approval, in writing, shall be returned to the applicant submitting the same.

Section 7.05. The Architectural Committee may promulgate rules governing the form and content of plans to be submitted for approval or requiring specific improvements on the Lots, including, without limitation, exterior lighting and planting, and may issue statements of policy with respect to approval or disapproval of the architectural styles or details, or other matters, which may be presented for approval. Such rules and such statements of policy may be amended or revoked by the Architectural Committee at any time, and no inclusion in, omission from or amendment of any such rule or statement shall be deemed to bind the Architectural Committee to approve or disapprove any feature or matter subject to approval, or to waive the exercise of the Architectural Committee's discretion as to any such matter, but no change of policy shall affect the finality of any approval granted prior to such change. Approval for use on any Lot of any plans or specifications shall not be deemed a waiver of the Architectural Committee's right, in its discretion, to disapprove such plans or specifications or any of the features or elements included therein if such plans, specifications, features or elements are subsequently submitted for use on any other Lot or Lots. Approval of any such plans and specifications relating to any Lot, however, shall be final as to that Lot and such approval may not be revoked or rescinded thereafter, provided (a) that the Structures or uses shown or described on or in such plans and specifications do not violate any specific prohibition contained in this Declaration and (b) that the plans and specifications, as approved, and any condition attached to any such approval, have been adhered to and complied with in regard to all Structures on and uses of the Lot in question.

If the Architectural Committee fails to approve or disapprove any plans and specifications as herein provided, or any request made pursuant to any other provision hereof relating to approval by said Committee, within sixty (60) days after submission thereof, the same shall be deemed to have been approved, as submitted, and no further action shall be required.

Section 7.06. If any Structure shall be altered, erected, placed or maintained upon any Lot, or any new use commenced on any Lot, otherwise than in accordance with plans and specifications approved by the Architectural Committee pursuant to the provisions of this Article VII, such alteration, erection, maintenance or use shall be deemed to have been undertaken in violation of this Article VII and without the approval required herein, and, upon written notice from the Architectural Committee, any such Structure so altered, erected, placed or maintained upon any Lot in violation hereof shall be removed or realtered, and any such use shall be terminated, so as to extinguish such violation.

If fifteen (15) days after the notice of such a violation the Owner of the Lot upon which such violation exists shall not have taken reasonable steps toward the removal or termination of the same, Declarant (or CCA by written delegation of right and authority from Declarant) during the Development

Period and thereafter CCA shall have the right, through its agents and employees, to enter upon such Lot and to take such steps as may be necessary to extinguish such violation and the cost thereof shall be a binding, personal obligation of such Owner as well as a lien (enforceable in the same manner as a mortgage) upon the Lot in question. All provisions of Section 2.05 relating to foreclosure of a lien are incorporated herein by reference. In the event of such action by CCA during the Development Period, it shall act only in its own right pursuant to any such delegation and shall not act as an agent of Declarant for such purpose. The lien provided in this Section 7.06 shall be in favor of the entity acting but shall not be valid as against a bona fide purchaser (or bona fide mortgagee) of the Lot in question unless a suit to enforce said lien shall have been filed in a court of record in Baltimore City prior to the recordation among the Land Records of Baltimore of the Deed (or Mortgage) conveying the Lot in question to such purchaser (or subjecting the same to such Mortgage).

Section 7.07. Upon completion of the construction or alteration of any Structure in accordance with plans and specifications approved by the Architectural Committee, and at reasonable times thereafter upon request of an Owner, the Architectural Committee shall, upon written request of the Owner thereof, issue a certificate of compliance in form suitable for recordation, identifying such Structure and the Lot on which such Structure is placed, and stating that the plans and specifications, the location of such Structure and the use or uses to be conducted thereon have been approved and that such Structure complies therewith. Preparation and recording of such certificate shall be at the expense of such Owner. Any certificate of compliance issued in accordance with the provisions of this Section 7.07 shall be prima facie evidence of the facts therein stated, and as to any purchaser or encumbrancer in good faith and for value, or as to any title insurer, such certificate shall be conclusive evidence that all Structures on the Lot, and the use or uses described therein, comply with all the requirements of this Article VII and with all other requirements of this Declaration as to which the Architectural Committee exercises any discretionary or interpretive powers.

Section 7.08. The Architectural Committee may charge and collect a reasonable fee for the examination of any plans and specifications submitted for approval pursuant to this Article VII, payable at the time such plans and specifications are so submitted, provided, that such fee shall not exceed the amount chargeable by the appropriate governmental authority for the application for and processing of building permits for structures on the Lot with regard to which such plans and specifications are submitted.

Section 7.09. Any agent of Declarant, or the Architectural Committee, or of CCA when the latter entity is entitled to exercise rights of enforcement hereunder, may at any reasonable time or times enter upon and inspect any Lot and any improvements thereon for the purpose of ascertaining whether the maintenance of such Lot and the maintenance, construction or alteration of Structures thereon are in compliance with the provisions hereof; and neither Declarant, CCA, nor the Architectural Committee nor any such agent shall be deemed to have committed a trespass or other wrongful act by reason of such entry or inspection.

ARTICLE VIII GENERAL COVENANTS AND RESTRICTIONS

Section 8.01. Nothing shall be done on any Lot in violation of the Urban Renewal Plan. Further, without the prior written approval of the Architectural Committee:

- (a) No Lot shall be split, divided, or subdivided for sale, resale, gift, transfer or otherwise;
- (b) No facilities, including poles and wires, for the transmission of electricity, telephone messages and the like shall be placed or maintained above the surface of the ground on any Lot, and no external or outside antennas of any kind shall be maintained; and
- (c) Nothing shall be stored or parked in the open on any Lot except furniture in use.

Section 8.02. No tree having a diameter of three (3) inches or more (measured at a point four feet above ground level) shall be removed from any Lot without the express written authorization of the Architectural Committee. The Architectural Committee, in its discretion, may adopt and promulgate rules and regulations regarding the preservation of trees and other natural resources and wildlife upon the Property.

If it shall deem it appropriate, the Architectural Committee may mark certain trees, regardless of size, as not removable without written authorization. In carrying out the provisions of this Section 8.02, the Architectural Committee and its agent may enter upon any Lot during reasonable hours for the purpose of inspecting or marking trees or in relation to the enforcement and administration of any rules and regulations adopted and promulgated pursuant to the provisions hereof. Neither the Architectural Committee, nor its agents, shall be deemed to have committed a trespass or wrongful act by reason of any such entry or inspection.

Section 8.03. No birds, animals or insects shall be kept or maintained in any Unit or on any Lot except for domestic purposes. Under no circumstances shall any commercial or business enterprise involving the use of animals be conducted on the Property without the express written consent of the Architectural Committee. The Board may, from time to time, publish and impose reasonable regulations setting forth the type and number of animals that may be kept in any Unit or on any Lot.

Section 8.04. No sign or other advertising device of any nature shall be placed upon any Lot except as provided herein. The Architectural Committee may, in its discretion, adopt and promulgate rules and regulations relating to signs which may be erected. Signs and other advertising devices may be erected and maintained upon any portion of the Property zoned for industrial or commercial uses if approved by the Architectural Committee, as to color, location, nature, size and other characteristics of such signs or devices.

Section 8.05. No temporary building, trailer, garage, or Structure in the course of construction shall be used, temporarily or permanently, as a residence.

Section 8.06. No lumber, metals, bulk materials, refuse or trash shall be kept, stored or allowed to accumulate on any Lot. During construction of any improvements on the Property, the Owner shall keep any construction site free of unsightly accumulations of rubbish and scrap materials, and construction materials, trailers, trucks and the like employed in connection with such construction shall be kept in a neat and orderly manner. If trash or other refuse is to be disposed of by being picked up and carried away on a regular and recurring basis, containers may be placed in the open, on any day that a pickup is to be made, at such place on the Lot so as to provide access to persons making such pickup. At all other times such containers shall be stored in such a manner so that they cannot be seen from adjacent and surrounding property. The Architectural Committee, in its discretion, may adopt and promulgate reasonable rules and regulations relating to the size, shape, color and type of containers permitted and the manner of storage (including pick up points) of the same on the Property.

Section 8.07. No water pipe, gas pipe, sewer pipe or drainage pipe shall be installed or maintained on any Lot above the surface of the ground, except hoses and movable pipes used for irrigation purposes. No Lot shall be used for the purpose of boring, mining, quarrying, exploring for or removing oil or other hydrocarbons, minerals, gravel or earth.

Section 8.08. Declarant (or CCA by written delegation of right and authority from Declarant) during the Development Period and hereafter CCA shall have the right to enter upon any Lot and trim or prune, at the expense of the Owner, any hedge, planting or other growth which in the opinion of the Architectural Committee, by reason of its location upon the Lot or the height to which it is permitted to grow, is detrimental to adjoining property or is unattractive in appearance; provided, however, that the Owner shall be given written notice fifteen (15) days prior to such action.

ARTICLE IX EASEMENTS

Section 9.01. Easements and rights-of-way are hereby expressly reserved to City and Declarant in, on, over and under the "easement area", as hereinafter defined, of each Lot, for the following purposes:

- (a) For the erection, installation, construction and maintenance, whether above ground or underground, of (i) poles, wires, lines and conduits, and the necessary or proper attachments in connection with the transmission of electricity, telephone, community antenna television cables and other utilities and other similar facilities, and (ii) storm-water drains, land drains, public and private sewers, pipe lines for

supplying gas, water and heat, and for any other public or quasi-public utility facility, service or function; and

(b) For slope control, including the right to grade and plant slopes and prevent the doing of any activity which might interfere with slope ratios approved by City or Declarant or which create erosion or sliding problems, or change, obstruct or retard drainage flow.

Declarant and CCA, and their respective agents, shall have the right to enter upon all parts of the easement area of each Lot to make repairs and replacements, and otherwise to carry out the purposes for which said easements and rights-of-way are reserved. Any party exercising such right of entry shall restore and repair any damage or disturbance to any improvements or landscaping located on the easement area.

Declarant and CCA shall also have the right at the time of, or after, grading any street, or any part thereof, to enter upon any abutting Lot and grade the portion of such Lot adjacent to such street and to create slopes, but there shall be no obligation on either of them to do such grading or to maintain the slope.

Section 9.02. The term "easement area", as used herein, shall mean and refer (a) to those areas on each Lot with respect to which easements may be shown on the recorded subdivision plat or condominium plat relating thereto; and in addition (b) with respect to each Lot which includes land, to a strip of land along the boundaries of each Lot ten (10) feet in width in the front and rear of the Lot and five (5) feet in width on each side.

ARTICLE X ZONING AND SPECIFIC RESTRICTIONS

Section 10.01. This Declaration shall not be taken as permitting any action or thing prohibited by the applicable zoning laws, or the laws, rules or regulations of any governmental authority, or by specific restrictions imposed by the Urban Renewal Plan or by any deed, condominium declaration or lease. In the event of any conflict, the most restrictive provision of such laws, rules, regulations, deeds, condominium declarations, leases or this Declaration shall be taken to govern and control.

Section 10.02.

(a) Every Owner, by the acceptance of a deed, lease or other instrument conveying any interest in a Lot or Unit covenants and agrees, as part of the consideration therefor, that he shall not use the Lot or Unit for any purpose except one or more of those permitted by any of the Land Use Designations and Final Development Plan Criteria set forth on any Final Development Plan (or any phase thereof) governing the said Lot or Unit. This Section 10.02(a) shall be enforceable solely by Declarant and/or City, and upon assignment of such right in any specific instance, by CCA.

(b) Every Owner further acknowledges and agrees that such Land Use Designations and Final Development Plan Criteria do not in any way give rise to any legal or equitable right, servitude, easement or other interest appurtenant to the Property of such Owner or any portion thereof.

ARTICLE XI RESIDENTIAL PROTECTIVE COVENANTS AND RESTRICTIONS

Section 11.01. The provisions of this Article XI shall relate solely to Lots designated by Final Development Plans for residential uses.

Section 11.02. No profession or home industry shall be conducted in or on any Unit intended for residential use under the Final Development Plan without specific written approval of the Architectural Committee. The Architectural Committee, in its discretion, upon consideration of the circumstances in each case, and particularly the effect on surrounding property, may permit a Lot or any improvement thereon to be used in whole or in part for the conduct of a profession or home industry, after approval thereof by the appropriate zoning authority of Baltimore City. No such profession or home industry shall be permitted, however, unless it is considered, by the Architectural Committee, to be compatible with a high quality residential neighborhood. The following activities, without limitation, may be permitted by the

Architectural Committee in its discretion: music, art and dancing classes; day nurseries and schools; medical and dental offices; fraternal or social club meeting places; seamstress services.

