

Montgomery Woods Condominium Association, Inc

Articles of Incorporation





ARTICLES OF INCORPORATION
OF
MONTGOMERY WOODS
CONDOMINIUM ASSOCIATION,
INC.

8725 Loch Raven Blvd. Suite 201 Towson, MD 21286

○ 410-645-1865

F 1-800-508-2090

www.PelicanMgt.com

ARTICLES OF INCORPORATION
OF
COUNCIL OF UNIT OWNERS OF MONTGOMERY WOODS CONDOMINIUM, INC.

approved and received for record by the State Department of Assessments and Taxation
of Maryland March 16, 1978, at 8:30 o'clock A. M. as in conformity
with law and ordered recorded.

Recorded in Liber 2410, folio 00077, one of the Charter Records of the State
Department of Assessments and Taxation of Maryland.

Bonus tax paid \$ 20.00 Recording fee paid \$ 15.00 Special Fee paid \$ _____

To the clerk of the Circuit Court of Howard County

IT IS HEREBY CERTIFIED, that the within instrument, together with all indorsements thereon, has
been received, approved and recorded by the State Department of Assessments and Taxation of Maryland.

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



A 70944

000778

COUNCIL OF UNIT OWNERS OF MONTGOMERY WOODS CONDOMINIUM, INC.
ARTICLES OF INCORPORATION

THIS IS TO CERTIFY:

That I, Michael B. Glick whose address is 5406 Smooth Meadow Way, Columbia, Maryland 21044, being at least twenty-one (21) years of age, do hereby declare myself as incorporator with the intention of forming a corporation under and by virtue of the General Laws of the State of Maryland, and for such purposes do hereby make, execute and adopt the following Articles of Incorporation:

ARTICLE I. The name of this Corporation shall be:

COUNCIL OF UNIT OWNERS OF MONTGOMERY WOODS CONDOMINIUM, INC.

ARTICLE II. The period of existence and duration of the life of this corporation shall be perpetual, subject to the right of the unit owners to terminate the condominium as provided in Section 11-121 of the Condominium Act.

ARTICLE III. The principal office for the transaction of business of this Corporation shall initially be located in the Howard County, State of Maryland, at:

Teachers Building, Suite 208
10221 Wincopin Circle
Columbia, Maryland 21044

The following named person shall be designated as the statutory resident agent of this Corporation, and said resident agent is a citizen and actual resident of the State of Maryland:

D. Terrence MacHamer
5416 Thunder Hill Road
Columbia, Maryland 21045

ARTICLE IV. The general purposes for which this Corporation is formed, and business or objects to be carried on and promoted by it, are as follows:

(a) to organize and operate a corporation, no part of the net earnings of which is to inure to the benefit of any member or other individual;

(b) pursuant to and in conformity with the requirements of Article 21, Title 11, Section 11-101, et seq., of the Annotated Code of Maryland (1974), hereinelsewhere called the "Condominium Act", and in a manner consistent with a certain Declaration relating thereto and heretofore recorded among the Land Records for Howard County, Maryland, to provide for the maintenance, operating and management of a certain condominium project located in Howard County, Maryland, hereinelsewhere called "the condominium" and identified as follows:

"MONTGOMERY WOODS CONDOMINIUM"

For the general purposes aforesaid, and limited to those purposes, this Corporation shall have the following powers:

- (a) to construct, improve and maintain, operate and to buy, own, sell, convey, assign, mortgage or lease any real estate and any personal property necessary or incident to the furtherance of the business of this Corporation; and
- (b) to borrow money and issue evidence of indebtedness in furtherance of any or all of the objects of its business, to secure the same by mortgage, deed of trust, pledge, or other lien; and
- (c) to enter into any kind of activity, and to perform and carry out contracts of any kind necessary to, or in conjunction with, or incidental to the accomplishment of the non-profit purposes of the Corporation; and
- (d) to make patronage refunds to members as provided for in the By-Laws of the Corporation; and
- (e) to exercise and perform, without limitation, all of the powers, functions and duties of the Council of Unit Owners of the condominium hereinabove referred to in a manner consistent with the provisions of the Condominium Act, the aforesaid Declaration and its Exhibits; and
- (f) insofar as permitted by law, to do any other thing that, in the judgment of the Board of Directors, will promote the business

of the Corporation or the common benefit of its members and, in general, to exercise the powers set out in the Condominium Act, the Declaration hereinabove referred to and the By-Laws of this Corporation and to do every other act not inconsistent with law which may be appropriate to promote and attain the purposes set forth in the Condominium Act, the Declaration and the By-Laws.

The foregoing enumeration of specific powers shall not be deemed to limit or restrict in any manner the general powers of this Corporation, and the enjoyment of the exercise thereof, as conferred by the Condominium Act and the General Laws of the State of Maryland.

ARTICLE V. This Corporation shall be without capital stock and will not be operated for profit. This Corporation does not contemplate the distribution of gains, profits or dividends to any of its members. The members of this Corporation shall not be personally liable for the debts, liabilities, or obligations of this Corporation, except as provided in Section 11-116 (D) of the Condominium Act.

ARTICLE VI. The authorized number of memberships of this Corporation is 129. Every person, group of persons, corporation, partnership, trust or other legal entity or any combination thereof, who holds such interest solely as security for the performance of an obligation shall not be a member by reason only of such interest.

The property, voting and other rights and privileges of membership, the liability of each member for assessments for common expenses, and the method of collection thereof, shall be as set forth in the Declaration relating to the condominium and the Exhibits thereto.

ARTICLE VII. The Corporation shall have a lien on the outstanding memberships in order to secure payment of any sums which shall be due or become due from the holders thereof for any reason whatsoever.

ARTICLE VIII. In the event any member sells, assigns, or otherwise transfers of record the fee interest in any condominium unit in which he holds the interest required for membership, such member shall, at the same time, assign the membership in this Corporation appurtenant to such condominium unit to the transferee

of the condominium unit and deliver it to him for transfer on the books of the Corporation. The foregoing requirement shall not obtain in the event a condominium unit is transferred as aforesaid solely as security for the performance of an obligation. Except as provided in this Article, membership shall not be transferable.

ARTICLE IX. The number of Directors of this Corporation shall be an uneven number of not less than three (3) nor more than five (5), and the names and post office addresses of the Directors who shall act as such until the first annual meeting, or until such time as their successors are duly chosen and qualified are:

<u>Name</u>	<u>Address</u>
Michael B. Glick	Teachers Building, Suite 208 10221 Wincopin Circle Columbia, Maryland 21044
D. Terrence MacHamer	Teachers Building, Suite 208 10221 Wincopin Circle Columbia, Maryland 21044
James K. Albright	Teachers Building, Suite 208 10221 Wincopin Circle Columbia, Maryland 21044

The qualifications, powers, duties and tenure of the office of Director and the manner by which Directors are to be chosen shall be as prescribed and set forth in the By-Laws of the Corporation. Officers of this Corporation shall be elected and shall serve as provided for in said By-Laws.

ARTICLE X. This Corporation reserves the right to amend, alter or repeal any provision contained in these Articles in the manner now or hereafter prescribed by statute for the amendment of Articles of Incorporation.

IN WITNESS WHEREOF, I have signed these Articles of Incorporation this *31st* day of *December*, A.D., 1975.

WITNESS:

Carol J. Neigman *Michael B. Glick* (SEAL)
Michael B. Glick

Montgomery Woods Condominium Association, Inc

Balance Sheet (Most Recently Reconciled)



Balance Sheet

Properties: Montgomery Woods Condominium Assn, Inc - Hunt Hill Drive ElkrIDGE, MD 21075

As of: 10/31/2023

Accounting Basis: Cash

GL Account Map: None - Use master chart of accounts

Level of Detail: Detail View

Include Zero Balance GL Accounts: No

Account Name	Balance
ASSETS	
Cash	
Cash - Farmers & Merchants Operating	21,271.60
Farmers & Merchants Reserve	427,060.40
Montgomery Woods CFG 33 Mo CD 1-2-24	53,900.79
Montgomery Woods CFG 13 Mo CD 11-2-22	27,359.02
Total Cash	529,591.81
Prepaid Taxes/Other Prepaid	1,823.00
TOTAL ASSETS	531,414.81
LIABILITIES & CAPITAL	
Liabilities	
Security Deposits	137.00
Security Deposits Clearing	-57.00
Prepaid Dues/Rent	-11,097.67
Taxes Payable	955.00
Total Liabilities	-10,062.67
Capital	
Calculated Retained Earnings	-106,123.49
Calculated Prior Years Retained Earnings	647,600.97
Total Capital	541,477.48
TOTAL LIABILITIES & CAPITAL	531,414.81

Montgomery Woods Condominium Association, Inc

Budget (Current Fiscal Year)



Budget Detail

Pelican Property Management Company

Properties: Montgomery Woods Condominium Assn, Inc - 8725 Loch Raven Blvd Ste 201 Towson, MD 21286

Period Range: Jan 2023 to Dec 2023

Consolidate: No

GL Account Map: None - use master chart of accounts

Include Zero Balance GL Accounts: No

Account Name	Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 2023	Jun 2023	Jul 2023	Aug 2023	Sep 2023	Oct 2023	Nov 2023	Dec 2023	Total	Percent
Montgomery Woods Condominium Assn, Inc - 8725 Loch Raven Blvd Ste 201 Towson, MD 21286 - APPROVED 11.21.2022														
Income														
Dues	17,536.00	17,536.00	17,536.00	17,536.00	17,536.00	17,536.00	17,536.00	17,536.00	17,536.00	17,536.00	17,536.00	17,536.00	210,432.00	100.00
Total Budgeted	17,536.00	17,536.00	17,536.00	17,536.00	17,536.00	17,536.00	17,536.00	17,536.00	17,536.00	17,536.00	17,536.00	17,536.00	210,432.00	100.00
Income														
Expense														
Miscellaneous Materials	20.84	20.84	20.84	20.84	20.83	20.83	20.83	20.83	20.83	20.83	20.83	20.83	250.00	0.12
Snow & Ice Removal	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	15,000.00	7.13
Gardening/Landscaping	3,246.38	3,246.38	3,246.38	3,246.38	3,246.38	3,246.38	3,246.37	3,246.37	3,246.37	3,246.37	3,246.37	3,246.37	38,956.50	18.51
Pelican Management Fee	2,080.00	2,080.00	2,080.00	2,080.00	2,080.00	2,080.00	2,080.00	2,080.00	2,142.40	2,142.40	2,142.40	2,142.40	25,209.60	11.98
Insurance - Property	4,306.64	4,306.64	4,306.64	4,306.64	4,306.64	4,306.64	4,306.64	4,306.64	4,306.64	4,306.64	4,306.64	4,306.64	51,679.68	24.56
Gas and Electricity	705.00	705.00	705.00	705.00	705.00	705.00	705.00	705.00	705.00	705.00	705.00	705.00	8,460.00	4.02
Water & Sewer	6.67	6.67	6.67	6.67	6.67	6.67	6.67	6.67	6.66	6.66	6.66	6.66	80.00	0.04
General Repairs and Maint- Reimbursement	41.67	41.67	41.67	41.67	41.67	41.67	41.67	41.67	41.66	41.66	41.66	41.66	500.00	0.24
Office Administrative Expenses	83.34	83.34	83.34	83.34	83.33	83.33	83.33	83.33	83.33	83.33	83.33	83.33	1,000.00	0.48
Legal Expenses	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	1,500.00	0.71
Accounting Expenses	195.84	195.84	195.84	195.84	195.83	195.83	195.83	195.83	195.83	195.83	195.83	195.83	2,350.00	1.12
Reserve Replacement	5,453.86	5,453.86	5,453.85	5,453.85	5,453.85	5,453.85	5,453.85	5,453.85	5,453.85	5,453.85	5,453.85	5,453.85	65,446.22	31.10
Total Budgeted	17,515.24	17,515.24	17,515.23	17,515.23	17,515.20	17,515.20	17,515.19	17,515.19	17,577.57	17,577.57	17,577.57	17,577.57	210,432.00	100.00

Budget Detail

Account Name	Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 2023	Jun 2023	Jul 2023	Aug 2023	Sep 2023	Oct 2023	Nov 2023	Dec 2023	Total	Percent
Expense														
Total Budgeted Income	17,536.00	17,536.00	17,536.00	17,536.00	17,536.00	17,536.00	17,536.00	17,536.00	17,536.00	17,536.00	17,536.00	17,536.00	210,432.00	100.00
Total Budgeted Expense	17,515.24	17,515.24	17,515.23	17,515.23	17,515.20	17,515.20	17,515.19	17,515.19	17,577.57	17,577.57	17,577.57	17,577.57	210,432.00	100.00
Net Operating Income	20.76	20.76	20.77	20.77	20.80	20.80	20.81	20.81	-41.57	-41.57	-41.57	-41.57	0.00	0.00

Montgomery Woods Condominium Association, Inc

Budget (Last Fiscal Year)



Budget Detail

Pelican Property Management Company

Properties: Montgomery Woods Condominium Assn, Inc - 8725 Loch Raven Blvd Ste 201 Towson, MD 21286

Period Range: Jan 2020 to Dec 2020

Consolidate: No

GL Account Map: None - use master chart of accounts

Account Name	Jan 2020	Feb 2020	Mar 2020	Apr 2020	May 2020	Jun 2020	Jul 2020	Aug 2020	Sep 2020	Oct 2020	Nov 2020	Dec 2020	Total	Percent
Montgomery Woods Condominium Assn, Inc - 8725 Loch Raven Blvd Ste 201 Towson, MD 21286														
Income														
Dues	17,536.00	17,536.00	17,536.00	17,536.00	17,536.00	17,536.00	17,536.00	17,536.00	17,536.00	17,536.00	17,536.00	17,536.00	210,432.00	100.00
Total Budgeted Income	17,536.00	17,536.00	17,536.00	17,536.00	17,536.00	17,536.00	17,536.00	17,536.00	17,536.00	17,536.00	17,536.00	17,536.00	210,432.00	100.00
Expense														
Miscellaneous Materials	83.34	83.34	83.34	83.34	83.33	83.33	83.33	83.33	83.33	83.33	83.33	83.33	1,000.00	0.48
Snow & Ice Removal	833.34	833.34	833.34	833.34	833.33	833.33	833.33	833.33	833.33	833.33	833.33	833.33	10,000.00	4.75
Gardening/Landscaping	416.67	416.67	416.67	416.67	416.67	416.67	416.67	416.67	416.66	416.66	416.66	416.66	5,000.00	2.38
Grounds Maintenance-Pool	2,253.17	2,253.17	2,253.17	2,253.17	2,253.17	2,253.17	2,253.17	2,253.17	2,253.16	2,253.16	2,253.16	2,253.16	27,038.00	12.85
Trees & Shrubs	1,053.67	1,053.67	1,053.67	1,053.67	1,053.67	1,053.67	1,053.67	1,053.67	1,053.66	1,053.66	1,053.66	1,053.66	12,644.00	6.01
Lawn Treatments	333.34	333.34	333.34	333.34	333.33	333.33	333.33	333.33	333.33	333.33	333.33	333.33	4,000.00	1.90
Pelican Management Fee	2,354.59	2,354.59	2,354.59	2,354.59	2,354.58	2,354.58	2,354.58	2,354.58	2,354.58	2,354.58	2,354.58	2,354.58	28,255.00	13.43
Insurance - Property	2,750.00	2,750.00	2,750.00	2,750.00	2,750.00	2,750.00	2,750.00	2,750.00	2,750.00	2,750.00	2,750.00	2,750.00	33,000.00	15.68
Gas and Electricity	858.34	858.34	858.34	858.34	858.33	858.33	858.33	858.33	858.33	858.33	858.33	858.33	10,300.00	4.89
Water & Sewer	6.67	6.67	6.67	6.67	6.67	6.67	6.67	6.67	6.66	6.66	6.66	6.66	80.00	0.04
General Repairs and Maint-Reimbursement	41.67	41.67	41.67	41.67	41.67	41.67	41.67	41.67	41.66	41.66	41.66	41.66	500.00	0.24
Postage	208.34	208.34	208.34	208.34	208.33	208.33	208.33	208.33	208.33	208.33	208.33	208.33	2,500.00	1.19
Legal Expenses	492.50	492.50	492.50	492.50	492.50	492.50	492.50	492.50	492.50	492.50	492.50	492.50	5,910.00	2.81

Budget Detail

Account Name	Jan 2020	Feb 2020	Mar 2020	Apr 2020	May 2020	Jun 2020	Jul 2020	Aug 2020	Sep 2020	Oct 2020	Nov 2020	Dec 2020	Total	Percent
Accounting Expenses	195.84	195.84	195.84	195.84	195.83	195.83	195.83	195.83	195.83	195.83	195.83	195.83	2,350.00	1.12
Reserve Replacement	5,654.59	5,654.59	5,654.59	5,654.59	5,654.58	5,654.58	5,654.58	5,654.58	5,654.58	5,654.58	5,654.58	5,654.58	67,855.00	32.25
Total Budgeted Expense	17,536.07	17,536.07	17,536.07	17,536.07	17,535.99	17,535.99	17,535.99	17,535.99	17,535.94	17,535.94	17,535.94	17,535.94	210,432.00	100.00
Total Budgeted Income	17,536.00	17,536.00	17,536.00	17,536.00	17,536.00	17,536.00	17,536.00	17,536.00	17,536.00	17,536.00	17,536.00	17,536.00	210,432.00	100.00
Total Budgeted Expense	17,536.07	17,536.07	17,536.07	17,536.07	17,535.99	17,535.99	17,535.99	17,535.99	17,535.94	17,535.94	17,535.94	17,535.94	210,432.00	100.00
Net Operating Income	-0.07	-0.07	-0.07	-0.07	0.01	0.01	0.01	0.01	0.06	0.06	0.06	0.06	0.00	0.00

Montgomery Woods Condominium Association, Inc

Bylaws





BY-LAWS
OF
MONTGOMERY WOODS
CONDOMINIUM ASSOCIATION,
INC.

8725 Loch Raven Blvd. Suite 201 Towson, MD 21286

○ 410-645-1865

F 1-800-508-2090

www.PelicanMgt.com

"EXHIBIT B"

MH 23-76 A 25434 ****8700

BY-LAWS

COUNCIL OF UNIT OWNERS OF MONTGOMERY WOODS CONDOMINIUM, INC.

ARTICLE I

PLAN OF APARTMENT OWNERSHIP

Section 1. Ownership. The project located at Montgomery Road Elkridge, Maryland, known as "Montgomery Woods Condominium" is submitted to the provisions of Title XI, Section 11-101 through and including Section 11-128, Real Property Article, Annotated Code of Maryland (1974).

Section 2. By-Laws Applicability. The provisions of these By-Laws are applicable to the project. (The term "project" as used herein shall include the land.)

Section 3. Personal Application. All present or future owners, tenants, future tenants, or their employees, or any other person that might use the facilities of the project in any manner, are subject to the regulations set forth in these By-Laws and to the Regulatory Agreement, attached as "Exhibit D" to the recorded Declaration.

The mere acquisition or rental of any of the condominium units (hereinafter referred to as "units") of the project or the mere act of occupancy of any of said units will signify that these By-Laws and the provisions of the Regulatory Agreement are accepted, ratified, and will be complied with.

Section 4. Name and Location. The name of the Council of Unit Owners (hereinafter referred to as the "Council") is

Council of Unit Owners of Montgomery Woods
Condominium, Inc.

Its principal office and mailing address are:
C/o D. Terrance MacHamer, Registered Agent
411 American City Building
Columbia, MD 21044

ARTICLE II

VOTING, MAJORITY OF OWNERS, QUORUM, PROXIES

Section 1. Voting. At every meeting of the unit owners, each of the unit owners shall have the right to cast the number of votes appurtenant to his unit, as established in "EXHIBIT C" of the Declaration, on each question. The votes of the unit owners representing fifty-one percent (51%) of the votes of the unit owners present and voting, in person or by proxy, shall decide any question brought before such meeting, unless the question is one upon which, by express provision of the Condominium Act, or of the Articles of Incorporation of the Council or of the Declaration or of these By-Laws, a different vote is required, in which case such express provision shall govern and control. The vote for any condominium unit which is owned by more than one person may be exercised by any of them present at any meeting unless any objection or protest by any other owner of such

condominium unit is noted at such meeting. In the event all of the co-owners of such condominium who are present at any meeting of the unit owners are unable to agree on the manner in which the vote for such condominium unit shall be cast on any particular question, then such vote shall not be counted for purposes of deciding the question. No unit owner shall be eligible to vote, either in person or by proxy, or to be elected to the Board of Directors where a Statement of Condominium Lien has been recorded against his unit and has not been released.

Section 2. Majority of Owners. As used in these By-Laws the term "majority of owners" shall mean those owners holding 51% of the votes as established in "EXHIBIT C" of the Declaration.

Section 3. Quorum. Except as otherwise provided in these By-Laws, the presence in person or by proxy of a "majority of owners" as defined in Section 2 of this Article shall constitute a quorum.

Section 4. Proxies. A unit owner may appoint any other unit owner, his tenant, mortgagee or the Grantor or the Management Agent as his proxy. In no case may any unit owner (except the Grantor, the Management Agent or any mortgagee) cast more than one vote by proxy in addition to his own vote. Any proxy must be in writing and must be filed with the Secretary in a form approved by the Board of Directors at or before the appointed time of each meeting. Unless limited by its terms, any proxy shall continue until revoked by a written notice of revocation filed with the Secretary or by the death of the unit owner; provided, however, that no proxy is effective for a period in excess of one hundred eighty (180) days unless granted to a mortgagee or lessee of the condominium unit to which the votes are appurtenant.

ARTICLE III

MEMBERSHIP AND MEETINGS

Section 1. Membership. Every person, group of persons, corporation, partnership, trust or other legal entity, or any combination thereof, who holds legal title to a unit within the condominium shall be a member of the Council provided, however, that any person, group of persons, corporation, partnership, trust or other legal entity, or any combination thereof, who holds such interest solely as security for the performance of an obligation shall not be a member of the Council by reason only of such interest.

Section 2. Place of Meetings. Meetings of the Council shall be held at the principal office of the project or such other suitable place convenient to the owners as may be designated by the Board of Directors.

Section 3. Annual Meetings. The first annual meeting of the Council shall be held at such time as the Board of Directors shall determine but, in any event, within the earlier of one hundred twenty (120) days after 60% of the total 128 condominium units in the project have been sold and title to the same has been conveyed by the Grantor or fifteen (15) months after recordation of this Declaration.

Thereafter, the annual meetings of the Association shall be held on the second Tuesday in June each succeeding year. At such meetings there shall be elected by ballot of the owners a Board of Directors in accordance with the requirements of Section 5 of Article IV of these By-Laws. The owners may also transact such other business of the Council as may properly come before them.

Section 4. Special Meetings. It shall be the duty of the President to call a special meeting of the owners as directed by resolution of the Board of Directors or upon a petition signed by twenty percent of the owners and having been presented to the Secretary, or at the request of the Federal Housing Commissioner or his duly authorized representative. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice unless by consent of four-fifths of the owners present, either in person or by proxy.

Section 5. Notice of Meetings. It shall be the duty of the Secretary to mail a notice of each annual or special meeting stating the purpose thereof as well as the time and place where it is to be held, to each owner of record, at least fifteen (15) but not more than thirty (30) days prior to such meeting. The mailing of a notice in the manner provided in this Section shall be considered notice served. Notices of all meetings shall be mailed to the Director of the local insuring office of the Federal Housing Administration.

Section 6. Adjourned Meetings. If any meeting of owners cannot be organized because a quorum has not attended, the owners who are present, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called.

Section 7. Order of Business. The order of business at all meetings of the owners of units shall be as follows:

- (a) Roll call.
- (b) Proof of notice of meeting or waiver of notice.
- (c) Reading of minutes of preceding meeting.
- (d) Reports of officers.
- (e) Report of Federal Housing Administration representative, if present.
- (f) Report of committees.
- (g) Election of inspectors of election.
- (h) Election of directors
- (i) Unfinished business
- (j) New business.

Section 8. Roster of Unit Owners - The Council shall maintain a current roster of the names and addresses of each unit owner to which written notice of meetings of the Council shall be delivered or mailed. Each unit owner shall furnish the Council with his name and current mailing address.

Section 9. Rights of Mortgagees. Any institutional mortgagee of any condominium unit in the condominium who desires notice of the annual and special meetings of the unit owners shall notify the Secretary to that effect by Registered Mail-Return Receipt Requested. Any such notice shall contain the name and post office address of such institutional mortgagee and the name of the person to whom notice of the annual and special meetings of the unit owners should be addressed. The Secretary of the Council shall maintain a roster of all institutional mortgagees from whom such notices are received and it shall be the duty of the Secretary to mail or otherwise cause the delivery of a notice of each annual or special meeting of the unit owners to each such institutional mortgagee, in the same manner, and subject to the same requirements and limitations as are provided in this Article for notice to the members. Any such institutional mortgagee shall be entitled to designate a representative to attend any annual or special meeting of the unit owners and such representative may participate in the discussion of any such meeting and may, upon his request made to the President in advance of the meeting, address the unit owners present at any such meeting. Such representative shall have no voting rights at any such meeting. Such representative shall be entitled to copies of the minutes of all meetings of the unit owners upon request made in writing to the Secretary.

ARTICLE IV

BOARD OF DIRECTORS

Section 1. Number and Qualifications. The affairs of the Council shall be governed by a Board of Directors composed of an uneven number of at least three (3) natural persons and not more than five (5) natural persons, all of whom (after the first annual meeting of unit owners hereinabove provided for) shall be unit owners. Prior to the first annual meeting of unit owners, the number of Directors shall be determined, from time to time, by a vote of the initial Directors hereinafter named. Thereafter, the number of Directors shall be determined by a vote of the unit owners at the first annual meeting of unit owners and the number of Directors may be changed by a vote of the unit owners at any subsequent annual or special meeting of the unit owners; provided, however, that (a) the limitations of this Section shall continue to apply; and (b) no such change shall operate to curtail or extend the term of any incumbent Director.

Section 2. Initial Directors. The initial Directors shall be selected by the Grantor and need not be unit owners. The names of the Directors who shall act as such from the date upon which the Declaration is recorded among the Land Records for Howard County, Maryland, until the first annual meeting of the unit owners or until such time as their successors are duly chosen and qualified are as follows:

Michael B. Glick
D. Terrance MacHamer
James K. Albright

Section 3 Powers and Duties: The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Council and may do all such acts and things as are not by law or by these By-Laws directed to be exercised and

done by the owners. The powers and duties of the Board of Directors shall include but not be limited to the following:

To provide for the

- (a) care, upkeep and surveillance of the condominium and its common elements and services in a manner consistent with law and the provisions of these By-Laws and the Declaration; and
- (b) establishment, collection, use and expenditure of assessments and carrying charges from the unit owners and for the assessment, the filing and enforcement of Statement of Condominium Liens therefor in a manner consistent with law and the provisions of these By-Laws and the Declaration; and
- (c) to enter into agreements whereby the Council acquires leaseholds, memberships and other possessory or use interests in real or personal property for the purpose of promoting the enjoyment, recreation or welfare of the unit owners and to declare expenses incurred in connection therewith to be common expenses of the Council and
- (d) to purchase insurance upon the condominium in the manner provided for in these By-Laws; and
- (e) to repair, restore or reconstruct all or any part of the condominium after any casualty loss in a manner consistent with law and the provisions of these By-Laws and to otherwise improve the condominium; and
- (f) to lease, grant licenses, easements, rights-of-way and other rights of use in all or any part of the common elements of the condominium; and
- (g) to purchase condominium units in the condominium and to lease, mortgage or convey the same, subject to the provisions of these By-Laws and the Declaration.

Section 4. Management Agent. The Board of Directors may employ for the Council a management agent at a compensation established by the Board to perform such duties and services as the Board shall authorize, including but not limited to the duties listed in Section 2 of this Article. The Council shall not undertake "self-management" or otherwise fail to employ a professional management agent or manager without the prior written approval of all of the institutional holders of all first mortgages on the condominium units in the condominium. Any management agreement entered into by the Council shall provide, *inter alia*, that such agreement may be terminated for cause upon thirty (30) days written notice thereof. The term of any such management agreement shall not exceed one year; provided, however, that the term of any such management agreement may be renewable by mutual agreement of the parties for successive one year periods.

Section 5. Election and Term of Office. The term of the Directors named herein shall expire when their successors have been elected at the first annual meeting of unit owners and are duly qualified. The election of Directors shall be by ballot, unless balloting is dispensed with by the unanimous consent of the unit owners present at any meeting, in person or by proxy. There shall be no cumulative voting. At the first annual meeting of the unit owners, the term of office of the Director receiving the greatest number of votes shall be fixed for three (3) years. The term of office of the Director receiving the second greatest number of votes shall be fixed for two (2) years and the term of office of the other Director or Directors shall be fixed for one (1) year. At the expiration of the initial term of office of each respective Director, his successor shall be elected to serve a term of three (3) years. In the alternative, the membership may, by resolution duly made and adopted at the first annual meeting of members, or at any subsequent annual meeting, resolve to fix the term for each Director elected at any such meeting at one (1) year. Directors shall hold office until their successors have been elected and hold their first regular meeting.

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

Section 7. Removal of Directors. At any regular meeting duly called (but only after the first annual meeting of unit owners, as hereinabove provided), any one or more of the Directors may be removed with or without cause by a majority of the owners and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the owners shall be given an opportunity to be heard at the meeting.

Section 8. Organization Meeting. The first meeting of a newly elected Board of Directors shall be held within ten (10) days of election at such place as shall be fixed by the Directors at the meeting at which such Directors were elected, and no notice shall be necessary to the newly elected Directors in order legally to constitute such meeting, providing a majority of the whole Board shall be present.

Section 9. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the Directors, but at least two such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director, personally or by mail, telephone or telegraph, at least three (3) days prior to the day named for such meeting.

Section 10. Special Meetings. Special meetings of the Board of Directors may be called by the President on three days notice to each Director, given personally or by mail, telephone or telegraph, which notice shall state the time, place (as hereinabove provided) and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice upon the written request of at least three Directors.

Section 11. Waiver of Notice. Before, at, or after any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 12. Board of Director's Quorum. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 13. Fidelity Bonds. The Board of Directors shall require that all officers and employees of the Council handling or responsible for Council funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Council.

Section 14. Action Without Meeting. Any action by the Board of Directors required or permitted to be taken at any meeting may be taken without a meeting if all of the members of the Board of Directors shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board of Directors.

ARTICLE V

OFFICERS

Section 1. Designation. The principal officers of the Council shall be a President, a Vice President, a Secretary, and a Treasurer, all of whom shall be elected by the Board of Directors. The Directors may appoint an Assistant Treasurer, an Assistant Secretary, and such other officers as in their judgment may be necessary. The President must be a Director and a unit owner.

Section 2. Election of Officers. The officers of the Council shall be elected annually by the Board of Directors at the organization meeting of each new Board and shall hold office at the pleasure of the Board.

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

Section 4. President. The President shall be the chief executive officer of the Council. He shall preside at all meetings of the Council and of the Board of Directors. He shall have all of the general powers and duties which are usually vested in the office

of president of Council, including but not limited to the power to appoint committees from among the owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Council.

Section 5. Vice President. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other member of the Board to so do on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Directors.

Section 6. Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the Council and shall be responsible for counting all votes at such meetings. He shall have charge of such books and papers as the Board of Directors may direct; and he shall, in general, perform all the duties incident to the office of Secretary.

Section 7. Treasurer. The Treasurer shall have responsibility for Council funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Council. He shall be responsible for the deposit of all moneys and other valuable effects in the name, and to the credit, of the Council in such depositories as may from time to time be designated by the Board of Directors.

ARTICLE VI

LIABILITY AND INDEMNIFICATION OF OFFICERS AND DIRECTORS

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

ARTICLE VII

ASSESSMENTS AND CARRYING CHARGES FOR COMMON EXPENSES

Section 1. Annual Assessments and Carrying Charges. Each unit owner shall pay to the Council, in advance, a monthly sum (hereinafter sometimes referred to as "assessments" or "carrying charges") equal to one-twelfth (1/12) of the unit owner's proportionate annual share (determined in accordance with the percentage interests in common expenses and common profits of the condominium set forth on "EXHIBIT C" attached to the Declaration) of the sum required by the Council, as estimated by its Board of Directors, to meet its annual expenses, including, but in no way limited to, the following:

(a) the cost of all operating expenses of the condominium and services furnished, including charges by the Council for facilities and services furnished by it; and

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

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

(d) the cost of fire and extended liability insurance on the project and the cost of such other insurance as the Council may effect; and

(e) the cost of furnishing water, electricity, heat, gas, garbage and trash collection and other utilities, to the extent furnished by the Council; and

(f) the cost of funding contributions to the "Paid-in-Surplus" account of the Council and the cost of funding monthly payments to a General Operating Reserve and a Reserve Fund for Replacements as required in the Regulatory Agreement attached as "EXHIBIT D" to the Declaration.

(g) the estimated cost of repairs, maintenance and replacements of the common elements of the condominium, including the streets and gutters.

The Board of Directors shall determine the amount of the assessments at least annually but may do so at more frequent intervals should circumstances so require.

The Board of Directors shall make reasonable efforts to fix the amount of the assessment against each condominium unit for each annual assessment period at least thirty (30) days in advance of the commencement of such period and shall, at that time, prepare a roster of the condominium units and assessments applicable thereto which shall be kept in the office

of the Council and shall be open to inspection by the owner or mortgagee of any condominium unit, and by their respective duly authorized agents and attorneys, upon reasonable notice to the Board of Directors. Written notice of the assessments shall thereupon be sent to the unit owners. The omission of the Board of Directors, before the expiration of any annual assessment period, to fix assessments for that or the next such period shall not be deemed a waiver or modification in any respect of the provisions of the Article, or a release of any unit owner from the obligation to pay the assessment, or any installment thereof, for that or any subsequent assessment period; but the assessment fixed for the preceding period shall continue until a new assessment is fixed. No unit owner may exempt himself from liability for assessments or carrying charges by a waiver of the use or enjoyment of any of the common elements or by abandonment of any condominium unit belonging to him.

Section 2. Budget. The Board of Directors, with the assistance and counsel of the Management Agent, shall prepare and adopt a budget for each annual assessment period which shall include estimates of the funds required by the Council to meet its annual expenses for that period. The budget shall be prepared in accordance with the requirements of the Regulatory Agreement attached as "EXHIBIT D" to the Declaration. Copies of the budget shall be available for examination by the unit owners and by their duly authorized agents and attorneys, and to the institutional holder of any first mortgage on any condominium unit in the condominium and by their duly authorized agents and attorneys during normal business hours for purposes reasonably related to their respective interests.

Section 3. Special Assessments. In addition to the regular assessments authorized by this Article, the Council may levy, subject to the written consent of the Federal Housing Commissioner, in any assessment year a special assessment or assessments, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement located upon the condominium, including the necessary fixtures and personal property related thereto, or for such other purpose as the Board of Directors may consider appropriate; provided, however, that any such special assessment shall have the assent of the unit owners representing two-thirds (2/3) of the total votes of the Council. A special meeting of the unit owners shall be duly called for this purpose.

Section 4. Reserve for Replacements and General Operating Reserve

(a) The Council shall establish and maintain a reserve fund for replacement by the allocation and payment monthly to such reserve fund of an amount to be designated from time to time by the Federal Housing Commissioner, or if no such amount is designated by the Federal Housing Commissioner by the Board of Directors. The reserve for replacements may be extended only for the purpose of effecting the replacement of the common elements and equipment of the condominium, for start-up costs and operation contingencies of a non-recurring nature and for such other purposes as may be agreed to in writing by the Federal Housing Commissioner. Disbursements from the reserve for replacements may be made only after receiving the consent in writing of the Federal Housing Commissioner.

(b) The Council shall establish and maintain a general operating reserve by the allocation and payment monthly to such general operating reserve fund of an amount equivalent to not less than three percent (3%) of the monthly assessments chargeable to the unit owners in the condominium pursuant to the provisions of these By-Laws. Upon the accrual in said general operating reserve account of an amount equal to fifteen percent (15%) of the current annual amount of assessments chargeable to the unit owners in the condominium pursuant to the provisions of these By-Laws, the rate of such monthly allocations may, by appropriate resolution of the Board of Directors, be reduced to two percent (2%); provided, however, that in the event withdrawals from such general operating reserve account reduce the account below such fifteen percent (15%) accrual, then the rate of such monthly deposits shall immediately be restored to three percent (3%). Thereafter, upon the accrual in the general operating reserve account of an amount equal to twenty-five percent (25%) of the current annual amount of assessments chargeable to the unit owners in the condominium pursuant to the provisions of these By-Laws such monthly deposits may, by appropriate resolution of the Board of Directors, be discontinued and no further deposits need be made into such general operating reserve account so long as said twenty-five percent (25%) level is maintained; provided, however, that in the event withdrawals from such general operating reserve account reduce the account below said twenty-five percent (25%) accrual, then the rate of such monthly deposit shall immediately be restored to three percent (3%) until the twenty-five percent (25%) level is restored. The general operating reserve is intended to provide a measure of financial stability for the condominium and may be used to meet deficiencies from time to time and for other contingencies. Disbursements totaling in excess of twenty percent (20%) of the total balance in the general operating reserve as of the close of the preceeding annual period may not be made during any annual period without the consent in writing of the Federal Housing Commissioner.

Allocations to all reserve funds shall be conclusively deemed to be common expenses. Such reserve funds shall be deposited in a special account with a lending institution the accounts of which are insured by an agency of the United States of America or may, in the discretion of the Board of Directors, be invested in obligations of, or fully guaranteed as to principal by, the United States of America.

The proportionate interest of any unit owner in any reserve accounts established by the Council shall be considered an appurtenance of his condominium unit and shall not be separately withdrawn, assigned or transferred or otherwise separated from the condominium unit to which it appertains and shall be deemed to be transferred with such condominium unit. Payment of any reserve funds to the Council shall be deemed to be paid to the Council as trustee for the unit owners and not to the Council itself.

Section 5. Non-Payment of Assessments - Statement of Condominium Lien. Any assessment levied pursuant to the Declaration or these By-Laws, and any installment thereof which is not paid on the date when due, shall be delinquent and shall entitle the Council to claim the amount of such assessment, together with interest thereon and the actual costs of collection thereof, as a lien on the condominium unit against which it is assessed; provided, however, that such lien shall be effective only after a Statement of Condominium Lien is recorded among the Land Records for Howard County, Maryland, stating the description of the condominium unit, the name of the unit owner of record, the amount due and the period for which the assessment is due. Any such Statement of Condominium Lien shall be in substantially the following form or as may otherwise be required by the Condominium Act:

STATEMENT OF CONDOMINIUM LIEN

This is to certify that _____ owner(s) of Unit No. _____ in "Montgomery Woods Condominium" (is) (are) indebted to the Council in the amount of \$ _____ as of _____, 19____, for (his) (their) proportionate share of common expenses of the condominium for the period from _____, 19____, to 19____, plus interest thereon at the rate of eight percent (8%), costs of collection and reasonable attorney's fees.

COUNCIL OF UNIT OWNERS OF
MONTGOMERY WOODS CONDOMINIUM

By: _____
Officer's title (or Agent)
Address
Telephone Number

I HEREBY AFFIRM under penalties of perjury that the information contained in the foregoing Statement of Condominium Lien is true and correct to the best of my knowledge, information and belief.

Officer (or Agent)

The Statement of Condominium Lien shall be signed and verified as required in the Condominium Act by any officer of the Council, or by the Management Agent or any duly authorized representative thereof, or by any agent, attorney or other person duly authorized by the Board of Directors for such purpose.

Upon recordation of the Statement of Condominium Lien as aforesaid, the lien shall bind the condominium unit described in the Statement of Condominium Lien in the hands of the unit owner, his heirs, devisees, personal representatives and assigns. The personal obligation of the unit owner to pay the assessment shall, however, remain his personal obligation for the statutory period and a suit to recover a money judgment for non-payment of any assessment levied pursuant to the Declaration or these By-laws, or any installment thereof, may be maintained without foreclosing or waiving the lien established by the Statement of Condominium Lien to secure payment of such assessment. Upon full payment of the amount for which the lien is claimed the unit owner shall be entitled to a recordable satisfaction of the lien.

Any assessment levied pursuant to the Declaration or these By-laws, and any installment thereof, which is not paid when due may, upon resolution of the Board of Directors, subject the unit owner obligated to pay the same to the payment of such penalty or "late charge" as the Board of Directors may fix and the Council may bring an action at law against the unit owner personally obligated to pay the same or may, after the recordation of the Statement of Condominium Lien provided for in this Article and in the Condominium Act, foreclose the lien against the condominium unit or units then belonging to said unit owner in the same manner, and subject to the same requirements, now or hereafter provided for the foreclosure of mortgages or deeds of trust in the State of Maryland containing a power of sale or an assent to a decree; in either of which events interest at the rate of eight percent (8%) per annum, actual costs of collection and reasonable attorney's fees of not less than twenty percent (20%) of the sum claimed shall be added to the amount of each assessment. Suit for any deficiency following foreclosure may be maintained in the same proceeding. No suit may be brought to foreclose the lien except after ten (10) days' written notice to the unit owner given by registered mail - return receipt requested to the address of the unit owner shown on the roster of unit owners maintained by the Council.

In the event any proceeding to foreclose the lien for any assessment due the Council pursuant to this Article is commenced with respect to any condominium unit or units in the condominium, then the owner of such condominium unit or units, upon resolution of the Board of Directors, may be required to pay a reasonable rental for such unit or units and the Council shall be entitled to the appointment of a receiver to collect the same.

The Board of Directors may post a list of members who are delinquent in the payment of any assessment or other fees which may be due the Council, including any installment thereof which becomes delinquent, in any prominent location within the condominium.

Section 6. Priority of Lien. The lien established by the recordation of a Statement of Condominium Lien, as in this Article provided, shall have preference over any other assessments, liens, judgments or charges of whatever nature, except the following:

(a) general and special assessments for ad valorem real estate taxes on the condominium unit; and

(b) the lien of any bona fide deed of trust, mortgage or other encumbrance duly recorded on the condominium unit prior to the recordation of the Statement of Condominium Lien, or duly recorded on the condominium unit after receipt by the holder of any such mortgage (or the holder of the indebtedness or note secured thereby) of a certificate or statement in writing signed by an officer or agent of the Council stating the payments on account of all assessments levied by the Council against the condominium unit were current as of the date of recordation of such deed of trust, mortgage instrument or other encumbrance.

The lien established by the recordation of a Statement of Condominium Lien, as in this Article provided, shall be subordinate to the lien of any deed of trust, mortgage or other encumbrance duly recorded on the condominium unit and made in good faith and for value received; provided, however, that such subordination shall apply only to assessments, and installments thereof, which have become due and payable prior to a sale or transfer of the condominium unit pursuant to a foreclosure on any deed, assignment or other proceeding or arrangement in lieu of foreclosure. Any holder of any deed of trust, mortgage or other encumbrance duly recorded on the condominium unit and made in good faith and for value received who comes into possession of the condominium unit pursuant to a foreclosure or any deed, assignment or other proceeding or arrangement in lieu of foreclosure, and any other purchaser at a foreclosure sale, shall take the condominium unit free of any claims for unpaid common expense assessments and carrying charges levied against the condominium unit which accrue prior to the time such holder comes into possession of the condominium unit or prior to the foreclosure sale, except for claims for a proportionate share of such unpaid common expense assessments and carrying charges resulting from a reallocation of such unpaid common expense assessments or carrying charges among all of the condominium units in the condominium. Such foreclosure, deed, assignment or other proceeding or arrangement in lieu of foreclosure shall not relieve the mortgagee in possession or the purchaser at any foreclosure sale from any liability for any common expense assessments and carrying charges thereafter becoming due, or from the lien established by the recordation of a Statement of Condominium Lien with respect to any common expense assessments and carrying charges thereafter becoming due.

No amendment to this Section shall affect the rights of the holder of any such deed of trust, mortgage or other encumbrance recorded prior to the recordation of such amendment unless the holder of such deed of trust, mortgage or other encumbrance shall join the execution of such amendment.

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

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

Section 8. Acceleration of Installments. Upon default in the payment of any one or more monthly installments of any assessment levied pursuant to the Declaration or these By-Laws, or any other installment thereof, the entire balance of said assessment may be accelerated at the option of the Board of Directors and be declared due and payable in full.

Section 9. Assessment Certificates. The Council shall, upon demand at any time, furnish to any unit owner liable for any assessment levied pursuant to the Declaration or these By-Laws (or any other party legitimately interested in the same), a certificate in writing signed by an officer or agent of the Council setting forth the status of said assessment, i.e., whether the same is paid or unpaid. Such certificate shall be conclusive evidence of the payment of any installment of any assessment therein stated to have been paid. A charge not to exceed Ten Dollars (\$10.00) may be levied in advance by the Council for each certificate so delivered, except that no charge shall be levied against any institutional mortgagee of any condominium unit in the condominium who requests such a certificate.

ARTICLE VIII

USE RESTRICTIONS

Section 1. Residential Use. Except for such temporary non-residential uses as may be permitted by the Board of Directors from time to time, all condominium units shall be used for private residential purposes exclusively. Nothing in this Section, or herein elsewhere, shall be construed to prohibit the Grantor in connection with the sale of units in this condominium from the use of any condominium units which the Grantor owns for promotional or display purposes, as "model units", a sales office or the like or from leasing any unit or units which the Grantor owns except that Grantor shall nevertheless be bound by the provisions of Section 2 of this Article.

Section 2. Leasing. No portion of any condominium unit (other than the entire unit) shall be leased for any period. Any owner of any condominium unit who shall lease such unit shall, promptly following the execution of any such lease, forward a conformed copy thereof to the Board of Directors. All leases shall be in writing. Any such lease shall contain a provision to the effect that the rights of the tenant to use and occupy the condominium unit shall be subject and subordinate in all respects to the provisions of the Declaration and these By-Laws and to such other reasonable rules and regulations relating to the use of the common elements, or other "house rules" as the Board of Directors may from time to time promulgate and shall provide, further, that any failure by the tenant to comply with the provisions of such documents shall be a default under the lease. The provisions of this subsection shall not apply to any institutional first mortgagee of any condominium unit who comes into possession of the unit by reason of any remedies provided by law or in such mortgage or as a result of a foreclosure sale or other judicial sale or as a result of any proceeding, arrangement, assignment or deed in lieu of foreclosure. No condominium unit within the condominium shall be rented for transient or hotel purposes or for a period of less than thirty days.

Section 3. Prohibited Uses and Nuisances. Except for the activities of the Grantor and its agents in connection with the construction of the condominium, and except as may be reasonable and necessary in connection with the maintenance, improvement, repair or reconstruction of any portion of the condominium by the Grantor or the Council:

(a) no noxious or offensive trade or activity shall be carried on within the condominium or within any condominium unit, nor shall anything be done therein or thereon which may be or become an annoyance to the neighborhood or the other unit owners. No nuisances shall be permitted within the condominium, nor shall any use or practice be permitted which is or becomes a source of annoyance to the unit owners or which interferes with the peaceful use and possession thereof by the unit owners.

(b) there shall be no obstruction of any of the common elements. Nothing shall be stored upon any of the common elements, excepting those areas designated for storage of personal property by the owners of the condominium units. Nothing shall be done within the condominium which impairs any easement or right-of-way or which alters the natural flow of surface water.

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

(d) no structural alteration, construction, addition or removal of any condominium unit or the common elements shall be commenced or conducted except in strict accordance with the provisions of these By-Laws.

(e) Except for such signs as may be posted by the Grantor or the Council for promotional or marketing purposes, traffic control or the like, no signs of any character shall be erected, posted or displayed upon, in, from or about any condominium unit or the common elements without the prior consent in writing of the Board of Directors and under such conditions as they may establish. The provisions of this section shall not be applicable to the institutional holder of any first mortgage which comes into possession of any condominium unit by reason of any remedies provided by law or in such mortgage or as a result of a foreclosure sale or other judicial sale or other proceeding, arrangement, assignment or deed in lieu of foreclosure.

(f) no burning of any trash and no unreasonable or unsightly accumulation or storage of litter, new or used building materials, or trash of any other kind shall be permitted within any condominium unit or upon any of the common elements. Trash and garbage containers shall not be permitted to remain in public view, except on days of collection. All refuse shall be deposited with care in containers or trash chutes designated for such purpose during such hours as may from time to time be designated by the Board of Directors.

(g) no outside television or radio aerial or antenna, or other aerial or antenna, for reception or transmission, shall be maintained upon any condominium unit or upon any of the common elements without the prior written consent of the Board of Directors.

(h) no unlawful use shall be made of any condominium unit or any portion of the common elements and all laws, zoning and other ordinances, regulations of governmental and other municipal bodies and the like shall be observed at all times.

(i) there shall be no violation of any rules for the use of the common elements, or other "house rules", which may from time to time be adopted by the Board of Directors and promulgated among the unit owners by them in writing, and the Board of Directors is hereby and elsewhere in these By-Laws authorized to adopt and promulgate such rules.

ARTICLE IX

ARCHITECTURAL CONTROL

Section 1. Architectural and Environmental Control Committee. Except for the construction of the condominium by the Grantor or its agents and any improvements to any condominium unit or to the common elements accomplished concurrently with said original construction, and except for purposes of proper maintenance and repair or as otherwise in the Condominium Act or

these By-Laws provided, it shall be prohibited for any unit owner to install, erect, attach, apply, paste, hinge, screw, nail, build, alter, remove or construct any lighting, shades, screens, awnings, patio covers, decorations, fences, walls, aeri-als, antennas, radio or television broadcasting or receiving devices, slabs, sidewalks, curbs, gutters, patios, balconies, porches, driveways, walls or to make any change or otherwise alter (including any alteration in color) in any manner whatsoever the exterior of any condominium unit or upon any of the common elements within the project or to combine or otherwise join two or more condominium units, or to partition the same after combination, or to remove or alter any window or exterior doors of any condominium unit, or to make any change or alteration within any condominium unit which will alter the structural integrity of any building or otherwise affect the property, interest or welfare of any other unit owner, materially increase the cost of operating or insuring the condominium or impair any easement, until the complete plans and specifications, showing the location, nature, shape, change (including, without limitation, any other information specified by the Board of Directors or its designated committee) shall have been submitted to and approved in writing as to safety, the effect of any such alterations on the costs of maintaining and insuring the condominium and harmony of design, color and location in relation to surrounding structures and topography, by the Board of Directors of the Council, or by an Architectural and Environmental Control Committee designated by the Board of Directors.

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

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

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

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

Section 6. Rules and Regulations, etc. The Architectural and Environmental Control Committee may from time to time adopt and promulgate such rules and regulations regarding the form and content of plans and specifications to be submitted for approval and may publish such statements of policy, standards, guidelines and establish such criteria relative to architectural styles or details, or other related matters, as it may consider necessary or appropriate. No such rules, regulations, statements, criteria or the like shall be construed as a waiver of the provisions of this Article or any other provision or requirement of these By-Laws. The Architectural and Environmental Control Committee may charge and collect a reasonable fee for the examination of any plans and specifications submitted for approval pursuant to the provisions of this Article. The decisions of the Architectural and Environmental Control Committee shall be final except that any unit owner may appeal the decision of the Architectural and Environmental Control Committee to the Board of Directors of the Council and, upon the request of such unit owner, shall be entitled to a hearing before the Board of Directors.

Section 7. **Fences.** The Architectural and Environmental Control Committee shall be bound by at least the following limitations in connection with the approval of any application for the construction of a fence: All fences shall be constructed of wood with painted or natural finishes. No fence shall be constructed of chain link, wire or other metal unless specifically approved in writing by the Architectural and Environmental Control Committee. Fencing shall be reasonably uniform in height throughout the condominium. The minimum height of any fence shall be forty-eight (48) inches and the maximum height of any fences shall be seventy-two (72) inches. The tops of all fences shall be level and all fences shall be stepped (rather than sloped) to follow grade. No fence shall extend more than eighteen (18) feet from the rear wall of any condominium unit to which such fence is appurtenant. No area in front or to the side or any condominium unit shall be fenced.

ARTICLE X

INSURANCE

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

(a) casualty or physical damage insurance in an amount equal to the full replacement value (i.e., 100% of "replacement cost" exclusive of land, foundation and excavation) of the condominium (including all building service equipment and the like) with an "Agreed Amount Endorsement" or its equivalent, a "Demolition Endorsement" or its equivalent, an "Increased Cost of Construction Endorsement" or its equivalent, a "Condominium Replacement Cost Endorsement" or its equivalent, and a "Contingent Liability from Operation of Building Laws Endorsement" or its equivalent, without deduction or allowance for depreciation, as determined annually by the Board of Directors with the assistance of the insurance company affording such coverage), such coverage to afford protection against at least:

- (i) loss or damage by fire and other hazards covered by the standard extended coverage endorsement; and
- (ii) such other risks as shall customarily be covered with respect to projects similar in construction, location and use, including, but not limited to, sprinkler leakage, debris removal, cost of demolition, vandalism, malicious mischief, windstorm, water damage, boiler and machinery explosion or damage, and such other insurance as the Board of Directors may from time to time determine; and

(b) public liability insurance with a "Severability of Interest Endorsement" or its equivalent in such amounts and in such forms as may be considered appropriate by the Board of Directors (but not less than One Million and * * * No/100 Dollars (\$1,000,000.00) covering all claims for bodily injuries and/or property damage arising out of a single occurrence) including, but not limited to, water damage liability, legal liability, hired automobile liability, non-owned automobile liability,

liability for property of others, elevator collision, garage keeper's liability, and such other risks as shall customarily be covered with respect to projects similar in construction, location and use, including any and all other liability incident to the ownership and use of the condominium or any portion thereof.