Section 11.03. Anything herein to the contrary notwithstanding, with the written approval of the Architectural Committee and until such approval may be revoked, any Lot may be used for model home purposes or for the maintenance of a real estate office during the Development Period.

Section 11.04. No clothing or any other household fabrics shall be hung in the open on any Lot unless the same are hung from an umbrella or retractable clothes hanging device which is removed from view when not in use or unless the same are enclosed by a fence or other enclosure at least six (6) inches higher than such hanging articles, provided such fence or other enclosure is approved by the Architectural Committee. No machinery shall be placed or operated upon any Lot except such machinery as is usual in maintenance of a private residence.

Section 11.05. Notwithstanding other provisions herein, the Architectural Committee may authorize any Owner with respect to his Unit to:

- (a) temporarily use a single family dwelling for more than one family;
- (b) maintain a sign other than as expressly permitted herein;
- (c) locate structures other than the principal dwelling within set-back areas; or
- (d) use Structures other than the principal dwelling for residence purposes on a temporary

basis.

ARTICLE XII WATERFRONT AREAS AND WATERWAYS

Section 12.01. Any Lot which shall abut upon any lake, stream, river, canal or other waterway (hereinafter collectively referred to as "Waterways") shall be subject to the following additional restrictions:

(a) No wharf, pier, bulkhead, or other structure or obstruction shall be built or maintained upon any waterfront site or into or upon any Waterway on the Property or adjacent thereto except with the specific written approval of the Architectural Committee or as to waters owned by it, by CCA. In no event shall any such structure or obstruction be permitted if it is deemed to offer any threat whatsoever to safe navigation upon such Waterway or to the safe and convenient use of such Waterway as a recreation facility.

(b) No boat shall be constructed upon any Lot nor shall any facility or device be constructed or installed upon any Lot which shall in any way alter the course of or natural boundaries of any Waterway or which shall involve or result in the removal of water from any Waterway.

(c) No boats, boat railways, hoists, launching facilities or any similar type of structures or equipment shall be installed, constructed or maintained upon any Lot, nor shall any boat or boat trailer be stored on any Lot in such manner as to be visible from surrounding properties or from the abutting Waterway.

Section 12.02. No boat of any kind shall be operated upon any Waterway on the Property without the prior written approval of CCA, and even if such approval is granted, such operation shall conform to all rules and regulations promulgated by CCA concerning the use of boats.

Section 12.03. No garbage, trash or other refuse shall be dumped into any Waterway on the Property.

ARTICLE XIII ENFORCEMENT, DURATION AND AMENDMENT

Section 13.01. All Restrictions set forth or provided for in this Declaration shall be deemed covenants running with the land and/or charges and liens upon the land for the benefit of Declarant, City, CCA and each Owner of any Lot subject hereto; and any and every conveyance of any part of the Property shall be absolutely subject to said Restrictions whether or not it shall be so expressed in the deed, lease or other conveyance thereof. The said Restrictions shall continue with full force and effect until December 31,

2077. From and after December 31, 2077, the Restrictions as set forth herein shall continue in full force and effect in perpetuity, amended, however, so as to limit the maximum amount of the Annual Charge in each year thereafter to that amount found by the Board to be necessary to produce sufficient revenue to operate, maintain, renew, replace and repair (including such sums as may be necessary to defray the costs and expenses of CCA in connection with such operation, maintenance, renewal, replacement and repair) such facilities authorized by Section 4.01 as may be in existence on December 31, 2077.

Section 13.02. This Declaration shall not be amended in any respect except by the execution of an instrument signed by: (i) Declarant and City until the date on which 1000 Units in Coldspring have been conveyed to Owners other than Declarant; and (ii) thereafter, the Owners of not less than sixty-seven percent (67%) of the Units existing at the time of execution thereof, but for the purposes of this Section, each Unit shall be deemed to include the number of dwelling units located therein, and the calculation of 67% shall be based upon the total number of dwelling units then existing in Coldspring. The instrument of amendment shall be filed for recording among the Land Records of Baltimore City, Maryland, or in such other place of recording as may be appropriate at the time of the execution of such instrument. After December 31, 2077, this Declaration may be amended and/or terminated in its entirety by an instrument signed by not less than sixty-seven percent (67%) of the Unit Owners which instrument shall be filed for recording among the Land Records of Baltimore City, Maryland, or in such other place of recording as may be appropriate at the time of the execution of such instrument.

Section 13.03. The size of the Property may be increased, from time to time, by the filing among the Land Records of Baltimore City of supplements to this Declaration signed by CCA and the Owner of the additional property described in such supplement, provided that such additional property is expressly subjected to the Restrictions imposed hereby. In addition, portions of the Property may be excluded from the operation of this Declaration as provided in Section 1.01(20), and the lien created by Article III hereof may be subordinated as provided in Section 3.05.

ARTICLE XIV MISCELLANEOUS

Section 14.01. Violation or breach of any provision herein contained shall give Declarant or CCA, to the extent that either of them have a right of enforcement thereover, their respective legal representatives, heirs, successors and assigns, in addition to all other remedies, the right to enter upon the land upon or as to which such violation or breach exists, and summarily to abate and remove, at the expense of the Owner thereof, any Structure, thing or condition that may be or exist thereon contrary to the intent and meaning of the provisions hereof; and the said parties shall not thereby be deemed guilty of any manner of trespass for such entry, abatement or removal. Nothing herein contained shall be deemed to affect or limit the rights of the Owners of the Units within the Property, when entitled to do so, to enforce this Declaration by appropriate judicial proceedings.

Section 14.02. The failure of Declarant, CCA, or the Owner of any Unit included in the Property, their respective legal representatives, heirs, successors and assigns, to enforce any provision herein contained shall in no event be considered a waiver of the right to do so thereafter, as to the same violation or breach or as to any violation or breach occurring prior or subsequent thereto.

Section 14.03. No provision herein is intended to be, or shall be construed as, a condition subsequent or as creating a possibility of reverter.

Section 14.04. The determination by a court that any provision hereof is invalid for any reason shall not affect the validity of any other provision hereof.

Section 14.05. Damages shall not be deemed adequate compensation for any breach or violation of any provision hereof, but any person or entity entitled to enforce any provision hereof shall be entitled to relief by way of injunction as well as any other available relief either at law or in equity.

Section 14.06. Any party to a proceeding who succeeds in enforcing a provision or enjoining the violation of a provision against a Lot Owner may be awarded a reasonable attorney's fee against such Lot Owner.

Section 14.07. Declarant, CCA and the Architectural Committee (the latter two entitled in those cases where specifically authorized herein to act), shall have the power to construe and interpret the provisions of this Declaration, and in the absence of an adjudication by a court of competent jurisdiction to the contrary, its construction or interpretation shall be final and binding as to all persons or property benefited or bound by the provisions hereof. Any conflict between any construction or interpretation herein provided for and that of any other person or entity entitled to enforce the provisions hereof shall be resolved in favor of the construction or interpretation of Declarant (or of CCA or of the Architectural Committee when acting as set forth above).

Section 14.08. The Architectural Committee may adopt and promulgate reasonable rules and regulations regarding the administration, interpretation and enforcement of the provisions of this Declaration to the extent of its express functions hereunder. CCA may adopt and promulgate such rules and regulations with respect to all other provisions of this Declaration. In so adopting and promulgating such rules and regulations, and in making any finding, determination, ruling or order or in carrying out any directive contained herein relating to the issuance of permits, authorizations, approvals, rules or regulations, CCA and the Architectural Committee shall take into consideration the best interests of the Owners and Tenants and of the Property to the end that the Property shall be preserved and maintained as a high quality community. In granting any permit, authorization, or approval, as herein provided, CCA and the Architectural Committee may impose any conditions or limitations thereon as they shall deem advisable under the circumstances of each case in light of the considerations set forth in this Section 14.08.

Section 14.09. The headings of the Articles herein are for convenience only and shall not affect the meanings or interpretation of the contents thereof.

Section 14.10. No violation of this Declaration shall defeat or render invalid the lien of any mortgage made in good faith and for value upon any portion of the Property; provided, however, that any mortgagee in actual possession, or any purchaser at any mortgagee's or foreclosure sale shall be bound by and subject to this Declaration as fully as any other Owner of any portion of the Property.

Section 14.11. Each grantee accepting a deed, lease or other instrument conveying any interest in any Unit, whether or not the same incorporates or refers to this Declaration, covenants for himself, his personal representatives, successors and assigns to observe, perform and be bound by this Declaration.

Section 14.12. Terminology herein relating to gender and number is employed for convenient expression and not for purposes of limiting the applicability of the provisions hereof. The use of the singular shall be taken to include the plural and the use of the masculine gender shall be taken to include all genders.

Section 14.13. No change of conditions or circumstances shall operate to extinguish, terminate, or modify any of the provisions of this Declaration.

Section 14.14. The determination by any court that any provision of this Declaration is unenforceable or void shall not affect the validity of any of the other provisions hereof.

Section 14.15. CCA shall be empowered to assign its rights hereunder to any successor non-profit membership corporation (hereinafter referred to as the "Successor Corporation") and, upon such assignment the Successor Corporation shall have all the rights and be subject to all the duties of CCA hereunder and shall be deemed to have agreed to be bound by all provisions hereof, to the same extent as if the Successor Corporation had been an original party instead of CCA and all references herein to the "Board" shall refer to the Board of Directors of such Successor Corporation. Any such assignment shall be accepted by the Successor Corporation under a written agreement pursuant to which the Successor Corporation expressly assumes all duties and obligations of CCA hereunder. If for any reason CCA shall cease to exist without having first assigned its rights hereunder to a Successor Corporation, the covenants, easements, charges and liens imposed hereunder shall nevertheless continue and any Owner may petition a court of competent jurisdiction to have a trustee appointed for the purpose of organizing a non-profit corporation and assigning the rights of CCA hereunder to such corporation with the same force and effect, and subject to the same conditions, as provided in this Section 14.15 with respect to an assignment and delegation by CCA to a Successor Corporation.

IN WITNESS WHEREOF, the parties hereto have set their hands and respective seals as of the day and year first above written.

ATTEST:

COLDSPRING COMMUNITY ASSOCIATION, INC.

John D. Newberry
Secretary

BY: Laura M. Merrill (SEAL)
President

COLDSPRING NEW TOWN CORPORATION

John P. Ryan
Secretary

BY: Laura M. Merrill (SEAL)
President

MAYOR AND CITY COUNCIL OF BALTIMORE

Laura M. Merrill
Deputy Treasurer

BY: M. J. Brodie (SEAL)
M. J. Brodie, Commissioner of
Housing & Community Development

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY: 7/18/78

APPROVED BY THE BOARD OF ESTIMATES

26 July 1978
Chief Solicitor

JUL 19 1978 Richard A. [Signature]
Date Clerk

Being page 18 of an Agreement and Declaration of Covenants, Easements,
Charges and Liens, Coldspring Community Association, Inc.

LIBER 3 6 7 3 PAGE 1 4 3

STATE OF MARYLAND, CITY OF BALTIMORE ss

I HEREBY CERTIFY, that on this 18th day of JULY, 1978,
the subscriber, a Notary Public of the State of Maryland in and for the City
of Baltimore aforesaid, personally appeared Lawrence H. Merrill, President of
Coldspring Community Association, Inc., who acknowledged the foregoing Agreement
and Declaration of Covenants, Easements, Charges and Liens to be the act of said
body corporate for the purposes therein recited, and that he is duly authorized
to execute said Agreement and Declaration of Covenants, Easements, Charges and
Liens and make this acknowledgment.

Jerome M. Katz
Notary Public

My Commission expires the 1st day
of July, 1982.

STATE OF MARYLAND, CITY OF BALTIMORE ss

I HEREBY CERTIFY, that on this 18th day of JULY, 1978,
the subscriber, a Notary Public of the State of Maryland in and for the City
of Baltimore aforesaid, personally appeared Irwin Silver, President of Coldspring
New Town Corporation, who acknowledged the foregoing Agreement and Declaration of
Covenants, Easements, Charges and Liens to be the act of said body corporate for
the purposes therein recited, and that he is duly authorized to execute said Agree-
ment and Declaration of Covenants, Easements, Charges and Liens and make this
acknowledgment.

Jerome M. Katz
Notary Public

My Commission expires the 1st day
of July, 1982.

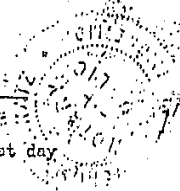
LIBER 3 6 7 3 PAGE 4 4

STATE OF MARYLAND, CITY OF BALTIMORE ss

I HEREBY CERTIFY, that on this 18TH day of JULY, 1978, the subscriber, a Notary Public of the State of Maryland in and for the City of Baltimore aforesaid, personally appeared M. J. Brodie, Commissioner of the Department of Housing and Community Development, who acknowledged the foregoing Agreement and Declaration of Covenants, Easements, Charges and Liens to be the act of said body corporate for the purposes therein recited, and that he is duly authorized to execute said Agreement and Declaration of Covenants, Easements, Charges and Liens and make this acknowledgment.

Jerome M. Katz
Notary Public

My Commission expires the 1st day of July, 1982.



0856*** 2464710 02-11-1978
0856*** 2464710 02-11-1978

REC'D FOR RECORD OCT 11 1978 5:52 PM. & RECORDED IN THE LAND RECORDS OF BALTIMORE CITY, LIBER R.H.B. 3673 PAGE 125 ROBERT H. BOUSE, CLERK

In the Circuit Court for Baltimore City

State of Maryland

City of Baltimore, Sct.

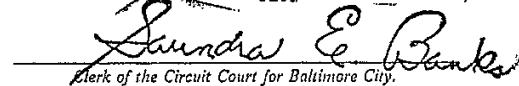
I, Sandra E. Banks, Clerk of the Circuit Court for Baltimore City, do hereby certify that the
aforegoing is a true copy of the original **GOLDSRING COMMUNITY ASSOCIATION , INC .**
AGREEMENT AND DECLARATION & C.
taken from the records of the said Circuit Court for Baltimore City as recorded in Liber **RHB**

No. **3673** Folio **125** one of the **LAND** Records of Baltimore City.

In Testimony Whereof, I hereto set my hand and

affix the seal of said Court, this **15 TH**

day of ~~1984~~ **MAY** A.D. 19 **84**


Clerk of the Circuit Court for Baltimore City.

This Certificate is not authentic unless
the Seal of the Circuit Court for Balt-
more City is originally impressed here.

Coldspring Stage 1A

Declaration-CC&Rs Amendments



LEASE

THIS LEASE, made this JUL 19 1978 day of JULY, 1978, by and between the MAYOR AND CITY COUNCIL OF BALTIMORE, a municipal corporation of the State of Maryland (hereinafter City) acting by and through the DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT (hereinafter Department) and COLDSRING COMMUNITY ASSOCIATION, INC., a Maryland non-stock corporation (hereinafter Tenant), witnesseth:

RECITALS

1. City has heretofore conveyed a certain lot of ground and premises known as Stage 1A Coldspring to Coldspring New Town Corporation (hereinafter Developer) as is more particularly described in a Deed of even date herewith, recorded or intended to be recorded among the Land Records of Baltimore City prior hereto.

2. Developer thereafter reconveyed a portion of the whole parcel known as Stage 1A Coldspring to City, by Deed recorded or intended to be recorded prior hereto among the Land Records aforesaid.

3. Developer has created a condominium regime on the portion of Stage 1A retained by it, called Coldspring 1A Condominium (hereinafter The Condominium).

4. Developer, City, and Tenant have entered into an Agreement and Declaration of Covenants, Easements, Charges and Liens, recorded or intended to be recorded prior hereto among the Land Records aforesaid.

5. It was the intention of all parties that that parcel of land reconveyed to City as described in Recital #2 above be leased to Tenant upon certain terms and conditions.

NOW, THEREFORE, City hereby leases and demises to Tenant all that tract or parcel of ground and improvements now existing and/or hereafter to be constructed thereon, and the rights, alleys, ways, waters, privileges, appurtenances and advantages thereunto belonging or in any wise appertaining, being situate in Baltimore

PER TAX NOT REQUIRED
CHARLES W. BAYON
PRESIDENT OF BALTIMORE
CITY
AUTHORIZED SIGNATURE

39163

4756

City, State of Maryland, and more particularly conveyed in a Deed of even date herewith from Developer to City, being a portion of Stage 1A Coldspring, recorded or intended to be recorded among the Land Records aforesaid prior hereto and by reference made a part hereof, and hereinafter referred to as "the Leased Premises".

ARTICLE I - RECITALS. The recitals form a part of this Lease.

ARTICLE II - TERM OF LEASE AND RENTAL.

A. The term of this Lease shall be for a period of 98 years beginning on July 19 1978 and ending on the 18 day of July , 2076.

B. Tenant covenants and agrees to pay as basic rental for the Leased Premises the sum of \$1.00 per annum if demanded by City.

C. The obligation of Tenant to maintain, repair, and improve the Leased Premises as hereinafter expressed in Article III shall form a portion of the rental.

ARTICLE III - THE MAINTENANCE, REPAIR, ALTERATION AND IMPROVEMENT OF LEASED PREMISES.

A. Tenant covenants and agrees that it will maintain the Leased Premises in a good and orderly condition to the reasonable satisfaction of City. If such maintenance shall be performed by a company or companies employed by Tenant, such company or companies shall be approved by Department from time to time which approval shall not be unreasonably withheld.

B. Any replacements, alterations, and/or improvements to the Leased Premises shall be made by Tenant when and if necessary, in City's sole discretion, reasonably exercised, at tenant's sole cost. Any plans for such alterations, additions or improvements shall be submitted to Department for review and approval and shall be in conformity with all standards, laws, rules and regulations imposed by City within the reasonable exercise of its powers taking into account,

1. The overall design and function of the Leased Premises;
2. Such easements for public travel or use as are hereinafter expressed and reserved.

ARTICLE IV - PAYMENT OF TAXES AND CHARGES.

A. Should any tax or charge now or hereafter be imposed upon either this lease or the leased premises Tenant shall pay the same promptly when due and shall submit receipts evidencing such payment to Department. Taxes in this context shall include, but not be limited to, transfer and/or recordation taxes on this document; real estate taxes on the Leased Premises; charges for water, sewer or other municipal services; any other taxes or charges imposed by any governmental authority, agency, or instrumentality which has the power to impose taxes or charges upon either the lease document or the Leased Premises.

B. While this Lease is in effect, City designates Tenant as its agent for filing of any protests, suits at law or in equity or before administrative tribunals for the purpose of protesting any or all of the taxes or charges now or hereafter imposed.

C. Tenant shall pay all utility charges arising out of or incident to its operation, maintenance and control of the leased premises.

ARTICLE V - USE OF LEASED PREMISES.

A. Tenant shall use the Leased Premises, and any additions or alterations thereto, or substitutions therefor, in furtherance of its corporate purposes in connection with the development of Coldspring, as that area is set forth in an Urban Renewal Plan established by City by Ordinance No. 242 approved January 2, 1973, as amended.

ARTICLE VI - RESERVATION FOR PUBLIC USE.

Notwithstanding any provisions of this Lease or any documents involved in the establishment of the Coldspring condominium regime which are recorded or were intended to be recorded among the Land Records aforesaid prior hereto, or subsequently hereto, City

specifically reserves,

A. An easement for public travel over and across all "decks" constructed on the Leased Premises, as shown on Sheet 1 of 8 of the Plat of The Condominium recorded among the Plat Records of Baltimore City prior hereto.

B. An easement for public travel on, over and across a portion of Strawflower Lane for the distance of 15' east and west of the center line thereof, said Strawflower Lane being shown on Sheet No. 1 of the plat of The Condominium.

C. An easement for police and emergency vehicles to, through and under decks No. 1-6 as those areas are shown in Sheets No. 2-7 of the condominium plat aforesaid, including, without limitation, the right of ingress and egress thereto.

D. An easement for police and emergency vehicles on, over and across a certain paved area located on the western boundary of the Leased Premises, as shown on Sheet No. 1 of the Plat of The Condominium.

ARTICLE VII - INDEMNIFICATION.

Tenant agrees to indemnify and save City harmless from and against any and all claims, demands, suits at law or in equity or before administrative tribunals arising out of Tenant's negligence. Tenant further agrees to defend any claims against City at Tenant's sole cost and expense. This indemnification shall be applicable to all parts of the Leased Premises whether the same are impressed with easements for public use or travel or not, and whether policies of insurance have been secured by Tenant, or not.

ARTICLE VIII - NO RIGHT TO ENCUMBER; SATISFICATION OF LIENS AND JUDGMENTS; ATTORNMENT.

A. Tenant shall have no right to encumber its leasehold interest in the Leased Premises without the prior written consent to City.

B. City shall have the right to encumber the reversionary interest herein subject to the legal operation and effect of this lease. Upon demand by City, Tenant shall attorn to any mortgagee, pledgee, bondholder(s), trustee for bondholder(s), or other entity

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having the power and authority to accept the reversionary interest in the Leased Premises as security for loans or grants or gifts of any kind or nature whatsoever, and Tenant shall execute any and all documents necessary and appropriate to effect such attornment.

C. Lessee shall promptly discharge any and all liens, or judgments which may constitute liens, against the property. If tenant shall not so discharge liens and judgments or bond against them in compliance with applicable law within 30 days of the date that such liens are imposed or judgments secured, then and in that event City may, in its sole discretion declare such circumstance to be an event of default hereunder.

ARTICLE IX - INSURANCE.

Tenant, at Tenant's sole expense, shall obtain policies of insurance as follows:

A. All risk insurance to the maximum insurable value of the leased premises as determined by normal casualty underwriting standards from time to time. The term "all risk" shall include, but not be limited to, fire, earthquake, flood, nuclear explosion, acts of God, and acts of war, to the extent that such risks are now or may in the future be insured by private or governmental or quasi-governmental companies or agencies or instrumentalities.

B. Property damage in the amount of \$50,000.00 per occurrence.

C. Public liability insurance in the amount of \$1,000,000.00 per person and \$3,000,000.00 per occurrence.

All such policies shall be endorsed in favor of City and placed with companies reasonably acceptable to City. All such policies shall be reviewed annually by City, and in the event of inflation, the policy limits may at the sole discretion of City be raised in accordance with the Consumer Price Index. In the event that the United States of America or its agencies or departments shall at any time cease to issue a Consumer Price Index then and in that event, the adjustment shall be based upon whatever index shall be issued in the place and stead thereof.

In the event that more than one index is issued taking into account substantially the same factors as were used for the basis of the Consumer Price Index, then and in that event, the highest of said substituted indexes shall be used.

Premiums for insurance shall be paid when due and Tenant shall supply, annually, receipted bills for the same as well as a copy of such policies endorsed as above set forth. Copies of policies and receipts therefore shall be delivered to Department.

Every policy so issued shall be non-cancellable in form except upon 30 days prior written notice to City.

ARTICLE X - ASSIGNABILITY; SUBLEASE.

A. Tenant shall have the right to assign this Lease only with the prior written consent of City.

B. Tenant may sublet the Leased Premises to the Council of Unit Owners of The Condominium as therein defined upon the same terms and conditions as are contained in this Lease. No other subletting shall be permitted except upon the prior written consent of City. In any sublease, Tenant herein shall remain principally liable for performance of the covenants and conditions recited in this Lease.

ARTICLE XI - TERMINATION OF LEASE UPON THE OCCURRENCE OF CERTAIN EVENTS.

City shall have the right to terminate this Lease unilaterally upon the occurrence of any of the following conditions:

A. Forfeiture of Tenant's corporate charter; or dissolution, voluntary or involuntary of Tenant corporation; or voluntary or involuntary appointment of a Trustee or Receiver for the assets of the corporation.

B. If Tenant defaults in the performance of any obligation on its part hereunder for the payment of money and such default remains uncured for more than 10 days after written notice of such default from City to Tenant; or if Tenant defaults in the performance of any other obligations on its part under this Lease and such default is not cured by Tenant within 30 days after written notice of such default from City to Tenant, except that if such default is not reasonably susceptible of being cured within 30 days, then if Tenant fails to commence to cure such default within said

30 days or thereafter fails to pursue the cure thereof diligently and expeditiously.