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

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

(e) such other policies of insurance, including insurance for other risks of a similar or dissimilar nature and fidelity coverage as required by Section 13 of Article IV of these By-Laws, as are or shall hereafter be considered appropriate by the Board of Directors. The Board of Directors shall maintain adequate fidelity coverage to protect against dishonest acts on the part of officers and Directors of the Council, trustees for the Council and such employees and agents of the Council who handle or are responsible for the handling of funds of the Council. Such fidelity coverage shall meet the following requirements:

- (i) all such fidelity bonds and policies of insurance shall name the Council as obligee or named insured, as the circumstances may require; and
- (ii) all such fidelity bonds and policies of insurance shall be written in an amount equal to at least one hundred fifty percent (150%) of the estimated annual operating budget of the condominium, including reserves; and
- (iii) all such fidelity bonds and policies of insurance shall contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression; and
- (iv) all such fidelity bonds and insurance shall provide that they may not be cancelled or substantially modified (including cancellation for non-payment of premium) without at least thirty (30) days prior written notice to any and all obligees and insureds named thereon and to any mortgagee of any condominium unit who requests such notice in writing.

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

(a) all policies shall be written or reinsured with a company or companies licensed to do business in Maryland and holding a rating "B + BBB" or better in the current edition of Best's Insurance Guide.

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

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

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

(e) all policies shall provide that such policies may not be cancelled or substantially modified (including cancellation for non-payment of premium) without at least thirty (30) days prior written notice to any and all insureds named thereon, including any and all mortgagees of the condominium units.

(f) all policies of casualty insurance shall provide that, notwithstanding any provisions thereof which give the carrier the right to elect to restore damage in lieu of making a cash settlement, such option shall not be exercisable without the prior written approval of the Board of Directors (or any Insurance Trustee) or when in conflict with the provisions of any Insurance Trust Agreement to which the Council may be a party, these By-Laws or the provisions of the Condominium Act.

(g) all policies shall contain a waiver of subrogation by the insurer as to any and all claims against the Council, the Board of Directors, the owner of any condominium unit and their respective agent, employees or tenants, and of any defenses based upon co-insurance or invalidity arising from the acts of the insured.

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

Section 3. Individual Policies - Recommendation of Grantor - Notice to Board of Directors. The owner of any condominium unit (including the holder of any mortgage thereon) may obtain additional insurance (including a "Condominium Unit-Owner's Endorsement" or its equivalent, for improvements and betterments to the condominium unit made or acquired at the expense of the owner) at his own expense. Such insurance shall be written by the same carrier as that purchased by the Board of Directors pursuant to this Article or shall provide that it shall be without contribution as against the same. Such insurance shall contain the same waiver of subrogation provision as that set forth in Section 2(g) of this Article. The Grantor recommends that each owner of a condominium unit in the condominium obtain, in addition to the insurance hereinabove provided to be obtained by the Board of Directors, a plateglass damage policy and a "Tenant's Homeowners Policy" or its equivalent, to insure against loss or damage to personal property used or incidental to the occupancy of the condominium unit, additional living expense, vandalism or malicious mischief, theft, personal liability and the like. Such latter policy should include a "Condominium Unit-Owner's Endorsement", or its equivalent, covering losses to improvements and betterments to the condominium unit made or acquired at the expense of the unit owner. Copies of all such policies shall be filed with the Secretary.

The owner of any condominium unit shall notify the Board of Directors in writing of any and all improvements and betterments made to the condominium unit at the expense of such unit owner, the value of which is in excess of One Thousand and * * * No/100 Dollars (\$1,000.00).

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

ARTICLE XI

CASUALTY DAMAGE - RECONSTRUCTION OR REPAIR

Section 1. Use of Insurance Proceeds. In the event of damage or destruction to the condominium by fire or other casualty, the same shall be promptly repaired or reconstructed in substantial conformity with the original plans and specifications for the condominium with the proceeds of insurance available for that purpose, if any.

Section 2. Proceeds Insufficient. In the event that the proceeds of insurance are not sufficient to repair damage or destruction by fire or other casualty, or in the event such damage or destruction is caused by any casualty not insured against, then the repair or reconstruction of the damage shall be accomplished

promptly by the Council at its common expense, pursuant and subject to such conditions and subject to such controls as the mortgagee, as defined in Section 4 of this Article, may require. The ratable share of the expense of such repairs or reconstruction may be assessed and, in the event any Statement of Condominium Lien is recorded with respect to any such assessments, then the lien shall have all the priorities provided for in Article VII of these By-Laws. In the event that the proceeds of casualty insurance are paid to any Insurance Trustee pursuant to the requirements of Section 4 of this Article, then all funds collected from the unit owners of the condominium units pursuant to this Section 2 shall likewise be paid over to such Insurance Trustee and shall be disbursed by such Insurance Trustee in accordance with the provisions of Section 4 of this Article.

Section 3. Restoration Not Required. In the event the condominium is damaged or destroyed by fire or other casualty to the extent of two-thirds (2/3) of the full replacement value of the condominium, as estimated by the Board of Directors and the insurer pursuant to the requirements of Section 1(a) of Article X of these By-Laws for the period during which such loss was sustained, and the members do not promptly and unanimously resolve to proceed with repair or reconstruction, then and in that event the condominium shall be deemed to be owned in common by the owners of all of the condominium units in the same proportion as that established in the Declaration for ownership of appurtenant undivided interests in the common elements and the condominium shall be subject to an action for partition at the suit of the owner of any condominium unit, in which event the net proceeds of sale, together with the net proceeds of any insurance paid to the Council or the unit owners in common, shall be considered as one fund and shall be divided among the owners of all of the condominium units in the same proportion as that established in the Declaration for ownership of appurtenant undivided interests in the common elements, after first paying out of the share of the owner of any condominium unit, to the extent such payment is required by any lienor and to the extent such share is sufficient for the purpose, all liens upon said condominium unit in accordance with the priority of interests in each unit.

Section 4. Insurance Trustee. In the event the cost of reconstruction or repair (as estimated by the Board of Directors) shall exceed an amount equal to two and one-half percent (2-1/2%) of the full replacement value of the condominium, as estimated by the Board of Directors and the insurer pursuant to the requirements of Section 1(a) of Article X of these By-Laws for the period during which such loss was sustained, and the institutional holder or holders of any mortgages or other obligations secured by any condominium unit or units in the aggregate principal sum of more than \$150,000.00 (hereinafter in this Section 4 called the "mortgagee") shall so require, all proceeds of insurance shall be paid over to a trust company or bank (the "Insurance Trustee") having trust powers and authorized to engage in trust business in the jurisdiction wherein the condominium is located, selected by the Board of Directors with the approval of the mortgagee, and shall be paid out from time to time as the reconstruction or repair progresses in accordance with the provisions of an Insurance Trust Agreement satisfactory in form and substance to the mortgagee and the Federal Housing Commissioner.

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

ARTICLE XII

FISCAL MANAGEMENT

Section 1. Fiscal Year. The fiscal year of the Council shall begin on the first day of January every year, except for the first fiscal year of the Council which shall begin at the date of recordation of the Declaration among the Land Records for Howard County, Maryland. The commencement date of the fiscal year herein established shall be subject to change by the Board of Directors should the practice of the Council subsequently dictate.

Section 2. Principal Office - Change of Same. The principal office of the Council shall be as set forth in Article I of these By-Laws. The Board of Directors, by appropriate resolution, shall have the authority to change the location of the principal office of the Council from time to time.

Section 3. Books and Accounts. Books and accounts of the Council shall be kept under the direction of the Treasurer in accordance with generally accepted accounting practices, consistently applied. The same shall include books with detailed accounts, in chronological order, of receipts and of the expenditures and other transactions of the Council and its administration and shall specify the maintenance and repair expenses of the common elements of the condominium, services provided with respect to the same and any other expenses incurred by the Council. The amount of any assessment required for payment of any capital expenditures or reserves of the Council shall be credited upon the books of the Council to the "Paid-in-Surplus" account as a capital contribution by the members.

Section 4. Auditing. At the close of each fiscal year, the books and records of the Council shall be audited by an independent Certified Public Accountant whose report shall be prepared and certified in accordance with generally accepted auditing standards, consistently applied. Based upon such report, the Council shall furnish the unit owners and any mortgagee requesting the same with an annual financial statement, including the income and disbursements of the Council, within ninety (90) days following the end of each fiscal year. The cost of such audit shall be a common expense.

Section 5. Inspection of Books. The books and accounts of the Council, vouchers accrediting the entries made thereupon and

all other records maintained by the Council shall be available for examination by the unit owners and their duly authorized agents or attorneys, and to the institutional holder of any first mortgage on any condominium unit and its duly authorized agents or attorneys, during normal business hours and for purposes reasonably related to their respective interests and after reasonable notice.

Section 6. Execution of Corporate Documents. With the prior authorization of the Board of Directors, all notes and contracts shall be executed on behalf of the Council by either the President or a Vice President, and all checks shall be executed on behalf of the Council by such officers, agents or other persons as are from time to time so authorized by the Board of Directors.

Section 7. Seal. The Board of Directors may provide a suitable corporate seal containing the name of the Council which seal shall be in the charge of the Secretary. If so directed by the Board of Directors, a duplicate seal may be kept and used by the Treasurer or any assistant secretary or assistant treasurer.

ARTICLE XIII

PHYSICAL MANAGEMENT

Section 1. Management and Common Expenses. The Council acting by and through its Board of Directors, shall manage, operate and maintain the condominium and, for the benefit of the condominium units and the unit owners, shall enforce the provisions hereof and shall pay out of the common expense fund hereinelsewhere provided for the cost of managing, operating and maintaining the condominium, including, without limitation, the following:

- (a) the cost of providing water, sewer, garbage and trash collection and electrical, gas and other necessary utility services for the common elements and, to the extent that the same are not separately metered or billed to each condominium unit, for the condominium units; and
- (b) the cost of fire and extended liability insurance on the condominium and the cost of such other insurance as the Council may effect; and
- (c) the cost of the services of a person or firm to manage the project to the extent deemed advisable by the Council consistent with the provisions of these By-Laws, together with the services of such other personnel as the Board of Directors shall consider necessary for the operation of the condominium; and
- (d) the cost of providing such legal and accounting services as may be considered necessary by the Board of Directors for the operation of the condominium; and
- (e) the cost of repairs, maintenance, service and replacement of the general common elements of the condominium, including, without limitation, streets, gutters, street lights and such furnishings and equipment for the common elements as the Board of Directors shall determine are necessary and proper; provided, however, that nothing herein contained shall require the Council to repair, replace, or otherwise maintain any condominium unit or any fixtures, appliances, equipment or the like located therein; and

provided further, that nothing herein contained shall require the Council to repair, replace or otherwise maintain any of the limited common elements herein required to be maintained by the unit owners.

(f) the cost of any and all other materials, supplies, labor, services, maintenance, repairs, taxes, assessments or the like, which the Council is required to secure or pay for by law, or otherwise, or which in the discretion of the Board of Directors shall be necessary or proper for the operation of the condominium; provided, however, that if any of the aforementioned are provided or paid for the specific benefit of a particular condominium unit or units, the cost thereof shall be specially assessed to the owner or owners thereof in the manner provided in this Article; and

(g) the cost of the maintenance or repair of any condominium unit in the event such maintenance or repair is reasonably necessary in the discretion of the Board of Directors to protect the common elements or to preserve the appearance or value of the condominium, or is otherwise in the interest of the general welfare of all of the unit owners; provided, however, that, except in cases involving emergencies or manifest danger to safety of person or property, no such maintenance or repair shall be undertaken without a resolution by the Board of Directors and not without reasonable written notice to the owner of the condominium unit proposed to be maintained and, provided further, that the cost thereof shall be assessed against the condominium unit for which such maintenance or repair is performed and, when so assessed, a statement for the amount thereof shall be rendered promptly to the then owner of said condominium unit at which time the assessment shall become due and payable and a continuing obligation of said unit owner in all respects as provided in Article VII of these By-Laws; and

(h) any amounts necessary to discharge any lien or encumbrance levied against the condominium, or any portion thereof, which may, in the opinion of the Board of Directors, constitute a lien against any of the common elements rather than the interest of the owner of any individual condominium unit.

Section 2. Council of Unit Owners as Attorney-in-Fact. The Council is hereby irrevocably appointed as attorney-in-fact for the owners of all of the condominium units in the condominium, and for each of them, to manage, control and deal with the interests of such unit owners in the common elements of the condominium so as to permit the Council to fulfill all of its powers, functions and duties under the provisions of the Condominium Act, the Declaration and the By-Laws, and to exercise all of its rights thereunder and to deal with the condominium upon its destruction and the proceeds of any insurance indemnity, as hereinelsewhere provided. The foregoing shall be deemed to be a power of attorney coupled with an interest and the acceptance by any person or entity of any interest in any condominium unit shall constitute an irrevocable appointment of the Council as attorney-in-fact as aforesaid.

Section 3. Management Agent. The Council may by contract in writing delegate any of its ministerial duties, powers or functions to the Management Agent. The Council and the Board of Directors shall not be liable for any omission or improper exercise by the Management Agent of any such duty, power or function so delegated.

Section 4. Duty to Maintain. The owner of any condominium unit shall, at his own expense, maintain the interior and the exterior of his condominium unit and any and all trees, plants, shrubs, landscaping features, equipment, appliances or fixtures therein situate, and its other appurtenances including, without limitation, any lawn, fenced area, courtyard, patio or the like appurtenant to such condominium unit and designated herein or in the Declaration or the Condominium Plat as a limited common element reserved for exclusive use by the owner of that particular condominium unit, and including all mechanical equipment and appurtenances located outside such unit which are designed, designated or installed to serve only that unit), in good order, condition and repair, free and clear of ice and snow, and in a clean and sanitary condition, and shall do all redecorating, painting and the like which may at any time be necessary to maintain the good appearance of his condominium unit. In addition to the foregoing, the owner of any condominium unit shall, at his own expense, maintain, repair, replace any plumbing and electrical fixtures, water heaters, fireplaces, plenums, heating and air-conditioning equipment, lighting fixtures, refrigerators, freezers, trash compactors, dishwashers, clothes washers, clothes dryers, disposals, ranges, range hoods, and other equipment that may be in or declared to be appurtenant to such condominium unit. The owner of any condominium unit shall also, at his own expense, keep any limited common elements which may be appurtenant to such condominium unit and reserved for his exclusive use in a clean, orderly and sanitary condition.

Section 5. Windows and Doors. The owner of any condominium unit shall, at his own expense, clean and maintain both the interior and exterior surfaces of all windows of such condominium unit and shall, at his own expense, clean and maintain both the interior and exterior surfaces of all entry doors of the condominium unit, including the interior and exterior surfaces of any door leading to any balcony, deck, terrace, fenced area, courtyard, patio or the like appurtenant to such condominium unit and designated herein or in the Declaration or the Condominium Plat as a limited common element reserved for the exclusive use of the owner of that particular condominium unit.

Section 6. Access at Reasonable Times. The Council shall have an irrevocable right and an easement to enter condominium units for the purpose of making repairs thereto and to common elements therein when such repairs reasonably appear necessary for public safety or to prevent damage to other portions of the condominium. Except in cases involving manifest damage to public safety or property, the Council shall make a reasonable effort to give notice to the owner of any condominium unit to be entered for the purpose of such repairs.

Section 7. Easement for Utilities and Related Purposes. The Council is authorized and empowered to grant (and shall from time to time grant) such licenses, easements and rights-of-way for sewer lines, water lines, electrical cables, telephone cables, gas lines, storm drains, overhead or underground conduits and such other purposes related to the provision of public utilities to the

condominium as may be considered necessary and appropriate by the Board of Directors for the orderly maintenance, preservation and enjoyment of the common elements or for the preservation of the health, safety, convenience and welfare of the owners of the condominium units or the Grantor.

Section 8. Limitation of Liability. The Council shall not be liable for any failure of water supply or other services to be obtained by the Council of Unit Owners or paid for out of the common expense funds, or for injury or damage to person or property caused by the elements or resulting from electricity, water, snow or ice which may leak or flow from any portion of the common elements or from any wire, pipe, drain, conduit, appliance or equipment unless such liability is covered by insurance and then only to the extent of such insurance. The Council shall not be liable to the owner of any condominium unit for loss or damage, by theft or otherwise, of articles which may be stored upon any of the common elements unless such liability is covered by insurance and then only to the extent of such insurance. No diminution or abatement of common expense assessments, as herein elsewhere provided, shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the common elements, or to any condominium unit, or from any action taken by the Council to comply with any law or ordinance or with the order or directive of any municipal or other governmental authority.

ARTICLE XIV

PARKING

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

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

In the event the Board of Directors elects to assign parking spaces within the condominium, the Board of Directors may make

reasonable efforts to assign parking spaces in a manner calculated to make reasonable adjustments to accommodate the elderly and handicapped.

ARTICLE XV

AMENDMENT

Section 1. Amendments. These By-Laws may be amended by the affirmative vote of unit owners representing seventy-five percent (75%) of the total votes of the Council, at any meeting of the unit owners duly called for such purpose, in accordance with the provisions and requirements of these By-Laws and Title XI, Section 11-104(E), Real Property Article Annotated Code of Maryland (1974). Any amendment to these By-Laws shall be effective only upon the recordation of such amendment among the Land Records for Howard County, Maryland, together with a certificate in writing of the Secretary of the Council stating that the amendment was approved as aforesaid.

Section 2. Proposal of Amendments. Amendments to these By-Laws may be proposed by the Board of Directors by petition signed by unit owners representing at least twenty-five percent (25%) of the total votes of the Council, which petition shall be delivered to the Secretary. A description of any proposed amendment shall accompany the notice of any annual or special meeting of the unit owners at which such proposed amendment is to be considered and voted upon.

ARTICLE XVI

MORTGAGES - NOTICE - OTHER RIGHTS OF MORTGAGEES

Section 1. Notice to Board of Directors. Any owner of any condominium unit in the condominium who mortgages such unit shall promptly notify the Board of Directors of the name and address of his mortgagee and, if requested so to do, shall file a conformed copy of such mortgage with the Board of Directors. The Board of Directors shall maintain suitable records pertaining to such mortgages.

Section 2. Consents. Any other provision of these By-Laws or of the Declaration to the contrary notwithstanding, neither the unit owners; the Board of Directors nor the Council shall take any of the following actions without the prior written consent and approval of the holders of all first mortgages of record on the condominium units:

(a) abandon or terminate the condominium except for abandonment or termination provided in the Condominium Act in the case of substantial damage or destruction of the condominium by fire or other casualty or in the case of a taking by condemnation or eminent domain; or

(b) modify or amend any material provision of the Declaration or of these By-Laws, including, but without limitation, any amendment which would change the percentage interests of the unit owners in the common elements of the condominium, the percentage interests of the unit owners in the common expenses and common profits of the condominium or the voting rights of the unit owners; or

(c) modify the method of determining and collecting common expense assessments or other assessments as provided in Article VII of these By-Laws; or

(d) partition, subdivide, transfer or otherwise dispose of any of the common elements of the condominium project; or

(e) resolve to use the proceeds of casualty insurance for any purpose other than the repair or restoration of the condominium.

Section 3. Subdivision or Partition. No condominium unit in the condominium shall be subdivided or partitioned without the prior written approval of the holder of any first mortgage on such condominium unit.

Section 4. Casualty Losses. In the event of substantial damage or destruction of any condominium unit or any part of the common elements of the condominium, the Board of Directors shall give prompt written notice of such damage or destruction to the holders of all first mortgages of record on the condominium units. No provision of the Declaration or these By-Laws shall entitle any unit owner to any priority over the holder of any first mortgage of record on his condominium unit with respect to the distribution to such unit owner of any insurance proceeds.

Section 5. Condemnation or Eminent Domain. In the event any condominium unit or any part of the common elements of the condominium is made the subject matter of any condemnation or eminent domain proceeding, or is otherwise sought to be acquired by any condemning authority, then the Board of Directors of the Council shall give prompt written notice of any such proceeding or proposed acquisition to the holders of all first mortgages of record on the condominium units. No provision of the Declaration or these By-Laws shall entitle any unit owner to any priority over the holder of any first mortgage of record on his condominium unit with respect to the distribution to such unit owner of the proceeds of any condemnation award or settlement.

ARTICLE XVII

COMPLIANCE - INTERPRETATION - MISCELLANEOUS

Section 1. Compliance. These By-Laws are set forth in compliance with the requirements of Title XI, Section 11-101 through and including Section 11-128, Real Property Article Annotated Code of Maryland (1974).

Section 2. Conflict. These By-Laws are subordinate and subject to all provisions of the Declaration and to the provisions of Title XI, Section 11-101 through and including Section 11-128, Real Property Article Annotated Code of Maryland (1974). All of the terms hereof, except where clearly repugnant to the context, shall have the same meaning as in the Declaration or the aforesaid statute. In the event of any conflict between these By-Laws and the Declaration, the provisions of the Declaration shall control; and in the event of any conflict between the aforesaid Declaration and Title XI, Section 11-101, through and including Section 11-128, Real Property Article Annotated Code of Maryland (1974), the provisions of the statute shall control. Furthermore, these By-Laws are subordinate and subject to all the terms and provisions of the regulatory agreement attached hereto. In the

event of any conflict between the By-Laws and the Regulatory Agreement, the provisions of the Regulatory Agreement shall control.

Any and all rights, privileges and protection provided under the Declaration or these By-Laws or the Articles of Incorporation of the Council for the Federal Housing Commissioner shall inure to the benefit of the Federal Housing Commissioner only so long as a Contract for Mortgage Insurance for a mortgage covering a condominium unit in the condominium is in effect or for so long as the Federal Housing Commissioner shall be the owner, holder or reinsurer of any mortgage covering a condominium unit in the condominium or for so long as the Federal Housing Commissioner is the owner of a condominium unit in the condominium or is obligated to insure a mortgage covering any condominium unit in the condominium. Whenever in these By-Laws any reference is made to the "Commissioner" or the "Federal Housing Commissioner", such reference shall be deemed to include, wherever and whenever appropriate, the duly Authorized Agents of the Commissioner.

Section 3. Notices. Unless another type of notice is herein-elsewhere specifically provided for, any and all notices called for in the Declaration and in these By-Laws shall be given in writing.

Section 4. Severability. In the event any provision or provisions of these By-Laws shall be determined to be invalid, void or unenforceable, such determination shall not render invalid, void or unenforceable any other provisions hereof which can be given effect.

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

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

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

ARTICLE XVIII

DEFINITIONS

Section 1. Declaration. "Declaration" as used herein, means that certain Declaration made the _____ day of _____, 19____, by the Grantor therein identified, pursuant to Title XI, Section 11-101 through and including Section 11-128, Real Property Article, Annotated Code of Maryland (1974), by which certain described premises (including land) are submitted to a condominium property regime and which Declaration is recorded among the Land Records for Howard County Maryland, immediately prior hereto and to which these By-Laws are appended as "Exhibit B".

Section 2. Mortgagee. "Mortgagee" as used herein, means the holders of a recorded mortgage, or the party secured or beneficiary of any recorded deed of trust, encumbering one or more of the condominium units in the condominium. "Mortgage", as used herein, shall include deed of trust. "First mortgage", as used herein, shall mean a mortgage with priority over other mortgages. As used in the By-Laws, the term "mortgagee" shall mean any mortgagee and shall not be limited institutional mortgagees. As used in these By-Laws, the term "institutional mortgagee" or "institutional holder" shall include banks, trust companies, insurance companies, mortgage insurance companies, savings and loan associations, mutual savings banks, credit unions, pension funds, mortgage companies, Federal National Mortgage Association ("FNMA"), Federal Home Loan Mortgage Corporation ("FHLMC"), all corporations and any agency or department of the United States Government or of any state or municipal government.

Section 3. Other Definitions. Unless it is plainly evident from the context that a different meaning is intended, all other terms used herein shall have the same meaning as they are defined to have in the Declaration or in Title XI, Section 11-101, through and including Section 11-128, Real Property Article, Annotated Code of Maryland (1974).

IN WITNESS WHEREOF, the said MONTGOMERY WOODS ASSOCIATES, a Maryland limited partnership, has caused these presents to be executed by Michael B. Glick, one of its general partners, all as of the year and day first above written.

WITNESS:

MONTGOMERY WOODS ASSOCIATES

Joyce K. Stevenson

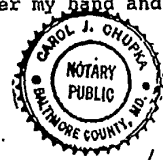
By: *Michael B. Glick*
Michael B. Glick
General Partner

STATE OF MARYLAND)
COUNTY OF *Baltimore*) to wit:

I HEREBY CERTIFY that on the 31st day of December, 1975, before the subscriber, a Notary Public in and for the above jurisdiction, personally appeared Michael B. Glick, who has satisfactorily proven to be the person whose name is subscribed to the written instrument, and who acknowledged himself to be the general partner of Montgomery Woods Associates, and that said Michael B. Glick as such general partner, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the partnership by himself as general partner.

GIVEN under my hand and seal this 31st day of December, 1975.

(Notarial Seal)



Carol J. Chupka
Notary Public

My commission expires: 7/1/78

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LIBER 1849 FOLIO 222

108
per

STATE OF MARYLAND
COUNTY OF HOWARD

AMENDMENT TO THE BYLAWS
OF
MONTGOMERY WOODS CONDOMINIUM

WHEREAS, on December 31, 1975, Montgomery Woods Associates, a limited partnership, executed a Declaration and Bylaws applicable to Montgomery Woods Condominium, recorded among the Land Records of Howard County, Maryland, on January 20, 1976, in Liber 752 at Folio 579, and on January 23, 1976, in Liber 753 at Folio 56, respectively; and

WHEREAS, under Section 11-109 of the Maryland Condominium Act, Annotated Code of Maryland, Real Property Article, Title 11, (hereinafter referred to as the "Act"), the affairs of the Condominium are governed by the Council of Co-Owners, which is comprised of all unit owners at Montgomery Woods Condominium; and

WHEREAS, under Article XV of the Bylaws (and in accordance with Section 11-104 of the Act), the Bylaws may be amended by the affirmative vote of unit owners representing seventy-five percent (75%) of the total votes of the Condominium at any regular or special meeting duly called for such purpose; and

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LIBER 1849 FOLIO 223

WHEREAS, owners of units representing at least seventy-five percent (75%) of the total votes of the Condominium have approved this Amendment to the Bylaws of Montgomery Woods Condominium; and

WHEREAS, under Article XVI, of the Bylaws, the approval in writing of all institutional holders of all first mortgages on condominium units within the Montgomery Woods Condominium are not required as no material provision of the Bylaws as defined in Article XVI are hereby amended; and

NOW, THEREFORE, pursuant to Section 11-104 of the Act and in accordance with the Bylaws of Montgomery Woods Condominium, the Bylaws of Montgomery Woods Condominium are amended by striking those Bylaws in their entirety and substituting therefor the following:

(ii)

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LIBER 1849 FOLIO 0224

AMENDMENT TO THE
BYLAWS OF
MONTGOMERY WOODS CONDOMINIUM

HYATT & RHODES, P.C.
Attorneys

1275 K Street
Suite 1100
Washington, D.C. 20005
(202) 682-1800

TABLE OF CONTENTS

	<u>PAGE</u>
I. GENERAL	
1. Applicability.....	1
2. Name and Mailing Address.....	1
3. Registered Agent.....	1
4. Membership.....	2
5. Purpose.....	2
II. DEFINITIONS	
1. Act.....	2
2. Common Elements.....	2
3. Declaration.....	3
4. Governing Documents.....	3
5. Majority.....	3
6. Mortgage and Mortgagees.....	3
7. Officers.....	3
8. Person.....	3
9. Quorum.....	4
10. Standard Lease Form.....	4
III. COUNCIL OF UNIT OWNERS	
1. Annual Meetings.....	4
2. Special Meetings.....	4
3. Notice of Meetings.....	4
4. Quorum.....	5
5. Voting.....	5
6. Conduct of Meetings.....	6
7. Adjournment.....	6
8. Proxies.....	6
9. Roster of Unit Owners.....	7
10. Roster of Mortgagees.....	7
11. Rights of Mortgagees.....	7
IV. BOARD OF DIRECTORS	
A. Composition and Selection.	8
1. Composition.....	8
2. Term of Office.....	8
3. Nominations.....	8

PAGE

4. Removal of Members of the Board of Directors.....	9
5. Vacancies.....	9
6. Compensation.....	9
7. Elections.....	10
B. Meetings.	10
8. Organization Meeting.....	10
9. Regular Meetings.....	10
10. Special Meetings.....	10
11. Waiver of Notice.....	11
12. Quorum.....	11
13. Action Without a Meeting.....	11
C. Powers and Duties.	11
14. Powers and Duties.....	11
15. Management Agent.....	14
16. Borrowing and Expenditures.....	15
17. Attorney-in-Fact.....	15
D. Committees.	15
18. Committees.....	15
E. Liabilities.	15
19. Liability and Indemnification of Officers and Directors.....	15
20. Common or Interested Directors.....	16
V. OFFICERS	
1. Designation.....	17
2. Election of Officers.....	17
3. Removal of Officers.....	17
4. President.....	17
5. Vice President.....	17
6. Secretary.....	18
7. Treasurer.....	18
8. Compensation for Officers.....	18
VI. MAINTENANCE RESPONSIBILITIES	
1. Duty to Maintain and Repair.....	18
2. Access at Reasonable Times.....	19
3. Limitation of Liability.....	20

	<u>PAGE</u>
VII. ASSESSMENTS	
1. Purpose of Assessment.....	20
2. Management and Common Expenses.....	20
3. Creation of the Lien and Personal Obligation for Assessments.....	23
4. Acceleration.....	26
5. Computation of Operating Budget and Assessment.....	26
6. Special Assessments.....	27
7. Notice of Meetings.....	27
8. Reserves and Contribution.....	27
VIII. FISCAL MANAGEMENT	
1. Fiscal Year.....	28
2. Books and Records.....	28
3. Auditing.....	29
4. Execution of Council Documents.....	29
IX. USE RESTRICTIONS AND RULE MAKING	
1. Authority.....	29
2. Enforcement.....	29
3. Procedure.....	30
4. Prohibited Uses and Nuisances.....	30
5. Leases.....	33
6. Parking Spaces.....	34
X. COMPLIANCE AND DEFAULT	
1. Relief.....	35
2. Supplemental Enforcement of the Lien.....	36
XI. ARCHITECTURAL CONTROL	
1. Application for Approval.....	36
2. Conditions.....	37
3. Interior Improvements.....	38
4. Architectural Review Committee.....	38
5. Fences.....	38
XII. INSURANCE	
1. Master Policy.....	39
2. Additional Features.....	42
3. Separate Unit Insurance.....	42

PAGE

4.	Repair and Reconstruction.....	43
5.	Restoration Not Required.....	44
6.	Reallocation of Interest of Unrepaired Unit...	45
XIII.	CONDEMNATION	
1.	Definition.....	45
2.	When Repair and Reconstruction Required.....	45
3.	When Reconstruction Not Required.....	46
4.	Effect on Percentage Interests of Units.....	46
XIV.	AMENDMENT	
1.	Unit Owner Approval.....	47
2.	Proposal of Amendments.....	47
3.	Mortgagee Approval.....	47
XV.	MISCELLANEOUS	
1.	Notices.....	48
2.	Waiver of Notice.....	48
3.	Severability.....	48
4.	Captions.....	49
5.	Compliance.....	49
6.	Conflicts.....	49
7.	Gender and Grammar.....	49
8.	Waiver.....	49
9.	Covenant Not to Merge.....	49
10.	Consents of Mortgagees.....	49
11.	Subdivision or Partition.....	50

LIBER 1849 FOLIO 229

AMENDMENT TO THE
BYLAWS OF
MONTGOMERY WOODS CONDOMINIUM

Article I
General

Section 1. Applicability. These Bylaws provide for the self-government of the Council of Unit Owners of Montgomery Woods Condominium, Inc., the unit owners and the family members, tenants, occupants, guests, licensees, servants, agents, employees, heirs or assignees of Council members, all of whom are subject to the restrictions, covenants and enforcement provisions of the Declaration and Bylaws, in accordance with the Montgomery Woods Condominium Declaration, recorded in the Howard County Land Records. Acquisition, rental, use or occupancy shall be conclusively deemed to mean that the said owner, tenant, occupant or user has accepted and ratified these Bylaws and the rules and regulations of the Council and will comply with them.

Section 2. Name and Mailing Address. The name of the unincorporated Association is the Council of Unit Owners of Montgomery Woods Condominium, Inc. (hereinafter referred to as the "Council"). The mailing address and principal office is Wallace H. Campbell & Co., Inc., 8775 Cloudleap Court, #226, Columbia, Maryland 21045, or at such other place as may be designated from time to time by the Board of Directors. So long as required by the Act, the Council shall file with the Department of Assessments and Taxation the names and mailing addresses of the Council's officers and directors by April 15 of each year. The Council may or may not be an incorporated association under the laws of the State of Maryland as determined by a majority vote of the Board of Directors.

Section 3. Registered Agent. The registered agent of the Council shall be that person whose name is on file with the Maryland Department of Assessments and Taxation as provided in Section 11-119 of the Act as it is amended. The registered agent is a citizen and actual resident of the State of Maryland or an Association duly registered or qualified to do business in the State. The name and address of the registered agent of the Council may be changed pursuant to the Act. So long as required by the Act, the Council shall file with the Department of Assessments and Taxation the names and mailing addresses of the resident agent and managing agent by April 15 of each year.

LIBEN 1849 FOLIO 230

At the time of recording of this Amendment, the resident agent of the Council is:

P. Michael Nagle
6184 Llanfair Drive
Columbia, Maryland 21044

Section 4. Membership. An owner of a Condominium unit within Montgomery Woods Condominium shall automatically become a member of the Council upon taking title to a unit and shall remain a member for the entire period of ownership. As may be more fully provided below, the spouse of a member may exercise the powers and privileges of the member. If title to a unit is held by more than one person, the membership shall be shared in the same proportion as the title, but there shall be only one (1) membership and one (1) vote per unit. Membership does not include persons who hold an interest merely as security for the performance of an obligation, and the giving of a security interest shall not terminate the owner's membership. Membership shall be appurtenant to the unit to which it appertains and shall be transferred automatically by conveyance of that unit and may be transferred only in connection with the transfer of title.

Section 5. Purpose. The Council shall have the responsibility of administering the Condominium, establishing the means and methods of collecting the assessments of common expenses, arranging for the management of the Condominium and performing all of the other acts that may be required to be performed by the Council by the Act and the Declaration. Except as to those matters which the Act or the Declaration, as amended, specifically require to be performed by the vote of the Council, the administration of the foregoing responsibilities shall be performed by the Board of Directors, as more particularly set forth below.

Article II Definitions

Section 1. Act shall refer to the Maryland Condominium Act, Title 11, Real Property Article, Annotated Code of Maryland and any superceding or amending legislation.

Section 2. Common Elements shall include both the general and limited common elements of the Condominium as defined by the Declaration.

Section 3. Declaration shall mean that document entitled "Declaration" first recorded January 20, 1976, in Liber 752, at Folio 579, and as amended in the Howard County Land Records.

Section 4. Governing Documents as used in these Bylaws, shall mean the Declaration, Bylaws, and rules and regulations of the Council of Unit Owners of Montgomery Woods Condominium, Inc.

Section 5. Majority as used in these Bylaws, shall mean those votes (as determined in accordance with the Percentage Interests), of owners, or other group, as the context may indicate, totaling more than fifty percent (50%) of the total number of eligible votes, owners eligible to vote, or other groups eligible to vote at a meeting at which a quorum is present, eligible vote being defined according to Article III, Section 5, of these Bylaws. Unless otherwise specifically stated, the words "majority vote" mean more than fifty percent (50%) of those eligible voters voting in person or by proxy at a meeting at which a quorum is present. Unless otherwise provided in the Declaration or these Bylaws, all decisions shall be by majority vote.

Section 6. Mortgage and Mortgagee as used herein, the term "mortgagee" shall mean any mortgagee or trustee under a deed of trust which is a lien upon a unit, or the party secured or beneficiary of any recorded deed of trust, and shall not be limited to institutional mortgagees; and the term "mortgage" shall include a deed of trust. As used generally in these Bylaws, the term "institutional holder" or "institutional mortgagee" shall include banks, trust companies, insurance companies, mutual savings banks, mortgage insurance companies, mortgage companies, credit unions, savings and loan associations, pension funds, FNMA, FHLMC, and any corporation, including a corporation of, or affiliated with, the United States Government, or any agency thereof. "First Mortgage" shall mean a mortgage with priority over all other mortgages.

Section 7. Officers shall refer to those persons elected to specifically enumerated or appointed positions in accordance with Article V of these Bylaws.

Section 8. Person shall refer to any individual, corporation, partnership or other entity who or which owns a Condominium unit, solely or jointly.

Section 9. Quorum as used in these Bylaws, shall mean:

(a) Except as may be provided elsewhere, the representation in person or by proxy of those unit owners holding not less than twenty-five percent (25%) or the minimum percentage provided by the Act, whichever is less, of the undivided interest ownership shall constitute a quorum for the transaction of business at annual or special meetings of the Council of Unit Owners.

(b) A majority of the members of the Board of Directors shall constitute a quorum for the transaction of business at regular and special meetings of the Board of Directors.

Section 10. Standard Lease Form shall refer to that form adopted and amended from time to time by the Board of Directors and as described in Article IX, Section 5, of these Bylaws.

Other terms have their natural meanings or the meanings given in the Act or Declaration.

Article III
Council of Unit Owners

Section 1. Annual Meetings. Regular annual meetings of the Council shall be held in June of each year on such date as may be designated by the Board of Directors. Meetings shall be held at the Condominium or other suitable place convenient to the membership as may be designated by the Board of Directors. At such meeting the Board of Directors shall be elected by ballot in accordance with the requirements of Article IV, Section 7, of these Bylaws. The members may also conduct such other business of the Council as may properly come before them.

Section 2. Special Meetings. It shall be the duty of the President to call a special meeting of the Council if so directed by resolution of the Board of Directors or upon a petition signed and presented to the Secretary by unit owners having votes totaling not less than twenty-five percent (25%) of the total number of votes in the Condominium or at the request of the Federal Housing Commissioner. No business shall be transacted at a special meeting except as stated in the notice unless by consent of a majority of the owners present in person or by proxy.

Section 3. Notice of Meetings. It shall be the duty of the Secretary to send notice of each annual and special meeting, stating the purpose thereof as well as the time and

place where it is to be held, to each member of record in accordance with Article XV, Section 1, of these Bylaws, at least ten (10) but not more than ninety (90) days prior to any annual or special meeting. The mailing of a notice in the manner provided herein shall be deemed service of notice. Attendance at a meeting shall be deemed waiver of notice as provided in Article XV, Section 2, of the Bylaws.

Section 4. Quorum. A meeting of the Council may be held once a quorum is obtained. The Board of Directors shall have the power to adjourn the meetings at which a quorum is not present in accordance with the procedures established by Title 5, Subtitle 2 of the Corporations and Associations Article of the Maryland Code Annotated as it is amended.

Section 5. Voting.

(a) Each unit shall be entitled to a percentage vote which may be cast by the owner, the owner's spouse, or by lawful proxy, as provided below. Each unit shall have allocated and is hereby allocated a vote equal to the percentage of undivided interest as set forth in Article Q, Section 7, of the Declaration. At every meeting of the members of the Council, each eligible member shall have the right to cast his vote on each question based on the percentages established in the Declaration for each membership he owns. The vote of the members representing the majority of the eligible votes represented at such meetings, at which a quorum is present, in person or by proxy, shall decide any question brought before such meeting, unless the question is one upon which, by express provision of statute, Declaration or of these Bylaws, a different vote is required, in which case such express provision shall govern and control.

(b) When more than one person owns a unit, the vote for such unit shall be exercised as they between or among themselves determine, but in no event shall more than one vote be cast with respect to any unit. In the event of disagreement among such persons and an attempt by two or more of them to cast such vote or votes, such persons shall not be recognized and such vote or votes shall not be counted.

(c) No owner shall be eligible to vote, either in person or by proxy, be elected to the Board of Directors or serve as a member of a committee if that owner is more than thirty (30) days delinquent in any payment due the Council, or if a lien has been filed against the owner's unit in accordance with the Act and the amount necessary to release the lien has not been paid by the time of the meeting.

(d) No owner shall be eligible to vote or to be elected to the Board if such unit owner has not filed with the Council his name and mailing address as required by Section 11-109(c)(3) of the Act as it is amended or if the owner has not provided the Secretary with the name and address of his mortgagee as required by Section 10 of this Article III.

(e) The membership of the Council shall elect one or more Inspectors of Elections who shall count the votes at each meeting of the Council. The term of office of the Inspector of Elections shall be one (1) year. He may appoint assistants to aid him in the counting of the votes, and he or the Secretary of the Association shall also be responsible for the certificate which must accompany every amendment to the Bylaws pursuant to Article XIV hereof.

(f) Whenever the vote of the members at a meeting is required or permitted by the Act, the Declaration or these Bylaws to be taken, the meeting of members may be dispensed with if a sufficient number of members holding the requisite percentage of votes necessary to decide an issue shall execute a written ballot or consent agreeing that such action be taken.

Section 6. Conduct of Meetings. The President shall preside over all meetings of the Council and the Secretary shall keep the minutes of the meeting and shall record in a minute book all resolutions adopted at the meeting as well as a record of all transactions occurring thereat. The President may appoint a person to serve as parliamentarian at any meeting of the Council. The current edition of Roberts Rules of Order shall be used to resolve any procedural dispute in case of conflict.

Section 7. Adjournment. Any meeting of the Council may be adjourned from time to time for periods not less than forty-eight (48) hours by vote of the owners holding the majority of the eligible votes represented at such meeting, regardless of whether a quorum is present. Any business which could be transacted properly at the original session of the meeting may be transacted at an adjourned session, and no additional notice of such adjourned session shall be required.

Section 8. Proxies. Any member entitled to vote may appoint any other member, the managing agent, his mortgagee or tenant as his proxy, provided, however, that the provisions of the Act regarding proxies and the voting of proxies are otherwise observed. To be valid, a proxy must be in writing and filed with the Board of Directors prior to the opening of the meeting for which it is to be used and must be acknowledged and dated. Unless the Act is amended to so require, a proxy

need not be notarized nor witnessed. Presence of the member at the meeting for which a proxy is given shall automatically revoke the proxy. No proxy shall be valid for more than one hundred eighty (180) days following its issuance, unless granted to the lessee or mortgagee of the unit. A proxy shall otherwise be valid until revoked by a written notice of revocation filed with the Secretary or after the death of the member.

Section 9. Roster of Unit Owners. The Council shall maintain a current roster of names and addresses of each unit owner to which notice of meetings of the Council shall be sent. Each unit owner shall, within ten (10) days after acquiring title to the unit or changing his mailing address, furnish the manager of the Council with his name and current mailing address.

Section 10. Roster of Mortgagees. Any unit owner who mortgages his Condominium unit shall give prompt written notice to the Secretary of the Council of the name and address of his mortgagee. In the event that a unit owner's mortgage is transferred to another holder, said unit owner shall notify in writing the Board of Directors of the name and address of the new holder of his mortgage. Any unit owner who satisfies his mortgage shall give prompt written notice to that effect to the Secretary of the Council. The secretary shall maintain such information in a suitable roster.

Section 11. Rights of Mortgagees. Any institutional mortgagee of any Unit in the Condominium who desires notice of the annual and special meetings of the Council and the Board of Directors shall notify the Secretary to that effect by certified mail, return receipt requested. Any such notice shall contain the name and post office address of such institutional mortgagee and the name of the person to whom notice of the annual and special meetings should be addressed. The Secretary of the Council shall maintain a roster of all institutional mortgagees from whom such notices are received and it shall be the duty of the Secretary to mail or otherwise cause the delivery of a notice of each annual or special meeting as aforesaid, to each such institutional mortgagee, in the same manner and subject to the same requirements and limitations as are provided for with respect to notice of such meetings to the unit owners or the Board of Directors, as the case may be. Any such institutional mortgagee shall be entitled to designate a representative to attend any such annual or special meeting and such representative may participate in the discussion at any such meeting and may, upon his request made to the Chairman of the meeting in advance of the meeting, address the unit owners or the Board of Directors, as the case may be, present at any such meeting.

Such representative shall have no voting rights at any such meeting. Such representative shall be entitled to a copy of the minutes of all meetings of the Council and the Board of Directors upon request made in writing to the Secretary.

Article IV
Board of Directors

Part A. Composition and Selection.

Section 1. Composition. The affairs of the Council and the Condominium shall be governed by a Board of Directors. The Board shall be composed of at least three (3) persons and not more than five (5) persons, as shall be determined from time to time by a majority vote of the Board of Directors. Provided however, no change shall operate to curtail or extend the term of any incumbent director. The directors shall be owners of units unless a non-owner is approved by the vote of a majority of the total aggregate interests in the Condominium; provided, however, that no owner and his or her spouse or multiple owners of the same unit may serve on the Board at the same time.

Section 2. Term of Office. As of the date of the adoption of these Bylaws, directors have been elected and are serving in office. These Bylaws are not intended to affect, alter, or diminish the terms of such directors. The terms of the directors presently serving are such that some terms expire at different times than other terms, thereby creating staggered terms. The intention of these Bylaws is to continue staggered terms. As such, upon the expiration of a term of a director, a successor shall be elected for three (3) years and thereafter each director shall be elected for three (3) years. The directors shall hold office until their respective successors have been elected and hold their first meeting.

Section 3. Nominations. Persons qualified to be members of the Board of Directors may be nominated for election by any of the following means:

(a) Any unit owner may submit to the Secretary at least thirty (30) days before the meeting at which the election is to be held, a nominating petition signed by unit owners representing at least five (5) units, a statement that the person nominated is willing to serve on the Board of Directors and a biographical sketch of the nominee. The Secretary shall mail or hand deliver the submitted items to every unit owner along with the notice of such meeting; or

(b) Nominations may be submitted from the floor at the meeting at which the election is held for each vacancy on the Board of Directors, provided that the nominee is present or has indicated his willingness to serve in writing; or

(c) The Board of Directors may appoint a Nominating Committee consisting of three (3) persons which committee shall, at least thirty (30) days before the meeting at which the election is to be held, nominate selected individuals for the director vacancies and mail or hand deliver statements on behalf of the nominees to every unit owner along with the notice of such meeting.

Section 4. Removal of Members of the Board of Directors. At any duly called regular or special meeting of the Council, any one or more of the members of the Board of Directors may be removed with or without cause by a majority of the total membership so long as the director to be removed is given an opportunity to be heard prior to the vote for removal. A successor may then and there be elected to fill the vacancy thus created, so long as all applicable provisions of the Act regarding elections of directors are followed. Any member of the Board of Directors who is sixty (60) days delinquent in the payment of assessments for his unit shall automatically be removed on the sixty-first day of said delinquency and the Board of Directors shall fill his vacancy according to Section 5 of this Article. Any member of the Board of Directors who has three (3) consecutive absences from the Board of Directors' regular meetings may be removed upon motion by either a Board member or unit owner and the concurrence of a majority of the remaining directors.

Section 5. Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a director by vote of the membership, shall be filled by a vote of the majority of the remaining directors, even though those directors constitute less than a quorum, at any meeting of the Board of Directors. The director selected by the Board shall serve until a successor shall be elected at the next annual meeting of the Council to fill the unexpired portion of the term, unless and until removed, as provided in Section 4 of this Article.

Section 6. Compensation. Directors, as such, may receive for their services such compensation as shall be determined by vote of the Council from time to time. Nothing herein contained shall be construed to preclude any director from serving the Council in any other capacity and receiving additional compensation therefor if a resolution authorizing such remuneration shall have been adopted by the Board of

Directors before the services are undertaken. Notwithstanding the foregoing, directors may be reimbursed for reasonable expenses incurred on behalf of the Council as shall be determined by the Board of Directors. Any reimbursements shall be noted in the minutes of the next meeting of the Board of Directors.

Section 7. Elections. Directors shall be elected by the Council, from among those nominated, by a majority vote of the eligible voters at the annual meeting, a quorum being present. In the event that there are multiple nominees, those person(s) receiving the greatest percentage vote, even if said percentage does not equal a majority of that percentage represented by those present and voting, shall be elected. Cumulative voting shall not be permitted.

Part B. Meetings.

Section 8. Organization Meeting. The first meeting of a newly elected Board of Directors shall be held within ten (10) days of an election, at such time and place as shall be fixed by the directors at the time of the meeting of the Council at which such directors were elected, and no further notice shall be necessary to the newly elected directors in order legally to constitute such meeting, providing a majority of the Board shall be present.

Section 9. Regular Meetings.

(a) Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by the Board, but such meetings shall be held at least four (4) times during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each director personally or by mail, telephone or telegraph, at least three (3) days prior to the day named for such meeting. The date of the next regular meeting may be set at a meeting and such action shall constitute notice of the next meeting to all directors present at the prior meeting.

(b) Except as authorized by the Act, regular meetings of the Board of Directors shall normally be open to all unit owners subject to the allowances for closed meetings found in Section 11-109.1 of the Act, as it is amended. Notice to unit owners of regular meetings of the Board of Directors shall be given in a manner determined by the Board of Directors.

Section 10. Special Meetings. Special meetings of the Board of Directors may be called by the President on three (3) days notice to each director given by mail, in person, by

telephone or telegraph, which notice shall state the time, place, and purpose of the meeting. Upon the written request of at least two (2) directors, special meetings of the Board of Directors shall be called by any officer of the Council in like manner and on like notice. Notice to unit owners of special meetings of the Board of Directors shall be given in a manner determined by the Board of Directors.

Section 11. Waiver of Notice. A director may waive notice in writing. Attendance at a meeting shall constitute a waiver of notice. If all the directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 12. Quorum. A meeting of the Board of Directors may be held upon the attainment of a quorum. If at any meeting of the Board of Directors there shall be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 13. Action Without a Meeting. Any action by the Board of Directors required or permitted to be taken at any closed meeting or emergency meeting may be taken without a regular or special meeting (a) following a telephone vote of all of the members of the Board or (b) if all of the members of the Board of Directors shall individually or collectively consent in writing to such action. The result, time and date of each telephone vote or such written consent or consents shall be filed with the minutes of the proceedings of the Board of Directors.

Part C. Powers and Duties.

Section 14. Powers and Duties. The Board of Directors shall manage the affairs of the Council and shall have all the powers and duties granted in the Act and these Bylaws necessary for the administration of the Condominium and may do all such acts and things as are not by the Declaration or these Bylaws specifically directed to be done and exercised exclusively by the members. The Board shall have the power to adopt such rules and regulations as it deems necessary and appropriate and to impose reasonable sanctions for violations thereof, including, among other things, monetary fines.

The Board of Directors may delegate to one or more of its members the authority to act within its established policies and guidelines on behalf of the Board of Directors on all matters relating to the duties of the managing agent or manager.

if any, which might arise between meetings of the Board of Directors. In addition to the duties imposed by these Bylaws or by any resolution of the Council that may hereafter be adopted, the Board of Directors shall have the power to, and be responsible for, the following in way of explanation, but not limitation:

(a) Preparation of an annual proposed budget and adoption of an annual budget, pursuant to Article VII, Section 5, of these Bylaws, which provide for at least the following items:

- (1) Income;
- (2) Administration;
- (3) Maintenance;
- (4) Utilities;
- (5) General Expenses;
- (6) Reserves; and
- (7) Capital Items.

(b) Making assessments against the unit owners to defray the common expenses, establishing the means and methods of collecting such assessments from the unit owners, and establishing the period of the installment payments of the annual assessment, all pursuant to the Article VII, of these Bylaws. The Board shall determine the amount of the assessments at least annually but may do so at more frequent intervals should circumstances so require.

(c) Collecting the assessments and/or carrying charges and fines against the unit owners, depositing the proceeds thereof in a bank depository which it shall approve, and using the proceeds to administer the Condominium.

(d) Opening of bank accounts and investing funds on behalf of the Council and designating the signatories required.

(e) Providing for the operation, care, upkeep, repair and maintenance of the common elements and services to the Condominium.

(f) Designating, hiring, and dismissing the personnel necessary for the maintenance, operation, repair, and replacement of the common elements, and providing services for the Condominium, and purchasing equipment, supplies, and materials to be used by such personnel in the performance of their duties, which supplies and equipment shall be deemed to be owned as common elements.

(g) Paying the compensation of personnel, the costs of all services rendered to the Council or its members and not chargeable to unit owners of individual units.

(h) Obtaining and carrying insurance against casualties and liabilities, as provided in these Bylaws, and paying the premium cost thereof.

(i) Making, or contracting for the making of, repairs, additions, and improvements to, or alterations of the Condominium; and repairs to, and restorations of the Condominium, in accordance with the other provisions of these Bylaws, after damage or destruction by fire or other casualty.

(j) Keeping books with detailed accounts of the receipts and expenditures affecting the Condominium, and the administration of the Council, specifying the maintenance and repair expenses of the common elements and any other expenses incurred. The said books and vouchers accrediting the entries thereupon shall be available for examination by the unit owners, their duly authorized agents, accountants, or attorneys, during general business hours on working days at the times and in the manner that shall be set and announced by the Board of Directors for the general knowledge of the unit owners. All books and records shall be kept in accordance with generally accepted accounting practices and shall be audited at least once a year by an outside auditor employed by the Board of Directors who shall not be a resident of the Condominium or a unit owner therein. The cost of such audit shall be a common expense.

(k) Determining how common profits or surpluses, if any, shall be used or refunded from excess residual receipts as reflected in the annual report.

(l) Purchasing Condominium units in the Condominium or other property and leasing, mortgaging or conveying the same, subject to the provisions of the Bylaws and Declaration.

(m) Leasing, granting licenses, easements, rights-of-way and other rights of use in all or any part of the common elements of the Condominium. The Board of Directors is empowered to grant easements, licenses or rights-of-way for sewer lines, water lines, electrical cables, television, telephone cables or other communication cables, gas lines, storm drains, overhead or underground conduits, public utilities or such other purposes as may be considered necessary or appropriate by the Board of Directors for the orderly maintenance, preservation and enjoyment of the common elements or for the preservation of the health, safety, convenience or welfare of the unit owners.