ARTICLE XII - RIGHT OF CITY TO PERFORM.

A. Upon the failure of Tenant to perform any or all of the covenants or obligations imposed upon Tenant, City may, at its sole election, so perform, but City shall not have any obligation to perform.

B. In the event that City does perform any covenant or condition imposed upon Tenant, the cost of such performance shall constitute a lien against The Condominium, and shall have priority over any and all mortgages encumbering or affecting individual units in The Condominium. Said liens shall have equal footing with City real estate taxes and all remedies available to City for satisfaction of real estate taxes may be used to satisfy the liens arising under this section, as well as any and all other rights and remedies City may have at law or in equity for the satisfaction of the same.

ARTICLE XIII - RIGHT OF REENTRY AND POSSESSION.

Notwithstanding any provision of this Lease to the contrary, City may, upon failure of Tenant to perform any covenant or condition by Tenant within the time periods allowed herein, reenter the leased premises and take possession thereof until such time as the default or other failure by Tenant is cured. Such reentry shall not act as a bar to City's other remedies herein but is in addition to the same.

ARTICLE XIV - DUTY TO IMPOSE LEVIES.

Tenant hereby covenants and warrants:

A. That its corporate charter, by-laws and Declaration permit the imposition of sufficient levies or charges against its owners as defined in the Declaration to satisfy the financial requirements of Tenant under this Lease; and

B. That Tenant will impose adequate charges and levies upon its members to satisfy the financial requirements imposed upon Tenant under this Lease, if such financial requirements are not satisfied by a permitted assignee or sublessee.

ARTICLE XV - NON-MERGER.

In the event that Tenant shall acquire the fee simple or lesser estate in any Condominium unit or the entire Condominium

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such acquisition shall not act as, or be construed as, a merger of the ownership interest in such unit or The Condominium and the leasehold interest herein established. Tenant shall hold each interest in separate estate.

ARTICLE XVI - NO OFFER OF DEDICATION.

The designation of all streets, alleys and ways in this Lease is for the purpose of description only and does not constitute an offer of dedication or any acceptance of dedication. The long continued use by the public of those areas reserved for public travel or use shall not in and of itself constitute an offer of dedication or a completed act of dedication of the areas so used. Such travel, use, and occupation by the public is a permitted use only, notwithstanding the fact that City is a municipal corporation existing under the laws of the State of Maryland.

ARTICLE XVII - COMMERCIAL LEASE.

This Lease shall be construed as a commercial lease under the applicable provisions of law, and Tenant shall have no right of redemption of the reversionary interest therein.

ARTICLE XVIII - LOSS BY FIRE, CASUALTY, OR FORCE MAJEURE.

A. Total or Partial Loss.

1. To the extent that there is a casualty to all or a portion of the Leased Premises for which insurance has been obtained under Article IX hereof, City shall use the proceeds of such insurance to rebuild the Leased Premises. City shall, however, be under no obligation to expend monies other than the receipts of such insurance policies, and to the extent that such funds are inadequate to repair or rebuild the Leased Premises, Tenant shall contribute the difference between cost of repair or rebuilding as above and funds available. Said obligation of Tenant to contribute shall, however, be limited to the amount received by Tenant expressly for such purpose from an assignee or sublessee of Tenant, and shall not be payable from annual charges or other general funds of Tenant.

2. Should Tenant not contribute the difference in cost from funds derived as set forth in No. 1 above, City may, at its sole election, terminate this Lease and declare the same null, void and

of no effect.

3. If (i) any deck or decks included in the Leased Premises shall be damaged by casualty and (ii) if there shall not be sufficient insurance proceeds to fully repair or rebuild the same and (iii) either there are no habitable dwelling units abutting said deck(s), or there are habitable dwelling units abutting said deck(s) and all owners and mortgagees of said units consent to abandonment of said deck(s), then this Lease shall terminate as to said deck(s), there shall be no obligation on City or Tenant to repair or rebuild said deck(s); and the proceeds of insurance allocable to the deck(s) not repaired or rebuilt shall be the sole property of City.

4. In the event that there is a casualty to the property which is not insured against, parties shall use their best efforts to arrive at an amicable allocation of cost to repair or restore the portion of the Leased Premises so affected. If parties are unable to agree upon such an allocation, City may, in its sole discretion, terminate this Lease and declare the same null, void and of no effect.

B. Waiver.

Tenant hereby expressly waives any right or privilege now granted or

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created under the provisions of any of the real property laws of the State of Maryland or any similar law, rule or regulation now or hereafter in effect relating to the damage or destruction of the Leased Premises from any cause and agrees that the foregoing provisions of this Article shall govern in lieu thereof.

ARTICLE XIX - CONDEMNATION.

A. If the entire Leased Premises shall be taken (either temporarily or permanently) or condemned for public purposes or in the event Lessor shall convey or lease the Leased Premises to any public authority in settlement of a threat of condemnation or taking, this Lease shall thereupon terminate. If only a portion of the Leased Premises shall be so taken or condemned and as a result of such partial taking Tenant is not in its judgment reasonably able to use the remainder of the Leased Premises for the purposes intended hereunder, then this Lease shall terminate, the same as if the entire Leased Premises had been taken or condemned. In the event of termination hereunder, Tenant shall have no claim against City, and Tenant shall not be entitled to any portion of any amount that may be awarded as damages or paid as a result, or in settlement, of such proceedings.

B. If, following a partial taking, Tenant is, in its judgment reasonably able to use the remainder of the Leased Premises for the purposes intended hereunder, then this Lease shall not terminate but the Tenant shall promptly repair any damage caused by any such taking or condemnation at its sole cost and expense. In such event there shall be paid over or credited to Tenant from time to time by City, from the net award or payment for such taking and from no other source, such amounts as shall be necessary to reimburse Tenant for the entire cost of any repairs and restorations required to be made to the Leased Premises in connection with such taking. Such amounts shall be paid over when received by City against the receipt of a certificate signed by Tenant, which certificate shall specify, in reasonable detail, the items of such cost to be reimbursed, and shall certify that Tenant is not in default under this Lease to the best of its

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knowledge and belief and shall state that all conditions of this Lease relating to such reimbursement have been fulfilled. If the cost of such repairs shall exceed such net award or payment, the deficiency shall be paid by Tenant..

ARTICLE XX - COMPLIANCE WITH LAW.

Tenant shall at its sole cost and expense comply with all uniformly applicable Federal, State, county, municipal and other statutes, charters, laws, rules, orders, regulations, resolutions and ordinances affecting the Leased Premises and the occupancy, operation or use thereof, whether or not any such statutes, charters, laws, rules, orders, regulations, resolutions and ordinances which may be hereafter enacted involve a change of policy on the part of the governmental body enacting the same. Tenant shall comply with the requirements of all policies of public liability, fire and other insurance at any time in force with respect to the Leased Premises.

ARTICLE XXI - ADDITIONAL RIGHTS OF CITY.

No right or remedy herein conferred upon or reserved to City or Tenant is intended to be exclusive of any other right or remedy, and each and every right and remedy shall be cumulative and in addition to any other right or remedy hereunder, or now or hereafter existing at law or in equity or by statute. The failure of City or Tenant to insist at any time upon the strict performance of any of the covenants or agreements or to exercise any option, right, power or remedy contained in this Lease shall not be construed as a waiver or a relinquishment thereof for the future. The receipt by City of any rent with knowledge of the breach of any covenant or agreement contained in this Lease shall not be deemed a waiver of such breach, and no waiver by City or Tenant of any provision of this Lease shall be deemed to have been made unless expressed in writing and signed by City or Tenant, respectively. In addition to the other remedies provided in this Lease, City shall be entitled to injunctive relief in case of the violation, or attempted or threatened violation, of any of the covenants, agreements, conditions or provisions of this

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Lease or to any other remedy allowed to Lessor at Law or in equity.

If Tenant shall be in default in the performance of any of its obligations under this Lease, and an action shall be brought for the enforcement thereof in which it shall be determined that Tenant was in default, Tenant shall pay to City all the expenses incurred in connection therewith including reasonable attorneys' fees.

If City shall without fault on its part be made a party to any litigation commenced against Tenant and if Tenant shall fail to provide City with legal counsel approved by City (such approval not to be unreasonably withheld or delayed), Tenant shall pay all costs and reasonable attorneys' fees incurred or paid by City in connection with such litigation.

ARTICLE XXII - NOTICES, DEMANDS AND OTHER INSTRUMENTS.

All notices, demands, requests, consents, approvals, undertakings and other instruments required or permitted to be given pursuant to the terms hereof shall be in writing and shall be deemed to have been properly given if sent by registered or certified United States mail, postage prepaid, addressed to such party at its address as is hereinafter designated in writing. Parties shall have the right from time to time to change the identity and address of those persons to whom notices shall be sent as recited in this paragraph, upon five (5) days' prior written notice, and provided such new address is within the United States.

CITY: Commissioner, Department of Housing
and Community Development
222 E. Saratoga Street
Baltimore, Maryland 21202
Copy to: City Solicitor
City Hall, First Floor
Baltimore, Maryland 21202
&
Charles L. Benton &
Lawrence B. Daley, Trustees
City Hall, Fourth Floor
Baltimore, Maryland 21202

TENANT: Coldspring Community Association, Inc.
c/o Lawrence H. Merrill
222 E. Saratoga Street
Baltimore, Maryland 21202

OTHERS: David H. Fishman, Esquire
Garrett Building
Baltimore, Maryland 21202

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Coldspring New Town Corporation
c/o Irwin Silver
One Landmark Square
Stamford, Connecticut 06901

ARTICLE XXIII - BINDING EFFECT.

All of the covenants, conditions and obligations herein contained shall be binding upon and inure to the benefit of the respective successors and assigns of the parties hereto to the same extent as if each such successor and assign were in each case named as a party to this Lease. This Lease may not be changed, modified or discharged except by a writing signed by City and Tenant.

ARTICLE XXIV - CONDITIONS AND COVENANTS.

A. Tenant covenants that it will comply with all terms and conditions of this Lease.

B. City covenants that it will comply with all of the terms and conditions of this Lease, and if Tenant shall perform all of its obligations hereunder, City will not interfere with the peaceful and quiet occupation and enjoyment of the Leased Premises by Tenant, which occupation and enjoyment shall be without hindrance, ejection or molestation by City or anyone claiming by, through or under City.

C. Except as otherwise expressly provided herein, this Lease shall not terminate, nor shall Tenant have any right to terminate this Lease, nor shall the obligations hereunder of Tenant be otherwise affected, by reason of any damage to or the destruction of all or any part of the Leased Premises from whatever cause, or the taking of the Leased Premises or any portion thereof by condemnation or otherwise, it being the intention of the parties hereto that the obligations of Tenant shall be absolute and unconditional and shall continue unaffected, unless the requirement to pay or perform the same shall be terminated pursuant to an express provision of this Lease.

D. This Lease shall be recorded among the Land Records of Baltimore City and all costs attendant thereto shall be borne by Tenant.

E. Tenant shall furnish to City, at Tenant's cost and expense, an annual audited statement prepared in accordance with generally accepted accounting principles by certified public accountants, which statement shall include a balance sheet as of the end of such fiscal year and an income and expense statement. Said statement shall be furnished within one hundred fifty (150) days after the close of each fiscal year.

As Witness the signatures of the duly authorized officers or agents of the parties hereto.

ATTEST: As to Coldspring Community Association, Inc.

MAYOR AND CITY COUNCIL OF BALTIMORE

John A. McCauley
JOHN A. McCAULEY

BY: M. J. Brodie
M. J. BRODIE, Commissioner,
Department of Housing and
Community Development

ATTEST: As to Mayor & City Council of Baltimore

COLDSRING COMMUNITY ASSOCIATION, INC.

Lawrence B. Daley
LAWRENCE B. DALEY

BY: Lawrence A. Keenan (SEAL)
President

STATE OF MARYLAND, CITY OF BALTIMORE ss

I HEREBY CERTIFY, that on this 18th day of JULY, 1978, the subscriber, a Notary Public of the State of Maryland in and for the City of Baltimore aforesaid, personally appeared M. J. BRODIE, Commissioner of the Department of Housing and Community Development of Baltimore City, who acknowledged the foregoing Lease to be the act of the Mayor and City Council of Baltimore for the purposes therein recited, and that he is duly authorized to execute said Lease and make this acknowledgment.



Jerome M. Katz
Notary Public

My Commission expires the 1st day of July, 1982.

STATE OF MARYLAND, CITY OF BALTIMORE ss

I HEREBY CERTIFY, that on this 18th day of JULY, 1978, the subscriber, a Notary Public of the State of Maryland in and for the City of Baltimore aforesaid, personally appeared LOWENKOPF H. Moxon, President of Coldspring Community Association, Inc., who acknowledged the foregoing Lease to be the act of said body corporate for the purposes therein recited, and that he is duly authorized to execute said Lease and make this acknowledgment.



Jerome M. Katz
Notary Public

My Commission expires the 1st day of July, 1982.

Approved as to form and legal sufficiency this 18 day of July, 1978.

Benjamin L. Brown
BENJAMIN L. BROWN
City Solicitor

William Hoffman
WILLIAM HOFFMAN
Chief Solicitor

APPROVED BY THE BOARD OF ESTIMATES
JUL 19 1978 Richard G. Kelly
Date Clerk

0014**** 20944942 07-11-1978
0014**** 24647602 07-11-1978

Being page 15 of a Lease from City to Coldspring Community Association, Inc. - Stage 1A, Coldspring.

REC'D FOR RECORD OCT 11 1978 5:57 P.M. & RECORDED IN THE LAND RECORDS OF BALTIMORE CITY, LIBER R.H.B. 3673 PAGE 210 ROBERT H. BOUSE, CLERK

059;DHF:10
7/19/78

LIBER 3673 PAGE 225

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SUBLEASE

THIS SUBLEASE, made this 19 day of July, 1978, by and between COLDSRING COMMUNITY ASSOCIATION, INC., a Maryland non-stock corporation (hereinafter "CCA") and the COUNCIL OF UNIT OWNERS OF COLDSRING NORTH CONDOMINIUM, an unincorporated entity (hereinafter "Tenant") witnesseth:

RECITALS

- 4756
1. CCA is the lessee of a certain lot of ground and improvements thereon more fully described in a Lease of even date from the Mayor and City Council of Baltimore (hereinafter "City") to CCA.
LOT
 2. Said Lease permits CCA to sublet the premises to Tenant.
 3. Tenant, under the terms and conditions of the Coldspring North Condominium Declaration (the "Condominium"), is the governing body of the Condominium.

NOW, THEREFORE, CCA hereby subleases and demises to Tenant all that tract or parcel of ground and improvements described in the Lease aforesaid upon the following terms and conditions:

A. RECITALS. The recitals form a part of this Sublease.

B. ASSUMPTION OF DUTIES AND OBLIGATIONS.

Tenant agrees and covenants to acquit faithfully all of the duties and obligations imposed upon CCA by the Lease aforesaid, as if Tenant were the original lessee thereunder.

C. INDEMNIFICATION.

Tenant agrees to save CCA harmless from and against any and all claims, demands, suits at law or in equity or before administrative tribunals arising out of Tenant's negligence. Tenant further agrees to defend any claims against CCA relating to the Lease at Tenant's sole cost and expense. This indemnification shall be applicable to all parts of the Leased Premises whether the same are impressed with easements for public use or travel or not, and whether policies of insurance have been secured by Tenant, or not, but this provision shall not entitle an insurer of CCA to subrogation rights against Tenant.

D. NO RIGHT TO ASSIGN OR SUB-SUBLET.

Tenant shall have no right to assign this Lease or sub-sublet the demised premises without the prior written consent of CCA and City.

059: DHP: 10
7/19/78

As Witness the signatures of the duly authorized officers or agents of the parties hereto.

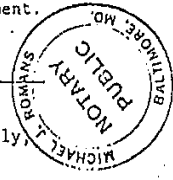
ATTEST: David Johnson By: Lawrence H Merrill (SEAL)
COLDSRING COMMUNITY ASSOCIATION, INC. President

WITNESS: David Johnson By: Robin Silver, Pres.
COUNCIL OF UNIT OWNERS OF COLDSRING Agent
By Coldspring New Town Corporation

STATE OF MARYLAND, CITY OF BALTIMORE; ss:

I HEREBY CERTIFY, that on this 25 day of July, 1978, before me, the subscriber, a Notary Public of the State of Maryland, personally appeared LAWRENCE H MERRILL, President of Coldspring Community Association, Inc., who acknowledged the foregoing Lease to be the act of the Coldspring Community Association, Inc. for the purposes therein recited, and that he is duly authorized to execute said Lease and make this acknowledgement.

Michael J Roman
NOTARY PUBLIC



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008***** 22744942 02-11 130

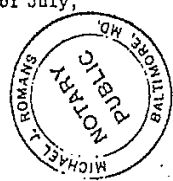
My Commission expires the 1st day of July, 1982.

STATE OF MARYLAND, CITY OF BALTIMORE; ss:

I HEREBY CERTIFY, that on this 25 day of July, 1978, before me, the subscriber, a Notary Public of the State of Maryland, personally appeared Robin Silver, President of Coldspring*, Agent of the Council of Unit Owners of Coldspring North Condominium, who acknowledged the foregoing Lease to be the act of said Council for the purposes therein recited, and that he is duly authorized to execute said Lease and make this acknowledgement.

* New Town Corporation,

Michael J Roman
NOTARY PUBLIC MICHAEL J. ROMANS



My Commission expires the 1st day of July, 1982.

REC'D FOR RECORD OCT 11 1978 158PH
& RECORDED IN THE LAND RECORDS OF
BALTIMORE CITY, LIBER R.R.B. 3673
PAGE 225 ROBERT M. BOUSE, CLERK

Coldspring Stage 1A

Resolutions & Policies



ADOPTING A COLLECTION POLICY Adopted February 4, 2003

The following resolution has been adopted by the Board of Directors on behalf of Coldspring Stage 1A Condominium (hereinafter the "Association") during a regular meeting of the Board of Directors:

RECITALS: 1. The Association must have the financial ability to discharge its responsibilities. 2. The Board of Directors is required to pursue collection of assessments and other charges from delinquent owners. 3. The Board of Directors of the Association desires to adopt a uniform, non-discriminating and systematic procedure to collect assessments and other charges of the Association. 4. Article VII of the Bylaws and the amendment to the Bylaws (hereinafter individually and collectively referred to as the "Bylaws") refers to the Associations' rights and procedures for levying and collecting assessments.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors on behalf of the ASSOCIATION does hereby adopt the following procedures and policies for the collection of assessments and other charges of the Association:

1. **Due Dates.** The annual assessment as determined by the Board of Directors and as allowed for in the Declaration, and the Bylaws shall be due and payable in equal monthly installments on the first (1st) day of each month (section 7.2.5 of the Bylaws). Assessments or other charges not paid to the Association by the 15th day of the month in which they are due, shall be considered past due and delinquent.
2. **Late Charges.** An assessment shall be past due and delinquent if not paid by the fifteenth (15th) day of the month in which it is due. Pursuant to Maryland Law, The Association shall impose a late fee of \$15.00 OR 10% of the outstanding or past due balance, whichever is greater. Said late charge shall be added to the owner's account and shall be due and payable immediately, without any notice.
3. **Interest.** The Association shall impose interest at the rate of twelve percent (12 %) per annum on any unpaid balance which is more than fifteen (15) days past due. The interest shall be added to the owner's account and shall be due and payable immediately, without notice.
4. **Return Check Charges.** A twenty-five dollar (\$25) fee shall be assessed to an Owner's account in the event any check or other instrument attributable to, or payable for, the benefit of such Owner is not honored by the bank or is returned by the bank for any reason whatsoever, including but not limited to, insufficient funds in the owner's account upon which the check is drawn. This returned check charge shall be added to the owner's account and shall be due and payable immediately, without notice. Notwithstanding this provision, the Association shall be entitled to all additional remedies as may be provided by applicable law. If two or more of a unit owner's checks are returned unpaid by the bank within any twelve (12) month period, the Association may require that all of the unit owner's future

payments, for a period of one year, be made by certified check or money order.

5. Attorney's Fees and Collection Costs. As an additional expense permitted under the Declaration, Bylaws and Maryland law, the Association shall be entitled to recover its attorney's fees and collection costs incurred in the collection of assessments or other charges due the Association from a delinquent owner. The attorney's fees and collection costs incurred by the Association shall be due and payable immediately when incurred.
6. Application for payments made to the Association. Payments received from an owner will be credited in the following order: 1) charges for legal fees; 2) court costs and other costs of collection; 3) accrued interest; 4) late fees; and 5) the monthly assessment for a unit, including any special assessment due. The Association will maintain a separate accounting for items 1) through 4) above as required by Maryland law.
7. Collection Letters. After an assessment or other charge due the Association becomes fifteen (15) days past due, the Association may cause, but shall not be required to send, a "late notice" to the unit owner. If payment in full is not received within thirty (30) days, the Association may, but shall not be required to, send a "Notice of Intention to Refer Account to the Attorney" to the unit owner. The Association shall simultaneously send a copy of the notice to the mortgage lender of the unit if the mortgagee has requested to receive this information.
8. Referral of Delinquent Accounts to Attorneys. Once an account becomes more than eighty-one (81) days, past due, the Association shall refer the delinquent owner's account to its attorneys for collection. Upon referral to the attorneys, the attorneys shall take all appropriate action to collect the amount due.
9. Liens. A Notice of Intent to Create a Lien shall be forwarded to the delinquent owner. The Notice of Intent to Create a Lien will inform the delinquent owner of the amount of the outstanding balance, including all past due assessments, late fees, interest, costs of collection and attorney's fees. The Notice of Intent to Create a Lien will conform with the requirements of the Maryland Contract Lien Act and all other applicable laws. The Notice of Intent to Create a Lien will be personally served upon the owner by private process. If the process server is unable to serve the owner, then the process server shall post the Notice of Intent to Create a Lien in a conspicuous manner upon the owner's lot and shall mail a copy of said Notice to the owner's last known address.

Once a delinquent owner has been served with the Notice of Intent to Create a Lien, the delinquent owner must, within thirty (30) days of service of the Notice of Intent to Create a Lien, either forward payment in full or file a complaint in the Circuit Court for Baltimore City to determine whether probable cause exists for the Association to file a lien against the delinquent owner's property. If the delinquent owner does not forward full payment or file a complaint, the Association will file a lien against the delinquent owner's property after the thirty (30) day period has expired.

Once a lien has been filed, the Association's attorney will proceed with further legal action including, but not limited to, foreclosing on the owner's property, or filing a lawsuit, or both, against the owner. A Suit/Foreclosure Warning Letter will be forwarded to the delinquent owner by means of first class mail to the owner's address on the Association's books. The Suit/Foreclosure Warning Letter will inform the delinquent owner of the outstanding balance, including all past due assessments, interest, late fees, costs of collection and attorney's fees. Once a Suit/Foreclosure Warning Letter has been mailed, the delinquent owner must, within ten (10) days of the date of the Suit/Foreclosure Warning Letter, forward payment in full to the Association's attorney. If payment is not received within ten (10) days, the Association's attorney will proceed with further legal action including, but not limited to, filing a lawsuit against the owner in order to collect the owner's past due assessments, late fee, interest, costs of collection and attorney's fees.

10. Collection Procedures and Time Frame. The following time frame shall be used in the collection of installments of the assessment and other charges:
 - Due date (date payment is due) 1st of month
 - Past due date (date payment is late) 15th of the month (15 days after due date)
 - Late charge imposed and interest charges begin 15th of the month in which assessment was due (15 days after due date)
 - "Late Notice" mailed imposing late fees, interest, etc. no later than 20th of the month in which the assessment was due (21 days after due date)
 - "Notice of Intention to Refer Account to Attorney" mailed 30 days from the date of the late notice (51 days after due date)
 - Account referred to attorney for legal action - 30 days from the date of the "Notice of Intention to Refer Account to Attorney" (81 days after due date)
 - Attorney sends Notice of Intent to Create a Lien to the owner within 10 days of the date referral was received (91 days after due date).
 - If the owner fails to respond to the attorney, a lien is filed against the property and, if appropriate, a lawsuit is filed against the owner (approximately 121 days after due date).
11. The Association may grant a waiver of any provision herein upon petition in writing by an owner showing a personal hardship. Such relief granted an owner shall be appropriately documented in the files with the name of the person or persons representing the Association granting the relief and the conditions of the relief. All such requests must be submitted through the attorney once the account has been referred to them
12. Notification to Owners. The Association shall cause all owners to be notified of this Resolution. This policy shall become effective on April 1, 2003.