(n) Making and amending rules and regulations that are in accordance with and consistent with the Declaration, these Bylaws and the Maryland Condominium Act, respecting the use of the Condominium and enforcing violations of all Condominium documents by the imposition of fines or other sanctions, subject to the notice and hearing procedures of the Maryland Condominium Act, Section 11-113 as it is amended.

(o) Enforcing by legal means the provisions of the Declaration, these Bylaws, and the rules and regulations adopted for the use of the Condominium, bringing any proceedings which may be instituted on behalf of the unit owners, and entering into settlement agreements on such actions or proceedings.

(p) Appointing members of all committees provided for in these Bylaws and of such other committees as the Board of Directors may from time to time designate.

(q) Insofar as permitted by law, to do any other thing that, in the judgment of the Board of Directors, will promote the business of the Council or the benefit of the unit owners and, in general, to exercise the powers provided for in the Declaration, Articles of Incorporation and the Act and to do every other act not inconsistent with the law which may be appropriate to promote and attain the purposes set forth in the Declaration, Articles of Incorporation and these Bylaws.

Section 15. Management Agent. The Board of Directors shall employ for the Council a professional management agent or agents, at a compensation established by the Board, to perform such duties and services as the Board of Directors shall authorize. Any management contract shall not exceed two (2) years and shall contain a termination clause permitting termination, for cause, upon no more than thirty (30) days written notice by either party and without cause upon no more than ninety (90) days written notice by either party. The Board of Directors may delegate to the managing agent, subject to the Board's supervision, the powers granted to the Board of Directors by these Bylaws. The Council and the Board of Directors shall not be liable for any omission or improper exercise by the management agent of any such duty, power or function so delegated. If a management contract is terminated at any time, the Board of Directors shall employ another professional management agent, it being the intention of this Section that the Condominium shall be managed at all times by a qualified professional management agent. The Council shall not undertake self-management without the prior written approval of all institutional holders of all first mortgages on units in the Condominium.

Section 16. Borrowing and Expenditures. The Board of Directors shall have the power to borrow and expend money for the purpose of repair or restoration of common elements and facilities without the approval of the members of the Council. The Board shall have a like power to borrow and expend money for the purpose of modifying, improving or adding amenities to the Condominium so long as the amount necessary to make said modifications, improvements or additions does not exceed twenty-five (25%) of the Council's annual operating income or the equivalent thereof. In the event that the cost of modifications, improvements, or additions exceeds twenty-five (25%) of the Council's annual operating income during any period of twelve (12) consecutive months, the Board shall obtain the assent of a majority of members at a annual or special meeting of the Council.

Section 17. Attorney-in-Fact. The Board of Directors is hereby irrevocably appointed as Attorney-in-Fact for the members of the Council to sue, defend, compromise and negotiate settlements, intervene in litigation, manage, control and deal with the interests of the members of the Council in the Condominium so as to permit the Board of Directors to fulfill all of its powers, functions and duties under the Act, Declaration and Bylaws, including without limitation acting as insurance trustee. The foregoing shall be deemed to be a power of attorney coupled with an interest and the acceptance of any interest in any Condominium unit shall constitute an irrevocable appointment of the Board of Directors as attorney-in-fact.

Part D. Committees.

Section 18. Committees. The Board of Directors may establish a Nominating Committee, pursuant to Article IV, Section 3, and may establish an Architectural Control Committee, pursuant to Article IX of the Bylaws. There shall be such other committees as the Board shall determine from time to time with the powers and duties that the Board shall authorize. Committee members shall be appointed by and shall serve at the pleasure of the President of the Council.

Part E. Liabilities.

Section 19. Liability and Indemnification of Officers and Directors. The Council shall indemnify every officer and director against any and all expenses, including counsel fees, reasonably incurred by or imposed upon such officer or director in connection with any action, suit, or other proceedings to which he may be made a party by reason of being or having been an officer or director, (including actions taken as an officer or director in the approval of a settlement of any action, suit

or proceeding) except for his own willful misfeasance or malfeasance or fraud, whether or not such person is an officer or director at the time such expenses are incurred. The officers and directors shall not be liable for any mistake of judgment, negligence, or otherwise, except for their own individual willful misfeasance or malfeasance. The officers and directors shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Council (except to the extent that such officers or directors may also be members of the Council) and the Council shall indemnify and forever hold each such officer and director free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer or director, or former officer or director, may be entitled. The Council shall as a common expense maintain adequate general liability and officers' and directors' liability insurance to fund this obligation and the insurance shall be written as provided in Section 1 of Article XII of these Bylaws.

Section 20. Common or Interested Directors. The Directors shall exercise their powers and duties in good faith and with a view to the interest of the Council and the Condominium project. No contract or other transaction between the Council and one or more of its directors, or between the Council and any association, or firm or corporation in which one or more of the directors of this Council are directors or officers or are pecuniarily or otherwise interested, is either void or voidable because such director or directors are present at the meeting of the Board of Directors or any committee thereof which authorizes or approves the contract or transaction, or because his or their votes are counted for such purpose, if any of the conditions specified in any of the following subparagraphs exist:

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

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

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

Common or interested directors may be counted in determining the presence of a quorum of any meeting of the Board of Directors or committee thereof which authorizes, approves or ratifies any contract or transaction, and may vote thereafter to authorize any contract or transaction with like force and effect as if he were not such director or officer of such other association or not so interested.

Article V
Officers

Section 1. Designation. The principal officers of the Council shall be the President, Vice President, Secretary, and Treasurer, all of whom shall be members of and shall be elected by the Board of Directors. Except for the offices of Secretary and Treasurer, which may be held by the same person, no person may hold more than one office. The President must be a director and a unit owner.

Section 2. Election of Officers. The officers of the Council shall be elected annually by the Board of Directors, at the first meeting of the Board following each annual meeting of the members, and shall hold office at the pleasure of the Board of Directors.

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

Section 4. President. The President shall be the chief executive officer of the Council and shall preside at all meetings of the Council and the Board of Directors. The President shall have all of the general powers and duties which are incident to the office of the president of a corporation organized under Maryland law, including but not limited to, the power to appoint committees from among the unit owners from time to time as he may, in his discretion, decide is appropriate to assist in the conducting of the affairs of the Council. The President or such other officer as the Board shall designate, shall, at the direction of the Board, execute all agreements, contracts, deeds, leases, checks, and other instruments of the Council for expenditures or obligations.

Section 5. Vice President. The Vice President shall act in the President's absence or inability to act, and shall have all powers, duties, and responsibilities of the President when so acting. In the event neither the President nor the Vice

President is able to act, the Board shall appoint another member of the Board to do so on an interim basis. The Vice President shall also perform such other duties as the Board of Directors or the President shall prescribe.

Section 6. Secretary. The Secretary shall keep the minutes of all meetings of the Council and the Board of Directors and shall have charge of such books and papers as the Board of Directors may direct. The Secretary shall be responsible for sending notice to members for all annual and special meetings, shall maintain the roster of all mortgagees and collecting nominations for the election of directors, and shall, in general, be responsible for performing all duties incident to the office of the secretary of a corporation organized in accordance with Maryland law. The above tasks may be performed by assistants or clerks or may be delegated in whole or in part to the management agent, under the Secretary's supervision.

Section 7. Treasurer. The Treasurer shall have the responsibility for the Council's funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, for preparing all required financial statements and tax returns, and for the deposit of all monies and other valuable effects in the name of the Council in such depositories as may from time to time be designated by the Board of Directors. The Treasurer shall be bonded under a fidelity bond in such amounts as may be determined by the Board of Directors in accordance with Article XII, Section 2(c), of the Bylaws. The duties of the Treasurer may be delegated to the management agent. In such case, the duties shall be performed by the management agent under the supervision of the Treasurer.

Section 8. Compensation for Officers. The Board of Directors may establish such compensation for officers as it deems reasonable subject to approval of the unit owners.

Article VI
Maintenance Responsibilities

Section 1. Duty to Maintain and Repair. Except for maintenance requirements herein imposed upon the Council, if any, the owner of any Condominium unit shall, at his own expense, do all repairs, maintenance, renovation, replacement, redecorating, painting, and the like, which may at any time be necessary to maintain the unit and its appurtenances in good order, condition and repair and in a clear and sanitary condition as further provided as follows:

(a) The interior and exterior of the Condominium unit as defined in the Declaration;

(b) All plumbing, mechanical and electrical equipment and fixtures, water heaters, fireplaces, plenums, flues, heating and air conditioning equipment, lighting fixtures, refrigerators, freezers, trash compactors, dishwashers, clothes washers and dryers, disposals, ranges and/or other equipment, including all trees, plants, shrubs and landscaping features that may be located within the unit, appurtenant to the unit, or serving only that unit;

(c) all windows and doors including the exterior surfaces thereof and all bricks, blocks, siding, gutters, downspouts and fixtures;

(d) all limited common elements reserved for the exclusive use by the owner of that particular condominium unit, and including all mechanical, heating and air conditioning equipment and appurtenances located inside or outside such unit, sewer and water lines and concrete service walks, any lawn, fenced area, courtyard, patio or the like which are declared appurtenant, designed or installed to serve only that unit.

The Council may, from time to time, by Board resolution, accept the obligation to make certain repairs or perform maintenance services to facilities owned by the individual unit owners or to limited common elements, and apportion the cost thereof as a common expense, or, in the alternative, may eliminate its obligation to repair and maintain certain common element facilities contained within the Condominium units and require the owners thereof to perform repair and maintenance at the expense of such owners. The responsibility for complying with all laws, ordinances and regulations regarding maintenance, modification or repair of the Condominium property shall fall upon that person or entity having responsibility for that portion of the Condominium property concerned.

Section 2. Access at Reasonable Times. For the purpose of inspecting any unit for defects or for correcting any condition originating in his unit which may affect the common elements or another unit, including, but not limited to, health and welfare services such as pest control, or for performing any of the repairs or maintenance required or authorized by these Bylaws, or in the event of a bona fide emergency involving illness or potential danger to life or damage to property, the Council, through its duly authorized agents or employees, shall have an irrevocable right and an easement, after reasonable notice to the owner, to enter any Condominium unit at any hour considered

to be reasonable under the circumstances, except that in cases of emergency, no notice need be given to the unit owner. Should any unit owner, after being given reasonable notice, fail to allow access to his unit for the purpose of inspecting said unit or performing repairs and maintenance thereto, the Board of Directors may affect access to said unit and charge the cost thereof to the unit owner. Access gained in this manner or during an emergency shall not be deemed a trespass.

Section 3. Limitation of Liability. The Council shall not be liable for any failure of water supply or other services to be obtained by the Council or paid for out of the common expense funds, or for injury or damage to person or property caused by electricity, the elements, including snow, rain or ice, or from any pipe, drain, wire, conduit, appliance, or equipment unless such liability is covered by insurance and then only to the extent of such insurance. The Council shall not be liable to the owner of any Condominium unit for loss or damage, by theft or otherwise, of articles which may be left or be stored upon any of the common elements.

Article VII
Assessments

Section 1. Purpose of Assessment. The assessments for common expenses provided for herein shall be used for the general purposes of promoting the recreation, health, safety, welfare, common benefit, and enjoyment of the owners and occupants of units in the Condominium as may be more specifically authorized from time to time by the Board. The payment of assessments is for the mutual benefit and protection of all members of the Council and may not be legally withheld by an owner because of the Council's failure to perform services, nonuse of common areas or any other reason. No diminution or abatement of common expense assessments, as hereinelsewhere provided, shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the common elements or from any action taken by the Council to comply with any law, ordinance or with the order or directive of any municipal or other governmental authority.

Section 2. Management and Common Expenses. The Council, acting by and through its Board of Directors, shall manage, operate and maintain the Condominium project and, for the benefit of the Condominium units and the owners thereof, shall enforce the provisions hereof and may pay out of the common expense fund the following items, this list not being exhaustive but illustrative:

(a) The cost of providing water, sewer, garbage and trash collection, electrical, gas, heat and other necessary utility services for the common elements and units used or furnished by the Condominium project and for the Condominium units, to the extent not separately metered to the units.

(b) The cost of fire and extended liability insurance on the project, the cost of such other insurance as the Council may effect and the cost of fidelity bonds.

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

(d) The cost of providing such legal, accounting and other professional services as may be considered necessary to the operation of the project.

(e) The cost of painting, maintaining, repairing and snow removal from the common elements, including the streets and gutters, and the cost of such furnishings and equipment for the common elements as the Board of Directors shall determine are necessary and proper, and the Board of Directors shall have the exclusive right and duty to acquire the same; provided, however, that nothing herein contained shall require the Council to paint, repair or otherwise maintain any Condominium unit or any fixtures or equipment located therein unless owned by the Council.

(f) The cost of repairing and maintaining pathways, walkways, and roadways and other costs as required under certain covenants and declarations of easements binding upon the Council and/or unit owners.

(g) The cost of any and all other materials, supplies, labor, services, maintenance, repairs, taxes, assessments, operating expenses or the like which the Council is required to secure or pay for by law, or otherwise, or which in the discretion of the Board of Directors shall be necessary or proper for the operation of the common elements; provided, however, that if any of the aforementioned are provided or paid for the benefit of a particular Condominium unit or units, the cost thereof may be specially assessed to the owner or owners thereof.

(h) The cost of the maintenance or repair of any Condominium unit or its limited common elements in the event such maintenance or repair is reasonably necessary in the

discretion of the Board of Directors to protect the common elements or to preserve the appearance or value of the project or is otherwise in the interest of the general welfare of all owners of the Condominium units; provided, however, that except in emergency situations, in which case the Board may immediately proceed without notice, no such maintenance or repair shall be undertaken without a resolution by the Board of Directors and not without reasonable written notice to the owner of the Condominium unit or limited common elements proposed to be maintained, which notice states the Board's intent to provide such necessary maintenance, repair, or replacement, at the owner's sole cost and expense, and setting forth with reasonable particularity the maintenance, repairs, or replacement deemed necessary. Except in emergencies where immediate repair is required to prevent damage or injury, in which cases immediate action shall be required, the owner shall have fifteen (15) days within which to complete said maintenance, repair, or replacement, or if such maintenance, repair or replacement is not capable of completion within said fifteen (15) day period, to commence said maintenance, repair, or replacement. If any owner does not comply with the provisions hereof, the Board may provide any such maintenance, repair, or replacement at the owner's sole cost and expense, and the cost thereof shall be assessed against the Condominium unit on which such maintenance or repair is performed and, when so assessed, a statement for the amount thereof shall be rendered to the then owner of said Condominium unit, at which time the assessment shall become due and payable and a continuing lien and obligation of said owner in all respects.

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

(j) Any amount necessary to pay real estate taxes or other governmental charges of whatever nature assessed on or against the common elements of the Condominium project, and all other taxes and assessments levied against the Council or upon any property which it may own or it is otherwise required to pay, if any.

(k) Any amount deemed necessary or desirable by the Board of Directors to be placed in a reserve for replacement or repair of any common elements.

Section 3. Creation of the Lien and Personal Obligation for Assessments.

(a) Each owner of any unit, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Council: (1) annual assessments or charges, (2) special assessments to be established and collected as hereinafter provided, and (3) specific assessments against any particular unit which are established pursuant to the terms of these Bylaws. Any assessment levied pursuant to these Bylaws, or any installment thereof, which is not paid within fifteen (15) days after it is due shall bear interest at the maximum rate allowed by the Act. All such assessments together with management charges, interest, costs, and late charges, all at the maximum amount permitted by the Act or by law, and reasonable attorney's fees actually incurred, which shall in no event be less than twenty-five percent (25%) of the unpaid assessment, shall be a charge on the unit and shall be a continuing lien upon the unit against which each such assessment is made.

(b) Such amounts shall also be the personal obligation of the person who was the owner of such unit at the time when the assessment fell due. No unit owner shall be exempt from liability for assessments or carrying charges by a waiver of use or enjoyment of any of the common elements or by abandonment of any Condominium unit. Each owner shall be liable for his portion, determined in accordance with his unit's percentage interest, of each assessment coming due while he is the owner of a unit and his grantee shall be jointly and severally liable for such portion thereof as may be due and payable at the time of conveyance.

(c) Assessments shall be paid in such manner and on such dates as may be fixed by the Board of Directors; unless otherwise provided, the annual assessments shall be paid in equal monthly installments due and payable on the first day of each month.

(d) No lien shall be filed against a condominium unit for unpaid assessments except after thirty (30) days written notice to the unit owner that a lien shall be filed, given by certified mail, return receipt requested, postage prepaid, to the address of the unit owner shown on the roster of unit owners maintained by the Council and as required by Section 14-203 of the Maryland Contract Lien Act, Real Property Article, Annotated Code of Maryland, as amended or as provided in the Act. In the event the owner does not pay the past due amount within thirty (30) days after the date notice was mailed, the Council may file a lien against the condominium

unit. The procedures provided in the Maryland Contract Lien Act, Section 14-201 et seq., Real Property Article, Annotated Code of Maryland, as amended, or as the Act shall provide, as amended, shall be followed by the Council. No suit or other proceeding may be brought to enforce or foreclose the lien established by this Article and the Act, except after ten (10) days written notice to the unit owner given by registered mail, return receipt requested, to the address of the unit owner shown on the roster of unit owners maintained by the Council. The Board of Directors may post a list of members who are delinquent in the payment of any common expense assessments which may be due the Council, including any installment thereof which becomes delinquent, in any prominent location within the Condominium and in any publication of the Condominium.

(e) The lien established by the recordation of a Condominium lien, shall have preference over any other assessments, liens, judgments or charges of whatever nature, except the following:

(1) general and special assessments and ad valorem real estate taxes on the Condominium unit; and

(2) the lien of any bona fide deed of trust, mortgage or other encumbrance duly recorded on the Condominium unit prior to the recordation of the Statement of Condominium Lien, or duly recorded on the Condominium unit after receipt by the holder of any such mortgage (or the holder of the indebtedness or note secured thereby) of a certificate or statement in writing signed by an officer or agent of the Council stating the payments on account of all assessments levied by the Council against the Condominium unit were current as of the date of recordation of such deed of trust, mortgage instrument or other encumbrance. The lien established by the recordation of a Statement of Condominium Lien shall be subordinate to the lien of any deed of trust, mortgage or other encumbrance duly recorded on the Condominium unit and made in good faith and for value received; provided, however, that such subordination shall apply only to assessments, and installments thereof, which have become due and payable prior to a sale or transfer of the Condominium unit pursuant to a foreclosure on any deed, assignment or other proceeding or arrangement in lieu of foreclosure.

(f) Provided however, if a mortgagee of a first mortgage of record obtains title to the unit as a result of foreclosure of a first mortgage or through the enforcement of any other remedies provided for in such a mortgage, such mortgagee, its successors, and assigns shall not be liable for, and such unit shall not be subject to, a lien for the payment

of common expenses assessed prior to the acquisition of title to such unit by such mortgagee or purchaser pursuant to the foreclosure sale. Such unpaid share of common expenses assessed prior to the acquisition of title to such unit by such mortgagee or purchaser pursuant to the foreclosure sale shall be collectible from all unit owners, including the purchaser at such foreclosure sale, in proportion to their unit's respective percentage interest. However, such mortgagee or purchaser at such foreclosure sale shall not be relieved from liability for any assessments coming due after foreclosure nor from the lien of any such subsequent assessments.

(g) Late charges for unpaid assessments may not be imposed more than once for the same delinquent payment and may only be imposed if the delinquency has continued for at least fifteen (15) days in the amount of \$15.00 or one-tenth of the total amount of any installment, whichever is greater or as determined by the Board of Directors.

(h) Each owner is allocated a liability for common expenses in a percentage amount equal to the percentage of undivided interest set out in the Declaration.

(i) Upon written request to the Board by an owner or prospective purchaser, the Board or the duly designated agent shall furnish, within a reasonable time as prescribed by the Act, a recordable statement setting forth the amount of unpaid assessments levied against the unit and signed by an officer of the Condominium. The Board may impose a reasonable fee for each such statement, and payment of the established fees shall be a prerequisite to the issuance of any statement. Such statement shall be conclusive evidence of payment of any assessments therein.

(j) Upon written request, any holder of a mortgage is entitled to written notification from the Board of Directors of any default by the mortgagor of such unit in the performance of the mortgagor's obligations under the Condominium documents which is not cured within thirty (30) days.

(k) The lien for unpaid assessments may be foreclosed in the manner provided by the Act as it is amended, or by suit brought in the name of the Council or the Board of Directors, acting on behalf of the Council after having first given written notice to the holder of the first mortgage on the unit which is the subject of such suit or proceeding. During the pendency of such suit, the unit owner shall be required to pay a reasonable rental for the unit for any period prior to sale pursuant to any judgment or order of any court having jurisdiction over such sale. The plaintiff in such proceeding shall have the right to the appointment of a receiver, if available under the then laws of the State of Maryland.

(1) Suit to recover a money judgment for unpaid assessments shall be maintainable without foreclosing or waiving the lien securing the same, and foreclosure shall be maintainable notwithstanding the pendency of any suit to recover a money judgment. A suit for any deficiency following foreclosure may also be maintained.

Section 4. Acceleration. If a unit owner fails to pay any monthly installment when due, the Council may demand full payment of the remaining assessment coming due within that fiscal year. The Board of Directors may accelerate the remaining installments if within fifteen (15) days of a unit owner's failure to pay a monthly installment, the Board of Directors notifies the unit owner that if the unit owner fails to pay the monthly installment within fifteen (15) days of the acceleration notice, full payment of the remaining annual assessment will then be due and shall constitute a lien on the unit as provided in this Article VII.

Section 5. Computation of Operating Budget and Assessment. It shall be the duty of the Board of Directors, with the assistance and advice of the management agent, annually to prepare and adopt a budget covering the estimated costs of operating the Condominium during the coming year. The budget herein required to be prepared and adopted by the Board of Directors shall be in a format consistent with the classification of the accounts of the Council, as hereinafter in these Bylaws provided for, and shall provide for sufficient estimates, on a monthly basis, to permit comparison to and analysis of deviations from the various periodic reports of the actual results of operations and the actual financial condition of the Council, on both a current basis and for prior corresponding periods, all in accordance with generally accepted accounting practices, consistently applied. Copies of the budget shall be available for examination by the unit owners and by their duly authorized agents and attorneys, and to the institutional holders of any first mortgage on any Condominium unit in the Condominium and by their duly authorized agents and attorneys during normal business hours for purposes reasonably related to their respective interests.

The Board shall cause the budget and the assessments to be levied against each unit therefrom for the following year to be delivered to each member at least thirty (30) days prior to the beginning of the new fiscal year, and each owner shall be obligated to pay the Council such assessments against his or her unit as established on the basis of the budget. Notwithstanding the foregoing, however, in the event the Board fails for any reason so to determine the budget for the succeeding year, then and until such time as a budget shall have been

determined, as provided herein, the budget and assessments in effect for the current year shall continue for the succeeding year until the new budget is adopted. The Board may revise the budget and change the assessment at any time during the fiscal year if it appears that the assessments will not be sufficient to meet expenses and fund reserves.

Section 6. Special Assessments. In addition to the regular assessments authorized by this Article, subject to the written consent of the Federal Housing Commissioner, the Council may levy in any assessment year for that year only a special assessment or assessments, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a capital improvement located upon the project, including the necessary fixtures and personal property related thereto, or for such other purpose as the Board of Directors may consider appropriate, provided that any such assessment if in excess of fifteen percent (15%) of the then current budget shall have the assent of a majority of the members voting and present in person or by proxy according to their written ballots or consents submitted at a special meeting of the Council duly called for this purpose. Notwithstanding the foregoing, any expenditure necessitated by conditions which, if not corrected, could reasonably result in a threat to the health or safety of unit owners or a significant risk of damage to the Condominium, shall not require the Council's approval even if in excess of fifteen percent (15%) of the then current budget.

Section 7. Notice of Meetings. Written notice of any meeting called for the purpose of taking any action authorized under Section 5 or Section 6 of this Article VII shall be sent to all members not less than ten (10) nor more than ninety (90) days in advance of the meeting. Upon written request of any institutional holder of a first mortgage, that holder shall be entitled to written notice of any such meeting and shall be permitted to designate a representative to attend and observe the meeting.

Section 8. Reserves and Contribution. The Board of Directors shall build up and maintain reasonable reserves for working capital, operations, contingencies and replacements, all of which are common expenses. The Board shall annually prepare a capital reserve budget which shall take into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost. The Board shall set the required annual capital contribution, if any, in an amount sufficient to permit meeting the projected capital needs of the Council, as shown on the capital budget. The Board shall attempt to establish annual contributions to

the reserve fund in equal installments over the period of the projected life of the capital asset(s) for which the reserve is established. The capital contribution required shall be fixed by the Board of Directors and included within the budget as a common expense and assessment as provided in this Article. Extraordinary expenditures not originally included in the annual budget which may become necessary during the year may be charged first against such reserves.

Such fund shall be deposited in a special account with an institution, the accounts of which are insured by an agency of the United States of America, or may, in the discretion of the Board of Directors, be invested in obligations of, or fully guaranteed as to principal by, the United States of America. The proportionate interest of any unit owner in any reserve accounts shall be considered an appurtenance of his unit and shall not be separately withdrawn, assigned or transferred.

Article VIII
Fiscal Management

Section 1. Fiscal Year. The fiscal year of the Council shall begin on January 1 of each year. The commencement date of the fiscal year herein established shall be subject to change by resolution of the Board of Directors should the Board deem such change necessary.

Section 2. Books and Records. Books and accounts of the Council shall be kept under the direction of the Treasurer in accordance with good accounting practices. The same shall include books with detailed accounts, in chronological order, of receipts and of expenditures affecting the Condominium and its administration and shall specify the maintenance and repair expense of the general and limited common elements and services and any other expenses incurred. The amount of any assessment required for payment on capital expenditures of the Council shall be credited upon the books of the Council to the "Paid-in-Surplus" account as a capital contribution by the members.

All members of the Council and first mortgagees of a unit shall, upon written request, be entitled to inspect, in accordance with the Act, all books and records of the Council during normal business hours at the office of the Council or other place reasonably designated by the Board of Directors as the depository of such books and records. Books and records of the Council are to be kept in a location as may be prescribed by the Act.

Section 3. Auditing. At the close of each fiscal year, the books and records of the Council shall be audited by an independent Certified Public Accountant whose report shall be prepared in accordance with generally accepted auditing standards. Based upon such report, the Council shall make available to its members an annual financial statement including the income and disbursements of the Council. The cost of the audit shall be a common expense.

Section 4. Execution of Council Documents. With the prior authorization of the Board of Directors, all notes and contracts shall be executed on behalf of the Council by either the President or Vice President, and all checks shall be executed on behalf of the Council by one or more officers or the management agent as are from time to time so authorized by the Board of Directors. If an agreement or other document obligates the Council to payment of more than ten percent (10%) of the Council's annual budget in any one fiscal year, the document shall require execution by two officers of the Board of Directors.

Article IX
Use Restrictions and Rule Making

Section 1. Authority. The Condominium shall be used only for those uses and purposes set out in the Declaration and these Bylaws. All condominium units shall be used for private residential purposes and such temporary non-residential uses as may be permitted by the Board of Directors from time to time. The Board of Directors shall have the authority to make and to enforce reasonable rules and regulations governing the conduct, use, and enjoyment of units and the common elements.

Section 2. Enforcement. For violation of any duty imposed under the Declaration, these Bylaws, or any rules and regulations duly adopted hereunder, the Board shall have the power to impose reasonable fines which shall constitute a lien upon the property, and to suspend an owner's right to vote. The Board shall have the discretion to delegate such powers to a dispute settlement committee established by the Board. Any such committee shall have a Board member appointed as chairman. Each day of a continuing violation may be considered a separate violation. Nothing herein contained shall be construed to limit the Council's right to any other additional remedies at law or equity available to it to enforce the Declaration, the Bylaws or the rules and regulations of the Council. The remedy contained herein shall be construed as cumulative of the Council's other rights of enforcement at law or in equity or any other remedies available to the Council.

Section 3. Procedure. The Board or dispute settlement committee shall not impose a fine, suspend voting, or infringe upon any other rights of a member or other occupant for violation of rules and regulations unless and until the procedures of Section 11-113 of the Act, as it is amended, or such procedures as are reasonably necessary to provide due process, are followed. The failure of the Council to enforce a provision of this Section, the Declaration, or Bylaws on any occasion is not a waiver of the right to enforce the provision on any other occasion.

Section 4. Prohibited Uses and Nuisances.

(a) No noxious or offensive trade or activity shall be carried on within the project or within any Condominium unit situate thereon, nor shall anything be done therein or thereon which may be or become an annoyance to the neighborhood or the other residents or which interferes with the peaceful use and possession thereof by the unit owners or residents. Unit owners shall exercise extreme care to avoid unnecessary noise in the use of musical instruments, radios, televisions, amplifiers or other sound producing devices that may disturb others.

(b) There shall be no obstruction of any common elements, nor shall anything be done which impairs any easement or right-of-way or which alters the natural flow of surface water. Nothing shall be stored upon any common elements, except with the approval of the Board of Directors, and except in those areas designated for storage of personal property by the owners of the units. No garments, rugs or similar objects may be hung or cleaned from the windows or exterior of the buildings or other common elements.

(c) Vehicular parking upon common elements shall be as regulated by the Board of Directors as as provided in Article IX, Section 6, of these Bylaws. Only those vehicles, intended and used for passenger transport may be kept upon any of the common elements unless written consent of the Board of Directors is obtained. Except as otherwise provided in these Bylaws, no junk, inoperable or partially dismantled vehicle or other vehicle on which current registration plates are not displayed shall be kept on any common element nor shall any trailer, truck, commercial vehicles, camper, camper truck, house trailer, boat or the like be kept upon any common elements without written permission of the Board of Directors. The Board may, in its discretion, designate areas for the keeping of these kinds of vehicles or for motorcycles. No vehicle may remain parked and unmoved in any one parking space, except a limited common element parking space, for more than

two (2) weeks without the consent of the Board of Directors or its designated agent. Additionally, with the exception of minor maintenance such as oil changes or tune-ups, no repair or extraordinary maintenance of automobiles or other vehicles shall be performed upon any common element. The Board of Directors may institute a towing policy to prevent abuses of this parking paragraph as well as for violations of the rules and regulations adopted to control parking.

(d) Nothing shall be done or maintained in any Condominium unit or upon any common elements which will increase the rate of insurance on any Condominium unit or common elements or result in the cancellation thereof without the prior written approval of the Board of Directors. Nothing shall be done or maintained in any Condominium unit or upon common elements which would be in violation of any law. No waste shall be committed upon any common elements.

(e) No structural alteration, construction, addition to or removal from any Condominium unit or common elements shall be commenced or conducted except in strict accordance with the provisions of these Bylaws and the Declaration.

(f) No signs of any character shall be erected, posted or displayed upon, in, from or about any Condominium unit or common elements, including temporary real estate signs which shall not be more than two by three feet in area advertising a unit for sale or rent or temporary signs promoting safety in connection with the repair or renovation of a unit, without first obtaining the written consent of the Board of Directors or managing agent under such conditions as the Board of Directors may establish.

(g) No part of the common elements shall be used for commercial activities of any character.

(h) No burning of any trash and no unreasonable or unsightly accumulation or storage of litter, new or used building materials, or materials or trash of any other kind shall be permitted within any Condominium unit (including balconies and terraces) or upon any common elements. Trash and garbage containers shall not be permitted to remain in public view except on days of collection, when necessary. No littering is permitted. All refuse shall be deposited with care in containers designated for such purpose during such hours as may from time to time be designated by the Board of Directors.

(i) No structure of a temporary character, trailer, tent, shack, barn or other outbuilding shall be maintained upon any common elements at any time. Outdoor clothes dryers and clothes lines shall not be maintained upon any common elements at any time.

(j) No outside television, radio aerial or antenna, or other device, aerial or antenna, for reception or transmission, shall be maintained upon any Condominium unit or upon any common elements, without the prior written consent of the Board of Directors. No unit owner may install wiring for electrical or telephone installation, television antennae, machines, devices or air-conditioning units on the exterior of the Condominium or which protrude through the walls or roof of the Condominium except as authorized by the Board of Directors or managing agent.

(k) The maintenance, keeping, breeding, boarding and/or raising of animals, livestock or poultry of any kind, regardless of number, shall be and is hereby prohibited within any condominium unit or upon any common elements, except that this shall not prohibit the keeping of a dog, cat and/or caged birds as domestic pets provided that they are not kept or maintained for commercial purposes or for breeding, and that keeping of said domestic pets is in accordance with the rules and regulations as prescribed from time to time by the Council. Owners of pets are hereby deemed to indemnify the Council, its Board of Directors and members for any damages or injuries caused by their pets. All pets while on the common elements shall be kept on a leash or other means of control and shall at all times be attended by a person able to control such pets.

(l) There shall be no violation of any rule for the use of common elements or units, which may from time to time be adopted by the Board of Directors and promulgated among the unit owners in writing, and the Board of Directors is hereby and elsewhere in these Bylaws authorized to adopt and promulgate such rules subject to the provisions of the Condominium Act as it may be amended.

Section 5. Leases. Units may be rented only in their entirety; no fraction or portion may be rented. No subletting of units by tenants will be permitted. No transient tenants may be accommodated therein. All unit owners interested in leasing their units shall bind all lessees to the provisions of these Bylaws by utilizing the Condominium's Standard Lease Form maintained by the managing agent or including the following provisions in their own leases:

(a) All provisions of the Governing Documents for Montgomery Woods Condominium which govern the conduct of owners and which provide for sanctions against owners shall apply to tenants. Tenant agrees to abide by and comply with all provisions of the Governing Documents. Owner agrees to cause all occupants of his unit to comply with the Governing Documents, and is responsible for all violations and losses caused by such occupants, notwithstanding the fact that such occupants of the unit are fully liable and may be sanctioned for any violation of the Governing Documents in the same manner as an owner. In the event that the tenant, or a person living with the tenant, violates the Governing Documents and a fine is imposed, such fine shall be assessed against the tenant; provided, however, if the fine is not paid by the tenant within the time period set by the Board of Directors or dispute settlement committee, the owner shall pay the fine upon notice from the Council of the tenant's failure to pay the fine. Unpaid fines constitute a lien against the unit. Any tenant charged with a violation of the Governing Documents is entitled to the same procedure to which an owner is entitled prior to the imposition of a fine or other sanction.

(b) Any violation of the Governing Documents is deemed to be a violation of the terms of the lease and authorizes the owner to terminate the lease without liability and to evict the tenant in accordance with Maryland law. The owner hereby delegates and assigns to the Council, acting through the Board, the power and authority of enforcement against the tenant for breaches resulting from the violation of the Governing Documents, including the power and authority to evict the tenant on behalf of the owner, in accordance with the terms hereof. In the event the Council proceeds to evict the tenant, any costs, including attorney's fees and court costs, associated with the eviction shall be specially assessed against the unit and the owner thereof, such being deemed hereby as an expense which benefits the leased unit and the owner thereof.

(c) Tenant agrees to be personally obligated for the payment of all assessments against the owner which are owed during tenant's occupancy or which become due as a consequence of tenant's activities, including, but not limited to, activities which violate provisions of the Governing Documents. The above provision shall not be construed to release the owner from an obligation, including the obligation for assessments, for which he would otherwise be responsible.

Upon request by the Council after a delinquency of more than thirty (30) days, tenant shall pay to the Council all unpaid installments of annual assessments and special assessments; provided, however, tenant need not make such

payments to the Council in excess of or prior to the due dates for monthly rental payments unpaid at the time of the Council's request. All such payments made by tenant shall reduce, by the same amount, tenant's obligation to make monthly rental payments to owner-lessor.

All rentals must be for a term of no less than six (6) months. Any unit owner who leases his unit must, no later than ten (10) business days after the signing of the lease, give written notice and supply a copy of such executed lease to the Board or its designee, and provide the Board with such general information about the lessee as the Board may reasonably require. The unit owner must make available to the tenant copies of the Governing Documents, including the Declaration, Bylaws, and rules and regulations and handbook, if any. If the unit owner fails to provide these documents to the tenant, such copies, upon the tenant's request, will be made available to him by the Council with all associated costs charged to the unit owner.

Section 6. Parking Spaces. No unit owner shall make use of any assigned parking space other than the space or spaces appurtenant, assigned as a limited common element or assigned by the Board of Directors without the express written consent of the owner to whom the space is assigned. All unassigned parking areas within the property shall be considered part of the general common elements. Parking may be regulated by the Board of Directors and unassigned parking spaces may be assigned or reserved by the Board of Directors for use by individual unit owners or designated for use by motorcycles, guest parking or other specific uses. Notwithstanding the foregoing, unassigned spaces or unreserved spaces designated for general use may be used on a "first come, first serve" basis. No vehicle belonging to any unit owner, or to any guest, employee or invitee of any unit owner, shall be parked in a manner which unreasonably interferes with or impedes ready vehicular access to any other parking space. Each unit owner shall comply in all respects with such supplementary rules and regulations which the Board of Directors may from time to time adopt and promulgate with respect to parking and traffic control within the property, and the Board of Directors is hereby, and elsewhere in these Bylaws, authorized to adopt such rules and regulations. The Board may enforce this parking paragraph against unit owners for their violations or the violations of their tenants, guests, family, agents, or licensees by the imposition of fines, by towing or by any other sanction available to the Board through the Bylaws or the Act.

Article X
Compliance and Default

Section 1. Relief. Each unit owner shall be governed by, and shall comply with, all of the terms of the Governing Documents and the Act as any of the same may be amended from time to time. A default by a unit owner shall entitle the Council, acting through its Board of Directors or through the managing agent, to the following relief which shall be cumulative:

(a) Additional Liability. Each unit owner shall be liable for the expense of all maintenance, repair or replacement rendered necessary by his act, neglect or carelessness or the act, neglect or carelessness of any member of his family or tenants, employees, agents or licensees, but only to the extent that such expense is not covered by the proceeds of insurance carried by the Board of Directors. Such liability shall include any increase in casualty insurance rates occasioned by use, misuse, occupancy or abandonment of any unit or its appurtenances. Nothing contained herein, however, shall be construed as modifying any waiver by any insurance company of its rights of subrogation.

(b) Costs and Attorney's Fees. In any proceedings arising out of any alleged default by a unit owner, the prevailing party shall be entitled to recover the costs of such proceeding and such reasonable attorney's fees as may be determined by the court.

(c) No Waiver of Rights. The failure of the Council, the Board of Directors or of a unit owner to enforce any right, provision, covenant or condition which may be granted by the Governing Documents or the Act shall not constitute a waiver of the right of the Council, the Board of Directors or the unit owner to enforce such right, provision, covenant or condition in the future. All rights, remedies and privileges granted to the Council, the Board of Directors or any unit owner pursuant to any term, provision, covenant or condition of the Governing Documents or the Act shall be deemed to be cumulative and the exercise of any one or more thereof shall not be deemed to constitute an election of remedies, nor shall it preclude the party exercising the same from exercising such other privileges as may be granted to such party by the Governing Documents or the Act or at law or in equity.

(d) Interest. In the event of a default by any unit owner in paying any sum assessed against his Condominium, in addition to assessments for common expenses, which continues for a period in excess of fifteen (15) days, the highest

interest rate allowable by law may be imposed in the discretion of the Board of Directors upon the principal amount unpaid from the date due until paid.

(e) Abating and Enjoining Violations by Unit Owners. The violation of any of the rules and regulations adopted by the Board of Directors, the breach of any Bylaw contained herein or the breach of any provision of the Declaration or the Act shall give the Board of Directors the right, in addition to any other rights set forth in these Bylaws: (1) to enter the unit in which, or as to which, such violation or breach exists and summarily to abate and remove, at the expense of the defaulting unit owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Board of Directors shall not thereby be deemed guilty in any manner of trespass; (2) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach; or (3) to tow vehicles parked in violation of these parking restrictions.

(f) Legal Proceedings. Failure to comply with any of the terms of the Declaration, these Bylaws and the rules and regulations shall be grounds for relief, including without limitation, an action to recover any sums due for money damages, injunctive relief, foreclosure of the lien for payment of all assessments, any other relief provided for in these Bylaws or any combination thereof and any other relief afforded by a court of competent jurisdiction, all of which relief may be sought by the Council, the Board of Directors, the managing agent or, if appropriate, by any aggrieved unit owner, and shall not constitute an election of remedies.

Section 2. Supplemental Enforcement of the Lien. In addition to the proceedings at law or in equity for the enforcement of the lien established by the Declaration, these Bylaws or the Act, all of the unit owners may be required by the Board of Directors to execute bonds conditioned upon the faithful performance and payment of the installments of the lien established thereby. In the event any such bonds have been executed, then any subsequent purchaser of a unit shall take title subject thereto and shall assume the obligations therein provided.

Article XI
Architectural Control

Section 1. Application for Approval. Except for the purpose of proper maintenance, no unit owner, occupant, lessee or lessor, or any other person may make any change, alteration, or construction visible from the exterior of the unit, nor

install, erect, attach, apply, paste, hinge, screw, nail, build, alter, remove, construct, place, or post any sign, object, light, shade, screen, awning, patio cover, decoration, fence, aerial, antenna, radio, television or communication receiving or transmission device, slab, sidewalk, curb, gutter, porch, driveway, wall or thing or otherwise alter (including any alteration in color) in any manner whatsoever the exterior of the buildings or any Condominium unit if visible from the exterior thereof or any common element without first obtaining the written approval of the Board of Directors or its designated committee. Application shall be in writing and by certified mail, and shall provide such information as the Board of Directors or its designated committee may reasonably require, including without limitation plans and specifications showing the location, nature, shape, height, material, color, type of construction and/or any other information specified by the Board of Directors or its designated committee. The Board or its designated committee may publish written architectural standards for exterior alterations or additions and any request in substantial compliance therewith shall be approved. In the event that the Board or its designated committee fails to approve or to disapprove such application within ninety (90) days after it shall have been submitted, in proper form, such application shall be deemed approved. No change shall be allowed unless in aesthetic harmony of design, color and location in relation to surrounding structures and topography as may be determined within the discretion of the Board of Directors or its committee.

Section 2. Conditions.

(a) As a condition of approval for a requested architectural change, modification, addition, or alteration, every unit owner of the unit involved, on behalf of himself and his successors-in-interest, shall assume all responsibilities for maintenance, repair, replacement, and insurance to and on such change, modification, addition, or alteration. In the discretion of the Board or its designated committee, a unit owner may be made to verify such condition of approval by written instrument in recordable form acknowledged by such unit owner on behalf of the unit owner and his or its successors-in-interest.

(b) Construction or alterations in accordance with plans and specifications approved by the Architectural Review Committee shall be commenced within six (6) months following the date upon which the same are approved and shall be substantially completed within twelve (12) months following the date of commencement, or within such longer period as the Architectural Review Committee shall specify in its approval.

In the event construction is not commenced within the period aforesaid, then approval of the plans and specifications by the Committee shall be conclusively deemed to have lapsed and compliance with the provisions of this Article shall again be required. There shall be no deviations from plans and specifications approved by the Architectural Review Committee without the prior consent in writing of the Committee. Approval of any particular plans and specifications or design shall not be construed as a waiver of the right of the Architectural Review Committee to disapprove such plans and specifications, or any elements or features thereof, in the event such plans and specifications are subsequently submitted for use in any other instance.

Section 3. Interior Improvements. Each unit owner shall notify the Board of Directors or its designated committee of all structural interior improvements made by the unit owner to his or her unit; provided, however, no addition of any woodstove or fireplace, nor any structural improvement which affects the load bearing walls, the stability of the buildings or any parts thereof, the structural integrity of the building or any parts thereof, or in any way jeopardizes the safety or soundness of the buildings or any parts thereof shall be made unless first approved in writing by the Board or its designated committee. However, unless the Board provides actual supervision or inspection of construction, its approval of a structural change does not relieve the unit owner of liability in the event the construction fails or causes damage to another unit or the common elements. A structural improvement shall include any structural change, modification, alteration, addition, or work whatsoever performed by a unit owner on his or her unit or its appurtenances.

Section 4. Architectural Review Committee. The Architectural Review Committee shall be composed of an uneven number of three (3) or more natural persons designated from time to time by the Board of Directors and such persons shall serve at the pleasure of the Board of Directors. In the event the Board of Directors fails to appoint an Architectural Review Committee, then the Board of Directors shall constitute the Committee. The affirmative vote of a majority of the members of the Architectural Review Committee shall be required in order to adopt or promulgate any rule or regulation, or to make any finding, determination, ruling or order, or to issue any permit, consent, authorization, approval or the like pursuant to the authority contained in this Article.

Section 5. Fences. The Architectural Review Committee shall be bound by at least the following limitations in connection with the approval of any application for the construction of a fence: All fences shall be constructed of wood with

painted or natural finishes. No fence shall be constructed of chain link, wire or other metal unless specifically approved in writing by the Architectural Review Committee. Fencing shall be reasonably uniform in height throughout the Condominium. The minimum height of any fence shall be thirty-six (36) inches across the back side and the maximum height of any fences shall be seventy-two (72) inches. The tops of all fences shall be level and follow grade. No fence shall extend more than fifteen (15) feet from the rear wall of any Condominium unit to which such fence is appurtenant. No area in front or to the side of any Condominium unit shall be fenced.

Article XII
Insurance

Section 1. Master Policy. The Council shall obtain and maintain at all times, as a common expense, insurance, including a casualty insurance policy or policies affording fire and extended coverage, as well as all risk perils, for and in an amount consonant with the full replacement cost (i.e., one hundred percent (100%) of current "replacement cost," excluding land, foundation, excavation, and other items normally excluded from coverage) of all structures comprising the Condominium. Such coverage shall afford protection against such other risks as are customarily covered in similar projects and within the discretion of the Board of Directors, and may include without limitation, sprinkler leakage, debris removal, cost of demolition, vandalism, malicious mischief, windstorm, water damage, boiler and machinery explosion or damage, and such other insurance as the Board of Directors may determine necessary.

The Council shall also obtain public liability insurance in amounts not less than One Million Dollars (\$1,000,000.00) per injury or injuries, including death, arising out of a single occurrence, and One Million Dollars (\$1,000,000.00) property damage including water damage liability, legal liability, hired or non-owned automobile liability and such other coverage as the Board of Directors shall deem necessary, covering the Council, the Board of Directors, officers, and all agents and employees of the Council, and all unit owners and other persons entitled to occupy any unit or other portion of the Condominium property.

All such insurance coverage shall be written in the name of the Council as trustee for each of the owners; provided, however, that the casualty insurance policy or policies shall contain a standard payee mortgagee clause in favor of each mortgagee of a unit to the extent of the portion of the

coverage of the policy or policies allocated to such unit, which shall provide that the loss, if any, thereunder shall be payable (in addition to the Council) to such mortgagee as its interest may appear. It shall be the duty of the Board of Directors annually to conduct an insurance review to determine if the policy in force is adequate to meet the needs of the Council and to satisfy the requirements of this Section. Such insurance shall run to the benefit of the Council, the respective unit owners, and their respective mortgagees, as their interests may appear.

The improvements and betterments made or acquired by the individual unit owners shall be excluded from this required coverage, and each owner shall have the right to obtain additional coverage for such improvements, betterments, or personal property at his or her own expense.

The "structure," as insured by the master policy, shall be the buildings and units therein as depicted on the plats and plans filed and recorded in accordance with the Act. Each of the policies of insurance obtained by the Council shall contain the following provisions, if available: (i) that they shall not be prejudiced by any act or neglect of any occupants and unit owners of the Condominium when such act or neglect is not within the control of the insured, or unit owners collectively, and (ii) that they shall not be prejudiced by failure of the insured, or unit owners collectively, to comply with any warranty or condition with regard to any portion of the Condominium over which the insured, or unit owners collectively, have no control.

(a) The Board of Directors shall utilize every reasonable effort to secure a master policy covering physical damage that will provide the following:

(1) That the insurer waives its rights of subrogation of any claims against the Council, the Board of Directors, its directors, officers, the managing agent, employees, the individual unit owners and their respective household members, tenants, employees, agents and invitees. Independent contractors shall not be considered agents, employees or servants of the Board of Directors or of the respective Condominium unit owners within the meaning of said waiver. The policy shall also waive any defenses based on co-insurance or invalidity arising from the acts of the insured.

(2) That the master policy on the Condominium cannot be cancelled, invalidated, or suspended on account of the conduct of any director, officer, or employee of the Council or

the managing agent without a prior demand in writing delivered to the Council to cure the defect and the allowance of a reasonable time thereafter within which the defect may be cured.

(3) That any "no other insurance" clause contained in the master policy shall expressly exclude individual unit owners' policies from its operation.

(4) That the master policy and fidelity bonds may not be cancelled or substantially modified without at least thirty (30) days prior notice in writing to the Board of Directors and any and all insureds named thereon, with an opportunity to cure.

(5) An agreed value or amount endorsement and waiver of co-insurance.

(6) That, notwithstanding any provisions thereof which give the carrier the right to elect to restore damage in lieu of making a cash settlement, such option shall not be exercisable when in conflict with the provisions of the Act or of these Bylaws.

(7) A "Demolition Endorsement" and an "Increased Cost of Construction Endorsement," a "Condominium Replacement Cost Endorsement" and a "Contingent Liability from Operation of Building Laws Endorsement" or their equivalents, without deduction or allowance for depreciation.

(8) That the policies shall contain a "no-control" provision to prevent the insurer from denying coverage for hazards, conditions or acts of unit owners, licensees or invitees over which the Council has no control.

(b) All policies of insurance shall be written with a company licensed to do business in the State of Maryland and holding a rating of B+BBB or better in the Financial Category as established by A. M. Best Company, Inc., or the highest rating under the evaluation system A.M. Best Company, Inc., should adopt in the future, if reasonably available, or, if not available, the best rating available. The company shall provide insurance certificates to each owner and each mortgagee, upon request.

(c) In no event shall the insurance coverage obtained and maintained by the Council hereunder be brought into contribution with insurance purchased by individual unit owners or their mortgagees.

(d) All public liability and officers' and directors' liability insurance shall contain a cross liability endorsement.

Section 2. Additional Features. In addition to the insurance required herein, the Board shall obtain as a common expense:

(a) Workmen's compensation insurance if and to the extent necessary to meet the requirements of law.

(b) Public liability and officers' and directors' liability insurance in such amounts as the Board may determine, but in no event less than that set out above. Such insurance shall contain a cross liability endorsement.

(c) Fidelity bonds covering officers, directors, employees, and other persons, including the manager or its employees, which shall be separately bonded, who handle or are responsible for handling Council funds. Such bonds shall be written in an amount equal to at least one hundred percent (100%) of the cash on hand at any time during each fiscal year, plus three (3) months assessments, as determined by the auditor's balance sheet, which shall include both actual cash and invested reserves, and shall contain waivers of any defense based upon the exclusion of persons serving without compensation. Such bonds shall name the Council as obligee or named insured.

(d) Such other insurance as the Board of Directors may determine to be necessary.

Section 3. Separate Unit Insurance. Insurance carried by the Council as a common expense shall not include any part of a unit neither depicted on the original plats and plans nor included in the original mortgage, nor shall the Council include public liability insurance for individual owners for liability arising within the unit. Unit owners may obtain insurance including a Condominium Unit Owner's Endorsement for improvements and betterments made by the unit owner, plateglass damage, personal property damage and liability, additional living expense, vandalism or malicious mischief and theft, provided however, such insurance shall not be brought into contribution with the insurance purchased by the Council and shall contain a waiver of subrogation against the Council, its members and the Board of Directors and a waiver of any defenses based on co-insurance or invalidity arising from acts of the insured. The owner shall notify the Council of any betterments exceeding One Thousand Dollars (\$1,000.00) in value.

Section 4. Repair and Reconstruction. In the event of damage to or destruction of all or any part of the Condominium as a result of fire or other casualty, and subject to the terms of the Act, the Board of Directors or its duly authorized agent shall arrange for and supervise the prompt repair and restoration of the structure in accordance with the original plats and plans. In the event that said damage or destruction exceeds Ten Thousand Dollars (\$10,000.00), each first mortgagee affected shall be entitled to written notice of the damage. Nothing in these documents shall be construed to afford a priority to any unit owner with respect to the distribution of proceeds to any such unit. No provision of the Declaration or Bylaws shall entitle any unit owner to any priority over the holder of any first mortgage of record on his unit with respect to distribution of proceeds.

The procedure for repair and reconstruction shall be:

(a) **Cost Estimates.** Immediately after a fire or other casualty causing damage to the Condominium the Board of Directors shall obtain reliable and detailed estimates of the cost of repairing and restoring the structures (including any damaged unit) to a condition as good as that existing before such casualty, if permitted by appropriate governmental authority. Such costs may also include professional fees and premiums for such bonds as the Board of Directors determines to be necessary.

(b) **Source and Allocation of Proceeds.** If the proceeds of insurance are not sufficient to defray the said estimated costs of reconstruction and repair as determined by the Board of Directors, or if at any time during the reconstruction and repair or upon completion of reconstruction and repair the funds for the payment of the costs thereof are insufficient, the cost of repair shall be a common expense and assessments shall be made against all of the unit owners. If after repair and reconstruction is completed there is a surplus of funds, such funds shall be common funds of the Council to be used as determined by the Board of Directors.

(c) **Plans and Specifications.** Any such reconstruction or repair shall be substantially in accordance with the plans and specifications under which the Condominium was originally constructed.

(d) **Encroachments.** Encroachments upon or in favor of units which may be created as a result of such reconstruction or repair shall not constitute a claim or basis for any proceeding or action by the unit owner upon whose property such encroachment exists, provided that such reconstruction was

substantially in accordance with the architectural plans under which the Condominium was originally constructed. Such encroachments shall be allowed to continue in existence for so long as the reconstructed building shall stand.

(e) Construction Fund. The net proceeds of the insurance collected on account of a casualty and the funds collected by the Council from assessments against unit owners on account of such casualty shall constitute a construction fund which shall be disbursed in payment of the cost of reconstruction and repair in the manner set forth in this Section.