Collection Guidelines
For Coldspring Community Association, Inc.

The Coldspring Community Association, Inc., by its Board of Directors, adopts the following Guidelines for collection of dues and other fees not timely paid by Unit Owners or other persons or entities who or which may be required to makes payment of dues or fees to the Association.

1. These Guidelines are solely for the guidance of the Board, any management company retained by the Association, any collection agency or law firm retained by the Association, the Unit Owners of the Association, and other persons or entities who or which may be required to makes payment of dues or other fees to the Association. The rights of all parties are controlled by contracts among them, state and federal statutes, the Coldspring Community Association Declaration, Articles and Amended Articles of Incorporation, By-Laws and Revised By-Laws, and other sources. These Guidelines do not give rise to any additional or substitute rights in any party, and may be complied with or not complied with, or amended at any time without notice to any party, without violating, affecting, enlarging or abridging any party's legal rights. These Guidelines are not intended to be comprehensive, and may not apply in all situations.
2. Dues and fees bills are regularly sent out by or on behalf of the Association. All payments so billed are to be paid within 30 days of mailing. Any bill not paid within 30 days shall be deemed delinquent. A Management Company retained by the Association ("the Management Company"), if any, promptly upon a bill reaching delinquent status, send a letter by certified mail to the Unit Owner or other billed party advising that the bill will be turned over to a collection agency and/or law firm (collectively "Collection Agency") 15 days after the bill became delinquent. Until the bill is sent to a Collection Agency, payment should be made to the Management Company.
3. If a delinquent bill remains unpaid 90 days after being sent to the Unit Owner or other billed party and is turned over to a collection agency, the Unit Owner or other billed party will become liable to reimburse the Association in full for all late fees, administrative costs, interest charged by the Association, any pre- and post-judgment interest, court costs, and agency and/or legal services.
4. Any Collection Agency retained by the Association shall be responsible for maintaining a running total of the dues and fees and other charges owed by each delinquent Unit Owner or other billed party and shall promptly upon request by the Unit Owner or other billed party supply the latter with the amount that will enable the latter to make a full payoff of the latter's outstanding obligation.
5. The Unit Owner or other billed party will have five business days after receiving a

payoff total to tender full payment, which must be made to the Collection Agency. Such payment must be tendered in the form of a certified or cashier's check or money order, payable to the Coldspring Community Association, Inc.

6. The Management Company shall prepare a report for each meeting of the Board of Directors listing each delinquency and the status of each. The Board shall determine with each individual delinquency whether and when to submit the delinquent account to a Collection Agency for collection.
7. For each account turned over to a Collection Agency, the Agency shall be responsible to provide a monthly report to the Board. The Board will in its sole discretion determine: a) whether to pursue litigation and/or foreclosure; b) whether to enter into a payment arrangement with the affected Unit Owner or other billed party; and c) whether to waive any sums owing to the Association.
8. These guidelines will be reviewed every two years to determine their effectiveness and efficiency.

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Coldspring Stage 1A

Rules & Regulations



COLDSPRING STAGE 1A RULES & REGULATIONS

Pursuant to the provisions of Article II, Section 2.4.11(xiii) of the By-Laws for Coldspring North Condominium, the Board of Directors (hereinafter the "Board"), on behalf of Coldspring Stage 1A Condominium (the "Association"), is authorized to make, promulgate and amend reasonable Rules and Regulations (the "Rules") relative to the operation, use and occupancy of the Units, the Common Elements and other portions of the Condominium. The Board also has the authority to enforce compliance with the Rules by injunction or other legal action or means as the Board deems appropriate. The Board, following due deliberations, has this 7th day of November, 2006, adopted the following Rules on behalf of the Association.

1. Notice and Liability

Unit Owners are expected to be familiar with and to comply fully with all Rules & Regulations. Unit Owners are expected to advise and educate residents, family members, tenants, occupants, agents, visitors, employees and guests of all Rules & Regulations. Unit Owners are liable for and will be charged for violations including those committed by their occupants, family members, tenants, agents, visitors, employees and guests.

2. Common Elements

Unit Owners, other occupants and guests shall not damage, destroy, modify, alter or adjust any Common Elements including, but not limited to road surfaces, sidewalks, terraces, steps to upper maisonettes, stoops, garages, trash chutes, benches, street signs, no parking signs, Coldspring's marquis signs, etc. Unit Owners will be liable for the cost of repair or replacement, at the sole discretion of the Board, of any item(s) damaged, destroyed, modified, altered or adjusted including and acts committed by their occupants or guests. The lawns and walkways shall not be used for storage or parking, or be otherwise obstructed in any way. No trash, bicycles, toys, trashcans or recycle bins, or other personal property shall obstruct entranceways, walkways, parking or other Common Elements. The Board also reserves the right to assess fines for violations and may pursue civil remedies, provided it complies with the Enforcement Procedures contained in these Rules or criminal sanctions against offenders for intentional acts of vandalism, destruction or theft.

No signs or other advertising device of any nature shall be placed upon the Common Elements without the prior written consent of the Board of Directors and the Architectural Committee of the Coldspring Community Association, Inc.

Unit Owners shall not use the Common Elements, for the storage of personal articles, bulk trash, and other refuse, nor shall such Common Elements be obstructed or used for any purpose other than vehicle parking or ingress to and egress from the Units.

Disturbance of Limited Common Elements

The Association is responsible for maintaining, repairing or replacing Common Elements, including the roof and wall moisture barriers to Units. To carry out this responsibility, the Association must have access to the Common Elements which may

require the removal or disturbance of Limited Common Elements. Every effort will be taken to keep the removal or disturbance to a minimum, and to return the Limited Common Element to its condition just prior to the removal or disturbance.

Physical improvements (fences, decks, patios, etc.) will be removed and replaced with as little damage as possible, or will be replaced at the Board's option, in its sole discretion, with similar physical improvements. At the Unit Owner's option, the Unit Owner may restore or replace the physical improvement so removed by the Association. Upon production by the Unit Owner to the Board of paid invoices, receipts, etc. for any such repair and or replacement, the Association shall promptly pay the Unit Owner the amount the Board reasonably determines it would have spent on replacement of the improvement(s). All work proposed by the Unit Owner as aforesaid shall be performed in accordance with the requirements of the By-Laws. In addition, to the extent any architectural improvements are proposed by the Unit Owner, such improvements must be approved by the Board.

The Association will make no attempt to save existing plants, and will replace planting with generic plants of similar type and as are in keeping with the general aesthetic of the community and with any requirements of the Coldspring Community Association, but are not required to be the same size or variety. If the Unit Owner wishes to save specific plants, the Unit Owner will be responsible for the prior removal and subsequent replanting.

3. Maintenance of Units and Limited Common Elements

Unit Owners and occupants of the Unit shall maintain the Unit and Limited Common Elements (including, but not limited to, all interior and exterior walls, ceilings, doors, door frames, windows, window glass, window frames, skylights, planter boxes, vents, meter covers, patios, yards, balconies, planters, decks, fences, landscaping ties and floors) in a neat and clean condition, in compliance with these Rules, all applicable laws, statutes and/or ordinances of the City of Baltimore and State of Maryland, and as otherwise required by the Declarations and/or By-Laws. Yard areas shall be kept free of trash, debris, pet droppings, standing water and other items and materials, except for lawn/patio furniture and grills. Unit Owners are responsible for cleaning, maintaining, repairing and replacing the exposed surfaces of all portions of the Unit and Limited Common Elements appurtenant thereto. Any expense incurred by the Association in making any repair to or replacement of the Common Elements due to the willful or negligent act or failure to act of such Unit Owner or occupant, shall be borne solely by the Unit Owner.

The maintenance of the fence of a lower maisonette, including any railroad/landscaping ties used in support, are the Unit Owner(s)' responsibility. If the fence, or its supports serve adjoining units, the cost to repair or replace same should be shared equally by the adjoining Unit Owners. Fences should be constructed of pressure treated wood, and should be of the same or similar design as the other fences within the Community. The fence, excluding any supporting landscaping ties, shall not be in excess of six (6) feet in height, and shall be constructed and maintained in keeping with the aesthetic of the community, and any architectural standards promulgated by either the Association or the Coldspring Community Association, Inc..

In the event the Owner or occupant conducts an event or activity upon the Common Elements, said Owner/occupant shall clean or otherwise restore the affected Common Elements to an orderly condition within four (4) hours from such activity.

No structural alteration (construction, addition or removal) within any Unit, shall be commenced or conducted except in strict accordance with Article V, Section 5.1 of the By-Laws. All proposed alterations shall include a written description and a diagram of the proposed changes, and must be signed by the Unit Owner(s). If approval is received from the Condominium's Architectural Committee (the "Committee") and the changes have been made, the Unit Owner must contact the Committee so that a final inspection may be made and signed off by the Committee. The Committee may reject any changes that are made which were not specifically included as part of the request submitted to and approved by the Committee and the Unit Owner shall bear the full cost of removing/reversing the unauthorized change.

The maintenance, repair and/or replacement of any electric, sewer, water or other utility line solely serving the Unit is the Unit Owner's sole responsibility. The cost to repair any damage caused to the Common Elements by any utility line solely servicing a Unit, shall be the sole responsibility of the Unit Owner.

No signs or other advertising device of any nature shall be placed upon the Limited Common Elements without the prior written consent of the Board of Directors and the Architectural Committee of the Coldspring Community Association, Inc.

Unit Owners shall not use the Limited Common Elements including, but not limited to, the heat pump enclosures and garage areas, for the storage of personal articles, bulk trash, and other refuse, nor shall the General Common Elements be obstructed or used for any purpose other than vehicle parking or ingress to and egress from the Units.

Each heat pump cage has a combination lock issued by the Association. Unit Owners shall not place personal locks on heat pump cages.

All Unit Owners shall maintain their Unit's yard or balcony light, and garage level light in operating condition, and covered in accordance with Association and Coldspring Community Association, Inc.'s architectural standards.

In the event that a Limited Common Element of a Unit has contributed to the damage, deterioration or problem in a Common Element, the Unit Owner must remove, repair or replace the offending Limited Common Element in a timely manner, and in such a way as to maintain the integrity of the Common Element. If the Unit Owner does not do so in a timely manner, the Association may, at its option, remove, repair or replace or allow the replacement of any planting or other improvements that are determined to have damaged the Common Element in accordance with any requirements and or guidelines promulgated by Coldspring Community Association, Inc. Any cost incurred by the Association as a result of the Unit Owner's failure to remove, repair or replace the planting or improvement shall be paid immediately by the Unit Owner, upon demand.

Barbecue Grills

In accordance with Section 307.5 of the International Fire Code, open flame barbecue grills of any kind (i.e. gas, propane, charcoal, etc.) are not permitted on the balconies of any Unit; only flameless cooking is permitted. Open flame barbecue grills are permitted in a Unit's backyard, provided any such grill is located ten (10) feet or more from any combustible construction (i.e. fences).

4. Maintenance of Exterior of Unit

No Unit Owner shall modify, install, replace, decorate, or otherwise alter any of the exterior of his or her Unit, Common Elements or Limited Common Elements without first obtaining the written consent of the Board and Coldspring Community Association, Inc. No Unit Owner shall tape, glue, paste, drill, screw, nail, or otherwise penetrate the exterior walls of the buildings without the prior written consent of the Board of Directors. Unless otherwise specifically allowed by these Rules, no Unit Owner may place or store any item of personal property, including but not limited to, antennas, or other items upon the roofs of the buildings.

5. Window and Door Maintenance

All Unit Owners shall maintain the windows, window screens, screen doors, storm doors, exterior doors, doorbells and letter slots in a state of good condition and repair, and in conformity with all applicable community architectural standards, including any such standards promulgated by the Association and/or the Coldspring Community Association, Inc.

As required by the By-Laws, Unit Owners shall maintain all window glass in a clean, clear and "unfogged" condition. Window glass shall be deemed "fogged" when more than approximately 1/3 of the glass appears opaque from the exterior of the Unit (the "Condition").

If the Board of Directors, in its reasonable discretion, believes the Condition to exist, the Board shall notify the Unit Owner of a violation of these Rules as set forth in the Enforcement Procedures. The Unit Owner shall thereafter have sixty (60) days to cure the Condition.

6. Leasing of Units

All Units shall be used for residential purposes exclusively. No Unit Owner shall lease, rent, license or otherwise permit the use of his or her Unit for transient or hotel purposes, or lease, rent, license for a period of less than six (6) months, or lease, rent or license less than his or her entire Unit for any purpose. A copy of the executed lease or license agreement (collectively, the "Lease") shall be delivered to the Board of Directors or its Management Agent within ten (10) days after the date of execution. The Lease shall be consistent with the provisions of the Condominium documents, and shall expressly provide (A) that the terms of the Lease are in all respects subject to the operation and effect of the provisions of the Declaration, By-Laws and Rules and Regulations, and that (B) that any failure by the lessee/licensee to comply with such provisions shall constitute a default under the lease. Notwithstanding the foregoing, the

Unit Owner is responsible at all times for the enforcement of the established guidelines and is liable for any violation.

All Unit Owners who lease their Unit(s) shall:

- (1) provide the tenant/licensee with a copy of the Declaration, By-Laws and Rules and Regulations;
- (2) include in the Lease a provision that the tenant/licensee acknowledges receipt of said documents, has read and understood, and agrees to abide by the documents;
- (3) notify the Board of Directors in writing that the unit is tenant/licensee-occupied, giving the name(s) and phone number(s) of the occupant(s); and
- (4) provide the Management Agent and/or Board of Directors the name of any agent retained by the Unit Owner to manage the Unit for him/her.

7. Vehicular Operation and Parking

Vehicle owners and/or operators must exercise reasonable caution and care while operating their vehicles on Condominium property. This includes, but is not limited to, compliance with all applicable laws, statutes and ordinances of the City of Baltimore, the State of Maryland, and these Rules. Operators must comply with all posted speed limits.

No vehicle, including but not limited to passenger vehicles, trucks, sport utility vehicles, motorcycles, mopeds, mowers, cars, scooters, all terrain vehicles, and other motorized equipment (collectively, "Vehicle"), may be parked in any garage areas or upon the Common Elements unless the Vehicle has been registered with the Condominium in accordance with the policies and procedures established by the Board of Directors. No Vehicle belonging to an Owner, occupant or guest shall be parked in any manner as to impede or prevent full access to any fire lane, entrance, exit or parking space allocated to another Unit. No Vehicle shall be parked in such a manner that it prevents another Vehicle from entrance to or exit from parking areas or the Condominium property. No inoperable, unlicensed, unregistered, or abandoned Vehicle shall be parked or stored upon the Condominium property, Common or Limited Common Elements, nor shall any Vehicle be parked and/or operated upon any pedestrian walkway, deck or grassy area. No commercial vehicle, recreational vehicle, off-road vehicle, boat or trailer may be parked on any Common Element. No repair or maintenance of automobiles or other vehicles or boats may be undertaken on any of the Common Elements.

The location of each Unit's parking space(s) shall be assigned by the Board of Directors. No Unit will be assigned more than one parking space unless the Unit has more than one (1) vehicle registered with the Association. Townhouses and lower mainsonettes will be assigned spaces as close to their entry doors as possible. Requests for specific locations will be considered on a first-come, first-served basis after consideration of all other criteria.

Within thirty (30) days following the Unit Owner's purchase of the Unit, or within thirty (30) days of purchase of a new Vehicle by an existing Unit Owner, the Unit Owner shall provide the make, model, color, license plate number and Vehicle Identification Number (VIN) of said Vehicle(s) to the Management Agent.

After notice and hearing pursuant to the Enforcement Procedures, a delinquent Unit Owner may forfeit all but one (1) parking space it may have been assigned. For the purposes of this Rule only, a "delinquent Unit Owner" is defined as any Unit Owner whose account has been with the Association's attorney for at least six (6) consecutive months, or that has remained delinquent in the payment of its account for six (6) months in any twelve (12) month period. A delinquent Unit Owner will be reassigned a parking space upon payment of their account in full.

Any Vehicle parked or used in violation of these Rules may, in the sole discretion of the Board, after notice and a hearing in accordance with the Enforcement Procedures, be towed from the Condominium at the offending Vehicle owner's risk and expense.

8. Pets

No dogs, cats, birds, reptiles or other animals shall be permitted, kept or harbored in any Unit except for domestic purposes. Under no circumstances shall any commercial or business enterprise involving the use of animals be conducted upon the Condominium Property.

Unit Owners or occupants shall care for their pets, or any pets housed in their Unit, in accordance with the laws of the City of Baltimore, including properly registering and licensing each animal housed in the Unit. If the Unit Owner or occupant owns or houses three (3) or more pets of any kind over the age of six (6) months, the Unit Owner or occupant must apply for and receive a Multi-pet Permit from Baltimore City.

In no event shall any animal be permitted upon any of the Common Elements unless carried or walked upon a leash. Pets shall be kept under control at all times and shall not be permitted to cause any unnecessary noise or disturbance or interfere with the rights, comfort or convenience of other residents. The Unit Owner or Unit occupant is responsible for disposal of any waste which his/her animal, or any animal housed in their Unit, deposits upon the General or Limited Common Elements, including but not limited to sidewalks, garages, decks and grassy areas. The Unit Owner and/or occupant is also responsible for reimbursing the Condominium for any damage or destruction caused to the General or Limited Common Elements as a result of his or her pet's urination or defecation.

Pets must be vaccinated and kept in accordance with local Health Department laws and regulations. Pet owners or those who care for and house pets within their Unit, are responsible for maintaining complete medical and immunization documentation and shall immediately provide the Board of Directors with copies of said documentation upon request. The Board of Directors reserves the right to require the immediate removal of any pet from the Condominium causing excessive noise, destruction of property, danger to other Unit Owners or occupants, or any other reason that constitutes a nuisance and/or threat to the Condominium and its residents. The owner and/or maintainer of any pet will be responsible for indemnifying and holding the Condominium harmless against

any and all claims, liabilities, demands, or expenses which may be sustained by or asserted against the Condominium or its Board of Directors by reason of the act by his or her pet.

Unit Owners and occupants must register all pet(s) housed in their Unit by providing the name of each pet, together with a picture of each pet to the Board (or the designated management company) within thirty (30) days of acquiring said pet. To the extent any such pets are owned or housed by the Unit Owner at the time these rules are enacted, the Unit Owner shall cause their pet(s) to be registered within thirty (30) days after the effective date of these Rules.

9. Noise and Nuisance

No Unit Owner, other occupant, visitor or guest shall make or permit any loud noises, noxious or offensive odors, or do or permit to be done anything which will interfere with the rights, comforts or conveniences of others. No Unit Owner, other occupant or guest shall play or cause to be played any musical instrument, or operate or permit any audio or video equipment, or practice of vocal or instrumental music in their Unit, in the General or Limited Common Elements, or in their vehicles at a volume level which disturbs or annoys other Unit Owners or occupants.

Pursuant to Baltimore City Code:

- (i) Maximum sound levels otherwise permitted during daytime hours, are reduced between 9 p.m. and 7 a.m. (He §9-207);
- (ii) Power tools may not be used between 9 p.m. and 7a.m. weekdays, or 10 p.m. to 10 a.m. weekends and holidays (He §9-208);
- (iii) Playing of any musical devices on the streets is generally prohibited between 10 p.m. and 8 Am. (He §9-306);
- (iv) No demolition, construction work or the like may be conducted within thirty feet (30') of a residence between 7 p.m. and 7 a.m. (BC §3301.3)

No noxious or offensive trade or activity shall be carried on within any Unit or on any General Common Element or Limited Common Element, nor shall anything be done therein or thereon which may be or become an annoyance to the neighborhood or other Unit Owners.

10. Insurance

Nothing shall be done or maintained in a Unit, on any General Common Element or on any Limited Common Element which will increase the rate of insurance on any Unit or on the General Common Elements or Limited Common Elements, or result in the cancellation thereof, without prior written approval of the Board.

Nothing shall be done or maintained in any Unit or on the Limited Common Elements or General Common Elements which is in violation of any law, ordinance or regulation.

11. Entry Into Units

The agents of the Condominium and/or Board of Directors may contact any Unit Owner and request entry into said Unit whenever such entry is reasonably necessary to install, inspect, maintain, repair or replace any of the General or Limited Common Elements to which access cannot reasonably be made from any point outside the Unit. The Unit Owner shall allow entry and continued access for as long as is reasonably necessary to conduct or complete the installation, inspection, maintenance, repair or replacement. Such right of entry shall be exercised only (A) during the hours from 8:00 a.m. to 8:00 p.m.; and (B) after the Board of Directors or the Management Agent shall have given the Unit Owner at least two (2) days prior written notice of the intention to exercise such right; provided, however, that in the event of an emergency which jeopardizes any or all of the Condominium, an adjoining Unit, or the health, safety, comfort or welfare of the residents, such conditions need be satisfied only to the extent reasonably possible.

Agents of the Condominium and/or Board of Directors may enter onto any Common Element which does not require entry into the Unit, without the consent of the Unit Owner, as necessary and appropriate to install, inspect, maintain, repair or replace any of the Common Elements.

12. Trash and Recycling

Each deck has two (2) trash chutes located at either end of the deck. All trash must be bagged and placed in chutes. In the event a trash chute is full, trash and garbage shall not be left on the deck outside the trash chute, but instead shall be placed in the next closest chute.

A schedule of recycling pick-up dates is available from the Management Agent. No more than twenty-four (24) hours prior to a scheduled pick-up, recyclables may be placed at the entrance to each garage. Glass and plastic must be bagged. Cardboard boxes must be broken down and tied into bundles. Newspapers must be tied into bundles, and other recyclable paper (i.e. shredded paper) must be in sealed bags prior to placement outside for pick-up.

The Association does not provide removal of bulk trash items (i.e. furniture, construction materials, large boxes, etc.). **An individual Unit Owner or occupant must arrange for the removal of bulk trash.** To dispose of bulk trash, Unit Owners and/or occupants should contact Baltimore City, or take the bulk trash to the local Baltimore City dump. In making a request of Baltimore City for bulk trash removal, please note that your trash is picked up on the street – not from the trash chutes. Unless immediately awaiting pick-up by Baltimore City, Unit Owners and occupants are not to leave bulk trash in or around any trash room, on sidewalks, streets or in other General and/or Limited Common Areas of the community.

13. Payment of Condominium Fees and Special Assessments

Unit Owners are responsible for timely payment of all condominium fees and special assessments for their Unit(s). Failure to remit payment timely shall subject the Unit Owner to late fees, interest, and collection efforts as deemed appropriate by the Board of Directors. Failure to remit payment timely may also result in the filing of a lien against the Unit Owner's Unit, foreclosure, personal suit, and other civil remedies as may be available.

The annual assessment as determined by the Board and as allowed from in the Declaration and By-Laws shall be due and payable in equal monthly installments on the first (1st) day of each month (Section 7.2.5 of the By-Laws). Assessments or other charges not paid to the Association by the fifteenth (15th) day of the month in which they are due shall be considered past due and delinquent.

Payments received from a Unit Owner will be credited in the following order: (1) charges for legal fees; (2) court costs and other costs of collection (3) accrued interest; (4) late fees; and (5) the monthly assessment for a Unit, including any special assessment due. The Association will maintain a separate accounting for items (1) through (4) above as required by Maryland law.

Late Fees

Pursuant to Maryland Law, the Association shall impose a late fee of \$15.00 or 10% of the delinquent assessment or installment, whichever is greater on any account which is past due for at least 15 calendar days. The Association shall impose interest at the rate of eighteen percent (18%) per annum on any unpaid balance which is more than fifteen (15) days past due Both the late fee and the interest shall be added to the Unit Owner's account and shall be due and payable immediately, without notice.

A twenty-five dollar (\$25.00) fee shall be assessed to a Unit Owner's account in the event any check or other instrument attributable to, or payable for, the benefit of such Unit Owner is not honored by the bank or is returned by the bank for any reason whatsoever, including but not limited to, insufficient funds in the Unit Owner's account upon which the check is drawn. This returned check charge shall be added to the Unit Owner's account and shall be due and payable immediately, without notice. Notwithstanding the foregoing, the Association shall be entitled to all additional remedies as may be provided by applicable law. If two (2) or more of a Unit Owner's checks are returned unpaid by the bank within any twelve (12) month period, the Association may require that all the Unit Owner's future payments for a period of one (1) year be made by certified check or money order.