(f) Method of Disbursement. The construction fund shall be paid by the Council in appropriate progress payments to such contractor(s), supplier(s), and personnel performing the work or supplying materials or services for the repair and reconstruction of the buildings as are designated by the Board of Directors.

(g) Insurance Deductibles. If repair is required as a result of an insured loss, the amount of the deductible shall be treated as if it were a maintenance expense and shall be paid by the person or persons who would be responsible for such repair in the absence of insurance, as set forth in Article VI, Section 1, of these Bylaws, or by the negligent party. If the maintenance responsibility cannot be determined by the Board and if the loss affects more than one unit or a unit and the common elements, the cost of the deductible may be apportioned equitably by the Board among the parties suffering loss in accordance with the total cost of repair.

Section 5. Restoration Not Required. Any portion of the Condominium damaged or destroyed shall be repaired or replaced promptly by the Council unless:

- (a) The Condominium is terminated;
- (b) Repair or replacement would be illegal under any state or local health or safety statute or ordinance; or
- (c) In the event more than two-thirds (2/3) of the entire project based on full replacement value is substantially damaged or destroyed by fire or other casualty and members representing four-fifths (4/5) of the total value of the project resolve not to proceed with repair or reconstruction. If the entire Condominium is not repaired or replaced:

(i) the insurance proceeds attributable to the damaged common elements shall be used to restore the damaged area to a condition compatible with the remainder of the Condominium;

(ii) the insurance proceeds attributable to units and limited common elements which are not rebuilt shall be distributed to the owners of those units and the owners of the units to which those limited common elements were assigned after first paying out of the share of the owner of any unit the amount due on any mortgage or other liens on the unit in accordance with the priority of interests in each unit to the extent such share is sufficient; and

(iii) the remainder of the proceeds shall be distributed to all the unit owners in proportion to their common element interest.

Section 6. Reallocation of Interest of Unrepaired Unit. If the unit owners vote not to rebuild any unit, that unit's entire common element interest, votes in the Council and common expense liability are automatically reallocated upon the vote as if the unit had been condemned and the Council promptly shall prepare, execute and record an amendment to the Declaration reflecting the reallocations of interest.

Article XIII
Condemnation

Section 1. Definition. The terms "taking in condemnation" or "taking," as used in this Article, shall mean a taking in condemnation or by right of eminent domain and shall include any sale made in settlement of any pending or threatened condemnation proceeding.

Section 2. When Repair and Reconstruction Required. Except as otherwise provided in Section 3 of this Article XIII, in the event of a taking in condemnation of a part of the Condominium, the Board of Directors shall arrange for and supervise the prompt repair and restoration of the property in the same manner as set forth in Article XII. The provisions of Section 4 of Article XII shall apply to the repair and restoration of the Condominium in the same manner as if the property had been damaged by fire or other casualty. The award made for the taking shall be payable to the Board of Directors and shall be disbursed in the same manner as insurance proceeds.

Section 3. When Reconstruction Not Required. If (a) two-thirds (2/3) or more of the entire project shall be rendered untenable by a taking, and (b) members representing eighty percent (80%) or more of the total value of the project shall fail to vote in favor of reconstruction and repair at a meeting called within ninety (90) days after the taking, then the Condominium shall be subject to an action for partition at the suit of any unit owner as if the Condominium were owned in common, in which event the net proceeds of sale shall be added to the award and the total shall be considered as one fund which shall be delivered to and thereafter distributed by the Board of Directors among all unit owners in proportion to the respective percentage interests of their units, after first paying out of the share of each unit owner, to the extent sufficient for this purpose, the amount of any unpaid liens on his or her unit, in the order of the priority of such liens. The Board of Directors shall give notice in writing to each first mortgagee of any loss to, or taking of the general common elements of the Condominium, if such loss or taking exceeds Ten Thousand Dollars (\$10,000.00).

Section 4. Effect on Percentage Interests of Units. If there is a taking in condemnation of part of the Condominium, if the Condominium is restored pursuant to the provisions of Section 2 of this Article, and if, as a result of the taking, the condemnor is not obligated to pay assessments for common expenses attributable to the unit(s), or part(s) thereof so taken, then, effective as of the date of the taking, the percentage interests of all units remaining after the taking shall be adjusted in the following manner:

(a) If the taking involves all of one or more units, the percentage interests of those units shall be reallocated among the remaining units not taken in proportion to the respective percentage interests of such units immediately prior to the taking.

(b) If the taking involves a part, but not all, of one or more units, (i) the percentage interests of each unit which is involved in the taking shall be reduced to a percentage which bears the same ratio to the percentage interest of the unit immediately prior to the taking as the ratio which the floor area of the unit immediately after the taking bears to the floor area of the unit immediately prior to the taking, and (ii) the aggregate reduction in the percentage interest(s) of the unit(s) referred to in clause (i) shall be reallocated among the remaining units not taken (including the unit(s) referred to in clause (i)) in proportion to the respective percentage interests of such units immediately prior to the taking, except that in the case of the unit(s) referred to in

clause (i), the percentage interest used in this computation shall be the percentage interest of the unit adjusted in the manner provided in clause (i). Promptly after the adjustments required by this Section have been determined, an amendment to the Declaration reflecting the adjustments shall be executed and acknowledged (in the manner required by law for the execution and acknowledgment of deeds) by the President and the Secretary and shall be recorded among the Land Records of Howard County.

Article XIV
Amendment

Section 1. Unit Owner Approval. Except as otherwise provided or as otherwise may be specified in the Act, these Bylaws may be modified or amended either (a) by a vote or the consent of unit owners having at least two-thirds (2/3) of the votes appertaining to all of the units, or the minimum vote required by the Act as it is amended, whichever is less, at any regular or special meeting of the Council duly called for such purpose, or (b) pursuant to a written instrument duly executed by the unit owners having at least two-thirds (2/3) of the votes appertaining to all of the units, or the minimum vote required by the Act, as it is amended, whichever is less. No amendment shall become effective until it is recorded in the Office of Land Records for Howard County, Maryland. The amendment shall be accompanied by a certificate of the person specified in the Bylaws to count votes at the meeting of the Council that the amendment was approved by the unit owners having at least two-thirds (2/3) or the minimum vote required by the Act as it is amended of the percentage interest in the Condominium, executed by the person or persons elected as Inspector of Elections pursuant to Article III, Section 5(e), of these Bylaws.

Section 2. Proposal of Amendments. Amendments may be proposed by the Board of Directors or by petition signed by members representing at least twenty-five percent (25%) of the total units of the Condominium. A description of any proposed amendment shall accompany the notice of any regular or special meeting at which such proposed amendment is to be voted upon.

Section 3. Mortgagee Approval. These Bylaws contain provisions concerning various rights, priorities, remedies and interests of the mortgagees of units. Such provisions in these Bylaws are to be construed as covenants for the protection of the mortgagees on which they may rely in making loans secured by mortgages on the units. Accordingly, all mortgagees shall be given thirty (30) days notice of all proposed amendments.

LIBER 1849 FOLIO 276

No material amendments shall be made without the consent of fifty-one percent (51%) in number of the holders of first mortgage loans on units in the Condominium.

Article XV
Miscellaneous

Section 1. Notices. Unless otherwise provided in these Bylaws, all notices, demands, bills, statements, or other communications under these Bylaws shall be in writing and shall be deemed to have been duly given if delivered personally or if deposited in the United States Mail with sufficient first class postage prepaid:

(a) If to a unit owner, at the address of the unit of such owner or, if other than the unit, at the address which the unit owner has designated in writing and filed with the Secretary as required by Section 11-109(c)(3) of the Act as it is amended;

(b) If to the Council, the Board of Directors, or the management agent, at the principal office of the Council or the management agent, if any, or at such other address as shall be designated by the notice in writing to the owners pursuant to this Section;

(c) Notices of regular or special meetings of the Board of Directors may be given in any manner determined by the Board of Directors in accordance with any applicable county ordinance or state code provision.

Section 2. Waiver of Notice. Waiver of notice, in writing and filed with the Board of Directors, of a meeting of the owners shall be deemed the equivalent of proper notice. Attendance at a meeting by an owner, whether in person or by proxy, shall be deemed waiver of notice of the time, date and place thereof unless an objection as to the lack of proper notice is raised at the time the meeting is called to order. If such an objection is raised at a special meeting of owners a vote must be taken before business can be transacted. Such waiver of notice or attendance by a Board member at a meeting of the Board of Director shall also be deemed the equivalent of proper notice.

Section 3. Severability. The invalidity of any part of these Bylaws shall not impair or affect in any manner the validity, enforceability, or effect of the balance of these Bylaws.

Section 4. Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit, or describe the scope of these Bylaws or the intent of any provision thereof.

Section 5. Compliance. These Bylaws are set forth in compliance with the requirements of the Act as it is amended.

Section 6. Conflicts. In the event of conflicts between the Act, the Declaration, the Articles of Incorporation, these Bylaws and rules and regulations, the controlling order shall be the order in which they are listed herein. All the terms hereof, except where clearly inconsistent with the context, shall have the same meaning as in the Declaration or the Act as it is amended.

Section 7. Gender and Grammar. In designation hereunder, reference to the masculine gender shall be deemed to include the feminine gender, wherever the same may be appropriate, and the plural shall be substituted for the singular or the singular substituted for the plural in any place herein in which the context may require substitution.

Section 8. Waiver. No restriction, condition, obligation, or provision of these Bylaws shall be deemed to have been abrogated or waived by reason of any failure or failures to enforce the same.

Section 9. Covenant Not to Merge. If the Veterans Administration is then guaranteeing a mortgage, the Condominium regime may not be merged with a successor Condominium regime without the prior written approval of the Veterans Administration. This provision of these Bylaws may not be amended without the prior written consent of the Veterans Administration if the Veterans Administration is then guaranteeing a mortgage.

Section 10. Consents of Mortgagees. Notwithstanding any provision of the Bylaws or the Declaration or any other instrument or document to the contrary neither the Council nor the Board of Directors shall, without first obtaining the consent, in writing, of fifty-one percent (51%) of the first mortgagees, commence the following:

- (a) abandonment or termination of the Condominium regime;
- (b) modification or amendment of material provisions of the Declaration or the Bylaws;

LIBER 1849 FOLIO 278

(c) partition or subdivision of any of the common elements of the Condominium;

(d) sale, transfer, conveyance or encumbrance of any portion of the general common elements (it being understood that the granting of easements for public utilities or for other public purposes consistent with the intended use of the general common elements by the unit owners shall not be deemed a transfer);

(e) modification of the percentage interests in the common elements, common expenses and common profits or voting rights; or

(f) modification of the method of determining and collecting common expenses and other assessments; or

(g) use of the proceeds of hazard insurance for losses to any Condominium property for other than the repair, replacement or reconstruction of such improvements, whether said loss be to units or to general common elements, except as provided in Section 11-111(2) of the Act as it is amended.

Section 11. Subdivision or Partition. No Condominium unit shall be subdivided or partitioned without the prior written approval of the Board of Directors and the holders of any first mortgages on such Condominium units which are affected.

IN WITNESS WHEREOF, the undersigned officers of the Council of Unit Owners of Montgomery Woods Condominium, Inc., hereby certify that the Amendment to the Bylaws of Montgomery Woods Condominium was duly adopted by the Council of Unit Owners and its members pursuant to the terms of the Bylaws and the Maryland Condominium Act.

COUNCIL OF UNIT OWNERS OF
MONTGOMERY WOODS
CONDOMINIUM, INC.

By: Alan R. Feni
President

Attest: Patricia A. Sellar
Secretary

STATE OF MARYLAND
COUNTY OF Howard

I, Marilyn A. Dickinson, a Notary Public in and for the State of Maryland, do hereby certify that Alan [unclear], who is known to me or was made known to me as the person named as the President of the Council of Unit Owners of Montgomery Woods Condominium, Inc. in the foregoing Amendment to the Bylaws, personally appeared before me as President, as aforesaid, and, by virtue of the authority vested in him, acknowledged the foregoing Amendment to be the act and deed of said Council.

GIVEN under my hand and seal this 24 day of May, A.D., 1988.

Marilyn A. Dickinson
NOTARY PUBLIC



My Commission Expires July 1, 1990

LIBER 1849 FOLIO 0279

CERTIFICATE OF THE SECRETARY OF THE COUNCIL OF UNIT OWNERS OF MONTGOMERY WOODS CONDOMINIUM, INC.

In accordance with Section 11-104 of the Maryland Condominium Act (Annotated Code of Maryland, Real Property Title 11) and in accordance with Article XV of the Montgomery Woods Condominium Bylaws, the Secretary, as the person authorized to count votes of the owners, hereby certifies that the Amendment to which this Certificate is attached was approved by unit owners having at least seventy-five percent (75%) of the votes of the Council. This certificate is recorded for the purpose of conforming to Section 11-104 of the aforementioned Act and hereby accompanies the amendments to the Bylaws for the Council of Unit Owners of Montgomery Woods Condominium, Inc.

Patricia A. Jaller
Secretary of the Council of
Unit Owners of Montgomery
Woods Condominium, Inc.

Attest: Alan R. Fine
President

TO WIT:

On this 24th day of May, 1988, before me, Marilyn G. Dickinson, the undersigned, personally appeared the Secretary of the Council of Unit Owners of Montgomery Woods Condominium, Inc., Pat Teller, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same for the purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Marilyn G. Dickinson
NOTARY PUBLIC
My Commission Expires: 1990

My Commission Expires July 1, 1990

TO WIT:

On this 24th day of May, 1988, before me, Marilyn G. Dickinson, the undersigned, personally appeared the President of the Council of Unit Owners of Montgomery Woods Condominium, Inc., Alan [unclear], known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same for the purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Marilyn G. Dickinson
NOTARY PUBLIC
My Commission Expires: 1990

My Commission Expires July 1, 1990

Handwritten:
Nyath + Alondra, P.C.
1275 K St., N.W.
Wash., D.C. - 20005

LIBER0967 FOLIO048

✓ 5831

Second Amendment to the By-Laws by the Council of Unit Owners of Montgomery Woods Condominium, Inc.

THIS SECOND Amendment to the By-Laws (Amendment) of the Council of Unit Owners of Montgomery Woods Condominium, Inc. (Council), made this 27th day of SEPTEMBER, 1979, by David E. Johnson, President of the Council;

WITNESSETH, THAT WHEREAS the By-Laws of the Council were executed by Michael D. Glick, a general partner of Montgomery Woods Associates, a Maryland Limited Partnership, on January 29, 1976, and recorded among the Land Records of Howard County in Liber 753, Folio 56; and

WHEREAS, the By-Laws contain certain covenants and restrictions which must be amended in order to provide for more efficient operation of the affairs of the Council,

NOW THEREFORE, by the affirmative vote of unit owners representing seventy-five percent (75%) of the total votes of the Council, the By-Laws are hereby amended as follows:

1. Article II, Voting, Majority of Owners, Quorum, Proxies, Section 4, Proxies

- a. Delete the words "(except the Grantor, the Management agent or any Mortgagee)."
- b. Delete the words "one vote" and substitute "two votes".

2. Article III, Membership and Meetings, Section 3, Annual Meetings

Delete the words "on the second Tuesday".

3. Article IV, Board of Directors, Section 5, Election and Term of Office

Delete the words "his successor shall be elected to serve a term of three (3) years" and substitute "the person receiving the greatest number of votes will be elected to a term of office equal to the number of vacancies on the Board but not to exceed three (3) years. The person receiving the next highest number of votes will be elected to a term of office of one year less than the maximum term of office being filled at that time. In case of the election of 3 (or 4) new members, the third (and fourth) place vote getters would serve a term of one (1) year."

IN WITNESS WHEREOF, the Council has caused this Amendment to be executed by David E. Johnson, President, on the day and year first written above,

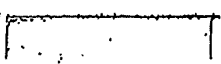
ATTEST:

Council of Unit Owners Montgomery Woods Condominium, Inc.

by John A. Cooper
John A. Cooper, Secretary

by David E. Johnson
David E. Johnson, President

HOWARD COUNTY CIRCUIT COURT (Land Records) CMP 967, p. 0048. NSA_CEE: 953. Date available 11/05/2003. Printed 03/20/2014.



LIBER 0967 FOLIO 47

Second Amendmet to the By-Laws by the Council of
Unit Owners of Montgomery Woods Condominium, Inc.

Page 2

DISTRICT OF COLUMBIA : to wit;

I HEREBY CERTIFY that on this 28th day of September, 1979,
before me, a Notary Public for the state or city aforesaid, personally
appeared David E. Johnson, known to me or satisfactorily proven to be the person
whose name is subscribed to the foregoing instrument, who acknowledged that he
is the President of the Council of Unit Owners of Montgomery Woods Condominium,
Inc., a Maryland Corporation, that he has been duly authorized to execute, and
has executed, the foregoing instrument on behalf of the said Corporation for
the purposes therein set forth, and that the same is its act and deed.



William G. Richardson (SUAL)

My Commission Expires March 31, 1982

SECRETARY'S CERTIFICATION

I, John A. Cooper, Secretary for the Council of Unit Owners of Montgomery
Woods Condominium, Inc., do hereby certify that the foregoing instrument of
Amendment has been approved by the affirmative vote of unit owners representing
seventy-five (75%) percent of the total votes of the Council.

John A. Cooper
John A. Cooper, Secretary

Patrick L. Crowley
Patrick L. Crowley
5880 Centre Ct.
Elkridge, Md 21227

HOWARD COUNTY CIRCUIT COURT (Land Records) CWP 967, p. 0047. MSA_CES3_953. Data available 11/06/2003. Printed 02/20/2014.

Montgomery Woods Condominium Association, Inc

Declaration / CC&Rs





DECLARATION
OF
MONTGOMERY WOODS
CONDOMINIUM ASSOCIATION,
INC.

8725 Loch Raven Blvd. Suite 201 Towson, MD 21286

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Declaration of
Montgomery Woods Condominium

THIS DECLARATION, made and entered into this 31st day of ~~December~~, 1975, by MONTGOMERY WOODS ASSOCIATES a limited partnership organized and existing under the laws of Maryland, hereinafter and in the Exhibits hereto sometimes called the "Grantor"

WHEREAS, the Grantor owns certain real property located in Howard County, Maryland and more particularly described on "Exhibit A" attached hereto and by this reference made a part hereof; and

WHEREAS, said Grantor is the owner of certain buildings and other improvements constructed upon the aforesaid premises, said improvements having been constructed in accordance with plans and specifications prepared by Donald B. Ratcliffe, AIA, said plans being on record in the Bureau of Inspections and Permits, County of Howard, State of Maryland, FHA Project No. 052-34035, and consisting of sheets A-1 through A-B, P-4 through P-3, etc., all inclusive; and M-1, M-2.

WHEREAS, such property constitutes a "condominium" pursuant to Title XI, Section 11-101 Real Property Article, Annotated Code of Maryland (1974), and it is the desire and intention of the Grantor to divide said property and the improvements thereon into condominium units and to sell and convey the same subject to the covenants, restrictions, uses, limitations, obligations, easements, equitable servitudes, charges and liens, hereinafter set forth, each of which is for the benefit of said property and the subsequent owners thereof; and

WHEREAS, such condominium will be known as Montgomery Woods Condominium; and

WHEREAS, prior to the recordation hereof, the Grantor has filed for record in the office of Land Records for Howard County, Maryland, a certain Plat, (hereinafter referred to as the "Condominium Plat") which Condominium Plat, consisting of 4 sheets is recorded in Plats ~~Book Nos. 3375 THRU and Folio 3378, incl.~~

WHEREAS, the Grantor desires and intends by the recordation of the Condominium Plat and this Declaration to submit the property described on "Exhibit A" attached hereto, together with the improvements heretofore or hereafter constructed thereon, and all appurtenances thereto, to the provisions of Title XI, Section 11-101 et. seq. Real Property Article, Annotated Code of Maryland (1974) as a condominium.

NOW, THEREFORE, said Grantor, the fee owner of the real property, described in "Exhibit A" attached hereto, hereby submits the property described in "Exhibit A" together with the improvements heretofore or hereafter constructed thereon, and all appurtenances thereto, to the provisions of Title XI, Section 11-101 et. seq. Real Property Article, Annotated Code of Maryland (1974) as a condominium and makes the following declaration as to divisions, covenants, restrictions, limitations, conditions and uses to which the above described real property and improvements heretofore or hereafter constructed and appurtenances thereto, may be put, hereby specifying that said Declaration shall constitute covenants to run with the land and shall be binding on said Grantor, its successors and assigns, and all subsequent owners of all or any part of said real property and

improvements, together with their grantees, successors, heirs, executors, administrators, devisees or assigns; including without limitation, any person, group of persons, corporation, partnership, trust or other legal entity or combination thereof, who holds such interest solely as security for the performance of an obligation.

A. Said Grantor, in order to establish a plan of condominium ownership for the above-described property and improvements, hereby covenants and agrees that it hereby divides said real property into the following separate freehold estates:

1. The Condominium Units. The description and number of each condominium unit in the condominium, including its perimeters, dimensions, floor area, and identifying number, is set forth on the Condominium Plat, which Condominium Plat is incorporated herein and by this reference made a part of this Declaration.

The lower boundary of any condominium unit is a horizontal plane, the elevation of which coincides with the elevation of the lower surface of the concrete subfloor, to include the concrete slab extended to intersect the lateral or perimetrical boundaries thereof. The upper boundary of any condominium unit in the condominium is the upper surface of the roof thereof, extended to intersect the lateral or perimetrical boundaries thereof. The lateral or perimetrical boundaries of any condominium unit in the condominium are vertical planes which coincide with the exterior wall thereof to include all bricks, blocks, siding, windows, doors, gutters, downspouts and fixtures. A condominium unit shall be deemed to include one-half of a party wall to the center line thereof. A condominium unit shall be deemed to include the eighteen (18) inch roof overhang on the front and rear of the unit.

Equipment and appurtenances located within the boundaries of any condominium unit or (whether or not within the boundaries of any condominium unit) designed to serve only that condominium unit, such as furnaces, air-conditioning equipment, mechanical equipment, plumbing fixtures, pipes and outlets, electrical receptacles, wiring ducts, flues and utility lines, shall be considered a part of the condominium unit and not a part of the common elements.

Each condominium unit shall be subject to an easement to the owners of all of the other condominium units to and for the unobstructed and uninterrupted use of any and all utility lines, pipes, ducts, flues, chutes, wires and for support.

2. Limited Common Elements. The limited common elements of the condominium are those common elements designated as such on the Condominium Plat. Any areas designated on the Condominium Plat as limited common elements are reserved for the exclusive use of the owner or owners of the condominium unit or units to which they are adjacent or to which they are declared to be appurtenant by appropriate designation on the Condominium Plat and any sewer and water lines and concrete service walks located in such areas shall likewise be deemed to be limited common elements.

3. **General Common Elements.** The general common elements are the real property described on "Exhibit A" and all of the condominium except the condominium units and the limited common elements.
- B. For the purpose of this declaration, the ownership of each condominium unit shall include the respective undivided interest in the common elements specified and established in Exhibit "C" hereof, attached hereto and by this reference made a part hereof.
- C. Each unit owner shall own an undivided percentage interest in the common elements of the condominium equal to that set forth on "Exhibit C". The undivided percentage interest in the common elements set forth on "Exhibit C" shall have a permanent character and except as specifically provided in the Condominium Act and this Declaration, may not be changed without the written consent of all of the unit owners and the holders of all first mortgages on the condominium units. The undivided percentage interests in the common elements set forth on "Exhibit C" may not be separated from the condominium unit to which they appertain. Any instrument, matter, circumstances, action, occurrence, or proceeding effecting a condominium unit also shall affect, in like manner, the individual percentage interest in the common element appertaining to such unit, whether or not such percentage interest is expressly described or mentioned.
- D. Each unit owner shall have a percentage interest in the common expenses and common profits of the condominium equal to that set forth on "Exhibit C". The percentage interests in the common expenses and common profits set forth on "Exhibit C" shall have a permanent character and, except as specifically provided in the Condominium Act and this Declaration, may not be changed without the written consent of all the unit owners and the holders of all first mortgages on the condominium units. The percentage interests in the common expenses and common profits set forth on "Exhibit C" may not be separated from the condominium unit to which they appertain. Any instrument, matter, circumstance, action, occurrence or proceeding in any manner affecting a condominium unit shall affect, in like manner, the percentage interests in the common expenses and common profits appertaining to such unit whether or not such percentage interest is expressly described or mentioned.
- E. At any meeting of the Council of Unit Owners (hereinafter referred to as the "Council") each unit owner shall be entitled to cast, on each question, the number of votes appurtenant to his condominium unit, as set forth on "Exhibit C."
- F. Said Grantor, its successors and assigns, by this declaration, and all future owners of the condominium units by their acceptance of their deeds, covenant and agree as follows:
1. That the common elements, both general and limited, shall remain undivided; and no owner shall bring any action for partition, except as may be provided for the in the Condominium Act, it being agreed

that this restriction is necessary in order to preserve the rights of the owners with respect to the operation and management of the condominium.

2. That the condominium units shall be occupied and used by the respective owners only as a private dwelling for the owner, his family, tenants and social guests and for no other purposes.
3. The owners of the respective condominium units agree that in the event any of the common elements encroaches upon any condominium unit, or in the event any condominium unit encroaches upon any other condominium unit or any common element, as a result of settlement, shifting, or the duly authorized construction or repair of any building, a valid easement for the encroachment and for the maintenance of the same shall exist so long as the building stands.

In the event any portion of the condominium is partially or totally damaged or destroyed by fire or other casualty, or as a result of condemnation or eminent domain proceedings, and is then repaired or reconstructed as authorized in the By-Laws of the Council and the Condominium Act, encroachments of any portion of the common elements upon any condominium unit or of any condominium unit upon any other condominium unit or any portion of the common elements due to such repair or reconstruction shall be permitted, and valid easements for such encroachments and the maintenance of the same shall exist so long as the building stands.

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

4. That there is hereby reserved to the Grantor and its agents a non-exclusive easement over all of the common elements of the condominium for purposes of access, the storage of building supplies and materials and equipment and, without any limitation, for any and all purposes reasonably related to the completion of the construction or rehabilitation and repair of the condominium.
5. That an owner of a condominium unit shall automatically upon becoming the owner of a condominium unit or units, be a member of the Council and shall remain a member of said Council until such time as his ownership ceases for any reason, at which time his membership in such Council shall automatically cease.
6. That the owners of the condominium covenant and agree that the administration of the condominium shall be in

accordance with the provisions of this Declaration, and the By-Laws of the Council which are made a part hereof and attached as "Exhibit B," and shall be subject to the terms of a Regulatory Agreement executed by the Council and the Commissioner of the Federal Housing Administration, which Agreement is made a part hereof and is attached as "Exhibit D."

7. That each owner, tenant or occupant of a "condominium unit" shall comply with the provisions of this Declaration, the By-laws, decisions and resolutions of the Council or its representative, and the Regulatory Agreement, as lawfully amended from time to time, and failure to comply with any such provisions, decisions, or resolutions, shall be grounds for an action to recover sums due, for damages, or for injunctive relief.
 8. Except as otherwise provided in the Condominium Act and Section Q of this Declaration, this Declaration shall not be revoked or any of the provisions herein amended unless all of the owners and the mortgagees of all of the mortgages covering the condominium units unanimously agree to such revocation or amendment by duly recorded instruments.
 9. That no owner of a condominium unit may exempt himself from his liability for his contribution towards the common expenses by waiver of the use of enjoyment of any of the common elements or by the abandonment of his condominium unit.
- J. Where the mortgagee of a first mortgage of record or other purchaser of a condominium unit obtains title to the unit as a result of foreclosure of the first mortgage, such acquirer of title, his successors and assigns, shall not be liable for the share of the common expenses or assessments by the Council chargeable to such unit which became due prior to the acquisition of title to such unit by such acquirer. Such unpaid share of common expenses or assessments shall be deemed to be common expenses collectable from all of the condominium unit owners including such acquirer, his successors and assigns.
- K. The respective condominium units shall not be rented by the owners thereof for transient or hotel purposes, which shall be defined as (a) rental for any period less than thirty (30) days; or (b) any rental if the occupants of the condominium unit are provided customary hotel services, such as room service for food and beverage, maid service, furnishing laundry and linen, and bellboy service. Other than the foregoing obligations, the owners of the respective condominium units shall have the absolute right to lease same, provided that said lease is made subject to the covenants and restrictions contained in this Declaration and further subject to the By-Laws and Regulatory Agreement attached hereto.

- L. In a voluntary conveyance of a condominium unit, the grantee of the unit shall be jointly and severally liable with the grantor for all unpaid assessments by the Council against the latter for his share of the common expenses up to the time of the grant or conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor. However, any such grantee shall be entitled to a statement from the Manager or Board of Directors of the Council, as the case may be, setting forth the amount of the unpaid assessments against the grantor due the Council, and such grantee shall not be liable for, nor shall the unit conveyed be subject to a lien for, any unpaid assessments made by the Council against the grantor in excess of the amount therein set forth.
- M. All agreements and determinations lawfully made by the Council in accordance with the voting percentages established in "Exhibit C" or in the By-Laws, shall be deemed to be binding on all owners of family units, their successors and assigns.
- N. That the Board of Directors of the Council shall obtain and continue in effect blanket property insurance in form and amounts satisfactory to mortgagees holding first mortgages covering units but without prejudice to the right of the owner of a family unit to obtain individual unit insurance.
- O. That insurance premiums for any blanket insurance coverage shall be a common expense to be paid by monthly assessments levied by the Council; and that such payments shall be held in a separate escrow account of the Council and used solely for the payment of the blanket insurance premiums as such premiums become due.
- P. That so long as said Grantor, its successors and assigns, owns one or more of the condominium units established and described herein, said Grantor, its successors and assigns shall be subject to the provisions of this Declaration and of Exhibits "B" and "D" attached hereto; and said Grantor covenants to take no action which would adversely affect the rights of the Council with respect to assurances against latent defects in the property or other rights assigned to the Council, the members of such Council and their successors in interest, as their interest may appear, by reason of the establishment of the condominium.
- Q. 1. Pursuant to the provisions of Section 11-117 of the Horizontal Property Act, the Grantor hereby reserves, for a period commencing from the date of the recordation of this Declaration among the said Land Records, and terminating on December 31, 1984, the right (which shall be exercisable at the sole discretion of the Grantor, but only in accordance with the provisions of this Section and with the prior written consent of the Federal Housing Commissioner) to expand the Condominium by subjecting to the Condominium Regime, and by thereby adding to and incorporating within the Condominium, any one or more of those tracts of land, situate and lying in the said County, which are designated on the Condominium Plat as Sections 2 through 7, respectively, and are more particularly described in Exhibits A-1 through A-6 hereto.

respectively, together with all of the respective improvements thereon (consisting in part of the buildings, the outlines of which are shown, in general terms, within the said tracts on the Condominium Plat) and all of the respective rights, alleys, ways, waters, privileges, appurtenances and advantages, to the same belonging or in any way appertaining (which tracts, together with the said respective improvements and appurtenances, are hereinafter sometimes collectively referred to as "the Additional Sections").

2. Any such expansion shall be accomplished by, and shall be and become effective upon and only upon,
 - (i) the amendment of this Declaration by the recordation of an appropriate amendatory instrument among the said Land Records, which instrument shall set forth
 - (A) the undivided percentage interest in the Common Elements, and the percentage interest in the common expenses and common profits of the Council, of each Unit Owner following such expansion (which percentage interest shall be determined in accordance with the provisions of subparagraph 7 hereof), and
 - (B) the number of votes which each Unit Owner shall be entitled to cast at meetings of the membership of the Council following such expansion (which number of votes shall be determined in accordance with the provisions of subparagraph 7 hereof); and
 - (ii) the amendment of the Condominium Plat by the recordation among the said Land Records of an appropriate amendatory plat (consisting of one or more sheets) setting forth the detail and information with respect to the Additional Section or Additional Sections, the Units and the Common Elements which are added to the Condominium by such expansion, the setting forth of which in such amendatory plat may be required by applicable law in order to effectuate such expansion.
3. (i) Except to the extent that the form and contents of any amendatory instrument or plat which is to be recorded among the said Land Records pursuant to the foregoing provisions of this paragraph shall be dictated by applicable law, such form and contents shall be determined upon by the Grantor in the exercise of its sole discretion, and neither the effectiveness of any such expansion nor the effectiveness of the execution, ensealment, acknowledgment, delivery or recordation of any such amendatory instrument or plat shall be conditioned upon there having been given any consent thereto by any person other than the Federal Housing Commissioner, as aforesaid, or upon there having occurred any joinder therein or execution or delivery thereof by any person (including, by way of example rather than of limitation, any Unit Owner) other than the

Grantor. The Grantor shall be entitled to execute, enseal, acknowledge, deliver and/or record any such amendatory instrument or plat, and/or to take any other action with respect thereto, all if and to the extent that such action shall, in the opinion of the Grantor's legal counsel, be necessary or desirable in order to effectuate the provisions of this paragraph.

(ii) Each purchaser, heir, assignee or other transferee of or to the legal or beneficial title to, or of any other interest in, any Unit (including, by way of example rather than of limitation, each Unit Owner) shall be conclusively presumed, by his acceptance thereof,

(A) to have consented to the reservation by the Developer of the right to expand the Condominium which is set forth in the provisions of this Article, to the exercise of such right by the Grantor at its sole discretion, and to the adjustment of the respective said percentage interests and votes resulting therefrom, in accordance with the provisions of this Declaration, and

(B) irrevocably to have appointed the Grantor to be the attorney-in-fact of such purchaser, heir, assignee or other transferee, with full power and authority (which power and authority shall be deemed to be irrevocable and to be coupled with an interest) to execute, enseal, acknowledge, deliver and record, on behalf of and in the name of such purchaser, heir, assignee, or other transferee, any and all amendatory instruments and plats of the types which are referred to in the foregoing provisions of this paragraph, the execution, ensealment, acknowledgment, delivery or recordation of which on behalf of and in the name of such purchaser, heir, assignee or other transferee shall be deemed necessary or desirable by the Grantor in order to effectuate the provisions of this paragraph.

4. The outlines of those portions of the respective Additional Sections which, following any such expansion of the Condominium as aforesaid, shall constitute buildings or be part of the Common Elements, are shown on the Condominium Plat.

5. The maximum number of Units which may be added to the Condominium as the result of any expansion thereof as aforesaid shall be that number of Units which is set forth with respect to the Additional Section or Additional Sections which would thereby be incorporated within the Condominium in a schedule which is attached hereto as Exhibit E. The maximum number of Units which may be added to the Condominium as the result of any such incorporation of all of the Additional Sections into the Condominium is one hundred fourteen (114) Units.

6. Upon any such expansion of the Condominium, as aforesaid, each of the Additional Sections which is thereby subjected to the Condominium Regime and incorporated within the Condominium shall be and thereafter remain subject to the operation and effect of the provisions of this Declaration, to the same extent as if it had been so subjected and incorporated at this time.
 7. Upon the occurrence at any time hereafter of an expansion of the Condominium pursuant to the foregoing provisions of this paragraph Q, each Unit Owner's undivided percentage interest in the Common Elements, and each Unit Owner's percentage interest in the Common Expenses and Common Profits of the Council, shall thereby automatically no longer equal the respective fractions which are set forth with respect to his Unit in Exhibit C, but shall thereby automatically become and (until there should occur any further such expansion) thereafter remain equal to the quotient obtained by dividing one hundred (100) by the number of Units which, immediately following such expansion, shall be included within the Condominium (which quotient shall be computed to four (4) decimal places). If the Condominium should be so expanded so as to include all of the Additional Sections, each Unit Owner's undivided percentage interest in the Common Elements and each Unit Owner's percentage interest in the Common Expenses and Common Profits of the Council shall thereby automatically become and thereafter remain equal to .7752. Each of the Units which at any time prior to or following any such expansion shall be included within the Condominium shall be entitled to one (1) vote in the affairs of the Council.
- R. **Definitions.** Unless the context shall plainly require otherwise, the following words when used in this Declaration and any and all exhibits hereto, shall have the following meaning:
1. "The Act" or "the Condominium Act" means Title XI, Section 11-101 through and including Section 11-128 Real Property Article Annotated Code of Maryland (1974) and shall include any revisions thereof and amendments and supplements thereto which are enacted subsequent to the date of this Declaration and not inconsistent with the provisions hereof.
 2. "Condominium" or "the condominium project" means the property subject to this Declaration.
 3. "Unit" or "condominium unit" means a three dimensional area, as hereinbefore and on the Condominium Plat described and identified, and shall include all improvements contained within that area except those excluded in this Declaration.
 4. "Common elements" means both general common elements and limited common elements, hereinbefore and on the Condominium Plat described and identified, and shall include all of the condominium except the condominium units.
 5. "Unit owner" or "owner" means any person, group of

persons, corporation, partnership, trust or other legal entity, or any combination thereof, who holds legal title to a unit within the condominium; provided, however, that any person, group of persons, corporation, partnership, trust or other legal entity, or any combination thereof, who holds such interest solely as security for the performance of an obligation shall not be a unit owner by reason only of such interest.

- 6. "Council of Unit Owners" means all of the unit owners in the association.
- 7. "Common expenses and common profits" means the expenses and profits of the Council of Unit Owners.
- 8. Other Definitions. Unless it is plainly evident from the context that a different meaning is intended, all other terms used herein shall have the same meaning as they are defined to have in the By-Laws of the Council of Unit Owners or in Article 21, Title XI, Section 11-101, et. seq., Annotated Code of Maryland (1974).

IN WITNESS WHEREOF, the said MONTGOMERY WOODS ASSOCIATES, a Maryland Limited Partnership, has caused these presents to be executed by Michael B. Glick, one of its general partners, all as of the year and day first above written.

WITNESS: MONTGOMERY WOODS ASSOCIATES

Joseph K. Stevenson

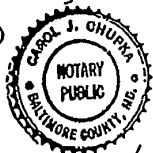
By: Michael B. Glick
Michael B. Glick
General Partner

STATE OF MARYLAND }
COUNTY OF Baltimore } to wit:

I HEREBY CERTIFY that on the 31st day of December, 1978, before the subscriber, a Notary Public in and for the above jurisdiction, personally appeared Michael B. Glick, who is satisfactorily proven to be the person whose name is subscribed to the written instrument, and who acknowledged himself to be the general partner of Montgomery Woods Associates, and that said Michael B. Glick as such general partner, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the partnership by himself as general partner.

GIVEN under my hand and seal this 31st day of December, 1978.

(Notarial Seal)



Carol J. Chupka
Notary Public

My Commission expires: 11/1/78

April 29, 1975

EXHIBIT 'A'
MONTGOMERY WOODS
SECTION ONE
ENGINEERING DESCRIPTION
CONDOMINIUM SECTION NO. 1

Lying and being in the First Election District of Howard County, Maryland.

BEGINNING for the same at a point on the southerly side of Montgomery Road as shown on the Plat of "MONTGOMERY WOODS, SECTION ONE, PARCEL "A", Sheet 2 of 4, dated March 3, 1975 and recorded among the Plat Records of Howard County in Plat Book No. 30, folio 98, said point being on the North $89^{\circ} 48' 00''$ East, 780.46 foot line of said Plat, 471.83 feet from the easterly end thereof, thence binding on said southerly side of Montgomery Road the following two courses and distances; (1) South $89^{\circ} 48' 00''$ West, 308.63 feet; (2) Northwesterly along a curve to the right, having a radius of 1,677.02 feet, for a distance of 70.74 feet, being subtended by a chord, bearing and distance of North $88^{\circ} 58' 47''$ West, 70.74 feet; thence leaving said Montgomery Road and binding on the westerly and southerly outline of the aforementioned plat the six following courses and distances; (3) South $00^{\circ} 28' 18''$ West, 207.26 feet; (4) South $89^{\circ} 31' 42''$ East, 197.00 feet; (5) North $00^{\circ} 28' 18''$ East, 22.34 feet; (6) South $49^{\circ} 31' 42''$ East, 172.59 feet; (7) North $00^{\circ} 28' 18''$ East, 4.30 feet; (8) South $89^{\circ} 31' 42''$ East, 9.75 feet; thence running for a line of division (9) North $00^{\circ} 28' 18''$ East, 183.56 feet to the point of BEGINNING.

Containing 1.717 acres of land, more or less.

The above described parcel of land is based on a survey prepared by Daft-McCune-Walker, Inc., Engineers.

LIBER NO 752 FOLIO 590

WHITHAM, ROEMER AND ASSOCIATES, ENGINEERS

BALTIMORE, MARYLAND

- 2 -

Being a piece or part of the land described in a Deed dated August 10,
1973 from Samuel M. Pistorio and wife to Kaufman and Broad Homes, Inc.
and recorded among the Land Records of Howard County in Liber No. 649 at
folio 579.

BOOK 0752 FOLIO 991

WHITMAN, REQUARDT AND ASSOCIATES, ENGINEERS

BALTIMORE, MARYLAND

April 29, 1975

EXHIBIT 'A1'
MONTGOMERY WOODS
SECTION ONE
ENGINEERING DESCRIPTION
CONDONIMIUM SECTION NO. 2

Lying and being in the First Election District of Howard County, Maryland.

BEGINNING for the same at a point on the southerly outline of the Plat of 'MONTGOMERY WOODS, SECTION ONE, PARCEL A', Sheet 2 of 4, dated March 3, 1975 and recorded among the Plat Records of Howard County in Plat Book No. 30, at folio 98, said point being on the North $89^{\circ}31'42''$ West, 297.32 foot line of said southerly outline, 9.75 feet from the westerly end thereof, thence binding on said southerly outline; (1) South $89^{\circ}31'42''$ East, 287.57 feet; thence leaving said outline and running for lines of division the three following courses and distances; (2) North $62^{\circ}15'46''$ East, 52.44 feet; (3) South $89^{\circ}43'42''$ East, 140.00 feet; (4) North $48^{\circ}19'38''$ East, 108.46 feet to a point on the easterly outline of said Plat, thence binding on a portion thereof, (5) North $41^{\circ}40'22''$ West, 122.79 feet to the southerly side of Montgomery Road as shown on said Plat, thence binding on said Montgomery Road; (6) South $89^{\circ}48'00''$ West, 471.83 feet; thence leaving said Montgomery Road; (7) South $00^{\circ}28'18''$ West, 183.56 feet to the point of BEGINNING.

Containing 2.082 acres of land, more or less.

The above described parcel of land is based on a survey prepared by Daft-McCune-Walker, Inc., Engineers.

19580752 10:10592.

WHITMAN, REDGARDT AND ASSOCIATES, ENGINEERS

BALTIMORE, MARYLAND

- 2 -

Being a piece or part of the land described in a Deed dated August 10,
1973 from Samuel M. Pistorio and wife to Kaufman and Broad Homes, Inc. and
recorded among the Land Records of Howard County in Liber No. 649 at folio
579.

15EN0752 FOL 9593

WHITMAN, REQUARDT AND ASSOCIATES, ENGINEERS

BALTIMORE, MARYLAND

April 29, 1975

EXHIBIT 'A2'
MONTGOMERY WOODS
SECTION ONE
ENGINEERING DESCRIPTION
CONDOMINIUM SECTION NO. 3

Lying and being in the First Election District of Howard County, Maryland.

BEGINNING for the same at the northwesterly corner of the Plat of 'MONTGOMERY WOODS, SECTION ONE, PARCEL A', Sheet 3 of 4, dated March 3, 1975 and recorded among the Plat Records of Howard County in Plat Book No. 30 at folio 99, thence binding on the outline of said Plat the five following courses and distances, (1) South $07^{\circ}32'02''$ East, 26.96 feet; (2) North $82^{\circ}27'58''$ East, 12.00 feet; (3) South $15^{\circ}15'08''$ East, 102.59 feet; (4) South $89^{\circ}43'42''$ East, 186.66 feet; (5) North $00^{\circ}16'18''$ East, 123.12 feet to a point on the southerly outline of the Plat of 'MONTGOMERY WOODS, SECTION ONE, PARCEL A', Sheet 2 of 4, dated March 3, 1975 and recorded among the Plat Records of Howard County in Plat Book No. 30, at folio 98; thence binding on the said outline the two following courses and distances; (6) North $48^{\circ}19'38''$ East, 191.25 feet; (7) North $41^{\circ}40'22''$ West, 192.54 feet; thence leaving said outline and running for lines of division the three following courses and distances, (8) South $48^{\circ}19'38''$ West, 108.46 feet; (9) North $89^{\circ}43'42''$ West, 140.00 feet; (10) South $62^{\circ}15'46''$ West, 52.44 feet to the easterly end of the North $89^{\circ}31'42''$ West, 297.32 foot line of the southerly outline of the aforementioned Sheet 2 of 4; thence binding on the outline of said Plat, (11) South $07^{\circ}32'02''$ East, 174.74 feet to the point of BEGINNING.

Containing 2.186 acres of land, more or less.

LIBER 0752 FOLIO 594

WHITMAN, REOUARDT AND ASSOCIATES, ENGINEERS

BALTIMORE, MARYLAND

- 2 -

The above described parcel of land is based on a survey prepared by
Daft-McCune-Walker, Inc., Engineers.

Being a piece or part of the land described in a Deed dated August 10,
1973 from Samuel M. Pistorio and wife to Kaufman and Broad Homes, Inc. and
recorded among the Land Records of Howard County in Liber No. 649 at folio
575.

April 29, 1976

EXHIBIT 'A3'
MONTGOMERY WOODS
SECTION ONE
ENGINEERING DESCRIPTION
CONDOMINIUM SECTION NO. 4

Lying and being in the First Election District of Howard County, Maryland.

BEGINNING for the same at a point on the southerly outline of the Plat of "MONTGOMERY WOODS, SECTION ONE, PARCEL A", Sheet 2 of 4, dated March 3, 1975 and recorded among the Plat records of Howard County in plat Book No. _____ In folio _____, thence binding on said outline the four following courses and distances; (1) North $89^{\circ} 31' 42''$ West, 297.32 feet; (2) South $00^{\circ} 28' 18''$ West, 4.30 feet; (3) North $89^{\circ} 31' 42''$ West, 172.59 feet; (4) South $00^{\circ} 28' 18''$ West, 22.34 feet; thence leaving said outline and running for lines of division the six following courses and distances; (5) South $00^{\circ} 28' 18''$ West, 147.33 feet; (6) South $89^{\circ} 31' 42''$ East, 150.65 feet; (7) North $00^{\circ} 28' 18''$ East, 32.97 feet (8) South $89^{\circ} 31' 42''$ East, 120.92 feet; (9) South $00^{\circ} 28' 18''$ West, 116.00 feet; (10) South $89^{\circ} 31' 42''$ East, 254.91 feet to a point on the North $15^{\circ} 15' 08''$ West, 102.59 foot line of the outline of the Plat of "MONTGOMERY WOODS, SECTION ONE, PARCEL A", Sheet 3 of 4, dated March 3, 1975 and recorded among the Plat Records of Howard County in Plat Book _____ at folio _____, said point being 41.36 feet from the southerly end of said line, thence binding on said outline, the three following courses and distances, (11) North $15^{\circ} 15' 08''$ West, 61.23 feet; (12) South $82^{\circ} 27' 58''$ West, 12.00 feet; (13) North $07^{\circ} 32' 02''$ West, 26.96 feet to a point on the outline of the first mentioned Sheet 2 of 4, thence binding on said outline,

GEN0752 FOLIO596

WHITMAN, ROQUARDT AND ASSOCIATES, ENGINEERS

BALTIMORE, MARYLAND

- 2 -

(14) North $07^{\circ} 32' 02''$ West, 174.74 feet to the point of BEGINNING.

Containing 2.275 acres of land, more or less.

The above described parcel of land is based on a survey prepared by
Daft-McCune-Walker, Inc., Engineers.

Being a piece or part of the land described in a Deed dated August 10,
1973 from Samuel M. Pistorio and wife to Kaufman and Broad Homes, Inc. and
recorded among the Land Records of Howard County in Liber No. 649 at folio
579.

April 29, 1975

EXHIBIT 'A4'
MONTGOMERY WOODS
SECTION ONE
ENGINEERING DESCRIPTION
CONDOMINIUM SECTION NO. 5

Lying and being in the First Election District of Howard County, Maryland.

BEGINNING for the same at a point drawn South $00^{\circ}28'18''$ West, 147.33 feet from the southerly end of the South $00^{\circ}28'18''$ West, 22.34 foot line of the outline of the Plat of "MONTGOMERY WOODS, SECTION ONE, PARCEL A", Sheet 2 of 4, dated March 3, 1975 and recorded among the Plat Records of Howard County in Plat Book No. _____ at folio _____, thence running for lines of division the ten following courses and distances; (1) South $00^{\circ}28'18''$ West, 142.67 feet; (2) North $89^{\circ}31'42''$ West, 13.00 feet; (3) South $00^{\circ}28'18''$ West, 124.00 feet; (4) South $89^{\circ}31'42''$ East, 289.00 feet; (5) North $00^{\circ}28'18''$ East, 183.64 feet; (6) North $89^{\circ}31'42''$ West, 4.43 feet; (7) North $00^{\circ}28'18''$ East, 116.00 feet; (8) North $89^{\circ}31'42''$ West, 120.92 feet; (9) South $00^{\circ}28'18''$ West, 32.97 feet; (10) North $89^{\circ}31'42''$ West, 150.65 feet to the point of BEGINNING.

Containing 1.810 acres of land, more or less.

The above described parcel of land is based on a survey prepared by Daft-McCune-Walker, Inc., Engineers.

Being a piece or part of the land described in a deed dated August 10, 1973 from Samuel M. Pistorio and wife to Kaufman and Broad Homes, Inc. and recorded among the Land Records of Howard County in Liber No. 649 at folio 679.

April 29, 1975

EXHIBIT 'A5'
 MONTGOMERY WOODS
 SECTION ONE
 ENGINEERING DESCRIPTION
 CONDOMINIUM SECTION NO. 6

Lying and being in the First Election District of Howard County, Maryland
 BEGINNING for the same at a point on the North $89^{\circ}43'42''$ West, 186.66
 foot line of the outline of the Plat of "MONTGOMERY WOODS, SECTION ONE,
 PARCEL A", Sheet 3 of 4, dated March 3, 1975 and recorded among the Plat
 Records of Howard County in Plat Book No. _____ at folio _____,
 said point being 64.67 feet from the easterly end of said line, thence binding on
 said Plat the two following courses and distances; (1) North $89^{\circ}43'42''$ West,
 121.99 feet; (2) North $15^{\circ}15'08''$ West, 41.36 feet; thence leaving said Plat and
 running for lines of division the eleven following courses and distances, (3) North
 $89^{\circ}31'42''$ West, 250.48 feet; (4) South $00^{\circ}28'18''$ West, 183.64 feet; (5) South
 $08^{\circ}58'18''$ West, 108.00 feet; (6) South $23^{\circ}46'42''$ East, 32.00 feet; (7) North 04°
 $56'52''$ East, 68.60 feet; (8) Northeasterly along a curve to the left, having a radius
 of 300.00 feet, for a distance of 100.84 feet, being subtended by a chord, bearing
 and distance of North $55^{\circ}19'07''$ East, 100.36 feet; (9) South $44^{\circ}18'38''$ East,
 91.01 feet; (10) South $89^{\circ}43'42''$ East, 160.00 feet; (11) North $00^{\circ}16'18''$ East,
 116.00 feet; (12) South $89^{\circ}43'42''$ East, 19.33 feet; (13) North $00^{\circ}16'18''$ East,
 140.88 feet to the point of BEGINNING.

Containing 2.376 acres of land, more or less.

LIBERO 752 FOLIO 599

WHITMAN, REQUARDT AND ASSOCIATES, ENGINEERS

BALTIMORE, MARYLAND

- 2 -

The above described parcel of land is based on a survey prepared by
Daft-McCune-Walker, Inc., Engineers.

Being a piece or part of the land described in a Deed dated August 10,
1973, from Samuel M. Pistorio and wife to Kaufman and Broad Homes, Inc.
and recorded among the Land Records of Howard County in Liber No. 649 at
folio 579.

April 29, 1975

EXHIBIT 'A6'
MONTGOMERY WOODS
SECTION ONE
ENGINEERING DESCRIPTION
CONDOMINIUM SECTION NO. 7

Lying and being in the first Election District of Howard County, Maryland.

BEGINNING for the same at a point on the North $89^{\circ}43'42''$ West, 186.66 foot line of the outline of the Plat of "MONTGOMERY WOODS, SECTION ONE, PARCEL A", Sheet 3 of 4, dated March 3, 1975 and recorded among the Plat Records of Howard County in Plat Book No. _____ at folio _____, said point being 121.99 feet from the westerly end of said line, thence leaving said line and running for lines of division the nineteen following courses and distances; (1) South $00^{\circ}16'18''$ West, 140.88 feet; (2) North $89^{\circ}43'42''$ West, 19.33 feet; (3) South $00^{\circ}16'18''$ West, 116.00 feet; (4) North $89^{\circ}43'42''$ West, 160.00 feet; (5) North $44^{\circ}18'38''$ West, 91.01 feet; (6) Southwesterly along a curve to the right, having a radius of 300.00 feet, for a distance of 100.84 feet, being subtended by a chord, bearing and distance of South $55^{\circ}19'07''$ West, 100.36 feet; (7) South $64^{\circ}56'52''$ West, 68.60 feet; (8) South $23^{\circ}46'42''$ East, 32.00 feet; (9) South $33^{\circ}16'42''$ East, 164.10 feet; (10) South $89^{\circ}43'42''$ East, 129.42 feet; (11) North $00^{\circ}16'18''$ East, 33.00 feet; (12) South $89^{\circ}43'42''$ East, 167.00 feet; (13) North $00^{\circ}16'18''$ East, 75.00 feet; (14) South $89^{\circ}43'42''$ East, 90.00 feet; (15) North $00^{\circ}16'18''$ East, 130.00 feet; (16) South $89^{\circ}43'42''$ East, 42.00 feet; (17) North $00^{\circ}16'18''$ East, 182.00 feet; (18) North $89^{\circ}43'42''$ West, 80.00 feet; (19) North $00^{\circ}16'18''$ East, 24.88 feet to the easterly end of the aforementioned

- 2 -

North $89^{\circ} 43' 42''$ West, 186.66 foot line, thence binding thereon, (20) North $89^{\circ} 43' 42''$ West, 64.67 feet to the point of BEGINNING.

Containing 2.488 acres of land, more or less.

The above described parcel of land is based on a survey prepared by Daft-McCune-Walker, Inc., Engineers.

Being a piece or part of the land described in a Deed dated August 10, 1973 from Samuel M. Pistorio and wife to Kaufman and Broad Homes, Inc. and recorded among the Land records of Howard County in Liber No. 649 at folio 579.

DEK0752 F010602

EXHIBIT 'C'
MONTGOMERY WOODS CONDOMINIUM
PERCENTAGE OF INTEREST IN THE COMMON ELEMENTS

<u>UNIT DESIGNATION</u>	<u>VOTES</u>	<u>PERCENTAGE ATTRIBUTABLE TO UNIT</u>
12-01	1	6.6667
12-02	1	6.6667
12-03	1	6.6667
12-04	1	6.6667
12-05	1	6.6667
12-06	1	6.6667
12-07	1	6.6667
12-08	1	6.6667
11-01	1	6.6667
11-02	1	6.6667
11-03	1	6.6667
11-04	1	6.6667
11-05	1	6.6667
11-06	1	6.6667
11-07	1	6.6667

752-603

"EXHIBIT D"

FHA FORM NO. 2278
Revised August 1969
(Previous revision obsolete)

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
FEDERAL HOUSING ADMINISTRATION

REGULATORY AGREEMENT*

(For use by condominiums under Sections 221 (i), 234 and 235)

AGREEMENT dated this _____ day of _____, 19____, by and between
The Council of Unit Owners of Montgomery Woods Condominium, Inc. (hereinafter called the
Association) whose address is _____, as Federal
party of the first part, and _____, as Federal
Housing Commissioner (hereinafter called the Commissioner) acting pursuant to authority granted him by the
National Housing Act, as amended, (hereinafter referred to as the Act) party of the second part.

WHEREAS, the Association has the responsibility for administering the
Condominium and desires to aid members in obtaining financing for the purchase of family units in the condomi-
nium; and

WHEREAS, mortgagees may be unwilling to lend sums to the members of the Association without FHA
mortgage insurance; and

WHEREAS, the Commissioner is unwilling to endorse notes for mortgage insurance pursuant to Section
234 of Title II of the Act unless and until the Association shall be entering into the covenants and agreements
set forth below, consent to be regulated and restricted by the Commissioner as provided in the Act:

NOW, THEREFORE, in consideration of One Dollar (\$1.00) in hand paid, and other good and valuable
considerations by each party to the other, the receipt of which is hereby acknowledged, and in order to induce
the Commissioner to endorse for mortgage insurance the notes secured by mortgages covering family units in
the condominium, and in order that the Association may be regulated and restricted by the Commissioner as
provided for in the Act and the applicable Regulations, the parties hereto agree as follows: that whenever a
Contract of Mortgage Insurance for a mortgage covering a family unit in the condominium is in effect, or during
any period of time as the Commissioner shall be the owner, holder, or reinsurer of any mortgage covering a
family unit in the condominium, or during any time the Commissioner is the owner of a family unit in the con-
dominium or is obligated to insure a mortgage covering any family unit in the condominium:

1. The Association shall establish and maintain reserve fund for replacements by the allocation and pay-
ment monthly to such reserve fund an amount to be designated from time to time by the Commissioner.
Such fund shall be deposited in a special account with a safe and responsible depository approved by
the Commissioner and may be in the form of a cash deposit or invested in obligations of, or fully
guaranteed as to principal by, the United States of America. The reserve fund is for the purpose of ef-
fecting replacements of structural elements and mechanical equipment of the condominium and for such
other purposes as may be agreed to in writing by the Commissioner. Disbursements from such fund may
be made only after receiving the consent in writing of the Commissioner.
2. The Association shall establish and maintain a general operating reserve by allocation and payment
thereto monthly of a sum equivalent to not less than 3 percent of the monthly assessments chargeable
to the owners of family units in the condominium pursuant to the by-laws. Upon accrual in said Gen-
eral Operating Reserve Account of an amount equal to 15 percent of the current annual amount of
assessments chargeable to the owners of family units in the condominium pursuant to the by-laws, the
rate of such monthly allocations may, by appropriate action of the Association, be reduced from 3 per-
cent to 2 percent provided, however, that in the event withdrawals from such account reduce it below
said 15 percent accrual, the rate of such monthly deposits shall immediately be restored to 3 percent;
at any time thereafter upon accrual in said General Operating Reserve Account of an amount equal to
25 percent of the current annual amount of assessments chargeable to the owners of family units in the
condominium pursuant to the by-laws, such monthly deposits may, by appropriate action of the Associa-
tion, be discontinued and no further deposits need be made into such General Operating Reserve so
long as said 25 percent level is maintained and provided, further, that upon reduction of such reserve
below said 25 percent level, monthly deposits shall forthwith be made at the 3 percent rate until the
25 percent level is restored. This reserve shall remain in a special account and may be in the form of
cash deposit or invested in obligations of, or fully guaranteed as to principal by, the United States of
America, and shall at all time be under the control of the Association. This cumulative reserve is in-
tended to provide a measure of financial stability during periods of special stress and may be used to
meet deficiencies from time to time as a

* To be attached to the recorded Plan of Apartment Ownership and to be executed and dated as of the date of recordation.
** Insert name of Association of Owners as designated in the By-Laws of the Condominium, or the name of the Corporation,
if the Association is incorporated.

BOOK 752 FOLIO 604

result of delinquent payments of assessments by owners of family units in the condominium and other contingencies. Disbursements totalling in excess of 20 percent of the total balance in the reserve as of the close of the preceding annual period may not be made during any annual period without the consent of the Commissioner. Reimbursements shall be made to the account upon payment of delinquencies for which funds were withdrawn from the reserve.

3. The Association will not employ a management agent for the buildings nor enter into a management contract nor undertake "self-management" unless the Commissioner has approved in writing the proposed management agent, form of management contract or other management arrangement.
4. The Association shall not without prior approval of the Commissioner, given in writing, remodel, reconstruct, demolish or subtract from the premises constituting the condominium.
5. The Association shall not without prior approval of the Commissioner given in writing:
 - (a) amend or change the Plan of Apartment Ownership or the by-laws of the Association;
 - (b) fail to establish and maintain the Fund for Replacements and general operating reserve as set forth herein;
 - (c) fail to provide for the management of the condominium in a manner approved by the Commissioner;
 - (d) fail to keep in full force and effect an elevator contract satisfactory to the FIA covering the maintenance and replacement of parts of any elevator or related equipment, or, if such contract shall be allowed to expire, then fail to accrue an additional sum in such amount as shall be designated by the Commissioner to be sufficient to allow for deferred and future replacements as part of the annual Reserve for Replacement Fund collected by the Association so as to insure that Funds will be available for replacement of elevator parts and related equipment.
6. The Association shall maintain the common areas and facilities, and each owner of a family unit shall maintain the family unit, in good repair and in such condition as will preserve the health and safety of the members.
7. The books, contracts, records, documents and papers of the Association and all of the property of the condominium shall be subject to inspection and examination by the Commissioner or his duly authorized agent at all reasonable times. The Association shall file with the Commissioner the following reports verified by the signature of such officers of the Association as may be designated and in such form as may be prescribed by the Commissioner:
 - (a) monthly operating reports, when required by the Commissioner;
 - (b) annual financial reports prepared by a certified public accountant or other person acceptable to the Commissioner, within sixty days after the end of each fiscal year;
 - (c) specific answers to questions upon which information is desired from time to time relative to the operation and condition of the property;
 - (d) copies of minutes of all owner's meetings certified to by the secretary of the Association within thirty days after such meetings, and when required by the Commissioner, copies of minutes of directors' meetings.
8. The Association shall establish and collect from owners of family units monthly assessments pursuant to the conditions set forth herein. Monthly assessments charged to owners during the initial occupancy period shall be made by the Association in accordance with a schedule of charges filed with and approved in writing by the Commissioner prior to the opening of the project for occupancy. Such assessment shall be in an amount sufficient to meet the FIA estimate of management expense, operating expense, and maintenance expense, reserves, and all other expenses of the Association. Subsequent to the initial occupancy period, assessments made by the Association for its accommodations shall be in accordance with a schedule filed with and approved in writing by the Commissioner and shall be in amounts sufficient to meet the Association's estimate of expenses set forth in an operating budget which shall be prepared and submitted to the FIA sixty days prior to the beginning of each fiscal year. The operating budget shall set forth the anticipated income of the Association and a sufficiently detailed estimate of expenses which will include separate estimates for administration expense, operating expense, maintenance expense, utilities, hazard insurance, replacement reserve and operating reserve. Such assessments shall not be changed except with the written approval of the Commissioner. The Association agrees that if at any time the owner of a family unit fails to pay his monthly assessment as provided in the by-laws, the Association will, upon direction of the Commissioner, initiate necessary legal action to collect the assessment.

9.

Upon a violation of any of the above provisions of this Agreement by the Association, or by any owner of a family unit, or upon the failure of the Association to abide by and carry out the provisions of the plan of Apartment Ownership and the By-Laws, the Commissioner may give written notice thereof to the Association or to the owner of a family unit, by registered or certified mail. If such violation is not corrected to the satisfaction of the Commissioner within 15 days after the date such notice is mailed, or within such additional period of time as is set forth in the notice, without further notice the Commissioner may declare a default under this Agreement and upon such default the Commissioner may:

(a) In the case of a default by the owner of a family unit:

(i) If the Commissioner holds the note of the defaulting owner = declare the whole of said indebtedness due and payable and then proceed with the foreclosure of the mortgage;

(ii) If said note is held by an FHA-insured mortgagee - notify the mortgagee of such default, and the mortgagee, with the prior written consent of the Commissioner, may declare the whole indebtedness due, and thereupon proceed with the foreclosure of the mortgage, or assign the note and mortgage to the Commissioner as provided in the Regulations.

(b) In the case of a default by the Association or by the owner of a family unit:

Apply to any court, State or Federal, for specific performance of this Agreement, for an injunction against any violation of the Agreement, or for such other relief as may be appropriate, since the injury to the Commissioner arising from a default under any of the terms of this Agreement would be irreparable and the amount of damage would be difficult to ascertain.

10. The covenants and agreements herein set out shall be deemed to run with the land and the property described in the Plan of Apartment Ownership, and to bind all owners of family units, present and future.

11. As used in this Agreement the term:

(a) "Mortgage" shall include "Deed of Trust";

(b) "Note" shall include "Bond";

(c) "Mortgagee" shall include the "Beneficiary" under Mortgage or Deed of Trust however designated;

(d) "Default" means a default declared by the Commissioner when a violation of this Agreement is not corrected to his satisfaction within the time allowed by this Agreement or such further time as may be allowed by the Commissioner after written notice;

(e) "Plan of Apartment Ownership" shall include all legal documents, deeds, by-laws, plans and specifications, required by the laws of the jurisdiction to establish condominium ownership.

(The use of the plural shall include the singular; the singular the plural; and the use of any gender shall be deemed to include all genders.)

12. This instrument shall bind, and the benefits shall inure to, the respective parties hereto, their legal representatives, executors, administrators, successors in office or interest, and assigns.

13. The invalidity of any clause, part or provision of this agreement shall not affect the validity of the remaining portions thereof.

14. The Association agrees and assumes the obligation to have this Agreement recorded in the appropriate land records in the jurisdiction in which the real property herein described is situated; and in the event of failure to do so, it is agreed that the Commissioner may have the same recorded at the expense of the Association.

15. It is specifically agreed between the parties hereto that the breach of any of the terms of this Agreement by the Association or by an owner of a family unit will substantially damage and injure the Commissioner in the proper performance of his duties under the provisions of the Act, and will impede and injure the proper operations intended under such Act; that such damage will be irrespective of and in addition to any damage to the security of the mortgaged premises or to any financial damage the Commissioner may suffer as insurer; that, except for the agreements herein contained, the Commissioner would not issue and would not be authorized to issue a Contract of Mortgage Insurance, and that mortgagees may not be willing to lend sums of money to owners of the family units on the security of mortgages covering such units, unless the same were insured by the Commissioner.

MEMO 752 FOLIO 606

MONTGOMERY WOODS CONDOMINIUM

Exhibit B to the Declaration

The maximum number of Units which may be added to the Condominium as the result of any expansion thereof pursuant to the provisions of Paragraph Q of the Declaration shall be that number of Units which is set forth hereinbelow with respect to the Additional Section or Additional Sections thereby incorporated within the Condominium:

<u>Additional Section</u>	<u>Number of Units</u>
2	13
3	19
4	23
5	21
6	20
7	18

Mailed to - Atlantic Title Co

GM/3-12-76

1186-75

MONTGOMERY WOODS CONDOMINIUM

FIRST AMENDMENT OF DECLARATION

THIS FIRST AMENDMENT OF DECLARATION (hereinafter referred to as "this Amendment"), made this 16th day of March, 1976, by MONTGOMERY WOODS ASSOCIATES, a limited partnership organized and existing under the law of Maryland (hereinafter referred to as "the Developer"),

WITNESSETH, THAT WHEREAS, pursuant to the provisions of title 11 of the Real Property Article of the Annotated Code of Maryland (1974 edition, as amended), and by a declaration dated December 31, 1975, and recorded among the Land Records of Howard County, Maryland, in Liber 752 at folio 579 (hereinafter referred to as "the Declaration"), the Developer has subjected to a condominium regime (hereinafter referred to as "the Condominium Regime") all of that tract of land situate and lying in the said County which is described in Exhibit A to the Declaration, together with the improvements thereon and the appurtenances thereto, all as is more particularly set forth in the Declaration (all of which tract, improvements and appurtenances are hereinafter and therein referred to collectively as "Section 1"); and

WHEREAS, by the provisions of Paragraph Q of the Declaration, the Developer has reserved, for a period commencing on the date of the recordation of the Declaration among the said Land Records and terminating on December 31, 1984, the right (which right may be exercised at the sole discretion of the Developer, but only in accordance with the provisions of the said Article) to expand the condominium (hereinafter referred to as "the Condominium") created by the recordation of the Declaration among the said Land Records,

MAR 17-76 A 2 797 *****22.00

MAR 17-76 A 2 872 *****5.00

LIBERO 758 FOLIO 05

GLR/3-12-76

by subjecting to the Condominium Regime, and by thereby adding to and incorporating within the Condominium, any one or more of those tracts of land, situate and lying in the said County, (which tracts of land are hereinafter referred to as "the Additional Sections"), which are described in Exhibits A-1 through A-6 to the Declaration, and which are designated as Sections 2 through 7, respectively, on those certain plats entitled "Montgomery Woods Condominium Plat, 1st Election District, Howard County, Maryland", which have been recorded among the said Land Records in Plats 3375 through 3378, and which are, together with any amendatory plats which may at any time hereafter be recorded among the said Land Records pursuant to the provisions of the Declaration, hereinafter and therein referred to collectively as "the Condominium Plat"; and

WHEREAS, the said period not having expired prior to the recordation of this Amendment among the said Land Records, the Developer intends by this Amendment to subject one of the Additional Sections to the Condominium Regime, as aforesaid,

NOW, THEREFORE, the Developer hereby declares the Developer's intent to subject, and does hereby subject, to the Condominium Regime all of that tract of land as shown on Exhibit A-1 attached hereto and made a part hereof, and designated on the Condominium Plat as "Section 2", more particularly shown on plat entitled, "Section 2, Montgomery Woods Condominium", which has been recorded among the said Land Records simultaneously with the recordation thereamong of this Amendment (hereinafter referred to collectively as "the Amendatory Plat"), which plat is hereby designated as _____

an exhibit hereto,

TOGETHER WITH all of the improvements on the said tract (including, by way of example rather than of limitation, those townhouses, the location and the dimensions of which are shown within the said tract on the Ammendatory Plat), and all of the rights, alleys, ways, waters, privileges, appurtenances and advantages, to the same belonging or in any way appertaining (all of which tract, improvements and appurtenances are hereinafter referred to collectively as "Section 2"),

SUBJECT TO the operation and effect of any and all instruments which shall have been recorded among the said Land Records prior to the recordation thereamong of this Amendment, and which pertain to any or all of Section 2,

IN ACCORDANCE WITH the terms, and subject to the conditions, which are hereinafter set forth:

Article 1. Definitions.

As used herein, the terms "condominium unit", "unit owner", "common elements", "limited common elements", "general common elements", "undivided percentage interest in the common elements", "percentage interest in the common expenses and common profits of the Council of Unit Owners" and "the Council of Unit Owners" shall be deemed to have the meanings which are ascribed to them by the provisions of the Declaration.

Article 2. Unit and Common Elements.

(a) The Condominium shall hereafter include a total of twenty-eight (28) units, consisting of

(i) the fifteen (15) units which were included within the Condominium by virtue of the recordation of the Declaration among the said Land Records, and

(ii) thirteen (13) additional units, the

location within the Condominium and the dimensions of each of which are shown on the Ammendatory Plat, and are more particularly defined by the provisions of the Declaration.

(b) The common elements shall hereafter include (in addition to the common elements which were included within the Condominium by virtue of the recordation of the Declaration among the said Land Records) all of Section 2, the improvements thereon and the appurtenances thereto not constituting part of any unit. Of the common elements which are hereby included within the Condominium, any and all of which may be designated on the Ammendatory Plat as limited common elements and as being reserved under the provisions of the Declaration for the exclusive use of the unit owner or unit owners of one or more, but less than all, of the units shall constitute part of the limited common elements, and any and all of which are not so designated shall constitute part of the general common elements.

(c) The units and the common elements which are included within the Condominium by virtue of the recordation of this Ammendament and of the Ammendatory Plat among the said Land Records shall in all respects be subject to the operation and effect of the Declaration, to the same extent and in the same manner as if the said units and the said common elements had been included within the Condominium by virtue of the recordation of the Declaration among the said Land Records.

Article 3. Percentage Interests.

Each unit owner's undivided percentage interest in the common elements, and each unit owner's percentage interest in the common expenses and common profits of the Council of Unit Owners, hereafter shall no longer equal the

GLR/3-12-76

respective percentages which are set forth with respect to his unit in Exhibit C to the Declaration, but shall (until there should occur any further such expansion of the Condominium) equal those respective percentages which are set forth with respect to such unit in a schedule which is attached hereto as an exhibit, which fractions have been determined in accordance with the provisions of Paragraph Q of the Declaration.

Article 4. Votes.

At meetings of the unit owners in their capacities as members of the Council of Unit Owners, each unit owner (including, by way of example rather than of limitation, each of the Unit Owners of the Units which are included within the Condominium by virtue of the recordation of this Amendment and of the Amendatory Plat among the said Land Records) shall, by virtue of his ownership of a Unit, be entitled to cast one (1) vote.

Article 5. General.

(a) Effectiveness. This Amendment shall be and become effective upon and only upon the full and complete execution, ensealment and acknowledgment hereof by the Developer, and the recordation hereof among the said Land Records.

(b) Applicable Law. This Amendment shall be given effect, and shall be construed, by application of the law of Maryland, and any action, suit or proceeding arising hereunder shall be brought in the courts of Maryland; provided, that if any such action, suit or proceeding shall arise under the Constitution, laws or treaties of the United States of America, or if there shall exist a diversity of

citizenship between or among the parties thereto, so that such action, suit or proceeding shall be brought in a United States District Court, such action, suit or proceeding shall be brought in the United States District Court for the District of Maryland.

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

(d) 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.

(e) 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.

(f) Covenants to Run with Land. The provisions of this Amendment 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.

(g) Effect of this Amendment. The provisions of the Declaration shall for all purposes thereof be, and are hereby, amended in the respects which are set forth in the

CH. 3-12-76

provisions of this Amendment. Other than in the said respects, the operating and effect of the provisions of the Declaration shall not be altered or impaired by the execution, sealing, acknowledgment or recordation among the said Land Records of this Amendment.

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

WITNESS: MONTGOMERY WOODS ASSOCIATES, a limited partnership organized and existing under the law of Maryland

John P. Healy
JOHN P. HEALY

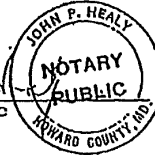
by D. Terrence MacLamer (SEAL)
D. Terrence MacLamer General Partner
The Developer

STATE OF MARYLAND : COUNTY OF HOWARD : TO WIT:

I HEREBY CERTIFY that on this 16th day of March, 1976, before me, the subscriber, a Notary Public for the State and county aforesaid personally appeared D. Terrence MacLamer, known to me or satisfactorily proven to be the person whose name is subscribed to the foregoing instrument, who acknowledged that he is the General Partner of MONTGOMERY WOODS ASSOCIATES, a limited partnership organized and existing under the law of Maryland and the entity named in the foregoing instrument as "the Developer", that he has been duly authorized to execute, and has executed, the said instrument on behalf of the said entity, and that the same is its act and deed.

AS WITNESS my hand and Notarial Seal.

John P. Healy
Notary Public



My commission expires on July 1, 1978.

LIBER 759 FOLIO 111

MONTGOMERY WOODS CONDOLINIUM
PERCENTAGE OF INTEREST IN THE COMMON ELEMENTS,
COMMON EXPENSES AND COMMON PROFITS

<u>UNIT DESIGNATION</u>	<u>VOSES</u>	<u>PERCENTAGE ATTRIBUTABLE TO UNIT</u>
12-01	1	3.5714
12-02	1	3.5714
12-03	1	3.5714
12-04	1	3.5714
12-05	1	3.5714
12-06	1	3.5714
12-07	1	3.5714
12-08	1	3.5714
11-01	1	3.5714
11-02	1	3.5714
11-03	1	3.5714
11-04	1	3.5714
11-05	1	3.5714
11-06	1	3.5714
11-07	1	3.5714
10-01	1	3.5714
10-02	1	3.5714
10-03	1	3.5714
10-04	1	3.5714
10-05	1	3.5714
10-06	1	3.5714
1-01	1	3.5714
1-02	1	3.5714
1-03	1	3.5714
1-04	1	3.5714
1-05	1	3.5714
1-06	1	3.5714
1-07	1	3.5714

Liber 759 Folio 111-A

April 20, 1975

EXHIBIT 'A1'
 MONTGOMERY WOODS
 SECTION ONE
 ENGINEERING DESCRIPTION
 CONDOMINIUM SECTION NO. 2

Lying and being in the First Election District of Howard County, Maryland.

BEGINNING for the same at a point on the southerly outline of the Plat of "MONTGOMERY WOODS, SECTION ONE, PARCEL A", Sheet 2 of 4, dated March 3, 1975 and recorded among the Plat Records of Howard County in Plat Book No. 30, at folio 98, said point being on the North $89^{\circ}31'42''$ West, 287.32 foot line of said southerly outline, 9.75 feet from the westerly end thereof, thence binding on said southerly outline; (1) South $89^{\circ}31'42''$ East, 287.57 feet; thence leaving said outline and running for lines of division the three following courses and distances; (2) North $02^{\circ}15'46''$ East, 52.44 feet; (3) South $89^{\circ}43'42''$ East, 140.00 feet; (4) North $48^{\circ}19'38''$ East, 108.46 feet to a point on the easterly outline of said Plat, thence binding on a portion thereof, (5) North $41^{\circ}40'22''$ West, 122.79 feet to the southerly side of Montgomery Road as shown on said Plat, thence binding on said Montgomery Road; (6) South $89^{\circ}48'00''$ West, 471.83 feet; thence leaving said Montgomery Road; (7) South $00^{\circ}28'18''$ West, 183.56 feet to the point of BEGINNING.

Containing 2.082 acres of land, more or less.

The above described parcel of land is based on a survey prepared by Daft-McCune-Walker, Inc., Engineers.

Liber 759 Folio 111-B

- 2 -

Being a piece or part of the land described in a Deed dated August 10, 1973 from Samuel M. Pistorio and wife to Knufman and Broad Homes, Inc. and recorded among the Land Records of Howard County in Liber No. 640 at folio 679.

Mailed to: Atlantic Title Co.

REC'D. FOR REC'D. MAR 17 1978 AT 11:25 AM CLK. A. 4 512E WAY PEGASUS & EX'D FR C. MERRIT PUMPHREY, CLK.

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LIBERO 765 FOLIO 348

MONTGOMERY WOODS CONDOMINIUM.

SECOND AMENDMENT OF DECLARATION

THIS SECOND AMENDMENT OF DECLARATION (hereinafter referred to as "this Amendment"), made this 5th day of MAY, 1976, by MONTGOMERY WOODS ASSOCIATES, a limited partnership organized and existing under the law of Maryland (hereinafter referred to as "the Developer"),

WITNESSETH, THAT WHEREAS, pursuant to the provisions of title 11 of the Real Property Article of the Annotated Code of Maryland (1974 edition, as amended), and by a declaration dated December 31, 1975, and recorded among the Land Records of Howard County, Maryland, in Liber 752 at folio 579 (hereinafter referred to as "the Declaration"), the Developer has subjected to a condominium regime (hereinafter referred to as "the Condominium Regime") all of that tract of land situate and lying in the said County which is described in Exhibit A to the Declaration, together with the improvements thereon and the appurtenances thereto, all as is more particularly set forth in the Declaration (all of which tract, improvements and appurtenances are hereinafter and therein referred to collectively as "Section 1"); and

WHEREAS, by the provisions of Paragraph Q of the Declaration, the Developer has reserved, for a period commencing on the date of the recordation of the Declaration among the said Land Records and terminating on December 31, 1984, the right (which right may be exercised at the sole discretion of the Developer, but only in accordance with the provisions of the said Article) to expand the condominium (hereinafter referred to as "the Condominium") created by the recordation of the Declaration among the said Land Records,

MAY -7-76 A 28623 *****27.00

27.00

LIBERQ 785 FOLIO 349

by subjecting to the Condominium Regime, and by thereby adding to and incorporating within the Condominium, any one or more of those tracts of land, situate and lying in the said County, (which tracts of land are hereinafter referred to as "the Additional Sections"), which are described in Exhibits A-1 through A-6 to the Declaration, and which are designated as Sections 2 through 7, respectively, on those certain plats entitled "Montgomery Woods Condominium Plat, 1st Election District, Howard County, Maryland", which have been recorded among the said Land Records in Plats 3375 through 3378, and which are, together with any amendatory plats which may at any time hereafter be recorded among the said Land Records pursuant to the provisions of the Declaration, hereinafter and therein referred to collectively as "the Condominium Plat"; and

WHEREAS, by a previous amendment to the Declaration (hereinafter referred to as "the Prior Amendment") heretofore recorded among the said Land Records, the Developer has subjected one of the Additional Sections to the Condominium Regime; and

WHEREAS, the said period not having expired prior to the recordation of this Amendment among the said Land Records, the Developer intends by this Amendment to subject one of the Additional Sections to the Condominium Regime, as aforesaid,

NOW, THEREFORE, the Developer hereby declares the Developer's intent to subject, and does hereby subject, to the Condominium Regime all of that tract of land as shown on Exhibit A-1 attached hereto and made a part hereof, and designated on the Condominium Plat as "Section 3", more particularly shown on plat entitled, "Section 3, Montgomery Woods Condominium", which has been recorded among the said Land Records simultaneously

LIBERO 765 FOLIO 350

with the recordation thereamong of this Amendment (hereinafter referred to collectively as the "Amendatory Plat"), which plat is hereby designated as an exhibit hereto,

TOGETHER WITH all of the improvements on the said tract (including, by way of example rather than of limitation, those townhouses, the location and the dimensions of which are shown within the said tract on the Amendatory Plat), and all of the rights, alleys, ways, waters, privileges, appurtenances and advantages, to the same belonging or in any way appertaining (all of which tract, improvements and appurtenances are hereinafter referred to collectively as "Section 3"),

SUBJECT TO the operation and effect of any and all instruments which shall have been recorded among the said Land Records prior to the recordation thereamong of this Amendment, and which pertain to any or all of Section 3,

IN ACCORDANCE WITH the terms, and subject to the conditions, which are hereinafter set forth:

Article 1. Definitions.

As used herein, the terms "condominium unit", "unit owner", "common elements", "limited common elements", "general common elements", "undivided percentage interest in the common elements", "percentage interest in the common expenses and common profits of the Council of Unit Owners" and "the Council of Unit Owners" shall be deemed to have the meanings which are ascribed to them by the provisions of the Declaration.

Article 2. Unit and Common Elements.

(a) The Condominium shall hereafter include a total of forty-seven (47) units, consisting of

(i) the twenty-eight (28) units which were included within the Condominium by virtue of the recordation of the Declaration and of the Prior Amendment among the

LIBERO 765 FOLIO 351

said Land Records, and

(ii) nineteen (19) additional units, the location within the Condominium and the dimensions of each of which are shown on the Amendatory Plat, and are more particularly defined by the provisions of the Declaration.

(b) The common elements shall hereafter include (in addition to the common elements which were included within the Condominium by virtue of the recordation of the Declaration and of the Prior Amendment among the said Land Records) all of Section 3, the improvements thereon and the appurtenances thereto not constituting part of any unit. Of the common elements which are hereby included within the Condominium, any and all of which may be designated on the Amendatory Plat as limited common elements and as being reserved under the provisions of the Declaration for the exclusive use of the unit owner or unit owners of one or more, but less than all, of the units shall constitute part of the limited common elements, and any and all of which are not so designated shall constitute part of the general common elements.

(c) The units and the common elements which are included within the Condominium by virtue of the recordation of this Amendment and of the Amendatory Plat among the said Land Records shall in all respects be subject to the operation and effect of the Declaration, to the same extent and in the same manner as if the said units and the said common elements had been included within the Condominium by virtue of the recordation of the Declaration among the said Land Records.

Article 3. Percentage Interests.

Each unit owner's undivided percentage interest in the common elements, and each unit owner's percentage interest in the common expenses and common profits of the Council of Unit Owners, hereafter shall no longer equal the

LIBERO 765 FOLIO 352

respective percentages which are set forth with respect to his unit in the Prior Amendment, but shall (until there should occur any further such expansion of the Condominium) equal those respective percentages which are set forth with respect to such unit in a schedule which is attached hereto as an exhibit, which fractions have been determined in accordance with the provisions of Paragraph Q of the Declaration.

Article 4. Votes.

At meetings of the unit owners in their capacities as members of the Council of Unit Owners, each unit owner (including, by way of example rather than of limitation, each of the Unit Owners of the Units which are included within the Condominium by virtue of the recordation of this Amendment and of the Ammendatory Plat among the said Land Records) shall, by virtue of his ownership of a Unit, be entitled to cast one (1) vote.

Article 5. General.

(a) Effectiveness. This Amendment shall be and become effective upon and only upon the full and complete execution, ensealment and acknowledgment hereof by the Developer, and the recordation hereof among the said Land Records.

(b) Applicable Law. This Amendment shall be given effect, and shall be construed, by application of the law of Maryland, and any action, suit or proceeding arising hereunder shall be brought in the courts of Maryland; provided, that if any such action, suit or proceeding shall arise under the Constitution, laws or treaties of the United States of America, or if there shall exist a diversity of

citizenship between or among the parties thereto, so that such action, suit or proceeding shall be brought in a United States District Court, such action, suit or proceeding shall be brought in the United States District Court for the District of Maryland.

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

(d) 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.

(e) 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.

(f) Covenants to Run with Land. The provisions of this Amendment 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.

(g) Effect of this Amendment. The provisions of the Declaration shall for all purposes thereof be, and are hereby, amended in the respects which are set forth in the

LIBERO 765 FOLIO 354

provisions of this Amendment. Other than in the said respects, the operating and effect of the provisions of the Declaration shall not be altered or impaired by the execution, ensealment, acknowledgment or recordation among the said Land Records of this Amendment.

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

WITNESS:

MONTGOMERY WOODS ASSOCIATES, a limited partnership organized and existing under the law of Maryland

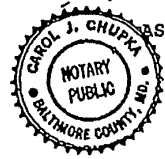
Joyce K. Stevenson

by *Michael B. Glick* (SEAL)
Michael B. Glick, General Partner

The Developer

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

I HEREBY CERTIFY that on this *5th* day of *May*, 197*6*, before me, the subscriber, a Notary Public for the state and county aforesaid personally appeared *Michael B. Glick*, known to me or satisfactorily proven to be the person whose name is subscribed to the foregoing instrument, who acknowledged that he is the *General Partner* of MONTGOMERY WOODS ASSOCIATES, a limited partnership organized and existing under the law of Maryland and the entity named in the foregoing instrument as "the Developer", that he has been duly authorized to execute, and has executed, the said instrument on behalf of the said entity, and that the same is its act and deed.



AS WITNESS my hand and Notarial Seal.

Carol J. Chupka
Notary Public

My commission expires on *7/1/78*.

LIBERO 765 FOLIO 355

MONTGOMERY HOODS CONDOMINIUM
PERCENTAGE OF INTEREST IN THE COMMON ELEMENTS

<u>UNIT DESIGNATION</u>	<u>VOTES</u>	<u>PERCENTAGE ATTRIBUTABLE TO UNIT</u>
12-01	1	2.1277
12-02	1	2.1277
12-03	1	2.1277
12-04	1	2.1277
12-05	1	2.1277
12-06	1	2.1277
12-07	1	2.1277
12-08	1	2.1277
11-01	1	2.1277
11-02	1	2.1277
11-03	1	2.1277
11-04	1	2.1277
11-05	1	2.1277
11-06	1	2.1277
11-07	1	2.1277
10-01	1	2.1277
10-02	1	2.1277
10-03	1	2.1277
10-04	1	2.1277
10-05	1	2.1277
10-06	1	2.1277
1-01	1	2.1277
1-02	1	2.1277
1-03	1	2.1277
1-04	1	2.1277
1-05	1	2.1277
1-06	1	2.1277
1-07	1	2.1277
2-01	1	2.1277
2-02	1	2.1277
2-03	1	2.1277
2-04	1	2.1277
2-05	1	2.1277
2-06	1	2.1277
3-01	1	2.1277
3-02	1	2.1277
3-03	1	2.1277
3-04	1	2.1277
3-05	1	2.1277
3-06	1	2.1277
4-07	1	2.1277
4-01	1	2.1277
4-02	1	2.1277
4-03	1	2.1277
4-04	1	2.1277
4-05	1	2.1277
4-06	1	2.1277

April 29, 1975

EXHIBIT 'A1'
MONTGOMERY WOODS
SECTION ONE
ENGINEERING DESCRIPTION
CONDOMINIUM SECTION NO. 3

Lying and being in the First Election District of Howard County, Maryland.

BEGINNING for the same at the northwesterly corner of the Plat of "MONTGOMERY WOODS, SECTION ONE, PARCEL A", Sheet 3 of 4, dated March 3, 1975 and recorded among the Plat Records of Howard County in Plat Book No. 30 at folio 99, thence binding on the outline of said Plat the five following courses and distances, (1) South $07^{\circ}32'02''$ East, 26.96 feet; (2) North $82^{\circ}27'58''$ East, 12.00 feet; (3) South $15^{\circ}15'08''$ East, 102.59 feet; (4) South $89^{\circ}43'42''$ East, 186.66 feet; (5) North $00^{\circ}16'18''$ East, 123.12 feet to a point on the southerly outline of the Plat of "MONTGOMERY WOODS, SECTION ONE, PARCEL A", Sheet 2 of 4, dated March 3, 1975 and recorded among the Plat Records of Howard County in Plat Book No. 30, at folio 98; thence binding on the said outline the two following courses and distances; (6) North $48^{\circ}19'38''$ East, 191.25 feet; (7) North $41^{\circ}40'22''$ West, 192.54 feet; thence leaving said outline and running for lines of division the three following courses and distances, (8) South $48^{\circ}19'38''$ West, 108.46 feet; (9) North $89^{\circ}43'42''$ West, 140.00 feet; (10) South $62^{\circ}15'46''$ West, 52.44 feet to the easterly end of the North $89^{\circ}31'42''$ West, 297.32 foot line of the southerly outline of the aforementioned Sheet 2 of 4; thence binding on the outline of said Plat, (11) South $07^{\circ}32'02''$ East, 174.74 feet to the point of BEGINNING.

Containing 2.186 acres of land, more or less.

The above described parcel of land is based on a survey prepared by
Daft-MoCune-Walker, Inc., Engineers.

Being a piece or part of the land described in a Deed dated August 10,
1873 from Samuel M. Pistorio and wife to Kaufman and Broad Homes, Inc. and
recorded among the Land Records of Howard County in Liber No. 649 at folio
576.

*mail to: Atlantic Title Co.
American City Bldg.
Col., Md.*

REC'D FOR RECORD MAY 7 1978
MAY 7 1978 10:20 A.M. SAME DAY RECORDED & EX'D PER C. MERRITT PUMPHREY

MONTGOMERY WOODS CONDOMINIUM

THIRD AMENDMENT OF DECLARATION

SEP 10 76 A 226164 ***22.00

THIS THIRD AMENDMENT OF DECLARATION (hereinafter referred to as "this Amendment"), made this 8th day of September, 1976, by MONTGOMERY WOODS ASSOCIATES, a limited partnership organized and existing under the law of Maryland (hereinafter referred to as "the Developer"),

WITNESSETH, THAT WHEREAS, pursuant to the provisions of title 11 of the Real Property Article of the Annotated Code of Maryland (1974 edition, as amended), and by a declaration dated December 31, 1975, and recorded among the Land Records of Howard County, Maryland, in Liber 7521 at folio 579 (hereinafter together with any amendments thereto which heretofore may have been recorded among the said Land Records referred to as "the Declaration"), the Developer has subjected to a condominium regime (hereinafter referred to as "the Condominium Regime") all of that tract of land, situate and lying in the said County, which is described in Exhibit A to the Declaration, together with the improvements thereon and the appurtenances thereto, all as is more particularly set forth in the Declaration (all of which tract, improvements and appurtenances are hereinafter and therein referred to collectively as "Section 1"); and

WHEREAS, by the provisions of Paragraph Q of the Declaration, the Developer has reserved, for a period commencing on the date of the recordation of the Declaration among the said Land Records and terminating on December 31, 1984, the right (which right may be exercised at the sole discretion of the Developer, but only in accordance with the provisions of the said Article) to expand the condominium (hereinafter referred to as "the Condominium") created by

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the recordation of the Declaration among the said Land Records, by subjecting to the Condominium Regime, and by thereby adding to and incorporating within the Condominium, any one or more of those tracts of land, situate and lying in the said County (which tracts of land are hereinafter referred to as "the Additional Sections"), which are described in Exhibits A-1 through A-6 to the Declaration, and which are designated as Sections 2 through 7, respectively, on those certain plats entitled "Montgomery Woods Condominium Plat, 1st Election District, Howard County, Maryland", which have been recorded among the said Land Records in Plats 3375 through 3378, and which are, together with any amendatory plats thereto which heretofore may have been recorded among the said Land Records pursuant to the provisions of the Declaration, hereinafter and therein referred to collectively as "the Condominium Plat"; and

WHEREAS, by prior amendments to the Declaration (hereinafter referred to collectively as "the Prior Amendments") which heretofore have been recorded among the said Land Records, the Developer has subjected certain of the Additional Sections to the Condominium Regime; and

WHEREAS, the said period not having expired prior to the recordation of this Amendment among the said Land Records, the Developer intends by this Amendment to subject one of the Additional Sections to the Condominium Regime, as aforesaid,

NOW, THEREFORE, the Developer hereby declares the Developer's intent to subject, and does hereby subject, to the Condominium Regime all of that tract of land, situate and lying in the said county, which is designated on the Condominium Plat as "Section 4", and is more particularly shown on plat entitled "Section 4", Montgomery Woods Condo-

minium Plat" (hereinafter referred to collectively as the "Amendatory Plat"), which has been recorded among the said Land Records as an amendment to the Condominium Plat simultaneously with the recordation thereamong of this Amendment, which plat is hereby designated as an exhibit hereto,

TOGETHER WITH all of the improvements on the said tract (including, by way of example rather than of limitation, those townhouses, the location and the dimensions of which are shown within the said tract on the Amendatory Plat), and all of the rights, alleys, ways, waters, privileges, appurtenances and advantages, to the same belonging or in any way appertaining (all of which tract, improvements and appurtenances are hereinafter referred to collectively as "Section 4"),

SUBJECT TO the operation and effect of any and all instruments which shall have been recorded among the said Land Records prior to the recordation thereamong of this Amendment, and which pertain to any or all of Section 4,

IN ACCORDANCE WITH the terms, and subject to the conditions, which are hereinafter set forth:

Article 1. Definitions.

As used herein, the terms "condominium units", "unit owner", "common elements", "limited common elements", "general common elements", "undivided percentage interest in the common elements", "percentage interest in the common expenses and common profits of the Council of Unit Owners" and "the Council of Unit Owners" shall be deemed to have the meanings which are ascribed to them by the provisions of the Declaration.

Article 2. Unit and Common Elements.

(a) The Condominium shall hereafter include a total of seventy (70) units, consisting of

(i) the forty-seven (47) units which were included within the Condominium by virtue of the recordation of the Declaration and of the Prior Amendments among the said Land Records, and

(ii) twenty-three (23) additional units, the location within the Condominium and the dimensions of each of which are shown on the Amendatory Plat, and are more particularly defined by the provisions of the Declaration.

(b) The common elements shall hereafter include (in addition to the common elements which were included within the Condominium by virtue of the recordation of the Declaration and of the Prior Amendments among the said Land Records) all of Section 4, the improvements thereon and the appurtenances thereto not constituting part of any unit. Of the common elements which are hereby included within the Condominium, any and all of which may be designated on the Amendatory Plat as limited common elements and as being reserved under the provisions of the Declaration for the exclusive use of the unit owner or unit owners of one or more, but less than all, of the units shall constitute part of the limited common elements, and any and all of which are not so designated shall constitute part of the general common elements.

(c) The units and the common elements which are included within the Condominium by virtue of the recordation of this Amendment and of the Amendatory Plat among the said Land Records shall in all respects be subject to the operation and effect of the Declaration, to the same extent and in the same manner as if the said units and the said common elements had been included within the Condominium by virtue of the recordation of the Declaration among the said Land Records.

Article 3. Percentage Interests.

Each unit owner's undivided percentage interest in the common elements, and each unit owner's percentage interest in the common expenses and common profits of the Council of Unit Owners, hereafter shall no longer equal the respective percentages which are set forth with respect to his unit in the Prior Amendment, but shall (until there should occur any further such expansion of the Condominium) equal those respective percentages which are set forth with respect to such unit in a schedule which is attached hereto as an exhibit, which fractions have been determined in accordance with the provisions of Paragraph Q of the Declaration.

Article 4. Votes.

At meetings of the unit owners in their capacities as members of the Council of Unit Owners, each unit owner (including, by way of example rather than of limitation, each of the Unit Owners of the Units which are included within the Condominium by virtue of the recordation of this Amendment and of the Amendatory Plat among the said Land Records) shall, by virtue of his ownership of a Unit, be entitled to cast one (1) vote.

Article 5. General.

(a) Effectiveness. This Amendment shall be and become effective upon and only upon the full and complete execution, ensealment and acknowledgment hereof by the Developer, and the recordation hereof among the said Land Records.

(b) Applicable Law. This Amendment 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; pro-

vided, that if any such action, suit or proceeding shall arise under the Constitution, laws or treaties of the United States of America, or if there shall exist a diversity of citizenship between or among the parties thereto, so that such action, suit or proceeding shall be brought in a United States District Court, such action, suit or proceeding shall be brought in the United States District Court for the District of Maryland.

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

(d) 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.

(e) 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.

(f) Covenants to Run with Land. The provisions of this Amendment 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.

(g) Effect of this Amendment. The provisions of the Declaration shall for all purposes thereof be, and are hereby, amended in the respects which are set forth in the

provisions of this Amendment. Other than in the said respects, the operation and effect of the provisions of the Declaration shall not be altered or impaired by the execution, ensealment, acknowledgment or recordation among the said Land Records of this Amendment.

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

WITNESS:

MONTGOMERY WOODS ASSOCIATES, a limited partnership organized and existing under the law of Maryland

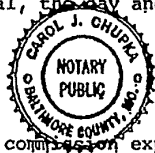
Carol J. Chupka

by *Michael B. Glick* (SEAL) Michael B. Glick, General Partner The Developer

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

I HEREBY CERTIFY that on this *14th* day of *Sept.* 1976, before me, a Notary Public for the state and county aforesaid, personally appeared *Michael B. Glick*, known to me or satisfactorily proven to be the person whose name is subscribed to the foregoing instrument, who acknowledged that he is a general partner of MONTGOMERY WOODS ASSOCIATES, a limited partnership organized and existing under the law of Maryland and the entity named in the foregoing instrument as "the Developer", that he has been duly authorized to execute, and has executed, the foregoing instrument on behalf of the said entity, and that the same is its act and deed.

IN WITNESS WHEREOF, I have set my hand and Notarial Seal, the day and year first above written.



Carol J. Chupka
Notary Public

My commission expires on *11/1/78*

BERO 785 FOLIO 324

MONTGOMERY HOODS CONDOMINIUM
PERCENTAGE OF INTEREST IN THE COMMON ELEMENTS

UNIT DESIGNATION	VOTES	PERCENTAGE ATTRIBUTABLE TO UNIT
12-01	1	1.4286
12-02	1	1.4286
12-03	1	1.4286
12-04	1	1.4286
12-05	1	1.4286
12-06	1	1.4286
12-07	1	1.4286
12-08	1	1.4286
11-01	1	1.4286
11-02	1	1.4286
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19-07	1	1.4286
19-08	1	1.4286

Yielded to: Atlantic Title Co.

REC'D. FOR RECORD SEP 10 1976

ATLANTIC TITLE CO. A.M. SAME DAY RECORDED & EX'D PER C. MERRILL HUNTER

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LIBER 795 FOLIO 293

MONTGOMERY WOODS CONDOMINIUM

FOURTH AMENDMENT OF DECLARATION

"THIS FOURTH AMENDMENT OF DECLARATION (hereinafter referred to as "this Amendment"), made this 11th day of November, 1976, by MONTGOMERY WOODS ASSOCIATES, a limited partnership organized and existing under the law of Maryland (hereinafter referred to as "the Developer"),

WITNESSETH, THAT WHEREAS, pursuant to the provisions of title 11 of the Real Property Article of the Annotated Code of Maryland (1974 edition, as amended), and by a declaration dated December 31, 1975, and recorded among the Land Records of Howard County, Maryland, in Liber 7521 at folio 579 (hereinafter together with any amendments thereto which heretofore may have been recorded among the said Land Records referred to as "the Declaration"), the Developer has subjected to a condominium regime (hereinafter referred to as "the Condominium Regime") all of that tract of land, situate and lying in the said County, which is described in Exhibit A to the Declaration, together with the improvements thereon and the appurtenances thereto, all as is more particularly set forth in the Declaration (all of which tract, improvements and appurtenances are hereinafter and therein referred to collectively as "Section 1"); and

WHEREAS, by the provisions of Paragraph Q of the Declaration, the Developer has reserved, for a period commencing on the date of the recordation of the Declaration among the said Land Records and terminating on December 31, 1984, the right (which right may be exercised at the sole discretion of the Developer, but only in accordance with the provisions of the said Article) to expand the condominium (hereinafter referred to as "the Condominium") created by

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LIBEN 795 FOLIO 294

the recordation of the Declaration among the said Land Records, by subjecting to the Condominium Regime, and by thereby adding to and incorporating within the Condominium, any one or more of those tracts of land, situate and lying in the said County (which tracts of land are hereinafter referred to as "the Additional Sections"), which are described in Exhibits A-1 through A-6 to the Declaration, and which are designated as Sections 2 through 7, respectively, on those certain plats entitled "Montgomery Woods Condominium Plat, 1st Election District, Howard County, Maryland", which have been recorded among the said Land Records in Plats 3375 through 3378, and which are, together with any amendatory plats thereto which heretofore may have been recorded among the said Land Records pursuant to the provisions of the Declaration, hereinafter and therein referred to collectively as "the Condominium Plat"; and

WHEREAS, by prior amendments to the Declaration (hereinafter referred to collectively as "the Prior Amendments") which heretofore have been recorded among the said Land Records, the Developer has subjected certain of the Additional Sections to the Condominium Regime; and

WHEREAS, the said period not having expired prior to the recordation of this Amendment among the said Land Records, the Developer intends by this Amendment to subject one of the Additional Sections to the Condominium Regime, as aforesaid,

NOW, THEREFORE, the Developer hereby declares the Developer's intent to subject, and does hereby subject, to the Condominium Regime all of that tract of land, situate and lying in the said county, which is designated on the Condominium Plat as "Section 5", and is more particularly shown on plat entitled "Section 5", Montgomery Woods Condo-

minimum Plat" (hereinafter referred to collectively as the "Amendatory Plat"), which has been recorded among the said Land Records as an amendment to the Condominium Plat simultaneously with the recordation thereamong of this Amendment, which plat is hereby designated as an exhibit hereto,

TOGETHER WITH all of the improvements on the said tract (including, by way of example rather than of limitation, those townhouses, the location and the dimensions of which are shown within the said tract on the Amendatory Plat), and all of the rights, alleys, ways, waters, privileges, appurtenances and advantages, to the same belonging or in any way appertaining (all of which tract, improvements and appurtenances are hereinafter referred to collectively as "Section 5"),

SUBJECT TO the operation and effect of any and all instruments which shall have been recorded among the said Land Records prior to the recordation thereamong of this Amendment, and which pertain to any or all of Section 5,

IN ACCORDANCE WITH the terms, and subject to the conditions, which are hereinafter set forth:

Article 1. Definitions.

As used herein, the terms "condominium units", "unit owner", "common elements", "limited common elements", "general common elements", "undivided percentage interest in the common elements", "percentage interest in the common expenses and common profits of the Council of Unit Owners" and "the Council of Unit Owners" shall be deemed to have the meanings which are ascribed to them by the provisions of the Declaration.

Article 2. Unit and Common Elements.

(a) The Condominium shall hereafter include a total of ninety-one (91) units, consisting of

(i) the seventy (70) units which were included within the Condominium by virtue of the recordation of the Declaration and of the Prior Amendments among the said Land Records, and

(ii) twenty-one (21) additional units, the location within the Condominium and the dimensions of each of which are shown on the Amendatory Plat, and are more particularly defined by the provisions of the Declaration.

(b) The common elements shall hereafter include (in addition to the common elements which were included within the Condominium by virtue of the recordation of the Declaration and of the Prior Amendments among the said Land Records) all of Section 5, the improvements thereon and the appurtenances thereto not constituting part of any unit. Of the common elements which are hereby included within the Condominium, any and all of which may be designated on the Amendatory Plat as limited common elements and as being reserved under the provisions of the Declaration for the exclusive use of the unit owner or unit owners of one or more, but less than all, of the units shall constitute part of the limited common elements, and any and all of which are not so designated shall constitute part of the general common elements.

(c) The units and the common elements which are included within the Condominium by virtue of the recordation of this Amendment and of the Amendatory Plat among the said Land Records shall in all respects be subject to the operation and effect of the Declaration, to the same extent and in the same manner as if the said units and the said common elements had been included within the Condominium by virtue of the recordation of the Declaration among the said Land Records.

Article 3. Percentage Interests.

Each unit owner's undivided percentage interest in the common elements, and each unit owner's percentage interest in the common expenses and common profits of the Council of Unit Owners, hereafter shall no longer equal the respective percentages which are set forth with respect to his unit in the Prior Amendment, but shall (until there should occur any further such expansion of the Condominium) equal those respective percentages which are set forth with respect to such unit in a schedule which is attached hereto as an exhibit, which fractions have been determined in accordance with the provisions of Paragraph Q of the Declaration.

Article 4. Votes.

At meetings of the unit owners in their capacities as members of the Council of Unit Owners, each unit owner (including, by way of example rather than of limitation, each of the Unit Owners of the Units which are included within the Condominium by virtue of the recordation of this Amendment and of the Amendatory Plat among the said Land Records) shall, by virtue of his ownership of a Unit, be entitled to cast one (1) vote.

Article 5. Corrective Revision of Declaration.

The provisions of Exhibits C-2, C-3, C-4, C-5 and C-6 of the Declaration are hereby amended by the deletion therefrom of the unit designation "3-07", and by the insertion therein in its place of the unit designation "4-07", such deletion and insertion having been necessitated by a typographical error which occurred in the preparation of the Declaration.

Article 6. General.

(a) Effectiveness. This Amendment shall be and become effective upon and only upon the full and complete execution, sealing and acknowledgment hereof by the Developer, and the recordation hereof among the said Land Records.

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

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

(d) 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.

(e) 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.

(f) Covenants to Run with Land. The provisions of this Amendment 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.

(g) Effect of this Amendment. The provisions of the Declaration shall for all purposes thereof be, and are hereby, amended in the respects which are set forth in the provisions of this Amendment. Other than in the said respects, the operation and effect of the provisions of the Declaration shall not be altered or impaired by the execution, ensealment, acknowledgment or recordation among the said Land Records of this Amendment.

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

WITNESS:

MONTGOMERY WOODS ASSOCIATES,
a limited partnership organized
and existing under the law of
Maryland

Carol G. Neysman by Michael B. Glick (SEAL)
Michael B. Glick, General Partner
The Developer

STATE OF Maryland COUNTY OF Balto : TO WIT:

I HEREBY CERTIFY that on this 11th day of Nov.,
1976, before me, a Notary Public for the state and county
aforesaid, personally appeared Michael B. Glick,
known to me or satisfactorily proven to be the person whose
name is subscribed to the foregoing instrument, who acknowledged

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that he is a general partner of MONTGOMERY WOODS ASSOCIATES, a limited partnership organized and existing under the law of Maryland and the entity named in the foregoing instrument as "the Developer", that he has been duly authorized to execute, and has executed, the foregoing instrument on behalf of the said entity, and that the same is its act and deed.