After an assessment or other charge due for the Association becomes fifteen (15) days past due, the Association may cause, but shall not be required to send a "late notice" to the Unit Owner. If payment in full is not received within thirty (30) days, the Association may, but shall not be required to send a "Notice of Intention to Refer Account to Collection" to the Unit Owner. The Association shall simultaneously send a copy of the notice to the mortgage lender of the Unit if the mortgagee has requested to receive such notices. Once an account becomes more than sixty (60) days past due, the Association shall refer the Unit Owner's account to the Association's attorney(s) for

collection. Upon referral to the attorney(s), the attorney shall take all appropriate action to collect the amount due.

The Association shall be entitled to recover its attorney's fees and collection costs incurred in the collection or assessments or other charges due the Association from a delinquent Unit Owner.

Liens

A "Notice of Intent to Create a Lien" (the "Notice") shall be forwarded to the delinquent Unit Owner. The Notice will inform the delinquent Unit Owner of the amount of the outstanding balance, including all past due assessments, late fees, interest, costs of collection and attorney's fees. The Notice will conform with the requirements of the Maryland Contract Lien Act and all other applicable laws. The Notice will be personally served upon the Unit Owner by private process. If the process server is unable to serve the Unit Owner, then the Notice shall be posted in a conspicuous manner upon the Unit and a copy shall be mailed to the Unit Owner's last known address.

Once a delinquent Unit Owner has been served with the Notice of Intent to Create a Lien, the Unit Owner must, within thirty (30) days of service, either forward payment in full or file a complaint in the Circuit Court for Baltimore City to determine whether probable cause exists for the Association to file a lien against the Unit. If, by the expiration of the thirty (30) day period, the Unit Owner does not forward full payment or file a complaint, the Association will file a lien against the Unit. After a lien has been filed, the Association's attorney will proceed with further legal action including, but not limited to, foreclosing on the lien, or filing a lawsuit, or both against the Unit Owner.

The Association may grant a waiver of any provision herein upon petition in writing by a Unit Owner showing personal hardship. Such requests shall be considered on a case-by-case basis. Such relief granted a Unit Owner shall be appropriately documented in the files with the name of the person(s) representing the Association granting the relief and the conditions of the relief. If the Unit Owner's account has been referred to the Association's attorney, all such requests must be submitted to the Association's attorney.

14. Heating, Ventilating and Air Conditioning (HVAC) Units

Unit Owners are solely responsible for the maintenance, repair and/or replacement of the HVAC (sometimes referred to as a "heat pump") unit servicing their Unit. In many places throughout Stage 1A, HVAC units are "stacked" within a cage – one "upper" and one "lower" HVAC unit. From and after the date of these Rules, if your HVAC unit is within a cage where the HVAC units are stacked, the "lower" HVAC unit must (i) be a side-discharging unit (air is forced out of the sides of the unit), (ii) a front-discharging unit (air is forced out of the front of the unit) or (iii) a vent, diffuser, or other air-flow diverter must be installed on top-discharging HVAC units preventing the air discharged from the lower HVAC unit from being discharged directly into the upper HVAC unit.

In the event a Unit Owner of a lower HVAC installs a new HVAC unit in violation of the foregoing, after delivery of notice as set forth in the Enforcement Procedures below, the Unit Owner shall have thirty (30) days within which to correct the HVAC unit.

Without express written permission from the Board, in its sole and absolute discretion, no HVAC unit shall be installed or relocated outside its designated cage area.

15. Digital Broadcast Satellite Dishes

Notwithstanding anything to the contrary in these Rules, satellite dishes one (1) meter or more and satellite towers twelve (12) feet or more above the roof line are prohibited within the Community. Satellite dishes less than one (1) meter in diameter are prohibited on all General Common Elements.

Satellite dishes less than one (1) meter in diameter are permitted without restriction on Limited Common Elements used exclusively by a single Unit provided the top of the satellite dish, and its associated components, are below the top of the fence or railing surrounding the Limited Common Element, and the satellite dish imposes no increased maintenance obligations to the Association. A satellite dish will be deemed to impose increased maintenance obligations on the Association when it is physically attached to, or penetrates the roof, wall or floor, including cable runs and mounting bolts.

Plans for satellite dishes less than one (1) meter in diameter which extend above the top of the fence or rail surrounding a Limited Common Element, or which may impose increased maintenance obligations on Common Elements are permitted if they meet all of the following:

- 1) Reception cannot be obtained if the satellite dish was located in an unrestricted area;
- 2) The satellite dish and associate components are reasonably screened against normal view of pedestrians in the Common Elements and are unobtrusive to the view of the nearby Unit occupants.
- 3) No existing penetrations can be used for cables or anchors, the penetrations are sealed to prevent entry of moisture, insects and vermin, and the area penetrated can be restored close to their original condition once the dish and associated components have been removed; and
- 4) The installer insures against any damage to surrounding Common Elements, and the Unit Owner agrees to pay the Association for any increased maintenance costs which may arise after installation.

Prior to installing a satellite dish less than one (1) meter in diameter which extends above the top of the fence or rail surrounding a Limited Common Element, or which may impose increased maintenance obligations on Common Elements, the Unit Owner may request that the Board of Directors or its duly authorized agent meet with the Unit Owner at a mutually convenient time to discuss the installation of the dish. Should the Unit Owner install a dish which extends above the top of the fence or rail surrounding a Limited Common Element, or which may impose increased maintenance obligations on Common Elements prior to such a meeting, the Board of Directors may require the Unit Owner, at the Unit Owner's expense, to move the dish to another location, provided the Unit Owner can obtain an acceptable quality signal from the alternative location.

In the event the Digital Broadcast Satellite Dish Rules are violated, the Condominium can bring an action for declaratory relief with the FCC or a court of competent jurisdiction after providing notice to the alleged violator and the opportunity for a hearing in accordance with the Enforcement Procedures set forth herein. If the installation of an antenna or mast poses a serious or immediate safety hazard, the Condominium may bring an action for injunctive relief to prohibit or to seek removal of the installation. If the court or the FCC determines that the Condominium's rule is enforceable and the Unit Owner's installation is in violation of the rule, the Unit Owner shall have twenty-one (21) days from the date of the ruling to remove the violation. If the violation continues beyond the twenty-one (21) day abatement period, the Condominium may impose a fine in accordance with the Classification of Fines set forth herein.

16. Service on Boards

The Board consists of five (5) members serving alternating two (2) year terms. Each year either two (2) or three (3) board members terms expire and elections are held at the Association's Annual Meeting. Guidelines and procedures for elections and balloting are in the Declaration and By-Laws.

ENFORCEMENT PROCEDURES

A. If a Unit Owner, occupant or guest breaches any of the provisions of the Declaration, By-Laws, or these Rules and Regulations, as now enacted, or as hereafter amended, the Board of Directors shall be entitled to take such action as it deems appropriate, including the imposition of fines, suspension of voting rights, or legal action through court proceedings to cure such breach, cause its abatement and/or to recover monetary damages. All costs of taking such action, including but not limited to the time of employees of the Condominium or its agents utilized in connection with enforcement or abatement, attorneys' fees, court costs and expenses, shall be a charge against the Unit Owner (or his tenant and/or resident at the sole discretion of the Condominium of its agents) who caused such breach and shall be payable by the Unit Owner, immediately upon demand.

Before taking any such action, the Board shall comply with the following procedure:

- 1) The Board shall forward a notice to the violating Unit Owner and any occupant indicating the breach of the Declaration, the Bylaws or these Rules (the "Notice");
- 2) The Notice shall be forwarded via (i) regular mail and/or certified mail, return receipt requested; or (ii) hand delivery; or (iii) overnight courier;
- 3) The Notice shall be deemed delivered (i) if by regular and/or certified mail, three (3) days following deposit with the United States Postal Services; (ii) if by hand delivery, the date of hand delivery; or (iii) if via overnight courier, the following day.
- 4) The Notice shall state the alleged violation and the action necessary to abate the violation.
- 5) The Notice shall provide a time period of no less than ten (10) days from the date of the Notice during which the violation may be cured without imposition of fines or other sanctions.

B. Within twelve (12) months of the demand, if the violation is not abated, remedied or corrected, or in the event that a subsequent similar violation occurs, the Unit Owner shall be summoned to a hearing before the Board, in accordance with the following procedure:

- 1) Written notice of the hearing to be held by the Board shall be forwarded via regular first class mail and/or certified mail, return receipt requested, or via hand delivery to the violating Unit Owner for him/her or their occupant or guest (the "Notice").
- 2) The Notice shall state the nature of the violation and provide the time and place of the hearing, to be determined at the sole discretion of the Board, which shall be at least ten (10) days after the giving of the Notice.
- 3) The Notice shall advise the violating Unit Owner that he/she is invited to attend and produce statements, evidence, and/or witnesses on his/her behalf.
- 4) The Notice shall also state the proposed fine or sanction to be imposed by the Board in the event that the violating Unit Owner is found to have committed a violation.

C. Following the giving of Notice, a hearing shall be held by the Board of Directors, in executive session.

1) Proof of mailing or delivery of the Notice, as evidenced by verbal testimony, shall be placed in the minutes of the meeting. The Board or its delegated agent shall present evidence of the violation, including the presentation of witnesses and/or physical and documentary evidence. Following the completion of the presentation of evidence, the violating Unit Owner shall have the right to cross-examine witnesses and present evidence and witnesses on his or her own behalf.

2) Failure on the part of a Unit Owner to attend a scheduled hearing will be considered a waiver of the Unit Owner's right to present evidence and shall not necessitate the establishment of a new hearing date.

3) Following presentation of all evidence, the Board shall deliberate and decide whether sanctions are or are not to be imposed. The Board shall include a written statement of its decision and reasons why sanctions were or were not imposed in the minutes of the meeting.

D. In the event that fines are to be imposed, the Board may establish a fine(s) which the Board, in its sole discretion, considers appropriate for the nature of the violation(s).

1) The Board may simultaneously assess multiple fines in the event that there are multiple violations. Each individual violation is subject to its own individual fine.

2) The payment of a fine does not relieve the offender of the obligation of immediately correcting the violation. If the Association incurs expenses to correct the violation, the expense will be charged to the Unit Owner.

E. Should the violation(s) not be timely corrected, as reasonably determined by the Board, the Board in its written statement of the results of the hearing may assess additional fines against the Unit Owner, including automatic periodic fines until such violation is cured.

Failure to comply with the terms of the Declaration, the By-Laws and these Rules shall be grounds for relief, including without limitation, an action to recover sums for money damages, injunctive relief, or any other relief afforded by a Court of competent jurisdiction, all of which relief may be sought the Board, or by an other Unit Owner. Failure or forbearance by the Board, or any Unit Owner, to enforce a provision of the Declaration, By-Laws or these Rules shall in no event be deemed a waiver of the right to enforce any provision on any other occasion. There shall be and there is hereby created and declared to be a conclusive presumption that any violation or breach or attempted breach of the Declaration, By-Laws or these Rule cannot be adequately remedied by an action at law or exclusively by recovery of damages.

In any legal proceeding arising out of any alleged default or violation by a Unit Owner, occupant or guest, the prevailing party shall be entitled to recover the costs of such proceeding and all attorney's fees actually incurred.

Classification of Fines

Violation of the following Rules as set forth below shall generally be considered "Class A" violations for which a fine of up to \$200.00 per violation may be levied by the Board of Directors:

1. Common Elements
2. Leasing of Units
3. Maintenance of Units and Limited Common Elements
4. Vehicular Parking
5. Vehicular Operation
6. Exterior of Unit
7. Board or Association Required Entry into Unit(s)
8. Noise and Nuisance
9. Insurance
10. Heating, Ventilating and Air Conditioning Units

Violation of the following Rules stated below shall generally be considered "Class B" violations for which a fine of up to \$100.00 per violation may be levied by the Board of Directors, following the compliance with Enforcement Procedure.

1. Window and Door Maintenance
2. Pet Restrictions
3. Signs
4. Trash
5. Digital Broadcast Satellite Dishes

Jaden Scott Barber
President 11/7/06

M. J. ...
Secretary 11/7/06