IN WITNESS WHEREOF, I have set my hand and Notarial Seal, the day and year first above written.

Carol J. Ohlman

NOTARY PUBLIC
HOWARD COUNTY, MARYLAND

My commission expires on 11/1/78

LIBEN 795 FOLIO 303

MONTGOMERY WOODS CONDOMINIUM

<u>UNIT DESIGNATION</u>	<u>NO. VOTES</u>	<u>PERCENTAGE ATTRIBUTABLE TO UNIT</u>
12-01	1	1.0989
12-02	1	1.0989
12-03	1	1.0989
12-04	1	1.0989
12-05	1	1.0989
12-06	1	1.0989
12-07	1	1.0989
12-08	1	1.0989
11-01	1	1.0989
11-02	1	1.0989
11-03	1	1.0989
11-04	1	1.0989
11-05	1	1.0989
11-06	1	1.0989
11-07	1	1.0989
10-01	1	1.0989
10-02	1	1.0989
10-03	1	1.0989
10-04	1	1.0989
10-05	1	1.0989
10-06	1	1.0989
1-01	1	1.0989
1-02	1	1.0989
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1-06	1	1.0989
1-07	1	1.0989
2-01	1	1.0989
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2-06	1	1.0989
3-01	1	1.0989
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3-03	1	1.0989
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3-06	1	1.0989
3-07	1	1.0989
4-01	1	1.0989
4-02	1	1.0989
4-03	1	1.0989
4-04	1	1.0989
4-05	1	1.0989
4-06	1	1.0989

LINE 8795 POLI0302

<u>UNIT DESIGNATION</u>	<u>VOTES</u>	<u>PERCENTAGE ATTRIBUTABLE TO UNIT</u>
13-01	1	1.0989
13-02	1	1.0989
13-03	1	1.0989
13-04	1	1.0989
13-05	1	1.0989
13-06	1	1.0989
14-01	1	1.0989
14-02	1	1.0989
14-03	1	1.0989
14-04	1	1.0989
15-01	1	1.0989
15-02	1	1.0989
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15-04	1	1.0989
15-05	1	1.0989
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18-09	1	1.0989

Mail To: Atlantic Title Co.
American City Bldg.
Cal., Md. 21044

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MONTGOMERY WOODS CONDOMINIUM

FIFTH AMENDMENT OF DECLARATION

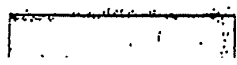
THIS FIFTH AMENDMENT OF DECLARATION (hereinafter referred to as "this Amendment"), made this 21st day of January, 1977, by MONTGOMERY WOODS ASSOCIATES, a limited partnership organized and existing under the law of Maryland (hereinafter referred to as "the Developer"),

WITNESSETH, THAT WHEREAS, pursuant to the provisions of title 11 of the Real Property Article of the Annotated Code of Maryland (1974 edition, as amended), and by a declaration dated December 31, 1975, and recorded among the Land Records of Howard County, Maryland, in Liber 7521 at folio 579 (hereinafter together with any amendments thereto which heretofore may have been recorded among the said Land Records, referred to as "the Declaration"), the Developer has subjected to a condominium regime (hereinafter referred to as "the Condominium Regime") all of that tract of land, situate and lying in the said County, which is described in Exhibit A to the Declaration, together with the improvements thereon and the appurtenances thereto, all as is more particularly set forth in the Declaration (all of which tract, improvements and appurtenances are hereinafter and therein referred to collectively as "Section 1"); and

WHEREAS, by the provisions of Paragraph Q of the Declaration, the Developer has reserved, for a period commencing on the date of the recordation of the Declaration, 1975 among the said Land Records and terminating on December 31, 1984, the right (which right may be exercised at the sole discretion of the Developer, but only in accordance with the provisions of the said Article) to expand the condominium (hereinafter referred to as "the Condominium") created by

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the recordation of the Declaration among the said Land Records, by subjecting to the Condominium Regime, and by thereby adding to and incorporating within the Condominium, any one or more of those tracts of land, situate and lying in the said County (which tracts of land are hereinafter referred to as "the Additional Sections"), which are described in Exhibits A-1 through A-6 to the Declaration, and which are designated as Sections 2 through 7, respectively, on those certain plats entitled "Montgomery Woods Condominium Plat, 1st Election District, Howard County, Maryland", which have been recorded among the said Land Records in Plats 3375 through 3378, and which are, together with any amendatory plats thereto which heretofore may have been recorded among the said Land Records pursuant to the provisions of the Declaration, hereinafter and therein referred to collectively as "the Condominium Plat"; and

WHEREAS, by prior amendments to the Declaration (hereinafter referred to collectively as "the Prior Amendments") which heretofore have been recorded among the said Land Records, the Developer has subjected certain of the Additional Sections to the Condominium Regime; and

WHEREAS, the said period not having expired prior to the recordation of this Amendment among the said Land Records, the Developer intends by this Amendment to subject one of the Additional Sections to the Condominium Regime, as aforesaid,

NOW, THEREFORE, the Developer hereby declares the Developer's intent to subject, and does hereby subject, to the Condominium Regime all of that tract of land, situate and lying in the said county, which is designated on the Condominium Plat as "Section 6", and is more particularly shown on plat entitled, "Section 6", Montgomery Woods Condo-

minium Plat" (hereinafter referred to collectively as the "Amendatory Plat"), which has been recorded among the said Land Records as an amendment to the Condominium Plat simultaneously with the recordation thereamong of this Amendment, which plat is hereby designated as an exhibit hereto,

TOGETHER WITH all of the improvements on the said tract (including, by way of example rather than of limitation, those townhouses, the location and the dimensions of which are shown within the said tract on the Amendatory Plat), and all of the rights, alleys, ways, waters, privileges, appurtenances and advantages, to the same belonging or in any way appertaining (all of which tract, improvements and appurtenances are hereinafter referred to collectively as "Section 6"),

SUBJECT TO the operation and effect of any and all instruments which shall have been recorded among the said Land Records prior to the recordation thereamong of this Amendment, and which pertain to any or all of Section 6,

IN ACCORDANCE WITH the terms, and subject to the conditions, which are hereinafter set forth:

Article 1. Definitions.

As used herein, the terms "condominium units", "unit owner", "common elements", "limited common elements", "general common elements", "undivided percentage interest in the common elements", "percentage interest in the common expenses and common profits of the Council of Unit Owners" and "the Council of Unit Owners" shall be deemed to have the meanings which are ascribed to them by the provisions of the Declaration.

Article 2. Unit and Common Elements.

(a) The Condominium shall hereafter include a total of one hundred eleven (111) units, consisting of

(i) the ninety-one (91) units which were included within the Condominium by virtue of the recordation of the Declaration and of the Prior Amendments among the said Land Records, and

(ii) twenty (20) additional units, the location within the Condominium and the dimensions of each of which are shown on the Amendatory Plat, and are more particularly defined by the provisions of the Declaration.

(b) The common elements shall hereafter include (in addition to the common elements which were included within the Condominium by virtue of the recordation of the Declaration and of the Prior Amendments among the said Land Records) all of Section 6, the improvements thereon and the appurtenances thereto not constituting part of any unit. Of the common elements which are hereby included within the Condominium, any and all of which may be designated on the Amendatory Plat as limited common elements and as being reserved under the provisions of the Declaration for the exclusive use of the unit owner or unit owners of one or more, but less than all, of the units shall constitute part of the limited common elements, and any and all of which are not so designated shall constitute part of the general common elements.

(c) The units and the common elements which are included within the Condominium by virtue of the recordation of this Amendment and of the Amendatory Plat among the said Land Records shall in all respects be subject to the operation and effect of the Declaration, to the same extent and in the same manner as if the said units and the said common elements had been included within the Condominium by virtue of the recordation of the Declaration among the said Land Records.

Article 3. Percentage Interests.

Each unit owner's undivided percentage interest in the common elements, and each unit owner's percentage interest in the common expenses and common profits of the Council of Unit Owners, hereafter shall no longer equal the respective percentages which are set forth with respect to his unit in the Prior Amendment, but shall (until there should occur any further such expansion of the Condominium) equal those respective percentages which are set forth with respect to such unit in a schedule which is attached hereto as Exhibit A hereto, which fractions have been determined in accordance with the provisions of Paragraph Q of the Declaration.

Article 4. Votes.

At meetings of the unit owners in their capacities as members of the Council of Unit Owners, each unit owner (including, by way of example rather than of limitation, each of the Unit Owners of the Units which are included within the Condominium by virtue of the recordation of this Amendment and of the Amendatory Plat among the said Land Records) shall, by virtue of his ownership of a Unit, be entitled to cast one (1) vote.

Article 5. Reservation of Easement.

(a) Subject to the operation and effect of the provisions of Article 5(b) hereof, the Developer hereby reserves an easement for pedestrian and vehicular ingress and egress, over and through those portions of Section 6 which are contained within the outlines of "Chip Wood Court" and "Crittter Court" as shown on Sheet 1 of the Amendatory Plat, to and from the roadway which is identified as "Steepridge Drive" on the Amendatory Plat, from and to (i) that Additional Section which is designated in the Declaration and on the Condominium Plat as "Section 7", and (ii) all of that tract

of land, situate and lying in the said county, which adjoins the said Section 7 and is described in Exhibit B hereto (hereinafter referred to as "the Benefited Land"), the Benefited Land being all of that land which is benefited by an existing easement for ingress and egress to and from the public roadway which adjoins the Condominium and is known as "Montgomery Road", in, over and through the said Steepridge Drive, from and to the Benefited Land, all pursuant to the provisions of an instrument entitled "Easement Agreement", dated June 12, 1975, and recorded among the said Land Records in Liber 724 at folio 149, by and between Kaufman & Broad Homes, Inc., and the Developer, it being the Developer's intention that, subject to the operation and effect of the provisions of Article 5(b) hereof, the Benefited Land have the benefit of the easement hereby reserved to permit pedestrian and vehicular ingress and egress to and from the Benefited Land, from and to the area which is burdened by the said existing easement.

(b) Anything contained in the foregoing provisions of this Article to the contrary notwithstanding, the Developer hereby reserves the sole and exclusive right to terminate the easement hereby reserved and/or from time to time to restrict the benefit thereof to one or more portions (but less than all) of the Benefited Land, and/or from time to time to rescind any such restriction, in each instance by causing to be recorded among the Land Records an instrument to such effect which makes specific reference to this Amendment, and which has been executed, sealed and acknowledged on behalf of the Developer and its successors and assigns in interest as "the Developer" for purposes of the Declaration, it being the Developer's intention that the Developer and its said successors and assigns have the sole

and exclusive right to take any of the said actions, regardless of whether the Developer or its said successors and assigns shall then hold the title to any or all of the Benefited Land; provided, that the Developer and its said successors and assigns shall be entitled by the express provisions of any such instrument to assign to any person who shall then hold the title to any or all of the Benefited Land the right of the Developer and its said successors and assigns to take any of the said actions, in which event any subsequent such instrument must, to be effective, be executed, sealed and acknowledged on behalf of such assignee, and recorded among the said Land Records.

Article 6. General.

(a) Effectiveness. This Amendment shall be and become effective upon and only upon the full and complete execution, sealing and acknowledgment hereof by the Developer, and the recordation hereof among the said Land Records.

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

(c) Headings. The headings of the sections and subsections hereof are provided herein for and only for con-

venience of reference, and shall not be considered in constructing the contents of any such section or subsection.

(d) 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.

(e) 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.

(f) Covenants to Run with Land. The provisions of this Amendment 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.

(g) Effect of this Amendment. The provisions of the Declaration shall for all purposes thereof be, and are hereby, amended in the respects which are set forth in the provisions of this Amendment. Other than in the said respects, the operation and effect of the provisions of the Declaration shall not be altered or impaired by the execution, ensealment, acknowledgment or recordation among the said Land Records of this Amendment.

IN WITNESS WHEREOF, the Developer has caused this Amendment to be executed and ensealed on its behalf by its

duly authorized representatives, the day and year first above written.

WITNESS:

MONTGOMERY WOODS ASSOCIATES, a limited partnership organized and existing under the law of Maryland

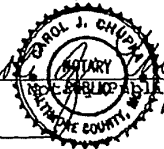
Carol J. Chapman

by *Michael B. Glick* (SEAL)
Michael B. Glick, General Partner
The Developer

STATE OF *Md.* : COUNTY OF *Subs.* : TO WIT:

I HEREBY CERTIFY that on this *27* day of January, 1977, before me, a Notary Public for the state and county aforesaid, personally appeared MICHAEL B. GLICK, known to me or satisfactorily proven to be the person whose name is subscribed to the foregoing instrument, who acknowledged that he is a general partner of MONTGOMERY WOODS ASSOCIATES, a limited partnership organized and existing under the law of Maryland and the entity named in the foregoing instrument as "the Developer", that he has been duly authorized to execute and has executed, the foregoing instrument on behalf of the said entity, and that the same is its act and deed.

IN WITNESS WHEREOF, I have set my hand and Notarial Seal, the day and year first above written.

Carol J. Chapman


My commission expires on *7/1/98*

LIBER 0807, FOLIO 312

EXHIBIT A
MONTGOMERY WOODS CONDOMINIUM
PERCENTAGE OF INTEREST IN THE COMMON ELEMENTS

<u>UNIT DESIGNATION</u>	<u>VOTES</u>	<u>PERCENTAGE ATTRIBUTABLE TO UNIT</u>
12-01	1	.9009
12-02	1	.9009
12-03	1	.9009
12-04	1	.9009
12-05	1	.9009
12-06	1	.9009
12-07	1	.9009
12-08	1	.9009
11-01	1	.9009
11-02	1	.9009
11-03	1	.9009
11-04	1	.9009
11-05	1	.9009
11-06	1	.9009
11-07	1	.9009
10-01	1	.9009
10-02	1	.9009
10-03	1	.9009
10-04	1	.9009
10-05	1	.9009
10-06	1	.9009
1-01	1	.9009
1-02	1	.9009
1-03	1	.9009
1-04	1	.9009
1-05	1	.9009
1-06	1	.9009
1-07	1	.9009
2-01	1	.9009
2-02	1	.9009
2-03	1	.9009
2-04	1	.9009
2-05	1	.9009
2-06	1	.9009
3-01	1	.9009
3-02	1	.9009
3-03	1	.9009
3-04	1	.9009
3-05	1	.9009
3-06	1	.9009
3-07	1	.9009
4-01	1	.9009
4-02	1	.9009
4-03	1	.9009
4-04	1	.9009
4-04	1	.9009
4-05	1	.9009
4-06	1	.9009

LIBERO 807 FOLIO 313

EXHIBIT A (continued)

<u>UNIT DESIGNATION</u>	<u>VOTES</u>	<u>PERCENTAGE ATTRIBUTABLE TO UNIT</u>
13-01	1	.9009
13-02	1	.9009
13-03	1	.9009
13-04	1	.9009
13-05	1	.9009
13-06	1	.9009
14-01	1	.9009
14-02	1	.9009
14-03	1	.9009
14-04	1	.9009
15-01	1	.9009
15-02	1	.9009
15-03	1	.9009
15-04	1	.9009
15-05	1	.9009
19-01	1	.9009
19-02	1	.9009
19-03	1	.9009
19-04	1	.9009
19-05	1	.9009
19-06	1	.9009
19-07	1	.9009
19-08	1	.9009
16-01	1	.9009
16-02	1	.9009
16-03	1	.9009
16-04	1	.9009
16-05	1	.9009
16-06	1	.9009
17-01	1	.9009
17-02	1	.9009
17-03	1	.9009
17-04	1	.9009
17-05	1	.9009
17-06	1	.9009
18-01	1	.9009
18-02	1	.9009
18-03	1	.9009
18-04	1	.9009
18-05	1	.9009
18-06	1	.9009
18-07	1	.9009
18-08	1	.9009
18-09	1	.9009
20-01	1	.9009
20-02	1	.9009
20-03	1	.9009
20-04	1	.9009
20-05	1	.9009

LIBER0807 FOLIO314

EXHIBIT A (continued)

<u>UNIT DESIGNATION</u>	<u>VOTES</u>	<u>PERCENTAGE ATTRIBUTABLE TO UNIT</u>
20-06	.1	
20-07	1	.9009
20-08	1	.9009
20-09	1	.9009
20-10	1	.9009
6-01	1	.9009
6-02	1	.9009
6-03	1	.9009
6-04	1	.9009
8-01	1	.9009
8-02	1	.9009
8-03	1	.9009
8-04	1	.9009
8-05	1	.9009
8-06	1	.9009

LIBER 0807 FOLIO 0315

EXHIBIT B

ALL OF THAT REAL PROPERTY, situate and lying in Howard County, Maryland, which is more particularly described in Exhibit B to an instrument entitled "Easement Agreement", dated June 12, 1975, and recorded among the Land Records of the said County in Liber 724 at folio 149, by and between Kaufman & Broad Homes, Inc., and Montgomery Woods Associates,

EXCLUDING THEREFROM that portion of such real property which, by a deed dated February 11, 1976, and recorded among the said Land Records in Liber 755 at folio 192, was conveyed by Kaufman & Broad Homes, Inc., to Montgomery Woods Associates.

Filed to Atlantic Title Co.

JAN 27 1977

MONTGOMERY WOODS CONDOMINIUM

SIXTH AMENDMENT OF DECLARATION

THIS SIXTH AMENDMENT OF DECLARATION (hereinafter referred to as "this Amendment"), made this 20th day of April, 1977, by MONTGOMERY WOODS ASSOCIATES, a limited partnership organized and existing under the law of Maryland (hereinafter referred to as "the Developer"),

WITNESSETH, THAT WHEREAS, pursuant to the provisions of title 11 of the Real Property Article of the Annotated Code of Maryland (1974 edition, as amended), and by a declaration dated December 31, 1975, and recorded among the Land Records of Howard County, Maryland, in Liber 7521 at folio 579 (hereinafter together with any amendments thereto which heretofore may have been recorded among the said Land Records, referred to as "the Declaration"), the Developer has subjected to a condominium regime (hereinafter referred to as "the Condominium Regime") all of that tract of land, situate and lying in the said County, which is described in Exhibit A to the Declaration, together with the improvements thereon and the appurtenances thereto, all as is more particularly set forth in the Declaration (all of which tract, improvements and appurtenances are hereinafter and therein referred to collectively as "Section 1"); and

WHEREAS, by the provisions of Paragraph Q of the Declaration, the Developer has reserved, for a period commencing on the date of the recordation of the Declaration among the said Land Records and terminating on December 31, 1984, the right (which right may be exercised at the sole discretion of the Developer, but only in accordance with the provisions of the said Article) to expand the condominium (hereinafter referred to as "the Condominium") created by

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the recordation of the Declaration among the said Land Records, by subjecting to the Condominium Regime, and by thereby adding to and incorporating within the Condominium, any one or more of those tracts of land, situate and lying in the said County (which tracts of land are hereinafter referred to as "the Additional Sections"), which are described in Exhibits A-1 through A-6 to the Declaration, and which are designated as Sections 2 through 7, respectively, on those certain plats entitled "Montgomery Woods Condominium Plat, 1st Election District, Howard County, Maryland", which have been recorded among the said Land Records in Plats 3375 through 3378, and which are, together with any amendatory plats thereto which heretofore may have been recorded among the said Land Records pursuant to the provisions of the Declaration, hereinafter and therein referred to collectively as "the Condominium Plat"; and

WHEREAS, by prior amendments to the Declaration (hereinafter referred to collectively as "the Prior Amendments") which heretofore have been recorded among the said Land Records, the Developer has subjected certain of the Additional Sections to the Condominium Regime; and

WHEREAS, the said period not having expired prior to the recordation of this Amendment among the said Land Records, the Developer intends by this Amendment to subject one of the Additional Sections to the Condominium Regime, as aforesaid,

MAY -4-77 A #27601 *****34.56

NOW, THEREFORE, the Developer hereby declares the Developer's intent to subject, and does hereby subject, to the Condominium Regime all of that tract of land, situate and lying in the said county, which is designated on the Condominium Plat as "Section 7", and is more particularly shown on plat entitled, "Section 7", Montgomery Woods Condo-

minium Plat" (hereinafter referred to collectively as the "Amendatory Plat"), which has been recorded among the said Land Records as an amendment to the Condominium Plat simultaneously with the recordation thereamong of this Amendment, which plat is hereby designated as an exhibit hereto,

TOGETHER WITH all of the improvements on the said tract (including, by way of example rather than of limitation, those townhouses, the location and the dimensions of which are shown within the said tract on the Amendatory Plat), and all of the rights, alleys, ways, waters, privileges, appurtenances and advantages, to the same belonging or in any way appertaining (all of which tract, improvements and appurtenances are hereinafter referred to collectively as "Section 7"),

SUBJECT TO the operation and effect of any and all instruments which shall have been recorded among the said Land Records prior to the recordation thereamong of this Amendment, and which pertain to any or all of Section 7,

IN ACCORDANCE WITH the terms, and subject to the conditions, which are hereinafter set forth:

Article 1. Definitions.

As used herein, the terms "condominium units", "unit owner", "common elements", "limited common elements", "general common elements", "undivided percentage interest in the common elements", "percentage interest in the common expenses and common profits of the Council of Unit Owners" and "the Council of Unit Owners" shall be deemed to have the meanings which are ascribed to them by the provisions of the Declaration.

Article 2. Unit and Common Elements.

(a) The Condominium shall hereafter include a total of one hundred twenty-nine (129) units, consisting of

(i) the one hundred eleven (111) units which were included within the Condominium by virtue of the recordation of the Declaration and of the Prior Amendments among the said Land Records, and

(ii) eighteen (18) additional units, the location within the Condominium and the dimensions of each of which are shown on the Amendatory Plat, and are more particularly defined by the provisions of the Declaration.

(b) The common elements shall hereafter include (in addition to the common elements which were included within the Condominium by virtue of the recordation of the Declaration and of the Prior Amendments among the said Land Records) all of Section 7, the improvements thereon and the appurtenances thereto not constituting part of any unit. Of the common elements which are hereby included within the Condominium, any and all of which may be designated on the Amendatory Plat as limited common elements and as being reserved under the provisions of the Declaration for the exclusive use of the unit owner or unit owners of one or more, but less than all, of the units shall constitute part of the limited common elements, and any and all of which are not so designated shall constitute part of the general common elements.

(c) The units and the common elements which are included within the Condominium by virtue of the recordation of this Amendment and of the Amendatory Plat among the said Land Records shall in all respects be subject to the operation and effect of the Declaration, to the same extent and in the same manner as if the said units and the said common elements had been included within the Condominium by virtue of the recordation of the Declaration among the said Land Records.

Article 3. Percentage Interests.

Each unit owner's undivided percentage interest in the common elements, and each unit owner's percentage interest in the common expenses and common profits of the Council of Unit Owners, hereafter shall no longer equal the respective percentages which are set forth with respect to his unit in the Prior Amendment, but shall (until there should occur any further such expansion of the Condominium) equal those respective percentages which are set forth with respect to such unit in a schedule which is attached hereto as Exhibit A hereto, which fractions have been determined in accordance with the provisions of Paragraph Q of the Declaration.

Article 4. Votes.

At meetings of the unit owners in their capacities as members of the Council of Unit Owners, each unit owner (including, by way of example rather than of limitation, each of the Unit Owners of the Units which are included within the Condominium by virtue of the recordation of this Amendment and of the Amendatory Plat among the said Land Records) shall, by virtue of his ownership of a Unit, be entitled to cast one (1) vote.

Article 5. Reservation of Easement.

(a) Subject to the operation and effect of the provisions of Article 5(b) hereof, the Developer hereby reserves an easement for pedestrian and vehicular ingress and egress, over and through those portions of Section 7 which are contained within the outlines of "Chip Wood Court" and "Crittter Court" as shown on Sheet 1 of the Amendatory Plat, to and from the roadway which is identified as "Steep-ridge Drive" on the Amendatory Plat, and which adjoins Section 6 of the Condominium, from and to all of that tract

of land, situate and lying in the said county, which adjoins Section 7 and is described in Exhibit B hereto (hereinafter referred to as "the Benefited Land"), the Benefited Land being all of that land which is benefited by an existing easement for ingress and egress to and from the public roadway which adjoins the Condominium and is known as "Montgomery Road", in, over and through the said Steepridge Drive, from and to the Benefited Land, all pursuant to the provisions of an instrument entitled "Easement Agreement", dated June 12, 1975, and recorded among the said Land Records in Liber 724 at folio 149, by and between Kaufman & Broad Homes, Inc., and the Developer, it being the Developer's intention that, subject to the operation and effect of the provisions of Article 5(b) hereof, the Benefited Land have the benefit of the easement hereby reserved to permit pedestrian and vehicular ingress and egress to and from the Benefited Land, from and to the area which is burdened by the said existing easement.

(b) Anything contained in the foregoing provisions of this Article to the contrary notwithstanding, the Developer hereby reserves the sole and exclusive right to terminate the easement hereby reserved and/or from time to time to restrict the benefit thereof to one or more portions (but less than all) of the Benefited Land, and/or from time to time to rescind any such restriction, in each instance by causing to be recorded among the Land Records an instrument to such effect which makes specific reference to this Amendment, and which has been executed, sealed and acknowledged on behalf of the Developer and its successors and assigns in interest as "the Developer" for purposes of the Declaration, it being the Developer's intention that the Developer and its said successors and assigns have the sole

and exclusive right to take any of the said actions, regardless of whether the Developer or its said successors and assigns shall then hold the title to any or all of the Benefited Land; provided, that the Developer and its said successors and assigns shall be entitled by the express provisions of any such instrument to assign to any person who shall then hold the title to any or all of the Benefited Land the right of the Developer and its said successors and assigns to take any of the said actions, in which event any subsequent such instrument must, to be effective, be executed, ensealed and acknowledged on behalf of such assignee, and recorded among the said Land Records.

Article 6. General.

(a) Effectiveness. This Amendment shall be and become effective upon and only upon the full and complete execution, ensealment and acknowledgment hereof by the Developer, and the recordation hereof among the said Land Records.

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

(c) Headings. The headings of the sections and subsections hereof are provided herein for and only for con-

venience of reference, and shall not be considered in construing the contents of any such section or subsection.

(d) 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.

(e) 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.

(f) Covenants to Run with Land. The provisions of this Amendment 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.

(g) Effect of this Amendment. The provisions of the Declaration shall for all purposes thereof be, and are hereby, amended in the respects which are set forth in the provisions of this Amendment. Other than in the said respects, the operation and effect of the provisions of the Declaration shall not be altered or impaired by the execution, ensealment, acknowledgment or recordation among the said Land Records of this Amendment.

IN WITNESS WHEREOF, the Developer has caused this Amendment to be executed and ensealed on its behalf by its

duly authorized representatives, the day and year first above written.

WITNESS:

MONTGOMERY WOODS ASSOCIATES, a limited partnership organized and existing under the law of Maryland

[Signature]

by Michael B. Glick (SEAL)
Michael B. Glick, General Partner

The Developer

STATE OF Maryland : COUNTY OF Howard : TO WIT:

I HEREBY CERTIFY that on this 30th day of January, 1977, before me, a Notary Public for the state and county aforesaid, personally appeared MICHAEL B. GLICK, known to me or satisfactorily proven to be the person whose name is subscribed to the foregoing instrument, who acknowledged that he is a general partner of MONTGOMERY WOODS ASSOCIATES, a limited partnership organized and existing under the law of Maryland and the entity named in the foregoing instrument as "the Developer", that he has been duly authorized to execute and has executed, the foregoing instrument on behalf of the said entity, and that the same is its act and deed.

IN WITNESS WHEREOF, I have set my hand and Notarial Seal, the day and year first above written.

[Signature]
Notary Public



My commission expires on 7-1-78.

GLR/4-19-77

LIBERO 820 FOLIO 713

EXHIBIT A

MONTGOMERY WOODS CONDOMINIUM
PERCENTAGE OF INTEREST IN THE COMMON ELEMENTS

<u>UNIT DESIGNATION</u>	<u>PERCENTAGE ATTRIBUTABLE TO UNIT.</u>
12-01	.7752
12-02	.7752
12-03	.7752
12-03	.7752
12-04	.7752
12-05	.7752
12-06	.7752
12-07	.7752
12-08	.7752
11-01	.7752
11-02	.7752
11-03	.7752
11-04	.7752
11-05	.7752
11-06	.7752
11-07	.7752
10-01	.7752
10-02	.7752
10-03	.7752
10-04	.7752
10-05	.7752
10-06	.7752
1-01	.7752
1-02	.7752
1-03	.7752
1-04	.7752
1-05	.7752
1-06	.7752
1-07	.7752
2-01	.7752
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2-06	.7752
3-01	.7752
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3-03	.7752
3-04	.7752
3-05	.7752
3-06	.7752
3-07	.7752
4-01	.7752
4-02	.7752
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4-04	.7752
4-05	.7752
4-06	.7752

LIBERO 820, FOLIO 714

UNIT DESIGNATION	PERCENTAGE ATTRIBUTABLE TO UNIT
13-01	.7752
13-02	.7752
13-03	.7752
13-04	.7752
13-05	.7752
13-06	.7752
14-01	.7752
14-02	.7752
14-03	.7752
14-04	.7752
15-01	.7752
15-02	.7752
15-03	.7752
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16-06	.7752
17-01	.7752
17-02	.7752
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18-01	.7752
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18-03	.7752
18-04	.7752
18-05	.7752
18-06	.7752
18-07	.7752
18-08	.7752
18-09	.7752
20-01	.7752
20-02	.7752
20-03	.7752
20-04	.7752
20-05	.7752

LIBER 0820 FOLIO 715

UNIT DESIGNATION	PERCENTAGE ATTRIBUTABLE TO UNIT
20-06	.7752
20-07	.7752
20-08	.7752
20-09	.7752
20-10	.7752
6-01	.7752
6-02	.7752
6-03	.7752
6-04	.7752
8-01	.7752
8-02	.7752
8-03	.7752
8-04	.7752
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9-01	.7752
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9-05	.7752
9-06	.7752

GLR/4-19-77

LIBER 0820 FOLIO 716

EXHIBIT B

MONTGOMERY WOODS CONDOMINIUM

ALL OF THAT REAL PROPERTY, situate and lying in Howard County, Maryland, which is more particularly described in Exhibit B to an instrument entitled "Easement Agreement", dated June 12, 1975, and recorded among the Land Records of the said County in Liber 724 at folio 149, by and between Kaufman & Broad Homes, Inc., and Montgomery Woods Associates,

EXCLUDING THEREFROM that portion of such real property which, by a deed dated February 11, 1976, and recorded among the said Land Records in Liber 755 at folio 192, was conveyed by Kaufman & Broad Homes, Inc., to Montgomery Woods Associates.

*Mail to:
Atlantic Title Corp*

REC'D. FOR RECORD MAY 4 1977 11:30 AM P. BY CLERK & EX'D PER C. HERRITT PUMPHREY, CLK.

Montgomery Woods Condominium Association, Inc

Income/Expense Statement (YTD)



Income Statement

Pelican Property Management Company

Properties: Montgomery Woods Condominium Assn, Inc - Hunt Hill Drive Elkridge, MD 21075

As of: Oct 2023

Accounting Basis: Cash

GL Account Map: None - use master chart of accounts

Level of Detail: Detail View

Include Zero Balance GL Accounts: No

Account Name	Selected Month	Year to Month End
Operating Income & Expense		
Income		
Dues	17,199.00	175,252.58
Dues Allocated to Reserve	-5,453.86	-54,538.60
Late Fee	133.00	1,560.98
Legal Fees recovered	0.00	0.00
Fines	0.00	0.00
Interest Income	0.00	82.48
Total Operating Income	11,878.14	122,357.44
Expense		
Show & Ice Removal	0.00	0.00
Gardening/Landscaping	9,889.50	31,666.00
Janitorial/Porter Expense	0.00	260.00
Trees & Shrubs	0.00	0.00
Pelican Management Fee	2,142.40	20,924.80
Insurance - Property	5,391.90	34,525.55
Gas and Electricity	850.23	8,461.84
Water & Sewer	41.20	102.40
Plumbing	0.00	8,400.00
General Repairs and Maintenance	0.00	2,771.30
Bad Debt	0.00	4,502.56
Office Administrative Expenses	30.95	609.95
Legal Expenses	170.35	3,572.73
Accounting Expenses	0.00	1,400.00
Other Professional Fees	0.00	0.00
Reserve Replacement	0.00	0.00
Total Operating Expense	18,486.53	117,197.13

Income Statement

Account Name	Selected Month	Year to Month End
NOI - Net Operating Income	-6,608.39	5,160.31
Other Income & Expense		
Other Income		
Reserve Dues	5,453.86	54,538.60
Reserve Interest Income	0.00	6,644.28
Total Other Income	5,453.86	61,182.88
Other Expense		
Reserve Expense		
Plumbing repairs	0.00	24,053.86
Parking Lot/Driveway	0.00	6,850.00
Entry Systems	0.00	141,562.82
Total Reserve Expense	0.00	172,466.68
Total Other Expense	0.00	172,466.68
Net Other Income	5,453.86	-111,283.80
Total Income	17,332.00	183,540.32
Total Expense	18,486.53	289,633.81
Net Income	-1,154.53	-106,123.49

Montgomery Woods Condominium Association, Inc

Income/Expense Statement (End of
previous Fiscal Year)



COUNCIL OF UNIT OWNERS OF
MONTGOMERY WOODS CONDOMINIUM, INC.

FINANCIAL STATEMENTS
AND AUDITORS' REPORT

DECEMBER 31, 2019

C O N T E N T S

	<u>Page</u>
Independent Auditors' Report	1 - 2
Cash Basis Financial Statements	
Statement of assets and liabilities resulting from cash transactions	3
Statement of revenues collected, expenses paid and changes in fund balance	4
Notes to financial statements	5 - 6
Supplementary Information	
Future Major Repairs and Replacements	7

DONALD A. HILTNER & Co., LLC

CERTIFIED PUBLIC ACCOUNTANTS
280 EAST MAIN STREET
WESTMINSTER, MARYLAND 21157

(410) 876-7232
(410) 857-0200
FAX (410) 876-9733

INDEPENDENT AUDITOR'S REPORT

The Board of Directors of
Council of Unit Owners of
Montgomery Woods Condominium, Inc.
Elkridge, Maryland

We have audited the accompanying financial statements of Council of Unit Owners of Montgomery Woods Condominium, Inc., which include the statement of assets and liabilities resulting from cash transactions as of December 31, 2019 and the related statement of revenues collected, expenses paid and changes in fund balance for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with cash basis of accounting as described in Note 3; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets and liabilities resulting from cash transactions of the Council of Unit Owners of Montgomery Woods Condominium, Inc. as of December 31, 2019, and the results of its revenues collected and expenses paid for the year then ended, in conformity with cash basis accounting principles as described in Note 3.

Basis of Accounting

We draw attention to Note 3 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Disclaimer of Opinion on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Future Major Repairs and Replacements be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, who considers it be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Donald A. Hiltner & Co. LLC

Donald A. Hiltner & Co., LLC

February 15, 2020

COUNCIL OF UNIT OWNERS OF
MONTGOMERY WOODS CONDOMINIUM, INC.
STATEMENT OF ASSETS AND LIABILITIES
RESULTING FROM CASH TRANSACTIONS
DECEMBER 31, 2019

ASSETS

	Operating Fund	Replacement Fund	Total
CURRENT ASSETS			
Cash, including interest bearing deposits	\$ 12,589	\$ 455,280	\$ 467,869
TOTAL ASSETS	<u>\$ 12,589</u>	<u>\$ 455,280</u>	<u>\$ 467,869</u>

LIABILITIES AND FUND BALANCE

CURRENT LIABILITIES

Income taxes payable	\$ 955	\$ -0-	\$ 955
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FUND BALANCE

Operating fund balance	\$ 11,634	\$ -0-	\$ 11,634
Replacement fund balance	<u>-0-</u>	<u>455,280</u>	<u>455,280</u>
TOTAL FUND BALANCE	<u>\$ 11,634</u>	<u>\$ 455,280</u>	<u>\$ 466,914</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 12,589</u>	<u>\$ 455,280</u>	<u>\$ 467,869</u>

See accompanying notes and auditors' report.

COUNCIL OF UNIT OWNERS OF
MONTGOMERY WOODS CONDOMINIUM, INC.
STATEMENT OF REVENUES COLLECTED, EXPENSES
PAID AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>Total</u>
REVENUES COLLECTED			
Assessments	\$ 171,542	\$ 55,340	\$ 226,882
Late fees and miscellaneous	2,611	-0-	2,611
Interest income	<u>-0-</u>	<u>6,146</u>	<u>6,146</u>
Total	\$ 174,153	\$ 61,486	\$ 235,639
EXPENSES PAID			
Electricity	\$ 10,259	\$ -0-	\$ 10,259
Water and sewer	65	-0-	65
Grounds care	28,420	-0-	28,420
Snow removal	17,880	-0-	17,880
Repairs and maintenance	2,930	27,400	30,330
Management	28,248	-0-	28,248
Insurance	42,412	-0-	42,412
Professional fees	36,857	-0-	36,857
Administrative and miscellaneous	2,230	-0-	2,230
Income taxes	<u>1,167</u>	<u>-0-</u>	<u>1,167</u>
Total	<u>\$ 170,468</u>	<u>\$ 27,400</u>	<u>\$ 197,868</u>
NET EXCESS (DEFICIT) OF REVENUES COLLECTED OVER EXPENSES PAID	\$ 3,685	\$ 34,086	\$ 37,771
FUND BALANCE - Beginning	<u>7,949</u>	<u>421,194</u>	<u>429,143</u>
FUND BALANCE - Ending	<u>\$ 11,634</u>	<u>\$ 455,280</u>	<u>\$ 466,914</u>

See accompanying notes and auditors' report.

COUNCIL OF UNIT OWNERS OF
MONTGOMERY WOODS CONDOMINIUM, INC.
NOTES TO CASH BASIS FINANCIAL STATEMENTS
DECEMBER 31, 2019

Note 1 - NATURE OF ORGANIZATION

Council of Unit Owners of Montgomery Woods Condominium, Inc. is a non-stock corporation which was formed on October 6, 1983 in the State of Maryland. The Corporation is responsible for the operation, maintenance and protection of the common areas of the Montgomery Woods Condominium which consists of 129 residential units and is located in Howard County, Maryland.

Note 2 - DATE OF MANAGEMENT'S REVIEW

In preparing the financial statements, management has evaluated events and transactions for potential recognition or disclosure through the date of the auditors' report, the date the financial statements were available to be issued.

Note 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Principles

The Corporation maintains its records on the cash receipts and disbursements method of accounting. This method does not present the complete financial position or results of operations of the organization due to the omission of accounts receivable, accounts payable and various accruals.

Fund Accounting

The Corporation's accounts are organized and operated on a fund accounting basis. Financial resources are classified for accounting and reporting purposes in the following funds according to their nature and purpose:

Operating Fund - used to account for financial resources available for the general operations of the Corporation.

Replacement Fund - used to accumulate financial resources designated for future major repairs and replacements.

Management

The Corporation's Board of Directors has engaged Pelican Property Management, LLC as its agent to handle its finances and to assist in managing the affairs of the Corporation. The management firm maintains separate bank accounts on behalf of the Corporation.

Member Assessments

Association members are subject to monthly assessments to

provide funds for operating expenses and major repairs and replacements. The Corporation's policy is to retain legal counsel and place liens on the properties of homeowners whose assessments are delinquent.

Property and Equipment

Real and common area property acquired by the unit owners is not capitalized by the Corporation because it is owned in common by the individual unit owners and not by the Corporation.

Replacements and improvements to the common areas are not capitalized.

Income Taxes

Under the provisions of the Internal Revenue Code, a qualifying condominium association may elect annually to be taxed as an exempt homeowners association. Under this election the association is exempt from income taxes on its dues, assessments and other membership function income. It is however, taxable on non-exempt function income such as interest, dividends, non-member service fees, etc. If the election is not made then the association is taxable as a regular corporation, subject, however, to the membership organization regulations of Internal Revenue Code Section 277.

For the year ended December 31, 2019, the election was not made.

Income tax returns are subject to audit by various taxing authorities for three years from the date of filing.

Note 4 - FUTURE MAJOR REPAIRS AND REPLACEMENTS

The Corporation's governing documents require funds to be accumulated for future repairs and replacements. Accumulated funds, which total \$455,280, are held in separate accounts and are generally not available for operating purposes.

The Corporation is funding for major repairs and replacements over the estimated useful lives of the components based on estimates of current replacement costs, considering amounts previously accumulated in the replacement fund. Actual expenditures, however, may vary from the estimated amounts and the variations may be material. Therefore, amounts accumulated in the replacement fund may not be adequate to meet future needs. If additional funds are needed, however, the Corporation has the right to increase regular assessments or levy special assessments, or it may delay major repairs and replacements until funds are available.

SUPPLEMENTARY INFORMATION

COUNCIL OF UNIT OWNERS OF
MONTGOMERY WOODS CONDOMINIUM, INC.
SUPPLEMENTARY INFORMATION ON FUTURE MAJOR
REPAIRS AND REPLACEMENTS
DECEMBER 31, 2019
(UNAUDITED)

An independent building consultant conducted a study in November, 2014 to estimate the remaining useful lives and the replacement costs of the components of common property. Replacement costs were based on the estimated costs to repair or replace the common property components at the date of the study. Estimated current replacement costs have not been revised since that date and do not take into account the effects of inflation between the date of the study and the date that the components will require repair or replacement.

The following information is based on the study and presents significant information about the components of common property.

<u>Component</u>	<u>Estimated Remaining Useful Life (Years)</u>	<u>Estimated Current Replacement Cost</u>
Asphalt	0 - 25	\$ 1,755,892
Catch basins	0 - 20	234,459
Concrete curbs and gutters	0 - 60	273,988
Concrete sidewalks	0 - 60	174,389
Utilities	20	577,217
Reserve study update	0	<u>2,550</u>
 Total		 <u>\$ 3,018,495</u>

Montgomery Woods Condominium Association, Inc

Insurance Acord (COI)





MONTG02

OP ID: ND

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
03/17/2023

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

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

PRODUCER Gorges & Co., Inc. 2345 York Road Timonium, MD 21093-2217 Jack Millard/John Mutscheller	410-561-8280		CONTACT NAME: Neal Donovan
			PHONE (A/C, No, Ext): 410-561-8280
			FAX (A/C, No): 410-561-9728
E-MAIL ADDRESS: neald@gorgesco.com			
			INSURER(S) AFFORDING COVERAGE
			NAIC #
			INSURER A: Nationwide Assurance
			INSURER B: Amco Insurance Co.
			INSURER C:
			INSURER D:
			INSURER E:
			INSURER F:

INSURED
Montgomery Woods Condominium Association, Inc.
Pelican Management
 8725 Loch Raven Blvd Ste 201
 Towson, MD 21286

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

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

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY	<input checked="" type="checkbox"/>		ACP 3100499734	03/01/2023	03/01/2024	EACH OCCURRENCE \$ 2,000,000
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000
	<input checked="" type="checkbox"/> D & O						MED EXP (Any one person) \$ 5,000
	GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC						PERSONAL & ADV INJURY \$ 2,000,000
	OTHER:						GENERAL AGGREGATE \$ 4,000,000
							PRODUCTS - COMP/OP AGG \$ 4,000,000
							D & O \$ 1,000,000
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident) \$
	<input type="checkbox"/> ANY AUTO OWNED AUTOS ONLY						BODILY INJURY (Per person) \$
	<input type="checkbox"/> SCHEDULED AUTOS						BODILY INJURY (Per accident) \$
	<input type="checkbox"/> HIRED AUTOS ONLY						PROPERTY DAMAGE (Per accident) \$
	<input type="checkbox"/> NON-OWNED AUTOS ONLY						\$
B	<input checked="" type="checkbox"/> UMBRELLA LIAB	<input checked="" type="checkbox"/>		ACP 3100499734	03/01/2023	03/01/2024	EACH OCCURRENCE \$ 1,000,000
	<input type="checkbox"/> EXCESS LIAB						AGGREGATE \$ 1,000,000
	DED <input type="checkbox"/> RETENTION \$						\$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY						PER STATUTE <input type="checkbox"/> OTH-ER <input type="checkbox"/>
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)						E.L. EACH ACCIDENT \$
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE \$
							E.L. DISEASE - POLICY LIMIT \$
A	Property			ACP 3100499734	03/01/2023	03/01/2024	Building \$ 29,255,200
B	Crime	<input checked="" type="checkbox"/>		ACP 3100499734	03/01/2023	03/01/2024	Crime \$ 500,000

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

Proof of Coverage

CERTIFICATE HOLDER Pelican Management 8725 Loch Raven Blvd Ste 201 Towson, MD 21286	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE Jack Millard/John Mutscheller

NOTEPADINSURED'S NAME **Montgomery Woods Condominium****MONTG02
OP ID: ND**PAGE 2
Date **03/17/2023**

Condo master policy includes "walls-in" coverage and does not include any additions or alterations made by the owner. Building replacement cost included. Wind is included. Separation of insureds included. Property manager is included in fidelity coverage. 10 day notice of cancellation for non-pay, 30 day notice any other reason.

Blanket Building Limit: \$29,255,200
Property Deductible: \$10,000
127 Units

Ordinance or Law A Included, B&C \$315,000

Property Schedule:

5851-5865 Hunt Hill Dr, Elkridge, MD 21075
5835-5847 Hunt Hill Dr, Elkridge, MD 21075
5821-5831 Hunt Hill Dr, Elkridge, MD 21075
5840-5850 Whisper Way, Elkridge, MD 21075
5854-5860 Whisper Way, Elkridge, MD 21075
5866-5874 Whisper Way, Elkridge, MD 21075

5880-5890 Whisper Way, Elkridge, MD 21075
5879-5889 Whisper Way, Elkridge, MD 21075
5859-5875 Whisper Way, Elkridge, MD 21075
5841-5855 Whisper Way, Elkridge, MD 21075
5860-5878 Steepridge Dr, Elkridge, MD 21075
5860-5870 Chipwood Ct, Elkridge, MD 21075
5871-5879 Chipwood Ct, Elkridge, MD 21075
5861-5867 Chipwood Ct, Elkridge, MD 21075
5880-5890 Critter Ct, Elkridge, MD 21075
5871-5883 Critter Ct, Elkridge, MD 21075
5820-5832 Diggers Ln, Elkridge, MD 21075
5840-5850 Diggers Ln, Elkridge, MD 21075
5841-5851 Diggers Ln, Elkridge, MD 21075
5821-5833 Diggers Ln, Elkridge, MD 21075

Montgomery Woods Condominium Association, Inc

Insurance Policy (Full)





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is on your side

55 549 42 PZ



MONTGOMERY WOODS CONDOMINIUM ASSOCIATION INC
8725 LOCH RAVEN BLVD
TOWSON, MD 21286-2207

PLEASE KEEP THIS FOR YOUR RECORDS

We are pleased to serve your business insurance needs. Our company is committed to providing you high quality insurance protection and superior service.

IMPORTANT INFORMATION ABOUT YOUR POLICY.....

Attached is a recent change to your policy. This change was initiated either by you, your agent or by Nationwide and does affect your coverage.

Please read the attached information carefully. It will provide you with all the detailed information regarding the change to your policy. Should you have any additional questions regarding this communication, please contact your agent.

YOUR BILLING ACCOUNT NUMBER IS: 801908803

Your Commercial Insurance Package

Courtesy of:

AGENCY - MD 54131

GORGES & COMPANY INC
2345 YORK RD STE 200
TIMONIUM MD 21093-2261

POLICY # ACP 31-9-0514176

COMMERCIAL PACKAGE - ACP 31-9-0514176



NATIONWIDE P & C INS CO

CHANGE OF DECLARATIONS ENDORSEMENT - PLEASE READ CAREFULLY.

POLICY NUMBER ACP BPHK 3190514176		PREMIER BUSINESSOWNERS POLICY	
NAMED INSURED: MONTGOMERY WOODS CONDOMINIUM ASSOCIATION INC			
MAILING ADDRESS: 8725 LOCH RAVEN BLVD TOWSON, MD 21286-2207			
AGENT NAME: GORGES & COMPANY INC		19 54131	NO CHARGE \$.00
AGENT ADDRESS: TIMONIUM MD 21093		004	
POLICY PERIOD: FROM 03-01-23 TO 03-01-24 12:01 A.M. Standard Time			
EFFECTIVE DATE OF CHANGE: 03-01-23 12:01 A.M. Standard Time			
NOT A STATEMENT - YOUR BILLING WILL FOLLOW			TOTAL PREMIUM \$.00

NOT A STATEMENT - YOUR BILLING WILL FOLLOW

TOTAL PREMIUM \$.00

***** INSURED NAME ***** NO. 001000

CHANGED INSURED NAME

FROM : GORGES & COMPANY INC
TO : MONTGOMERY WOODS CONDOMINIUM ASSOCIATION INC

PREMIUM

For your protection, California law required the following to appear on this form: Any person who knowingly presents false or fraudulent information to obtain or amend insurance coverage or to make a claim for the payment of a loss is guilty of a crime and may be subject to fines and confinements in state prison.

TO : MONTGOMERY WOODS CONDOMINIUM ASSOCIATION INC

PB8114 (01-01) 02

54131

AMCO INSURANCE COMPANY
1100 LOCUST ST DEPT 1100 DES MOINES, IA 50391-2000

CHANGE OF DECLARATIONS ENDORSEMENT - PLEASE READ CAREFULLY

POLICY NUMBER	ACP CAA 3190514176	COMMERCIAL UMBRELLA LIABILITY
NAMED INSURED:	MONTGOMERY WOODS CONDOMINIUM ASSOCIATION INC - C/O PELICAN PROPERTY MANAGEMENT	
MAILING ADDRESS:	8725 LOCH RAVEN BLVD TOWSON MD 212862207	
AGENT NAME:	GORGES & COMPANY INC	
AGENT ADDRESS:	2345 YORK RD STE 200 TIMONIUM MD 21093 42 19 54131 0004	
POLICY PERIOD: FROM	03/01/23 TO 03/01/24	12:01 A.M. Standard Time
EFFECTIVE DATE OF CHANGE:	03/01/23	12:01 A.M. Standard Time

PREMIUM

***** GENERAL CHANGES *****
CHANGED GENERAL INFORMATION

***** NAMED INSURED CHANGES *****
DELETED INSURED NAME
GORGES & COMPANY INC

THIS IS NOT A BILL - SEE YOUR BILLING STATEMENT

DIRECT BILL
PES-1 (02-89)

LBB7 23086

INSURED

51 42 01737

3B

NW-CP-1305-0517-00

AMCO INSURANCE COMPANY

COMMERCIAL UMBRELLA LIABILITY
FORMS AND ENDORSEMENTS SUMMARY

Number: ACP CAA 3190514176

Period:
From 03/01/23 To 03/01/24

FORM/ENDORSEMENT	DATE	TITLE
IN7444	1107	IMPORTANT NOTICE TO POLICYHOLDERS - MARYLAND
UMB0001	0309	SCHEDULE OF UNDERLYING INSURANCE
UMB0002	0413	COMMERCIAL UMBRELLA LIABILITY POLICY
UMB0028	0413	LIMITATION OF COVERAGE TO DESIGNATED PREMISES - COVERAGE B
UMB0052	0115	CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM
UMB0064	0120	CONDITIONAL EXCLUSION OF TERRORISM (RELATING TO DISPOSITION
UMB0064	0120	CONDITIONAL EXCLUSION OF TERRORISM (RELATING TO DISPOSITION
UMB1900	1217	MARYLAND CHANGES - CANCELLATION AND NONRENEWAL
UMB1902	0413	MARYLAND CHANGES - REPRESENTATIONS OR FRAUD
UMB1902	0413	MARYLAND CHANGES - REPRESENTATIONS OR FRAUD
UMB7010	0514	EXCLUSION-ACCESS OR DISCLOSURE OF CONFIDENTIAL OR PERSONAL I
UMB7010	0514	EXCLUSION-ACCESS OR DISCLOSURE OF CONFIDENTIAL OR PERSONAL I



Nationwide®
is on your side

55 549 42 PZ



MONTGOMERY WOODS CONDOMINIUM ASSOCIATION INC
8725 LOCH RAVEN BLVD
TOWSON, MD 21286-2207

PLEASE KEEP THIS FOR YOUR RECORDS

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YOUR BILLING ACCOUNT NUMBER IS: 801908803

Your Commercial Insurance Package

Courtesy of:

AGENCY - MD 54131

GORGES & COMPANY INC
2345 YORK RD STE 200
TIMONIUM MD 21093-2261

POLICY # ACP 31-9-0514176

COMMERCIAL PACKAGE - ACP 31-9-0514176



NATIONWIDE P & C INS CO

CHANGE OF DECLARATIONS ENDORSEMENT - PLEASE READ CAREFULLY.

POLICY NUMBER ACP BPHK 3190514176		PREMIER BUSINESSOWNERS POLICY	
NAMED INSURED: MONTGOMERY WOODS CONDOMINIUM ASSOCIATION INC			
MAILING ADDRESS: 8725 LOCH RAVEN BLVD TOWSON, MD 21286-2207			
AGENT NAME: GORGES & COMPANY INC		19 54131	NO CHARGE \$.00
AGENT ADDRESS: TIMONIUM MD 21093		004	
POLICY PERIOD: FROM 03-01-23 TO 03-01-24 12:01 A.M. Standard Time			
EFFECTIVE DATE OF CHANGE: 03-01-23 12:01 A.M. Standard Time			
NOT A STATEMENT - YOUR BILLING WILL FOLLOW			TOTAL PREMIUM \$.00

NOT A STATEMENT - YOUR BILLING WILL FOLLOW

TOTAL PREMIUM \$.00

***** INSURED NAME ***** NO. 001000

CHANGED INSURED NAME

FROM : GORGES & COMPANY INC
TO : MONTGOMERY WOODS CONDOMINIUM ASSOCIATION INC

PREMIUM

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TO : MONTGOMERY WOODS CONDOMINIUM ASSOCIATION INC

PB8114 (01-01) 02

54131

AMCO INSURANCE COMPANY
1100 LOCUST ST DEPT 1100 DES MOINES, IA 50391-2000

CHANGE OF DECLARATIONS ENDORSEMENT - PLEASE READ CAREFULLY

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PREMIUM

***** GENERAL CHANGES *****
CHANGED GENERAL INFORMATION

***** NAMED INSURED CHANGES *****
DELETED INSURED NAME
GORGES & COMPANY INC

THIS IS NOT A BILL - SEE YOUR BILLING STATEMENT

DIRECT BILL
PES-1 (02-89)

LBB7 23086

INSURED

51 42 01737

3B

NW-CP-1305-0517-00

AMCO INSURANCE COMPANY

COMMERCIAL UMBRELLA LIABILITY
FORMS AND ENDORSEMENTS SUMMARY

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From 03/01/23 To 03/01/24

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UMB0052	0115	CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM
UMB0064	0120	CONDITIONAL EXCLUSION OF TERRORISM (RELATING TO DISPOSITION
UMB0064	0120	CONDITIONAL EXCLUSION OF TERRORISM (RELATING TO DISPOSITION
UMB1900	1217	MARYLAND CHANGES - CANCELLATION AND NONRENEWAL
UMB1902	0413	MARYLAND CHANGES - REPRESENTATIONS OR FRAUD
UMB1902	0413	MARYLAND CHANGES - REPRESENTATIONS OR FRAUD
UMB7010	0514	EXCLUSION-ACCESS OR DISCLOSURE OF CONFIDENTIAL OR PERSONAL I
UMB7010	0514	EXCLUSION-ACCESS OR DISCLOSURE OF CONFIDENTIAL OR PERSONAL I

Montgomery Woods Condominium Association, Inc

Reserve Study / Reports



Council of Unit Owners of Montgomery Woods Condominium, Inc.

Elkridge, MD • September 8, 2022

RESERVE STUDY





Long-term thinking. Everyday commitment.

Corporate Office

Reserve Advisors, LLC
735 N. Water Street, Suite 175
Milwaukee, WI 53202

Council of Unit Owners of Montgomery Woods Condominium, Inc.
Elkridge, Maryland

Dear Board of Directors of Council of Unit Owners of Montgomery Woods Condominium, Inc.:

At the direction of the Board that recognizes the need for proper reserve planning, we have conducted a *Reserve Study* of Council of Unit Owners of Montgomery Woods Condominium, Inc. in Elkridge, Maryland and submit our findings in this report. The effective date of this study is the date of our visual, noninvasive inspection, September 8, 2022.

This *Reserve Study* exceeds the Association of Professional Reserve Analysts (APRA) standards fulfilling the requirements of a "Level II Reserve Study Update."

An ongoing review by the Board and an Update of this Reserve Study are necessary to ensure an equitable funding plan since a Reserve Study is a snapshot in time. We recommend the Board budget for an Update to this Reserve Study in two- to three-years. We look forward to continuing to help Council of Unit Owners of Montgomery Woods Condominium, Inc. plan for a successful future.

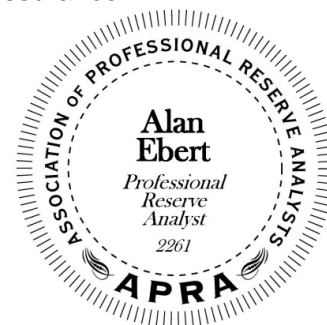
As part of our long-term thinking and everyday commitment to our clients, we are available to answer any questions you may have regarding this study.

Respectfully submitted on November 3, 2022 by

Reserve Advisors, LLC

Visual Inspection and Report by: Nicholas R. Julia, RS¹

Review by: Alan M. Ebert, RS, PRA², Director of Quality Assurance



¹ RS (Reserve Specialist) is the reserve provider professional designation of the Community Associations Institute (CAI) representing America's more than 300,000 condominium, cooperative and homeowners associations.

² PRA (Professional Reserve Analyst) is the professional designation of the Association of Professional Reserve Analysts. Learn more about APRA at <http://www.apra-usa.com>.





Table of Contents

1. RESERVE STUDY EXECUTIVE SUMMARY	1.1
2. RESERVE STUDY REPORT.....	2.1
3. RESERVE EXPENDITURES and FUNDING PLAN.....	3.1
4. RESERVE COMPONENT DETAIL.....	4.1
Asphalt Pavement, Repaving	4.1
Catch Basins	4.6
Concrete Curbs and Gutters.....	4.7
Concrete Sidewalks.....	4.8
Pipes, Subsurface Utilities	4.10
Reserve Study Update	4.11
5. METHODOLOGY	5.1
6. CREDENTIALS	6.1
7. DEFINITIONS	7.1
8. PROFESSIONAL SERVICE CONDITIONS	8.1



1. RESERVE STUDY EXECUTIVE SUMMARY

Client: Council of Unit Owners of Montgomery Woods Condominium, Inc. (Montgomery Woods)

Location: Elkridge, Maryland

Reference: 99055

Property Basics: Council of Unit Owners of Montgomery Woods Condominium, Inc. is a condominium style development which consists of 129 units in 20 buildings. The buildings were built from 1975 to 1979.

Reserve Components Identified: 25 Reserve Components.

Inspection Date: September 8, 2022. We conducted previous inspections in 2014, 2006 and 1999.

Funding Goal: The Funding Goal of this Reserve Study is to maintain reserves above an adequate, not excessive threshold during one or more years of significant expenditures. Our recommended Funding Plan recognizes this threshold funding year in 2049 due to repaving of the asphalt pavement streets.

Methodology: We use the Cash Flow Method to compute the Reserve Funding Plan. This method offsets future variable Reserve Expenditures with existing and future stable levels of reserve funding. Our application of this method also considers:

- Current and future local costs of replacement
- 0.7% anticipated annual rate of return on invested reserves
- 3.0% future Inflation Rate for estimating Future Replacement Costs

Sources for Local Costs of Replacement: Our proprietary database, historical costs and published sources, i.e., R.S. Means, Incorporated.

Unaudited Cash Status of Reserve Fund:

- \$611,000 as of September 8, 2022
- 2022 budgeted Reserve Contributions of \$68,480

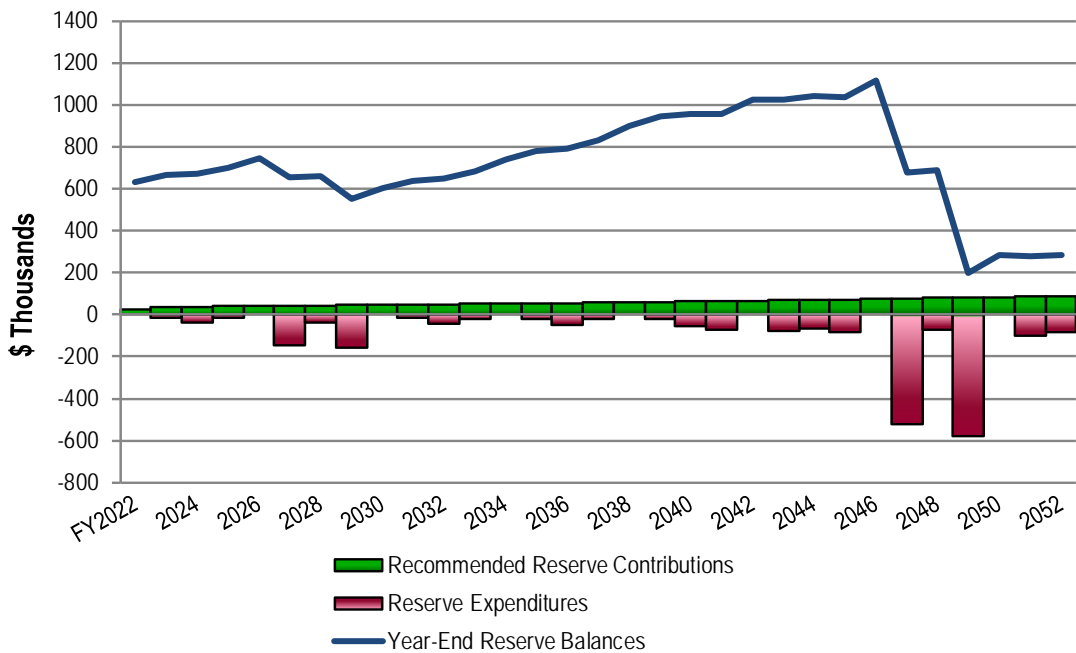
Recommended Reserve Funding: We recommend the following in order to achieve a stable and equitable Cash Flow Methodology Funding Plan:

- Reduced reserve budget of \$38,000 in 2023
- Inflationary increases through 2052, the limit of this study's Cash Flow Analysis
- 2023 Reserve Contribution of \$38,000 is equivalent to an average monthly contribution of \$24.55 per unit owner.
- The Association may ascribe the actual contributions and assessments per owner based upon percent ownership, as defined by the Association's governing documents.



Montgomery Woods
Recommended Reserve Funding Table and Graph

Year	Reserve Contributions (\$)	Reserve Balances (\$)	Year	Reserve Contributions (\$)	Reserve Balances (\$)	Year	Reserve Contributions (\$)	Reserve Balances (\$)
2023	38,000	664,109	2033	51,000	684,715	2043	68,500	1,026,377
2024	39,100	672,570	2034	52,500	742,192	2044	70,600	1,040,427
2025	40,300	702,497	2035	54,100	782,072	2045	72,700	1,037,027
2026	41,500	749,060	2036	55,700	792,934	2046	74,900	1,119,448
2027	42,700	653,223	2037	57,400	834,384	2047	77,100	678,821
2028	44,000	662,078	2038	59,100	899,532	2048	79,400	691,239
2029	45,300	553,197	2039	60,900	944,876	2049	81,800	199,465
2030	46,700	603,933	2040	62,700	957,563	2050	84,300	285,456
2031	48,100	639,010	2041	64,600	954,782	2051	86,800	276,054
2032	49,500	648,281	2042	66,500	1,028,198	2052	89,400	286,650





2. RESERVE STUDY REPORT

At the direction of the Board that recognizes the need for proper reserve planning, we have conducted a *Reserve Study* of

Council of Unit Owners of Montgomery Woods Condominium, Inc.

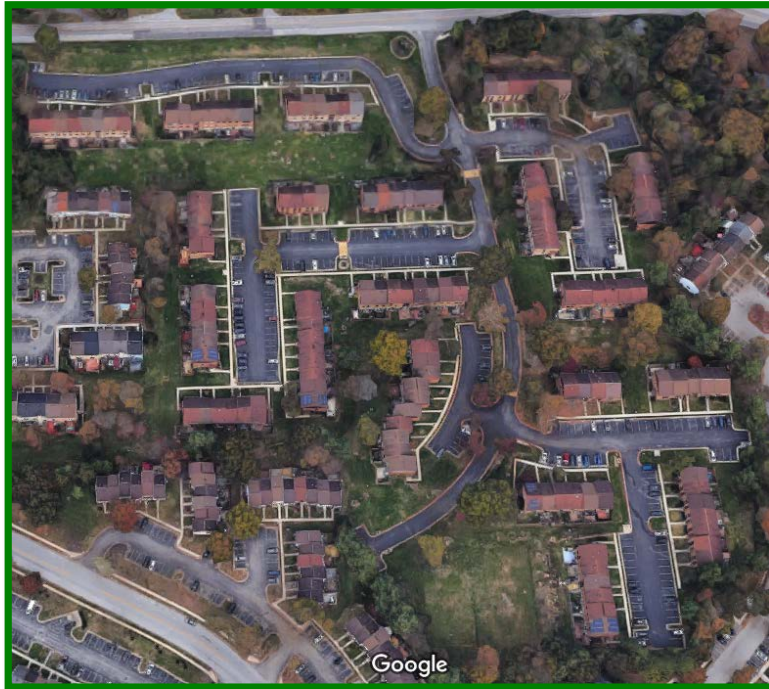
Elkridge, Maryland

and submit our findings in this report. The effective date of this study is the date of our visual, noninvasive inspection, September 8, 2022. We conducted previous inspections in 2014, 2006 and 1999.

We present our findings and recommendations in the following report sections and spreadsheets:

- **Identification of Property** - Segregates all property into several areas of responsibility for repair or replacement
- **Reserve Expenditures** - Identifies reserve components and related quantities, useful lives, remaining useful lives and future reserve expenditures during the next 30 years
- **Reserve Funding Plan** - Presents the recommended Reserve Contributions and year-end Reserve Balances for the next 30 years
- **Reserve Component Detail** - Describes the reserve components, includes photographic documentation of the condition of various property elements, describes our recommendations for repairs or replacement, and includes detailed solutions and procedures for replacements for the benefit of current and future board members
- **Methodology** - Lists the national standards, methods and procedures used to develop the Reserve Study
- **Definitions** - Contains definitions of terms used in the Reserve Study, consistent with national standards
- **Professional Service Conditions** - Describes Assumptions and Professional Service Conditions
- **Credentials and Resources**

IDENTIFICATION OF PROPERTY



Our investigation includes Reserve Components or property elements as set forth in your Declaration. The Expenditure tables in Section 3 list the elements contained in this study. Our analysis begins by segregating the property elements into several areas of responsibility for repair and replacement.

Our process of identification helps assure that future boards and the management team understand whether reserves, the operating budget or Unit Owners fund certain replacements and assists in preparation of the annual budget. We derive these segregated classes of property from our review of the information provided by the Association and through conversations with Management. These classes of property include:

- Reserve Components
- Long-Lived Property Elements
- Operating Budget Funded Repairs and Replacements
- Property Maintained by Others

We advise the Board conduct an annual review of these classes of property to confirm its policy concerning the manner of funding, i.e., from reserves or the operating budget. The Reserve Study identifies Reserve Components as set forth in your Declaration or which were identified as part of your request for proposed services. Reserve Components are defined by CAI as property elements with:

- Montgomery Woods responsibility



- Limited useful life expectancies
- Predictable remaining useful life expectancies
- Replacement cost above a minimum threshold

Long-Lived Property Elements may not have predictable Remaining Useful Lives or their replacement may occur beyond the 30-year scope of the study. The operating budget should fund infrequent repairs. Funding untimely or unexpected replacements from reserves will necessitate increases to Reserve Contributions. Periodic updates of this Reserve Study will help determine the merits of adjusting the Reserve Funding Plan. At this time, we do not identify any Long-Lived Property Elements at the community.

The operating budget provides money for the repair and replacement of certain Reserve Components. The Association may develop independent criteria for use of operating and reserve funds. For purposes of calculating appropriate Reserve Contributions, we identify the following list of Operating Budget Funded Repairs and Replacements:

- General Maintenance to the Common Elements
- Expenditures less than \$2,500 (These relatively minor expenditures have a limited effect on the recommended Reserve Contributions.)
- Catch Basins, Landscape
- Entrance Monument, Power Wash, Repairs, and Renovations
- Irrigation System, Controls and Maintenance, Entrance
- Landscape, Maintenance
- Paint Finishes, Curbs and Touch Up
- Pet Waste Stations
- Signage, Street and Traffic Management
- Other Repairs normally funded through the Operating Budget



Pet waste station



Street signage



Certain items have been designated as the responsibility of others to repair or replace. Property Maintained by Others relates to:

- Asphalt Pavement Street System, Steepridge Drive (Including Concrete Curbs, Gutters, and Catch Basins; County)
- Concrete Sidewalks, Adjacent to the Buildings (Unit Owners)
- Fence, Chain Link (Adjacent Property)
- Gate, Steepridge Drive (County)
- Homes and Lots (Unit Owners)
- Light Poles and Fixtures (BG&E Utility Company)
- Mailbox Stations (United States Postal Service)



Light pole and fixture



Mailbox stations



3. RESERVE EXPENDITURES and FUNDING PLAN

The tables following this introduction present:

Reserve Expenditures

- Line item numbers
- Total quantities
- Quantities replaced per phase (in a single year)
- Reserve component inventory
- Estimated first year of event (i.e., replacement, application, etc.)
- Life analysis showing
 - useful life
 - remaining useful life
- 2022 local cost of replacement
 - Per unit
 - Per phase
 - Replacement of total quantity
- Percentage of future expenditures anticipated during the next 30 years
- Schedule of estimated future costs for each reserve component including inflation

Reserve Funding Plan

- Reserves at the beginning of each year
- Total recommended reserve contributions
- Estimated interest earned from invested reserves
- Anticipated expenditures by year
- Anticipated reserves at year end
-

The purpose of a Reserve Study is to provide an opinion of reasonable annual Reserve Contributions. Prediction of exact timing and costs of minor Reserve Expenditures typically will not significantly affect the 30-year cash flow analysis. Adjustments to the times and/or costs of expenditures may not always result in an adjustment in the recommended Reserve Contributions.

Financial statements prepared by your association, by you or others might rely in part on information contained in this section. For your convenience, we have provided an electronic data file containing the tables of ***Reserve Expenditures*** and ***Reserve Funding Plan***.

RESERVE FUNDING PLAN

CASH FLOW ANALYSIS
Council of Unit Owners of
Montgomery Woods Condominium, Inc.

	Individual Reserve Budgets & Cash Flows for the Next 30 Years															
	FY2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
Reserves at Beginning of Year	611,000	635,279	664,109	672,570	702,497	749,060	653,223	662,078	553,197	603,933	639,070	648,281	684,715	742,192	782,072	792,934
Total Recommended Reserve Contributions	(Note 1) 22,827	4,532	59,100	40,300	41,500	42,700	44,000	45,300	46,700	48,100	49,500	51,000	52,500	54,100	55,700	57,400
Estimated Interest Earned During Year	(Note 2) 1,452	4,532	4,662	4,796	5,063	4,891	4,587	4,239	4,036	4,335	4,490	4,649	4,977	5,316	5,493	5,676
Anticipated Expenditures, By Year	0	(13,702)	(35,301)	(15,169)	0	(143,428)	(39,732)	(158,420)	0	(17,358)	(44,719)	(19,215)	0	(19,536)	(50,331)	(21,626)
Anticipated Reserves at Year End	\$639,219	\$664,109	\$672,570	\$702,497	\$749,060	\$653,223	\$662,078	\$553,197	\$603,933	\$639,070	\$648,281	\$684,715	\$742,192	\$782,072	\$792,934	\$834,584

(continued)

	Individual Reserve Budgets & Cash Flows for the Next 30 Years, Continued														
	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052
Reserves at Beginning of Year	834,384	899,582	944,876	957,643	954,282	1,028,198	1,026,572	1,040,427	1,037,027	1,119,448	678,821	691,239	199,445	285,456	276,654
Total Recommended Reserve Contributions	59,700	64,900	62,700	64,600	66,500	68,500	70,600	72,700	74,900	77,100	79,400	81,800	84,300	86,800	89,400
Estimated Interest Earned During Year	6,048	6,433	6,635	6,670	6,916	7,166	7,209	7,246	7,521	6,772	4,778	3,107	1,697	1,958	1,963
Anticipated Expenditures, By Year	0	(21,989)	(56,648)	(74,051)	0	(77,487)	(63,759)	(83,346)	0	(523,999)	(71,760)	(576,681)	0	(98,160)	(80,767)
Anticipated Reserves at Year End	\$899,532	\$944,876	\$957,643	\$954,282	\$1,028,198	\$1,026,572	\$1,040,427	\$1,037,027	\$1,119,448	\$678,821	\$691,239	\$285,445	\$276,654	\$286,650	\$286,650

Explanation of Notes:

- 1) Year 2022 starting reserves are as of September 8, 2022. FY2022 starts January 1, 2022 and ends December 31, 2022.
- 2) Reserve Contributions for 2022 are the remaining budgeted 4 months. 2023 is the first year of recommended contributions.
- 3) 0.7% is the estimated annual rate of return on invested reserves. 2022 is a partial year of interest earned.
- 4) Accumulated year 2052 ending reserves consider the age, size, overall condition and complexity of the property.
- 5) Threshold Funding Year (reserve balance at critical point).

FIVE-YEAR OUTLOOK**Council of Unit Owners of
Montgomery Woods Condominium, Inc.**
Elkridge, Maryland

Line Item	Reserve Component Inventory	RUL = 0 FY2022	1 2023	2 2024	3 2025	4 2026	5 2027
4.020	Asphalt Pavement, Crack Repair, Patch, Striping, and Seal Coat, Chipwood Court				3,775		
4.021	Asphalt Pavement, Crack Repair, Patch, Striping, and Seal Coat, Critter Court				3,385		
4.022	Asphalt Pavement, Crack Repair, Patch, Striping, and Seal Coat, Diggers Lane		4,304				
4.023	Asphalt Pavement, Crack Repair, Patch, Striping, and Seal Coat, Hunt Hill Drive		6,662				
4.024	Asphalt Pavement, Crack Repair, Patch, Striping, and Seal Coat, Streepridge Court		2,044				
4.025	Asphalt Pavement, Crack Repair, Patch, Striping, and Seal Coat, Whisper Way				8,009		
4.026	Asphalt Pavement, Crack Repair, Patch, Striping, and Seal Coat, 2005 Parking Area		692				
4.042	Asphalt Pavement, Mill and Overlay, Diggers Lane						42,679
4.043	Asphalt Pavement, Mill and Overlay, Hunt Hill Drive						66,055
4.044	Asphalt Pavement, Mill and Overlay, Steepridge Court						20,267
4.046	Asphalt Pavement, Mill and Overlay, 2005 Parking Area						6,863
4.100	Catch Basins, Inspections and Capital Repairs, Phased						7,564
4.110	Concrete Curbs and Gutters, Partial			18,831			
4.140	Concrete Sidewalks, Partial			16,470			
Anticipated Expenditures, By Year (\$2,307,184 over 30 years)		0	13,702	35,301	15,169	0	143,428



4. RESERVE COMPONENT DETAIL

The Reserve Component Detail of this *Reserve Study* includes enhanced solutions and procedures for select significant components. This section describes the Reserve Components, documents specific problems and condition assessments, and may include detailed solutions and procedures for necessary capital repairs and replacements for the benefit of current and future board members. We advise the Board use this information to help define the scope and procedures for repair or replacement when soliciting bids or proposals from contractors. *However, the Report in whole or part is not and should not be used as a design specification or design engineering service.*

Asphalt Pavement, Repaving

Line Items: 4.020 through 4.053

Quantity and Condition: The Association maintains approximately 12,945 square yards of asphalt pavement at the streets and parking areas through the community. We include a breakdown of the locations, quantities and conditions of the pavement in the following diagram:

Location	Quantity (Square Yards)	Condition
Chipwood Court	1,645	Fair overall with cracks and patching evident
Critter Court	1,475	Fair overall with cracks and patching evident
Diggers Lane	1,990	Fair to poor overall with cracks, alligator cracks and pavement deterioration evident
Hunt Hill Drive	3,080	Fair overall with cracks, centerline patches, and parking area ruts evident
Steepridge Court	945	Fair overall with cracks and isolated alligator cracks evident
Whisper Way	3,490	Fair overall with cracks and minor patching evident
2005 Parking Area	320	Good to fair overall with cracks evident

History:

- Repaving: The pavement throughout the community was likely milled and overlaid last from 1996 – 1999. The parking area adjacent to Diggers Lane was installed in 2005
- Repairs: The date of repairs at the pavement varies and is unknown



Chipwood Court overview



Chipwood Court Cracks



Critter Court overview



Critter Court centerline patching and cracks



Diggers Lane overview



Diggers Lane cracks and pavement deterioration



Diggers Lane cracks



Hunt Hill Drive overview



Hunt Hill Drive cracks



Hunt Hill Drive pavement ruts



Steepridge Court overview



Steepridge Court cracks



Whisper Way overview



Whisper Way cracks



Whisper Way patching and vehicular fluid stains

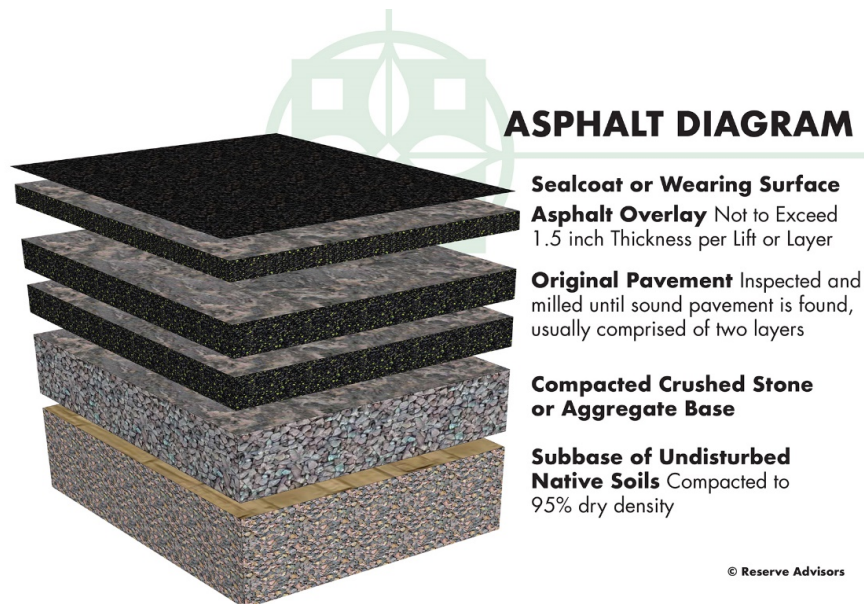


2005 Parking Area overview

Useful Life: 15- to 20-years with the benefit of crack repair and patch events every three- to five-years

Component Detail Notes: Proposals should include mechanically routing and filling all cracks with hot emulsion. Repairs should also include patching at areas exhibiting settlement, potholes, or excessive cracking. The contractor should only apply seal coat applications after repairs are completed. A seal coat does not bridge or close cracks, therefore, unrepaired cracks render the seal coat applications useless. These activities minimize the damaging effects of vehicle fluids, maintain a uniform and positive appearance, and maximize the useful life of the pavement.

The initial installation of asphalt uses at least two lifts, or two separate applications of asphalt, over the base course. The first lift is the binder course. The second lift is the wearing course. The wearing course comprises a finer aggregate for a smoother more watertight finish. The following diagram depicts the typical components although it may not reflect the actual configuration at Montgomery Woods:



The manner of repaving is either a mill and overlay or total replacement. A mill and overlay is a method of repaving where cracked, worn and failed pavement is mechanically removed or milled until sound pavement is found. A new layer of asphalt is overlaid atop the remaining base course of pavement. Total replacement includes the removal of all existing asphalt down to the base course of aggregate and native soil followed by the application of two or more new lifts of asphalt. We recommend mill and overlayment on asphalt pavement that exhibits normal deterioration and wear. We recommend total replacement of asphalt pavement that exhibits severe deterioration, inadequate drainage, pavement that has been overlaid multiple times in the past or where the configuration makes overlayment not possible. Based on the apparent visual condition and configuration of the asphalt pavement, we recommend the mill and overlay method for initial repaving followed by the total replacement method for subsequent repaving at Montgomery Woods.



Preventative Maintenance Notes: We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Annually:
 - Inspect for settlement, large cracks and trip hazards, and ensure proper drainage
 - Repair areas which could cause vehicular damage such as potholes
- As needed:
 - Perform crack repairs and patching

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. Our cost includes an allowance for crack repairs and patching of up to two percent (2%) of the pavement during each event and also includes seal coat applications and striping of the parking areas. Our cost for milling and overlayment includes area patching of up to twenty percent (20%).

Catch Basins

Line Item: 4.100

Quantity: Nine catch basins¹ located at the community maintained streets. This excludes the catch basins located at Steepridge Drive since this street is the County's responsibility to maintain.

History: Original

Condition: Good to fair overall with minor settlement evident



Catch basin overview



Catch basin overview; we note minor cracks at the concrete gutters adjacent to the catch basin indicating possible minor settlement

¹ We utilize the terminology catch basin to refer to all storm water collection structures including curb inlets.



Useful Life: The useful life of catch basins is up to 65 years. However, achieving this useful life usually requires interim capital repairs or partial replacements every 15- to 20-years.

Component Detail Notes: Erosion causes settlement around the collar of catch basins. Left unrepaired, the entire catch basin will shift and need replacement.

Preventative Maintenance Notes: We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Annually:
 - Inspect and repair any settlement and collar cracks
 - Ensure proper drainage and inlets are free of debris
 - If property drainage is not adequate in heavy rainfall events, typically bi-annual cleaning of the catch basins is recommended

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. We recommend the Association plan for inspections and capital repairs to the catch basins in conjunction with repaving.

Concrete Curbs and Gutters

Line Item: 4.110

Quantity: Approximately 6,660 linear feet at the community maintained streets

Condition: Good to fair overall with cracks and settlement evident



Curb and gutter crack



Curb and gutter crack



Curb and gutter crack



Curb and gutter settlement

Useful Life: Up to 65 years although interim deterioration of areas is common

Preventative Maintenance Notes: We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Annually:
 - Inspect and repair major cracks, spalls and trip hazards
 - Mark with orange safety paint prior to replacement or repair
 - Repair or perform concrete leveling in areas in immediate need of repair or possible safety hazard

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. We estimate that up to 4,000 linear feet of curbs and gutters, or sixty percent (60.1%) of the total, will require replacement during the next 30 years.

Concrete Sidewalks

Line Item: 4.140

Quantity: Approximately 14,385 square feet at the community maintained streets; this excludes the entrance walks.

Condition: Good to fair overall with cracks and previous replacements evident



Sidewalk cracks



Sidewalk crack



Sidewalk cracks



Sidewalk crack

Useful Life: Up to 65 years although interim deterioration of areas is common

Preventative Maintenance Notes: We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Annually:
 - Inspect and repair major cracks, spalls and trip hazards
 - Mark with orange safety paint prior to replacement or repair
 - Repair or perform concrete leveling in areas in immediate need of repair or possible safety hazard

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. We estimate that up to 10,800 square feet of concrete sidewalks, or seventy-five percent (75.1%) of the total, will require replacement during the next 30 years.



Pipes, Subsurface Utilities

Line Item: 4.650

Quantity: Based on the layout and configuration of the property, we estimate approximately 6,300 linear feet of common subsurface utility pipes.

Condition: Reported satisfactory

Useful Life: Up to and likely beyond 85 years

Component Detail Notes: The Association maintains the subsurface utility pipes throughout the property. The exact amounts and locations of the subsurface utility pipes were not ascertained due to the nature of the underground construction and the non-invasive nature of the inspection.

Preventative Maintenance Notes: We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- As-needed:
 - Video inspect waste pipes for breaks and damaged piping
 - Monitor for water and gas leaks through pressure losses and present odors
 - Partially replace damaged section of pipes

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. At this time, we do not anticipate replacement of continuous lengths of subsurface utility pipes. Rather we recommend the Association budget for repairs to isolated occurrences of breached utilities. Although it is likely that the times of replacement and extent of repair costs may vary from the budgetary allowance, Montgomery Woods could budget sufficient reserves for these utility repairs and have the opportunity to adjust its future reserves up or down to meet any changes to these budgetary estimates. Updates of this Reserve Study would incorporate changes to budgetary costs through a continued historical analysis of the rate of deterioration and actual repairs to budget sufficient reserves.



Reserve Study Update

An ongoing review by the Board and an Update of this Reserve Study are necessary to ensure an equitable funding plan since a Reserve Study is a snapshot in time. Many variables change after the study is conducted that may result in significant overfunding or underfunding the reserve account. Variables that may affect the Reserve Funding Plan include, but are not limited to:

- Deferred or accelerated capital projects based on Board discretion
- Changes in the interest rates on reserve investments
- Changes in the *local* construction inflation rate
- Additions and deletions to the Reserve Component Inventory
- The presence or absence of maintenance programs
- Unusually mild or extreme weather conditions
- Technological advancements

Periodic updates incorporate these variable changes since the last Reserve Study or Update. We recommend the Board budget for an Update to this Reserve Study in two-to three-years. Budgeting for an Update demonstrates the Board's objective to continue fulfilling its fiduciary responsibility to maintain the commonly owned property and to fund reserves appropriately.



5.METHODOLOGY

Reserves for replacement are the amounts of money required for future expenditures to repair or replace Reserve Components that wear out before the entire facility or project wears out. Reserving funds for future repair or replacement of the Reserve Components is also one of the most reliable ways of protecting the value of the property's infrastructure and marketability.

Montgomery Woods can fund capital repairs and replacements in any combination of the following:

1. Increases in the operating budget during years when the shortages occur
2. Loans using borrowed capital for major replacement projects
3. Level monthly reserve assessments annually adjusted upward for inflation to increase reserves to fund the expected major future expenditures
4. Special assessments

We do not advocate special assessments or loans unless near term circumstances dictate otherwise. Although loans provide a gradual method of funding a replacement, the costs are higher than if the Association were to accumulate reserves ahead of the actual replacement. Interest earnings on reserves also accumulate in this process of saving or reserving for future replacements, thereby defraying the amount of gradual reserve collections. We advocate the third method of *Level Monthly Reserve Assessments* with relatively minor annual adjustments. The method ensures that Unit Owners pay their "fair share" of the weathering and aging of the commonly owned property each year. Level reserve assessments preserve the property and enhance the resale value of the homes.

This Reserve Study is in compliance with and exceeds the National standards¹ set forth by the Association of Professional Reserve Analysts (APRA) fulfilling the requirements of a "Level II Reserve Study Update." These standards require a Reserve Component to have a "predictable remaining Useful Life." Estimating Remaining Useful Lives and Reserve Expenditures beyond 30 years is often indeterminate. Long-Lived Property Elements are necessarily excluded from this analysis. We considered the following factors in our analysis:

- The Cash Flow Method to compute, project and illustrate the 30-year Reserve Funding Plan
- Local² costs of material, equipment and labor
- Current and future costs of replacement for the Reserve Components
- Costs of demolition as part of the cost of replacement
- Local economic conditions and a historical perspective to arrive at our estimate of long-term future inflation for construction costs in Elkridge, Maryland at an annual inflation rate³. Isolated or regional markets of

¹ Identified in the APRA "Standards - Terms and Definitions" and the CAI "Terms and Definitions".

² See Credentials for additional information on our use of published sources of cost data.

³ Derived from Marshall & Swift, historical costs and the Bureau of Labor Statistics.



greater construction (development) activity may experience slightly greater rates of inflation for both construction materials and labor.

- The past and current maintenance practices of Montgomery Woods and their effects on remaining useful lives
- Financial information provided by the Association pertaining to the cash status of the reserve fund and budgeted reserve contribution
- The anticipated effects of appreciation of the reserves over time in accord with a return or yield on investment of your cash equivalent assets. (We did not consider the costs, if any, of Federal and State Taxes on income derived from interest and/or dividend income).
- The Funding Plan excludes necessary operating budget expenditures. It is our understanding that future operating budgets will provide for the ongoing normal maintenance of Reserve Components.

Updates to this Reserve Study will continue to monitor historical facts and trends concerning the external market conditions.



6. CREDENTIALS

HISTORY AND DEPTH OF SERVICE

Founded in 1991, Reserve Advisors is the leading provider of reserve studies, insurance appraisals, developer turnover transition studies, expert witness services, and other engineering consulting services. Clients include community associations, resort properties, hotels, clubs, non-profit organizations, apartment building owners, religious and educational institutions, and office/commercial building owners in 48 states, Canada and throughout the world.

The **architectural engineering consulting firm** was formed to take a leadership role in helping fiduciaries, boards, and property managers manage their property like a business with a long-range master plan known as a Reserve Study.

Reserve Advisors employs the **largest staff of Reserve Specialists** with bachelor's degrees in engineering dedicated to Reserve Study services. Our founders are also founders of Community Associations Institute's (CAI) Reserve Committee that developed national standards for reserve study providers. One of our founders is a Past President of the Association of Professional Reserve Analysts (APRA). Our vast experience with a variety of building types and ages, on-site examination and historical analyses are keys to determining accurate remaining useful life estimates of building components.

No Conflict of Interest - As consulting specialists, our **independent opinion** eliminates any real or perceived conflict of interest because we do not conduct or manage capital projects.

TOTAL STAFF INVOLVEMENT

Several staff members participate in each assignment. The responsible advisor involves the staff through a Team Review, exclusive to Reserve Advisors, and by utilizing the experience of other staff members, each of whom has served hundreds of clients. We conduct Team Reviews, an internal quality assurance review of each assignment, including: the inspection; building component costing; lifing; and technical report phases of the assignment. Due to our extensive experience with building components, we do not have a need to utilize subcontractors.

OUR GOAL

To help our clients fulfill their fiduciary responsibilities to maintain property in good condition.

VAST EXPERIENCE WITH A VARIETY OF BUILDINGS

Reserve Advisors has conducted reserve studies for a multitude of different communities and building types. We've analyzed thousands of buildings, from as small as a 3,500-square foot day care center to a 2,600,000-square foot 98-story highrise. We also routinely inspect buildings with various types of mechanical systems such as simple electric heat, to complex systems with air handlers, chillers, boilers, elevators, and life safety and security systems.

We're familiar with all types of building exteriors as well. Our well-versed staff regularly identifies optimal repair and replacement solutions for such building exterior surfaces such as adobe, brick, stone, concrete, stucco, EIFS, wood products, stained glass and aluminum siding, and window wall systems.

OLD TO NEW

Reserve Advisors' experience includes ornate and vintage buildings as well as modern structures. Our specialists are no strangers to older buildings. We're accustomed to addressing the unique challenges posed by buildings that date to the 1800's. We recognize and consider the methods of construction employed into our analysis. We recommend appropriate replacement programs that apply cost effective technologies while maintaining a building's character and appeal.



NICHOLAS R. JULIA, RS
Regional Engineering Manager, Northeast Region

CURRENT CLIENT SERVICES

Nicholas R. Julia, a Civil Engineer, is an Advisor for Reserve Advisors, LLC. Mr. Julia is responsible for the inspection and analysis of the condition of clients' property, and recommending engineering solutions to prolong the lives of the components. He also forecasts capital expenditures for the repair and/or replacement of the property components and prepares technical reports on assignments. He is responsible for conducting Life Cycle Cost Analysis and Capital Replacement Forecast services and the preparation of Reserve Study Reports for condominiums, townhomes and homeowner associations. Nicholas Julia often serves as Quality Assurance Reviewer for all types of developments to ensure our reports maintain the level of quality which is expected of our firm.



The following is a partial list of clients served by Nicholas Julia demonstrating his breadth of experiential knowledge of community associations in construction and related buildings systems.

One Park Crest Condominium is an upscale 19-story high rise building located in McLean, Virginia just outside of Washington, D.C. Residents enjoy an 18th floor club room and outdoor pool. The building also contains an exercise room, library, professionally decorated lobby and underground parking.

The Maryland Club is an exclusive club located in the heart of Baltimore, Maryland. The elegant white marble main building dates back to 1892. The club contains squash courts, a banquet area, a dining hall, and a professional kitchen amongst many other amenities.

Town of St. Michaels, a scenic town located on the Eastern Shore of Maryland. The town includes an administrative building, police station, public works garage and offices, and a historic log cabin. The municipality also maintains the asphalt pavement streets throughout the town, multiple parks, two water towers and a complex arsenic removal water treatment system.

One Loudoun Neighborhood Association is an upscale planned unit development comprising townhomes and single family homes located in Ashburn, Virginia. The property includes a high-end clubhouse with over 12,000 square feet of interior space including a gymnasium and yoga studio. The property also includes walking trails, multiple playgrounds, a tennis court, sports court, and a pool.

3883 Connecticut Avenue Condominium is a 10-story midrise located in Washington, D.C. The building was constructed in 2002 and contains luxurious amenities including an elevated outdoor pool on the 8th floor, party room, exercise facility and an underground parking garage.

Lake Petersburg Association This man-made lake community of 380 single family homes is located in Petersburg, Illinois. Components of the property include a community boat launch, dock, three tennis courts, a basketball court, two maintenance buildings, an office, and vehicular equipment. The Association also maintains an earthen dam on the far side of the lake.

PRIOR RELEVANT EXPERIENCE

Before joining Reserve Advisors, Mr. Julia attended Marquette University in Milwaukee, Wisconsin where he attained his Bachelor of Science degree in Civil Engineering. His studies focused on transportation engineering and construction management engineering.

EDUCATION

Marquette University - B.S. Civil Engineering

PROFESSIONAL AFFILIATIONS / DESIGNATIONS

Engineer in Training (E.I.T.) – Washington D.C.
Reserve Specialist (RS) - Community Association Institute



ALAN M. EBERT, P.E., PRA, RS
Director of Quality Assurance

CURRENT CLIENT SERVICES

Alan M. Ebert, a Professional Engineer, is the Director of Quality Assurance for Reserve Advisors. Mr. Ebert is responsible for the management, review and quality assurance of reserve studies. In this role, he assumes the responsibility of stringent report review analysis to assure report accuracy and the best solution for Reserve Advisors' clients.



Mr. Ebert has been involved with thousands of Reserve Study assignments. The following is a partial list of clients served by Alan Ebert demonstrating his breadth of experiential knowledge of community associations in construction and related buildings systems.

Brownsville Winter Haven Located in Brownsville, Texas, this unique homeowners association contains 525 units. The Association maintains three pools and pool houses, a community and management office, landscape and maintenance equipment, and nine irrigation canals with associated infrastructure.

Rosemont Condominiums This unique condominium is located in Alexandria, Virginia and dates to the 1940's. The two mid-rise buildings utilize decorative stone and brick masonry. The development features common interior spaces, multi-level wood balconies and common asphalt parking areas.

Stillwater Homeowners Association Located in Naperville, Illinois, Stillwater Homeowners Association maintains four tennis courts, an Olympic sized pool and an upscale ballroom with commercial-grade kitchen. The community also maintains three storm water retention ponds and a detention basin.

Birchfield Community Services Association This extensive Association comprises seven separate parcels which include 505 townhome and single family homes. This Community Services Association is located in Mt. Laurel, New Jersey. Three lakes, a pool, a clubhouse and management office, wood carports, aluminum siding, and asphalt shingle roofs are a few of the elements maintained by the Association.

Oakridge Manor Condominium Association Located in Londonderry, New Hampshire, this Association includes 104 units at 13 buildings. In addition to extensive roads and parking areas, the Association maintains a large septic system and significant concrete retaining walls.

Memorial Lofts Homeowners Association This upscale high rise is located in Houston, Texas. The 20 luxury units include large balconies and decorative interior hallways. The 10-story building utilizes a painted stucco facade and TPO roof, while an on-grade garage serves residents and guests.

PRIOR RELEVANT EXPERIENCE

Mr. Ebert earned his Bachelor of Science degree in Geological Engineering from the University of Wisconsin-Madison. His relevant course work includes foundations, retaining walls, and slope stability. Before joining Reserve Advisors, Mr. Ebert was an oilfield engineer and tested and evaluated hundreds of oil and gas wells throughout North America.

EDUCATION

University of Wisconsin-Madison - B.S. Geological Engineering

PROFESSIONAL AFFILIATIONS/DESIGNATIONS

Professional Engineering License – Wisconsin, North Carolina, Illinois, Colorado

Reserve Specialist (RS) - Community Associations Institute

Professional Reserve Analyst (PRA) - Association of Professional Reserve Analysts



RESOURCES

Reserve Advisors utilizes numerous resources of national and local data to conduct its Professional Services. A concise list of several of these resources follows:

Association of Construction Inspectors, (ACI) the largest professional organization for those involved in construction inspection and construction project management. ACI is also the leading association providing standards, guidelines, regulations, education, training, and professional recognition in a field that has quickly become important procedure for both residential and commercial construction, found on the web at www.iami.org.

American Society of Heating, Refrigerating and Air-Conditioning Engineers, Inc., (ASHRAE) the American Society of Heating, Refrigerating and Air-Conditioning Engineers, Inc., devoted to the arts and sciences of heating, ventilation, air conditioning and refrigeration; recognized as the foremost, authoritative, timely and responsive source of technical and educational information, standards and guidelines, found on the web at www.ashrae.org. Reserve Advisors actively participates in its local chapter and holds individual memberships.

Community Associations Institute, (CAI) America's leading advocate for responsible communities noted as the only national organization dedicated to fostering vibrant, responsive, competent community associations. Their mission is to assist community associations in promoting harmony, community, and responsible leadership.

Marshall & Swift / Boeckh, (MS/B) the worldwide provider of building cost data, co-sourcing solutions, and estimating technology for the property and casualty insurance industry found on the web at www.marshallswift.com.

R.S. Means CostWorks, North America's leading supplier of construction cost information. As a member of the Construction Market Data Group, Means provides accurate and up-to-date cost information that helps owners, developers, architects, engineers, contractors and others to carefully and precisely project and control the cost of both new building construction and renovation projects found on the web at www.rsmeans.com.

Reserve Advisors' library of numerous periodicals relating to reserve studies, condition analyses, chapter community associations, and historical costs from thousands of capital repair and replacement projects, and product literature from manufacturers of building products and building systems.



7. DEFINITIONS

Definitions are derived from the standards set forth by the Community Associations Institute (CAI) representing America's 305,000 condominium and homeowners associations and cooperatives, and the Association of Professional Reserve Analysts, setting the standards of care for reserve study practitioners.

Cash Flow Method - A method of calculating Reserve Contributions where contributions to the reserve fund are designed to offset the variable annual expenditures from the reserve fund. Different Reserve Funding Plans are tested against the anticipated schedule of reserve expenses until the desired funding goal is achieved.

Component Method - A method of developing a Reserve Funding Plan with the total contribution is based on the sum of the contributions for individual components.

Current Cost of Replacement - That amount required today derived from the quantity of a *Reserve Component* and its unit cost to replace or repair a Reserve Component using the most current technology and construction materials, duplicating the productive utility of the existing property at current *local* market prices for *materials*, *labor* and manufactured equipment, contractors' overhead, profit and fees, but without provisions for building permits, overtime, bonuses for labor or premiums for material and equipment. We include removal and disposal costs where applicable.

Fully Funded Balance - The Reserve balance that is in direct proportion to the fraction of life "used up" of the current Repair or Replacement cost similar to Total Accrued Depreciation.

Funding Goal (Threshold) - The stated purpose of this Reserve Study is to determine the adequate, not excessive, minimal threshold reserve balances.

Future Cost of Replacement - *Reserve Expenditure* derived from the inflated current cost of replacement or current cost of replacement as defined above, with consideration given to the effects of inflation on local market rates for materials, labor and equipment.

Long-Lived Property Component - Property component of Montgomery Woods responsibility not likely to require capital repair or replacement during the next 30 years with an unpredictable remaining Useful Life beyond the next 30 years.

Percent Funded - The ratio, at a particular point of time (typically the beginning of the Fiscal Year), of the actual (or projected) Reserve Balance to the Fully Funded Balance, expressed as a percentage.

Remaining Useful Life - The estimated remaining functional or useful time in years of a *Reserve Component* based on its age, condition and maintenance.

Reserve Component - Property elements with: 1) Montgomery Woods responsibility; 2) limited Useful Life expectancies; 3) predictable Remaining Useful Life expectancies; and 4) a replacement cost above a minimum threshold.

Reserve Component Inventory - Line Items in ***Reserve Expenditures*** that identify a *Reserve Component*.

Reserve Contribution - An amount of money set aside or *Reserve Assessment* contributed to a *Reserve Fund* for future *Reserve Expenditures* to repair or replace *Reserve Components*.

Reserve Expenditure - Future Cost of Replacement of a Reserve Component.

Reserve Fund Status - The accumulated amount of reserves in dollars at a given point in time, i.e., at year end.

Reserve Funding Plan - The portion of the Reserve Study identifying the *Cash Flow Analysis* and containing the recommended Reserve Contributions and projected annual expenditures, interest earned and reserve balances.

Reserve Study - A budget planning tool that identifies the current status of the reserve fund and a stable and equitable Funding Plan to offset the anticipated future major common area expenditures.

Useful Life - The anticipated total time in years that a *Reserve Component* is expected to serve its intended function in its present application or installation.



8. PROFESSIONAL SERVICE CONDITIONS

Our Services - Reserve Advisors, LLC (RA) performs its services as an independent contractor in accordance with our professional practice standards and its compensation is not contingent upon our conclusions. The purpose of our reserve study is to provide a budget planning tool that identifies the current status of the reserve fund, and an opinion recommending an annual funding plan to create reserves for anticipated future replacement expenditures of the property.

Our inspection and analysis of the subject property is limited to visual observations, is noninvasive and is not meant to nor does it include investigation into statutory, regulatory or code compliance. RA inspects sloped roofs from the ground and inspects flat roofs where safe access (stairs or ladder permanently attached to the structure) is available. The report is based upon a "snapshot in time" at the moment of inspection. RA may note visible physical defects in our report. The inspection is made by employees generally familiar with real estate and building construction but in the absence of invasive testing RA cannot opine on, nor is RA responsible for, the structural integrity of the property including its conformity to specific governmental code requirements for fire, building, earthquake, and occupancy, or any physical defects that were not readily apparent during the inspection.

RA is not responsible for conditions that have changed between the time of inspection and the issuance of the report. RA does not investigate, nor assume any responsibility for any existence or impact of any hazardous materials, such as asbestos, urea-formaldehyde foam insulation, other chemicals, toxic wastes, environmental mold or other potentially hazardous materials or structural defects that are latent or hidden defects which may or may not be present on or within the property. RA does not make any soil analysis or geological study as part of its services; nor does RA investigate water, oil, gas, coal, or other subsurface mineral and use rights or such hidden conditions. RA assumes no responsibility for any such conditions. The Report contains opinions of estimated costs and remaining useful lives which are neither a guarantee of the actual costs of replacement nor a guarantee of remaining useful lives of any property element.

RA assumes, without independent verification, the accuracy of all data provided to it. You agree to indemnify and hold RA harmless against and from any and all losses, claims, actions, damages, expenses or liabilities, including reasonable attorneys' fees, to which we may become subject in connection with this engagement, because of any false, misleading or incomplete information which we have relied upon supplied by you or others under your direction, or which may result from any improper use or reliance on the Report by you or third parties under your control or direction. Your obligation for indemnification and reimbursement shall extend to any director, officer, employee, affiliate, or agent of RA. Liability of RA and its employees, affiliates, and agents for errors and omissions, if any, in this work is limited to the amount of its compensation for the work performed in this engagement.

Report - RA completes the services in accordance with the Proposal. The Report represents a valid opinion of RA's findings and recommendations and is deemed complete. RA, however, considers any additional information made available to us within 6 months of issuing the Report if a timely request for a revised Report is made. RA retains the right to withhold a revised Report if payment for services was not tendered in a timely manner. All information received by RA and all files, work papers or documents developed by RA during the course of the engagement shall remain the property of RA and may be used for whatever purpose it sees fit.

Your Obligations - You agree to provide us access to the subject property for an on-site visual inspection. You agree to provide RA all available, historical and budgetary information, the governing documents, and other information that we request and deem necessary to complete the Report. You agree to pay actual attorneys' fees and any other costs incurred to collect on any unpaid balance for RA's services.

Use of Our Report and Your Name - Use of this Report is limited to only the purpose stated herein. You hereby acknowledge that any use or reliance by you on the Report for any unauthorized purpose is at your own risk and you shall hold RA harmless from any consequences of such use. Use by any unauthorized third party is unlawful. The Report in whole or in part **is not and cannot be used as a design specification for design engineering purposes or as an appraisal**. You may show our Report in its entirety to the following third parties: members of your organization, your accountant, attorney, financial institution and property manager who need to review the information contained herein. Without the written consent of RA, you shall not disclose the Report to any other third party. The Report contains intellectual property developed by RA and **shall not be reproduced or distributed to any party that conducts reserve studies without the written consent of RA**.

RA will include your name in our client lists. RA reserves the right to use property information to obtain estimates of replacement costs, useful life of property elements or otherwise as RA, in its sole discretion, deems appropriate.

Payment Terms, Due Dates and Interest Charges - Retainer payment is due upon authorization and prior to inspection. The balance is due net 30 days from the report shipment date. Any balance remaining 30 days after delivery of the Report shall accrue an interest charge of 1.5% per month. Any litigation necessary to collect an unpaid balance shall be venued in Milwaukee County Circuit Court for the State of Wisconsin.



Long-term thinking. Everyday commitment.



TABLE OF CONTENTS

1. RESERVE STUDY EXECUTIVE SUMMARY	1.1
2. RESERVE STUDY REPORT	2.1
3. RESERVE EXPENDITURES and FUNDING PLAN	3.1
4. CONDITION ASSESSMENT.....	4.1
Property Site Elements.....	4.1
Asphalt Pavement, Crack Repair, Patch and Seal Coat.....	4.1
Asphalt Pavement, Repaving.....	4.4
Catch Basins.....	4.7
Concrete, Flatwork.....	4.8
Concrete Curbs and Gutters.....	4.9
Concrete Sidewalks.....	4.9
Pipes, Subsurface Utilities	4.10
Reserve Study Update.....	4.11
5. PHOTOGRAPHS	5.1
6. METHODOLOGY	6.1
7. DEFINITIONS	7.1
8. PROFESSIONAL SERVICE CONDITIONS.....	8.1
9. CREDENTIALS.....	9.1



Long-term thinking. Everyday commitment.

Corporate Office

Reserve Advisors, Inc.
735 N. Water Street, Suite 175
Milwaukee, WI 53202

1. RESERVE STUDY EXECUTIVE SUMMARY

Client: Council of Unit Owners of Montgomery Woods Condominium, Inc. (Montgomery Woods)

Location: Baltimore, Maryland

Reference: 99055

Property Basics: Council of Unit Owners of Montgomery Woods Condominium, Inc. is a planned unit development of 129 units in 20 townhome buildings. The community was built from 1975 to 1979. The development contains asphalt pavement streets, parking areas and concrete flatwork.

Reserve Components Identified: 26 Reserve Components.

Inspection Date: November 11, 2014. We conducted previous Reserve Studies on March 5, 1999 and January 24, 2006.

Funding Goal: The Funding Goal of this Reserve Study is to maintain reserves above an adequate, not excessive threshold during one or more years of significant expenditures. Our recommended Funding Plan recognizes this threshold funding year in 2044 due to replacement of the pavement and underlying utilities.

Cash Flow Method: We use the Cash Flow Method to compute the Reserve Funding Plan. This method offsets future variable Reserve Expenditures with existing and future stable levels of reserve funding. Our application of this method also considers:

- current and future local costs of replacement
- 1.1% annual rate of return on invested reserves
- 3.3% future Inflation Rate for estimating Future Replacement Costs

Sources for Local Costs of Replacement: Our proprietary database, historical costs and published sources, i.e., R.S. Means, Incorporated.

Cash Status of Reserve Fund: \$241,089 as of October 31, 2014.

Recommended Reserve Funding: The Association budgeted \$58,079 for Reserve Contributions in 2014. We recommend the Association adopt *steady* annual reserve contributions of \$58,100 from 2015 through 2017. Afterwards, the Association should budget gradual annual increases in reserve funding, that in part consider the effects of inflation. The 2015 Reserve Contribution is equivalent to an average monthly contribution of \$37.53 per homeowner.

Certification: This *Full Reserve Study* exceeds the Community Associations Institute (CAI) and the Association of Professional Reserve Analysts (APRA) standards fulfilling the requirements of a "Level I Full Reserve Study."

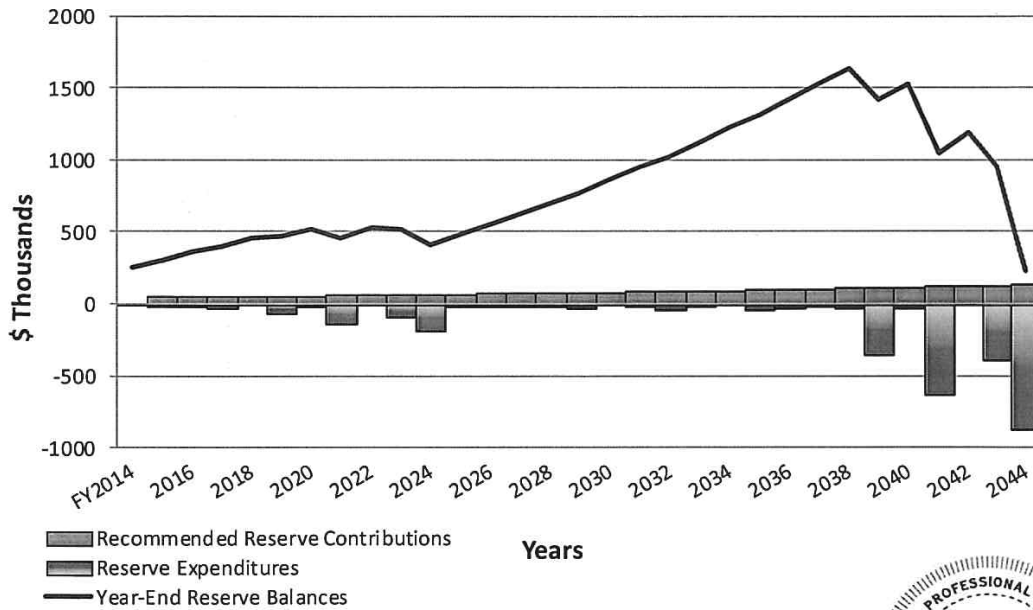
APRA
Association of Professional Reserve Analysts

MEMBER OF
community
ASSOCIATIONS INSTITUTE



Montgomery Woods
Recommended Reserve Funding Table and Graph

Year	Reserve Contributions (\$)	Reserve Balances (\$)	Year	Reserve Contributions (\$)	Reserve Balances (\$)	Year	Reserve Contributions (\$)	Reserve Balances (\$)
2015	58,100	305,419	2025	75,300	483,574	2035	104,100	1,315,150
2016	58,100	356,326	2026	77,800	552,546	2036	107,500	1,413,930
2017	58,100	394,952	2027	80,400	629,599	2037	111,000	1,524,051
2018	60,000	459,626	2028	83,100	701,742	2038	114,700	1,634,629
2019	62,000	465,605	2029	85,800	766,524	2039	118,500	1,421,075
2020	64,000	523,084	2030	88,600	864,043	2040	122,400	1,532,704
2021	66,100	456,530	2031	91,500	954,314	2041	126,400	1,044,806
2022	68,300	530,227	2032	94,500	1,021,240	2042	130,600	1,187,617
2023	70,600	517,666	2033	97,600	1,115,644	2043	134,900	947,405
2024	72,900	414,840	2034	100,800	1,229,270	2044	139,400	229,367



Respectfully submitted on November 21, 2014 by
RESERVE ADVISORS, INC.

Alan M. Ebert, PRA¹, RS², Associate Director of Quality Assurance
Visual Inspection and Report by: Michael S. Bentley, PRA, RS
Reviewed by: Nicole L. Lowery, PRA, RS, Associate Director of Quality Assurance



¹ PRA (Professional Reserve Analyst) is the professional designation of the Association of Professional Reserve Analysts. Learn more about APRA at <http://www.apra-usa.com>.
² RS (Reserve Specialist) is the reserve provider professional designation of the Community Associations Institute (CAI) representing America's more than 300,000 condominium, cooperative and homeowners associations.



2. RESERVE STUDY REPORT

At the direction of the Board that recognizes the need for proper reserve planning, we have conducted a *Full Reserve Study* of

Council of Unit Owners of Montgomery Woods Condominium, Inc.

Baltimore, Maryland

and submit our findings in this report. The effective date of this study is the date of our visual, noninvasive inspection, November 11, 2014. We conducted previous Reserve Studies on March 5, 1999 and January 24, 2006.

We present our findings and recommendations in the following report sections and spreadsheets:

- **Identification of Property** - Segregates all property into several areas of responsibility for repair or replacement
- **Reserve Expenditures** - Identifies reserve components and related quantities, useful lives, remaining useful lives and future reserve expenditures during the next 30 years
- **Reserve Funding Plan** - Presents the recommended Reserve Contributions and year-end Reserve Balances for the next 30 years
- **Condition Assessment** - Describes the reserve components, describes our recommendations for repairs or replacement, and includes detailed solutions and procedures for replacements for the benefit of current and future board members
- **Photographs** - Documentation of Condition of various property elements
- **Methodology** - Lists the national standards, methods and procedures used, financial information relied upon for the Financial Analysis of the Reserve Study
- **Definitions** - Contains definitions of terms used in the Reserve Study, consistent with national standards
- **Professional Service Conditions** - Describes Assumptions and Professional Service Conditions
- **Credentials and Resources**



IDENTIFICATION OF PROPERTY

Council of Unit Owners of Montgomery Woods Condominium, Inc. is a planned unit development of 129 units in 20 townhome buildings. The community was built from 1975 to 1979. The development contains asphalt pavement streets, parking areas and concrete flatwork. We identify 26 major reserve components that are likely to require capital repair or replacement during the next 30 years.

Our investigation includes Reserve Components or property elements as set forth in your Declaration. Our analysis begins by segregating the property elements into several areas of responsibility for repair and replacement. Our process of identification helps assure that future boards and the management team understand whether reserves, the operating budget or Homeowners fund certain replacements and assists in preparation of the annual budget. We derive these segregated classes of property from our review of the information provided by the Association and through conversations with Management. These classes of property include:

- Reserve Components
- Long-Lived Property Elements
- Operating Budget Funded Repairs and Replacements
- Property Maintained by Others

We advise that the Board conduct an annual review of these classes of property to confirm its policy concerning the manner of funding, i.e., from reserves or the operating budget. The Reserve Study identifies Reserve Components as set forth in your Declaration or which were identified as part of your request for proposed services. Reserve Components are defined by CAI as property elements with:

- Montgomery Woods responsibility
- Limited useful life expectancies
- Predictable remaining useful life expectancies
- Replacement cost above a minimum threshold



Long-Lived Property Elements do not have predictable Remaining Useful Lives. The operating budget should fund infrequent repairs. Funding untimely or unexpected replacements from reserves will necessitate increases to Reserve Contributions. Periodic updates of this Reserve Study will help determine the merits of adjusting the Reserve Funding Plan. We do not identify any Long-Lived Property Elements at this time.

The operating budget provides money for the repair and replacement of certain Reserve Components. Operating Budget Funded Repairs and Replacements relate to:

- General Maintenance to the Common Elements
- Expenditures less than \$2,500 (These relatively minor expenditures have a limited effect on the recommended Reserve Contributions.)
- Curb Paint
- Entrance Monument, Power Wash, Paint and Repair
- Irrigation System, Entrance
- Landscape
- Pet Stations
- Street Signage
- Other Repairs normally funded through the Operating Budget

Certain items have been designated as the responsibility of others to repair or replace.

Property Maintained by Others relates to:

- Fence, Chain Link (Adjacent Property)
- Homes and Lots (Homeowners)
- Light Poles and Fixtures (Baltimore Gas and Electric)
- Mailbox Stations (United States Postal Service)
- Sidewalks Adjacent to Units (Homeowners)



3. RESERVE EXPENDITURES and FUNDING PLAN

The tables following this introduction present:

Reserve Expenditures

- Line item numbers
- Total quantities replaced during the next 30 years
- Quantities replaced per phase (in a single year)
- Reserve component inventory
- Estimated first year of event (i.e., replacement, application, etc.)
- Life analysis showing
 - useful life
 - remaining useful life
- Unit cost of replacement
- 2014 local cost of replacement
- Total future costs of replacement anticipated during the next 30 years
- Schedule of estimated future costs for each reserve component including inflation

Reserve Funding Plan

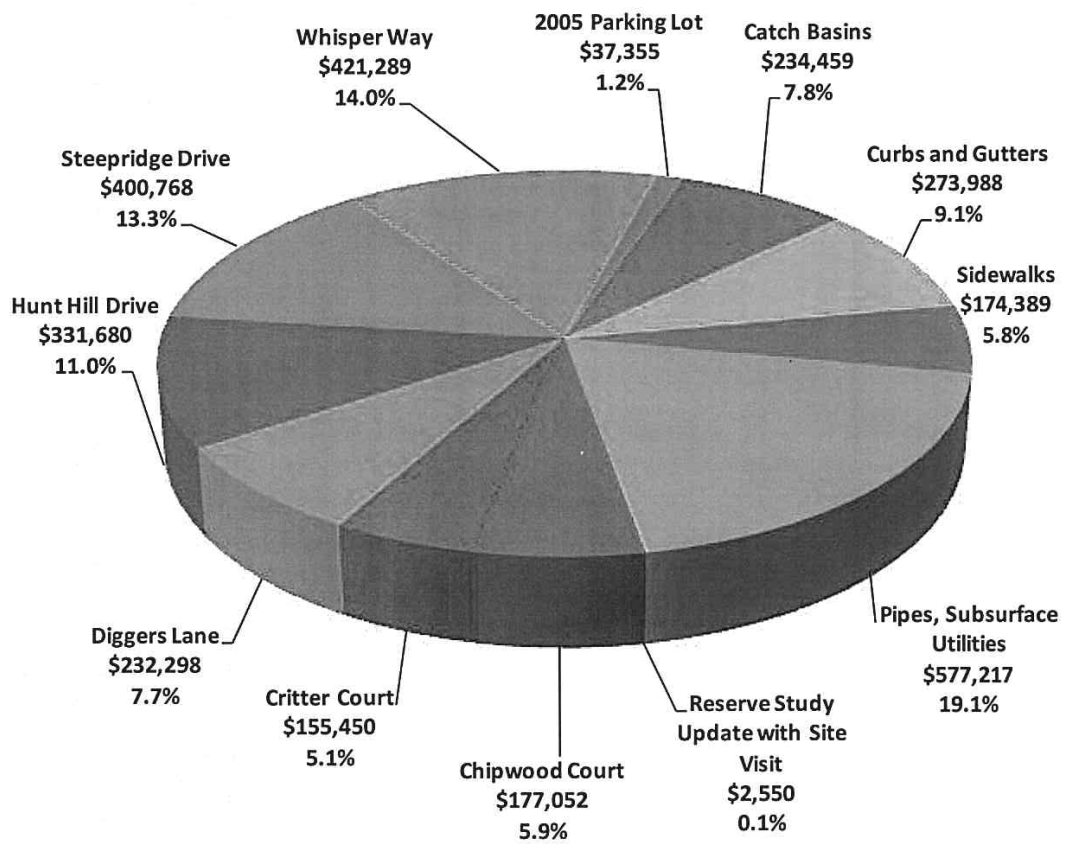
- Reserves at the beginning of each year
- Total recommended reserve contributions
- Estimated interest earned from invested reserves
- Anticipated expenditures by year
- Anticipated reserves at year end

Financial statements prepared by your association, by you or others might rely in part on information contained in this section. For your convenience, we have provided an electronic data file containing the tables of *Reserve Expenditures* and *Reserve Funding Plan*.



The following chart illustrates the relative importance of the categories noted in *Reserve Expenditures* and relative funding during the next 30 years.

Montgomery Woods
Future Expenditures Relative Cost Illustration



RESERVE EXPENDITURES
 Council of Unit Owners
 of Montgomery Woods Condominium, Inc.
 Baltimore, Maryland

Reserve Advisors, Inc.

Line Item	Quantities: 30-Year Total	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years Useful Remaining	Unit Cost, \$	2016 Cost per Unit, \$	Total Future Costs, \$	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	
									2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	
Property-Site Elements																								
4.020	8,225	1,845 Square Yards	Asphalt Pavement, Crack Repair, Patch & Seal Coat, Chipwood	2015	3 to 5	1	1.70	2,797	22,520	5,182	5,901													
4.021	8,650	1,475 Square Yards	Asphalt Pavement, Crack Repair, Patch & Seal Coat, Ctrier	2016	3 to 5	2	1.70	2,508	25,600	4,355	4,958	6,429												
4.022	11,940	1,990 Square Yards	Asphalt Pavement, Crack Repair, Patch & Seal Coat, Diggers	2015	3 to 5	1	1.70	3,383	32,815	5,875	6,690	7,617												
4.023	15,400	3,080 Square Yards	Asphalt Pavement, Crack Repair, Patch & Seal Coat, Hunt Hill	2016	3 to 5	2	1.70	5,236	42,343	9,703	11,049													
4.024	19,520	3,320 Square Yards	Asphalt Pavement, Crack Repair, Patch & Seal Coat, Sleepridge	2017	3 to 5	3	1.70	5,644	56,979	10,125	11,529	13,128												
4.025	20,940	3,490 Square Yards	Asphalt Pavement, Crack Repair, Patch & Seal Coat, Whisper	2017	3 to 5	3	1.70	5,933	69,896	10,643	12,119	13,800												
4.026	1,920	320 Square Yards	Asphalt Pavement, Crack Repair, Patch & Seal Coat, 2005 Parking	2015	3 to 5	1	1.70	544	5,278	945	1,076	1,225												
4.040	1,645	1,846 Square Yards	Asphalt Pavement, Mill and Overlay, Chipwood Court	2021	15 to 20	7	15.50	25,488	32,004															
4.041	1,475	1,475 Square Yards	Asphalt Pavement, Mill and Overlay, Ctrier Court	2019	15 to 20	5	15.50	22,683	26,882															
4.042	1,990	1,990 Square Yards	Asphalt Pavement, Mill and Overlay, Diggers Lane	2023	15 to 20	9	15.50	30,645	41,313															
4.043	3,080	3,080 Square Yards	Asphalt Pavement, Mill and Overlay, Hunt Hill Drive	2021	15 to 20	7	15.50	47,740	59,922															
4.044	3,320	3,320 Square Yards	Asphalt Pavement, Mill and Overlay, Sleepridge Drive	2024	15 to 20	10	15.50	51,460	71,199															
4.045	3,490	3,490 Square Yards	Asphalt Pavement, Mill and Overlay, Whisper Way	2024	15 to 20	10	15.50	54,095	74,845															
4.046	320	320 Square Yards	Asphalt Pavement, Mill and Overlay, 2005 Parking Lot	2023	15 to 20	9	15.50	4,960	6,643															
4.047	1,645	1,645 Allowance	Asphalt Pavement, Total Replacement, Chipwood Court	2041	15 to 20	27	31.00	50,995	122,528			122,528												
4.048	1,475	1,475 Allowance	Asphalt Pavement, Total Replacement, Ctrier Court	2039	15 to 20	25	31.00	45,725	102,958			102,958												
4.049	1,990	1,990 Square Yards	Asphalt Pavement, Total Replacement, Diggers Lane	2043	15 to 20	29	31.00	61,690	168,170			158,170												
4.050	3,080	3,080 Square Yards	Asphalt Pavement, Total Replacement, Hunt Hill Drive	2041	15 to 20	27	31.00	95,480	229,415			229,415												
4.051	3,320	3,320 Square Yards	Asphalt Pavement, Total Replacement, Sleepridge Drive	2044	15 to 20	30	31.00	102,920	272,590															272,590
4.052	3,490	3,490 Square Yards	Asphalt Pavement, Total Replacement, Whisper Way	2044	15 to 20	30	31.00	108,190	286,548															286,548
4.053	320	320 Square Yards	Asphalt Pavement, Total Replacement, 2005 Parking Lot	2043	15 to 20	29	31.00	9,920	25,434															25,434
4.100	18	6 Eatch	Catch Basins, Inspections and Capital Repairs, Phased	2019	15 to 20	5	1,150.00	6,900	26,324															
4.105	18	6 Eatch	Catch Basins, Replacement, Phased	2039	to 65	25	4,750.00	28,500	208,135										64,173	68,478				75,484
4.110	4,580	570 Linear Feet	Concrete Curbs and Gutters, Partial	2019	to 65	5	32.00	18,240	273,968										41,071	43,826				46,768
4.140	9,350	935 Square Feet	Concrete Sidewalks, Partial	2017	to 65	3	10.50	9,818	174,389										23,589	25,589				26,02
4.650	1,800	450 Linear Feet	Pipes, Subsurface Utilities, Partial	2039	to 65+	25	130.00	58,500	577,217										131,724	140,561				149,891
1		1 Allowance	Reserve Study Update with Site Visit	2016	2	2	2,550.00	2,550	2,550															
									\$3,016,495	0	11,175	38,380	14,885	0	32,138	23,648	16,950	21,400	348,768	26,928	628,397	0	386,790	863,875
									Anticipated Expenditures, By Year															

RESERVE FUNDING PLAN

CASH FLOW ANALYSIS
Council of Unit Owners
of Montgomery Woods Condominium, Inc.
Baltimore, Maryland

Individual Reserve Budgets & Cash Flows for the Next 30 Years																
FY2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	
Reserves at Beginning of Year (Note 1)	241,089	251,220	305,419	356,326	394,952	459,626	465,605	523,084	456,530	530,227	517,666	414,840	483,574	552,546	629,599	701,742
Total Recommended Reserve Contributions (Note 2)	9,680	88,100	88,100	88,100	60,000	62,000	66,100	68,300	70,800	72,900	76,300	77,800	80,400	83,100	85,800	
Plus Estimated Interest Earned, During Year (Note 3)	451	3,045	3,620	4,109	4,674	5,081	5,408	5,397	5,732	5,101	4,914	5,667	6,466	7,282	8,031	
Less Anticipated Expenditures, By Year	0	(6,946)	(10,813)	(23,583)	0	(61,082)	(11,929)	(138,012)	0	(88,893)	(180,827)	(11,480)	(14,495)	(9,813)	(18,239)	(29,049)
Anticipated Reserves at Year End	\$261,220	\$305,419	\$356,326	\$394,952	\$459,626	\$465,605	\$523,084	\$456,530	\$530,227	\$517,666	\$414,840	\$483,574	\$552,546	\$629,599	\$701,742	\$766,524

(continued)

Individual Reserve Budgets & Cash Flows for the Next 30 Years, Continued															
	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
Reserves at Beginning of Year	766,524	864,043	954,314	1,021,240	1,115,644	1,229,270	1,315,150	1,413,930	1,524,051	1,634,629	1,421,075	1,532,704	1,044,806	1,187,617	947,405
Total Recommended Reserve Contributions	88,600	91,500	94,500	97,600	100,800	104,100	107,500	111,000	114,700	118,500	122,400	126,400	130,600	134,900	139,400
Plus Estimated Interest Earned, During Year	8,919	9,946	10,806	11,689	12,626	13,918	14,928	16,071	17,278	16,714	16,157	14,099	12,211	11,678	6,437
Less Anticipated Expenditures, By Year	0	(11,175)	(88,380)	(14,885)	0	(32,138)	(23,648)	(16,950)	(21,400)	(348,788)	(26,928)	(628,397)	0	(386,790)	(863,875)
Anticipated Reserves at Year End	\$864,043	\$954,314	\$1,021,240	\$1,115,644	\$1,229,270	\$1,315,150	\$1,413,930	\$1,524,051	\$1,634,629	\$1,421,075	\$1,532,704	\$1,044,806	\$1,187,617	\$947,405	\$229,352

(NOTES 4&5)

Explanatory Notes:

- 1) Year 2014, starting reserves are as of October 31, 2014; FY2014 starts January 1, 2014 and ends December 31, 2014.
- 2) Reserve Contributions for 2014 are the remaining budgeted 2 months; 2015 is the first year of recommended contributions.
- 3) 1.1% is the estimated annual rate of return on invested reserves; 2014 is a partial year of interest earned.
- 4) Accumulated year 2044 ending reserves consider the age, size, overall condition and complexity of the property.
- 5) Threshold Funding Year (reserve balance at critical point).



4. CONDITION ASSESSMENT

The Condition Assessment of this *Full Reserve Study* includes *Enhanced Solutions and Procedures* for select significant components. These narratives describe the Reserve Components, document specific problems and conditions, and may include detailed solutions and procedures for necessary capital repairs and replacements for the benefit of current and future board members. We advise the Board use this information to help define the scope and procedures for repair or replacement when soliciting bids or proposals from contractors. *However, the Report in whole or part is not and should not be used as a design specification or design engineering service.*

Property Site Elements

Asphalt Pavement, Crack Repair, Patch and Seal Coat - Asphalt pavement comprises 15,320 square yards of pavement throughout the community. We include the locations, quantities and conditions of the pavement in the chart below:

Location	Quantity (SY)	Condition
Chipwood Court	1,645	Good to Fair
Critter Court	1,475	Fair
Diggers Lane	1,990	Good
Hunt Hill Drive	3,080	Good to Fair
Steepridge Drive	3,320	Good
Whisper Way	3,490	Good
2005 Parking Lot	320	Good

The ages of the pavement were not available at the time of inspection. Our previous 2006 study indicates that the pavement was overlaid between 1996 and 1999 and that the



parking lot on Diggers Lane was installed in 2005. We base our recommendations for repairs and replacement on the observed condition of the pavement.

To maximize the life of the pavement, the Association should plan for seal coat applications and repairs every three- to five-years. These activities reduce water infiltration and the effects of inclement weather. We elaborate on solutions and procedures necessary for the optimal maintenance of asphalt pavement in the following discussion.

We recommend periodic seal coat applications, crack repairs and patching to maintain the pavement. These activities minimize the damaging effects of vehicle fluids, maintain a uniform and positive appearance, and maximize the useful life of the pavement. Asphalt pavement is susceptible to isolated areas of accelerated deterioration in areas that experience freeze-thaw cycles, at the centerlines of streets and at high traffic areas such as intersections. Depressions often appear at areas where vehicles park such as driveways and parking areas. Isolated areas of depressions, cracks and deterioration indicate the need for crack repairs and patching. The contractor should patch areas that exhibit potholes, alligator or spider web pattern cracks, and areas of pavement that are severely deteriorated from oil and gasoline deposits from parking vehicles. Area patching requires total replacement of isolated areas of pavement. The contractor should mechanically rout and fill all cracks with hot emulsion. Crack repair minimizes the chance of the cracks transmitting through the pavement.

There are four main types of seal coats available: fog coat, acrylic sealer, chip seals and asphaltic emulsion. A *fog coat* is a simple mixture of water and asphalt. *Acrylic sealers* include an acrylic additive to the water and asphalt mixture for greater resistance to abrasion. *Fog coats* and *acrylic sealers* are typically spray applied and are only for aesthetic purposes. *Chip seal* is



the most substantial type of seal coat which involves placement of oil and aggregate on the driving surface. Either a roller or normal vehicular traffic works the gravel into the oil. *Asphaltic emulsions* combine a sharp sand mixture or mineral fibers, and an emulsifying agent with the water and asphalt mixture. *Asphaltic emulsions* are typically hand applied with squeegees to ensure that the sealer fills surface abrasions and minor cracks. This prevents the infiltration of water through cracks into the underlying pavement base. Seal coats therefore minimize the damaging effects of water from expansion and contraction. We regard *asphaltic emulsions* as the most effective and economical type of seal coat.

Montgomery Woods should repair any isolated areas of deteriorated pavement prior to seal coat applications. Proposals for seal coat applications should include crack repairs and patching. The contractor should only apply seal coat applications after repairs are completed. A seal coat does not bridge or close cracks, therefore, unrepaired cracks render the seal coat applications useless. Our future estimates of cost include an allowance for repair activities.

We recommend that Montgomery Woods plan the next application of seal coats and repairs according to the chart below:

Location	Year
Chipwood Court	2015
Critter Court	2016
Diggers Lane	2015
Hunt Hill Drive	2016
Steepridge Drive	2017
Whisper Way	2017
2005 Parking Lot	2015



We recommend subsequent applications every four years thereafter except when repaving occurs. Line Items 4.020 through 4.026 of *Reserve Expenditures* note our estimates of future costs and anticipated times of these activities.

Asphalt Pavement, Repaving - As noted above, asphalt pavement comprises 15,320 square yards of pavement throughout the community. We include the locations, quantities and conditions of the pavement in the chart below:

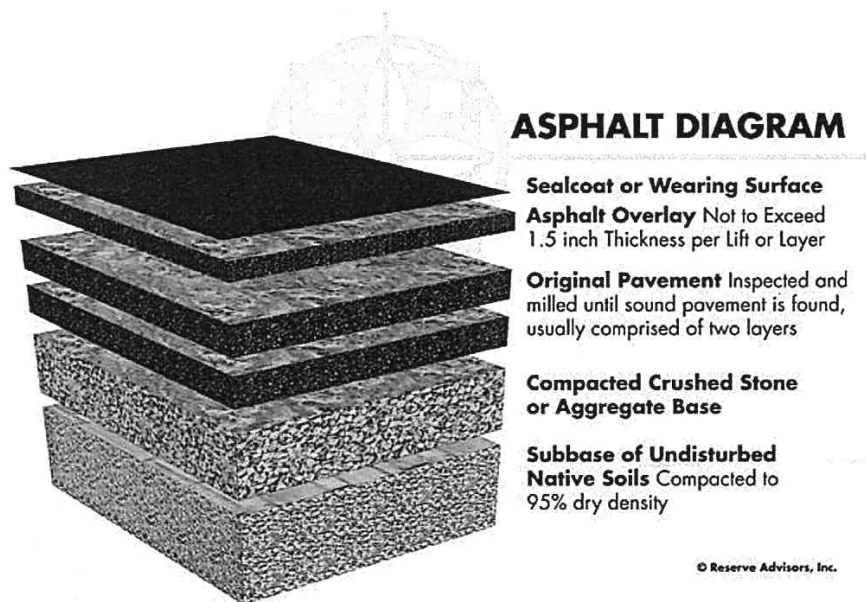
Location	Quantity (SY)	Condition
Chipwood Court	1,645	Good to Fair
Critter Court	1,475	Fair
Diggers Lane	1,990	Good
Hunt Hill Drive	3,080	Good to Fair
Steepridge Drive	3,320	Good
Whisper Way	3,490	Good
2005 Parking Lot	320	Good

The ages of the pavement were not available at the time of inspection. Our previous 2006 study indicates that the pavement was overlaid between 1996 and 1999 and that the parking lot on Diggers Lane was installed in 2005. We base our recommendations for repairs and replacement on the observed condition of the pavement.

The useful life of pavement in Baltimore is from 15- to 20-years. We include the following repaving solutions and procedures for the benefit of the present and future board members.

Components of asphalt pavement include native soil, aggregate and asphalt. First the contractor creates a base course of aggregate or crushed stone and native soil. The base course is

individually compacted to ninety-five percent (95%) dry density prior to the application of the asphalt. Compaction assures a stable base for the asphalt that reduces the possibility of settlement. The initial installation of asphalt uses at least two lifts, or two separate applications of asphalt, over the base course. The first lift is the binder course. The second lift is the wearing course. The wearing course comprises a finer aggregate for a smoother more watertight finish. The following diagram depicts these components:



The manner of repaving is either a *mill and overlay* or *total replacement*. A mill and overlay is a method of repaving where cracked, worn and failed pavement is mechanically removed or milled until sound pavement is found. A new layer of asphalt is overlaid atop the remaining base course of pavement. Total replacement includes the removal of all existing asphalt down to the base course of aggregate and native soil followed by the application of two or more new lifts of asphalt. We recommend mill and overlayment on asphalt pavement that



exhibits normal deterioration and wear. We recommend total replacement of asphalt pavement that exhibits severe deterioration, inadequate drainage, pavement that has been overlaid multiple times in the past or where the configuration makes overlayment not possible. Based on the apparent visual condition and configuration of the asphalt pavement, we recommend the mill and overlay method for initial repaving followed by the total replacement method for subsequent repaving at Montgomery Woods.

A variety of repairs are necessary to deteriorated pavement prior to the application of an overlay. The contractor should use a combination of area patching, crack repair and milling before the overlayment. Properly milled pavement removes part of the existing pavement and permits the overlay to match the elevation of adjacent areas not subject to repaving. Milling also allows the contractor to make adjustments to the slope of the pavement to ensure proper drainage. The contractor should clean the milled pavement to ensure proper bonding of the new overlayment. We recommend an overlayment thickness that averages 1½ inches (not less than one inch or more than two inches). Variable thicknesses are often necessary to create an adequate slope for proper drainage. The contractor should identify and quantify areas of pavement that require area patching, crack repair and milling to help the Association compare proposed services.

Total replacement requires the removal of all existing asphalt. For area patching, we recommend the contractor use a rectangular saw cut to remove the deteriorated pavement. For larger areas such as entire parking areas or driveways, we recommend the contractor grind, mill or pulverize the existing pavement to remove it. The contractor should then augment and



compact the existing aggregate and native soil to create a stable base. Finally the contractor should install the new asphalt in at least two lifts.

The time of replacement is dependent on the useful life, age and condition of the pavement. The useful life is dependent in part on the maintenance applied to the pavement, the amounts and concentration of auto solvents that penetrate the pavement, the exposure to sunlight and detrimental effects of inclement weather. Montgomery Woods should repair any isolated areas of deteriorated pavement concurrent with periodic seal coat applications. We recommend the Association plan repaving in the following years:

Location	Mill and Overlay	Total Replacement
Chipwood Court	2021	2041
Critter Court	2019	2039
Diggers Lane	2023	2043
Hunt Hill Drive	2021	2041
Steepridge Drive	2024	2044
Whisper Way	2024	2044
2005 Parking Lot	2023	2043

We depict this information on Line Items 4.040 through 4.053 of *Reserve Expenditures*. The Association should coordinate asphalt repaving with related activities such as partial replacement of concrete curbs and gutters, and capital repairs to catch basins.

Catch Basins - The 18 brick catch basins collect storm water from the pavement and conduct it into the storm water system. The overall condition of the catch basins is good without settlement visually apparent. Management informs us the Association cleans the catch basins annually with funds from the operating budget. The useful life of catch basins is up to 65 years.



However, achieving this useful life usually requires interim capital repairs or partial replacements every 15- to 20-years.

The Association should anticipate the occasional displacement or failure of a catch basin and the surrounding pavement from erosion. Erosion causes settlement around the collar of catch basins. Left unrepaired, the *entire catch basin* will shift and need replacement. Montgomery Woods should plan to repair or replace any displaced or failed catch basins concurrently with the surrounding pavement, and curbs and gutters. The exact times and amount of capital repairs or replacements are dependent upon variable natural forces. Based on the age and condition of the catch basins, we recommend the Association anticipate the phased inspection, capital repair or partial replacement of the catch basins beginning by 2019 and concluding by 2024. We recommend the Association anticipate the need for phased complete replacement of the catch basins beginning by 2039 and concluding by 2044. We include this information on Line Items 4.100 and 4.105 of *Reserve Expenditures*.

Concrete, Flatwork - The Association maintains various applications of concrete flatwork. These applications of concrete have useful lives of up to 65 years although isolated deterioration of limited areas of concrete is common. Inclement weather, inadequate subsurface preparation and improper concrete mixtures or finishing techniques can result in premature deterioration such as settlement, chips, cracks and spalls. Variable conditions like these result in the need to plan for periodic partial replacements of the concrete flatwork throughout the next 30 years. We comment on the respective quantities, conditions and times of partial replacements of concrete flatwork in the following sections of this narrative.



Concrete Curbs and Gutters – Concrete curbs and gutters line the pavement of Montgomery Woods. These curbs and gutters comprise 8,320 linear feet and are in good condition overall. We note isolated locations of cracks and settlement, as depicted on Page 5.9 of *Photographs*. We estimate that up to 4,560 linear feet of curbs and gutters, or fifty-five percent (55%) of the total, will require replacement during the next 30 years. We estimate that up to 570 linear feet of curbs and gutters will require replacement in conjunction with each repaving event by 2019, 2021, 2023, 2024, 2039, 2041, 2043 and 2044. We depict this information on Line Item 4.110 of *Reserve Expenditures*. We assume the use of 3,500 psi (pounds per square inch) concrete.

Concrete Sidewalks - Concrete sidewalks comprise 14,385 square feet throughout the community. The sidewalks are in good overall condition. We note cracks and spalled concrete, as depicted on Pages 5.10 and 5.11 of *Photographs*. We estimate that up to 9,350 square feet of concrete sidewalks, or sixty-five percent (65%) of the total, will require replacement during the next 30 years. We recommend the Association budget for replacement of 935 square feet of concrete sidewalks every three years beginning by 2017. Line Item 4.140 of *Reserve Expenditures* notes our estimate of future costs and anticipated times of replacements. We base our estimate of replacement on four-inch thick, 3,000 psi concrete with 6x6 - W1.4xW1.4 steel reinforcing mesh. We recommend an annual inspection of the sidewalks to identify potential trip hazards. We suggest that the Association grind down or mark these hazards with orange safety paint prior to replacement and fund this ongoing activity through the operating budget.



The Association should coordinate partial replacements of concrete curbs and gutters with asphalt pavement, due to the interrelated nature of these items. The times and costs of these replacements may vary. However, the estimated expenditures detailed in *Reserve Expenditures* are sufficient to budget appropriate reserves.

Pipes, Subsurface Utilities - The Association maintains the subsurface utility pipes throughout the property. The exact amounts and locations of the subsurface utility pipes were not ascertained due to the nature of the underground construction and the non-invasive nature of the inspection. We anticipate a useful life of up to and likely beyond 85 years. At this time, we do not anticipate replacement of continuous lengths of subsurface utility pipes. Rather, we recommend Montgomery Woods budget for repairs to isolated occurrences of breached utilities. For budgetary purposes, we include an allowance for possible partial replacements by 2039, 2041, 2043 and 2044 in coordination with repaving events. We estimate that up to 1,800 linear feet of subsurface utility pipes, or twenty-five percent (25%) of the total, will require replacement during the next 30 years. We note this information on Line Item 4.650 of *Reserve Expenditures*.

Although it is likely that the times of replacement and extent of repair costs may vary from the budgetary allowance, Montgomery Woods could budget sufficient reserves for these utility repairs and have the opportunity to adjust its future reserves up or down to meet any changes to these budgetary estimates. Updates of this Reserve Study would incorporate changes to budgetary costs through a continued historical analysis of the rate of deterioration and actual repairs to budget sufficient reserves.



Reserve Study Update

An ongoing review by the Board and an Update of this Reserve Study in two- to three-years are necessary to ensure an equitable funding plan since a Reserve Study is a snapshot in time. Many variables change after the study is conducted that may result in significant overfunding or underfunding the reserve account. Variables that may affect the Reserve Funding Plan include, but are not limited to:

- Deferred or accelerated capital projects based on Board discretion
- Changes in the interest rates on reserve investments
- Changes in the *local* construction inflation rate
- Additions and deletions to the Reserve Component Inventory
- The presence or absence of maintenance programs
- Unusually mild or extreme weather conditions
- Technological advancements

Periodic updates incorporate these variable changes since the last Reserve Study or Update.

The Association can expense the fee for an Update with site visit from the reserve account. This fee is included in the Reserve Funding Plan. We base this budgetary amount on updating the same property components and quantities of this Reserve Study report. Budgeting for an Update demonstrates the Board's objective to continue fulfilling its fiduciary responsibility to maintain the commonly owned property and to fund reserves appropriately.

Budgeting for an Update demonstrates the Board's objective to continue fulfilling its fiduciary responsibility to maintain the commonly owned property and to fund reserves appropriately.

5. PHOTOGRAPHS

Photographs document the conditions of various property components as of the date of our visual inspection, November 11, 2014. The Condition Assessment contains references to these photographs.

The following is an overview image of the subject property:



The next pages contain the photographs related to the Condition Assessment.



Chipwood Court pavement



Pavement settlement and patch at
Chipwood Court



Abraded seal coat at Chipwood Court



Pavement settlement at Chipwood Court



Critter Court pavement



Failed pavement at Critter Court



Alligator cracks, pothole and settled pavement at Critter Court



Diggers Lane pavement



Diggers Lane pavement



Asphalt pavement at Hunt Hill Drive



Asphalt pavement at Hunt Hill Drive



Centerline cracks at Hunt Hill Drive



Pavement settlement at Hunt Hill Drive



Asphalt pavement at Steepridge Drive



Asphalt pavement at Steepridge Drive



Abraded pavement near speed hump on Steepridge Drive



Whisper Way pavement



Pavement movement likely due to tree roots on Whisper Way



Cracks and previous crack repairs at
Whisper Way pavement



Automobile fluid stains at Whisper Way



2005 parking lot pavement

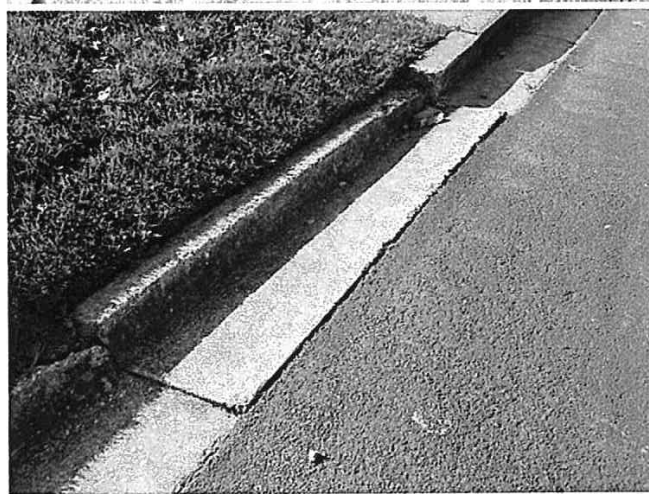


Typical catch basin

Continue to fund cleaning through operating budget



Brick walls within catch basin



Settled concrete curb and gutter



Spalled concrete



Typical concrete sidewalk



Spalled concrete sidewalk



Spalled concrete sidewalk



6. METHODOLOGY

Reserves for replacement are the amounts of money required for future expenditures to repair or replace Reserve Components that wear out before the entire facility or project wears out. Reserving funds for future repair or replacement of the Reserve Components is also one of the most reliable ways of protecting the value of the property's infrastructure and marketability.

Montgomery Woods can fund capital repairs and replacements in any combination of the following:

1. Increases in the operating budget during years when the shortages occur
2. Loans using borrowed capital for major replacement projects
3. Level monthly reserve assessments annually adjusted upward for inflation to increase reserves to fund the expected major future expenditures
4. Special assessments

We do not advocate special assessments or loans unless near term circumstances dictate otherwise. Although loans provide a gradual method of funding a replacement, the costs are higher than if the Association were to accumulate reserves ahead of the actual replacement. Interest earnings on reserves also accumulate in this process of saving or reserving for future replacements, thereby defraying the amount of gradual reserve collections. We advocate the third method of *Level Monthly Reserve Assessments* with relatively minor annual adjustments. The method ensures that Homeowners pay their "fair share" of the weathering and aging of the commonly owned property each year. Level reserve assessments preserve the property and enhance the resale value of the homes.

This Reserve Study is in compliance with and exceeds the National standards¹ set forth by the Community Associations Institute (CAI) and the Association of Professional Reserve Analysts (APRA) fulfilling the requirements of a "Full Reserve Study." These standards require a Reserve Component to have a "predictable remaining Useful Life." Estimating Remaining Useful Lives and Reserve Expenditures beyond 30 years is often indeterminate. Long-Lived Property Elements are necessarily excluded from this analysis. We considered the following factors in our analysis:

¹ Identified in the APRA "Standards - Terms and Definitions" and the CAI "Terms and Definitions".



Information Furnished by the Association	
2014 unaudited Cash Status of the Reserve Fund	\$241,089
2014 Remaining Budgeted Reserve Contribution	\$9,680
Anticipated Interest on Reserve Fund	\$451
Less Anticipated Reserve Expenditures	\$0
Projected 2014 Year-End Reserve Balance	\$251,220

The Cash Flow Method to compute, project and illustrate the 30-year Reserve Funding Plan

Local² costs of material, equipment and labor

Current and future costs of replacement for the Reserve Components

Costs of demolition as part of the cost of replacement

Local economic conditions and a historical perspective to arrive at our estimate of long term future inflation for construction costs in Baltimore, Maryland at an annual inflation rate of 3.3%. Isolated or regional markets of greater construction (development) activity may experience slightly greater rates of inflation for both construction materials and labor.

The past and current maintenance practices of Montgomery Woods and their effects on remaining useful lives

The Funding Plan excludes necessary operating budget expenditures. It is our understanding that future operating budgets will provide for the ongoing normal maintenance of Reserve Components.

The anticipated effects of appreciation of the reserves over time in accord with an anticipated future return or yield on investment of your cash equivalent assets at an annual rate of 1.1% (We did not consider the costs, if any, of Federal and State Taxes on income derived from interest and/or dividend income).

Interest rates on reserves are steady or increasing in concert with the certificates of deposit and money market rates. Slight increases exist in the savings rates of one, two or three-year CDs. Without significant differences in these savings rates, shorter term investments are the choice of many investors. We recommend consultation with a professional investment adviser before investing reserves to determine an appropriate investment strategy to maximize a safe return on reserve savings. The following

² See Credentials for addition information on our use of published sources of cost data.



table summarizes rates of inflation and key rates for government securities, generally considered as safe investment alternatives.

Interest Rate and Inflation Data	2013				2014			
	2013:1 (A)	2013:2 (A)	2013:3 (A)	2013:4 (A)	2014:1 (A)	2014:2 (A)	2014:3 (A)	2014:4 (E)
Average or Last Actual = (A)								
1-Year Treasury Bill	0.15%	0.13%	0.13%	0.12%	0.13%	0.15%	0.13%	0.01%
10-Year Treasury Note	1.86	1.86	2.65	2.70%	2.80%	2.65%	2.40%	2.25%
30-Year Treasury Bond	3.10	3.08	3.70	3.85%	3.90%	3.50%	3.35%	3.00%
Consumer Price Index (annualized rate)	3.21%	-1.68%	1.30%	1.50%	1.50%	2.00%	2.40%	2.60%
Residential Construction* Producer Price Index-Inflation Rate, Bureau of Labor Statistics (Year over Year to April 2014)								2.0%
National Market Savings Rates as found in	0.40%	for Money Market Savings			0.90%	for 2-Year Certificate of Deposit		
http://www.bankrate.com	0.80%	for 1-Year Certificate of Deposit			1.10%	for 3-Year Certificate of Deposit		
Estimated Near Term Yield Rate for Reserve Savings				1.1%				
Est. Near Term Local Inflation Rate for Future Capital Expenditures				3.3%				

Updates to this Reserve Study will continue to monitor historical facts and trends concerning the external market conditions.



7. DEFINITIONS

Definitions are derived from the standards set forth by the Community Associations Institute (CAI) representing America's 305,000 condominium and homeowners associations and cooperatives, and the Association of Professional Reserve Analysts, setting the standards of care for reserve study practitioners

Cash Flow Method - A method of calculating Reserve Contributions where contributions to the reserve fund are designed to offset the variable annual expenditures from the reserve fund. Different Reserve Funding Plans are tested against the anticipated schedule of reserve expenses until the desired funding goal is achieved.

Component Method - A method of developing a Reserve Funding Plan with the total contribution is based on the sum of the contributions for individual components.

Current Cost of Replacement - That amount required today derived from the quantity of a *Reserve Component* and its unit cost to replace or repair a Reserve Component using the most current technology and construction materials, duplicating the productive utility of the existing property at current *local* market prices for *materials, labor* and manufactured equipment, contractors' overhead, profit and fees, but without provisions for building permits, overtime, bonuses for labor or premiums for material and equipment. We include removal and disposal costs where applicable.

Fully Funded Balance - The Reserve balance that is in direct proportion to the fraction of life "used up" of the current Repair or Replacement cost similar to Total Accrued Depreciation

Funding Goal (Threshold) - The stated purpose of this Reserve Study is to determine the adequate, not excessive, minimal threshold reserve balances.

Future Cost of Replacement - *Reserve Expenditure* derived from the inflated current cost of replacement or current cost of replacement as defined above, with consideration given to the effects of inflation on local market rates for materials, labor and equipment.

Long-Lived Property Component - Property component of Montgomery Woods responsibility not likely to require capital repair or replacement during the next 30 years with an unpredictable remaining Useful Life beyond the next 30 years.

Percent Funded - The ratio, at a particular point of time (typically the beginning of the Fiscal Year), of the actual (or projected) Reserve Balance to the Fully Funded Balance, expressed as a percentage.

Remaining Useful Life - The estimated remaining functional or useful time in years of a *Reserve Component* based on its age, condition and maintenance.

Reserve Component - Property elements with: 1) Montgomery Woods responsibility; 2) limited Useful Life expectancies; 3) predictable Remaining Useful Life expectancies; and 4) a replacement cost above a minimum threshold.

Reserve Component Inventory - Line Items in *Reserve Expenditures* that identify a *Reserve Component*.

Reserve Contribution - An amount of money set aside or *Reserve Assessment* contributed to a *Reserve Fund* for future *Reserve Expenditures* to repair or replace *Reserve Components*.

Reserve Expenditure - Future Cost of Replacement of a Reserve Component.

Reserve Fund Status - The accumulated amount of reserves in dollars at a given point in time, i.e., at year end.

Reserve Funding Plan - The portion of the Reserve Study identifying the *Cash Flow Analysis* and containing the recommended Reserve Contributions and projected annual expenditures, interest earned and reserve balances.

Reserve Study - A budget planning tool that identifies the current status of the reserve fund and a stable and equitable Funding Plan to offset the anticipated future major common area expenditures.

Useful Life - The anticipated total time in years that a *Reserve Component* is expected to serve its intended function in its present application or installation.



8. PROFESSIONAL SERVICE CONDITIONS

Our Services - Reserve Advisors, Inc. will perform its services as an independent contractor in accordance with our professional practice standards. Our compensation is not contingent upon our conclusions.

Our inspection and analysis of the subject property is limited to visual observations and is noninvasive. We will inspect sloped roofs from the ground. We will inspect flat roofs where safe access (stairs or ladder permanently attached to the structure) is available. The report is based upon a "snapshot in time" at the moment of our observation. Conditions can change between the time of inspection and the issuance of the report. Reserve Advisors does not investigate, nor assume any responsibility for any existence or impact of any hazardous materials, structural, latent or hidden defects which may or may not be present on or within the property. Our opinions of estimated costs and remaining useful lives are not a guarantee of the actual costs of replacement, a warranty of the common elements or other property elements, or a guarantee of remaining useful lives.

We assume, without independent verification, the accuracy of all data provided to us. You agree to indemnify and hold us harmless against and from any and all losses, claims, actions, damages, expenses or liabilities, including reasonable attorneys' fees, to which we may become subject in connection with this engagement, because of any false, misleading or incomplete information which we have relied upon as supplied by you or others under your direction, or which may result from any improper use or reliance on the report by you or third parties under your control or direction. Your obligation for indemnification and reimbursement shall extend to any controlling person of Reserve Advisors, Inc., including any director, officer, employee, affiliate, or agent. Liability of Reserve Advisors, Inc. and its employees, affiliates, and agents for errors and omissions, if any, in this work is limited to the amount of its compensation for the work performed in this engagement.

Report - Reserve Advisors, Inc. will complete the services in accordance with the Proposal. The Report represents a valid opinion of our findings and recommendations and is deemed complete. However, we will consider any additional information made available to us in the interest of promptly issuing a Revised Report if changes are requested within six months of receiving the Report. We retain the right to withhold a Revised Report if payment for services is not rendered in a timely manner. All files, work papers or documents developed by us during the course of the engagement remains our property.

Your Obligations - You agree to provide us access to the subject property during our on-site visual inspection and tour. You will provide to us to the best of your ability and if reasonably available, historical and budgetary information, the governing documents, and other information that we request and deem necessary to complete our Study. You agree to pay our actual attorneys' fees and any other costs incurred in the event we have to initiate litigation to collect on any unpaid balance for our services.

Use of Our Report and Your Name - Use of this Report is limited to only the purpose stated herein. Any use or reliance for any other purpose, by you or third parties, is invalid. Our Reserve Study Report in whole or part is not and cannot be used as a design specification, design engineering services or an appraisal. You may show our report in its entirety to those third parties who need to review the information contained herein. The Client and other third parties viewing this report should not reference our name or our report, in whole or in part, in any document prepared and/or distributed to third parties without our written consent. *This report contains intellectual property developed by Reserve Advisors, Inc. specific to this engagement and cannot be reproduced or distributed to those who conduct reserve studies without the written consent of Reserve Advisors, Inc.*



We reserve the right to include our client's name in our client lists, but we will maintain the confidentiality of all conversations, documents provided to us, and the contents of our reports, subject to legal or administrative process or proceedings. These conditions can only be modified by written documents executed by both parties.

Payment Terms, Due Dates and Interest Charges - The retainer payment is due upon authorization and prior to shipment of the report. The final payment of the fee is due immediately upon receipt of the Report. Subsequent changes to the report can be made for up to six months from the initial report date. Any outstanding balance after 30 days of the invoice date is subject to an interest charge of 1.5% per month. Any litigation necessary to collect an unpaid balance shall be venued in Milwaukee County Circuit Court in the State of Wisconsin.

CONDITIONS OF OUR SERVICE ASSUMPTIONS

To the best of our knowledge, all data set forth in this report are true and accurate. Although gathered from reliable sources, we make no guarantee nor assume liability for the accuracy of any data, opinions, or estimates identified as furnished by others that we used in formulating this analysis.

We did not make any soil analysis or geological study with this report; nor were any water, oil, gas, coal, or other subsurface mineral and use rights or conditions investigated.

Substances such as asbestos, urea-formaldehyde foam insulation, other chemicals, toxic wastes, environmental mold or other potentially hazardous materials could, if present, adversely affect the validity of this study. Unless otherwise stated in this report, the existence of hazardous substance, that may or may not be present on or in the property, was not considered. Our opinions are predicated on the assumption that there are no hazardous materials on or in the property. We assume no responsibility for any such conditions. We are not qualified to detect such substances, quantify the impact, or develop the remedial cost.

We have made a visual inspection of the property and noted visible physical defects, if any, in our report. Our inspection and analysis was made by employees generally familiar with real estate and building construction; however, we did not do any invasive testing. Accordingly, we do not opine on, nor are we responsible for, the structural integrity of the property including its conformity to specific governmental code requirements, such as fire, building and safety, earthquake, and occupancy, or any physical defects that were not readily apparent during the inspection.

Our opinions of the remaining useful lives of the property elements do not represent a guarantee or warranty of performance of the products, materials and workmanship.



9. CREDENTIALS

HISTORY AND DEPTH OF SERVICE

Founded in 1991, Reserve Advisors, Inc. is the leading provider of reserve studies, insurance appraisals, developer turnover transition studies, expert witness services, and other engineering consulting services. Clients include community associations, resort properties, hotels, clubs, non-profit organizations, apartment building owners, religious and educational institutions, and office/commercial building owners in 48 states, Canada and throughout the world.

The **architectural engineering consulting firm** was formed to take a leadership role in helping fiduciaries, boards, and property managers manage their property like a business with a long range master plan known as a Reserve Study.

Reserve Advisors employs the **largest staff of Reserve Specialists** with bachelor's degrees in engineering dedicated to Reserve Study services. Our principals are founders of Community Associations Institute's (CAI) Reserve Committee, that developed national standards for reserve study providers. One of our principals is a Past President of the Association of Professional Reserve Analysts (APRA). Our vast experience with a variety of building types and ages, on-site examination and a historical analyses are keys to determining accurate remaining useful life estimates of building components.

No Conflict of Interest - As consulting specialists, our **independent opinion** eliminates any real or perceived conflict of interest because we do not conduct or manage capital projects.

TOTAL STAFF INVOLVEMENT

Several staff members participate in each assignment. The responsible advisor involves the staff through a Team Review, exclusive to Reserve Advisors, Inc., and by utilizing the experience of other staff members, each of whom has served hundreds of clients. We conduct Team Reviews, an internal quality assurance review of each assignment, including: the inspection; building component costing; lifing; and technical report phases of the assignment. Each Team Review requires the attendance of several engineers, a Review Coordinator, Director of Quality Assurance and other participatory peers. Due to our extensive experience with building components, we do not have a need to utilize subcontractors.

OUR GOAL

To help our clients fulfill their fiduciary responsibilities to maintain property in good condition.

VAST EXPERIENCE WITH A VARIETY OF BUILDINGS

Reserve Advisors, Inc. has conducted reserve studies for a multitude of different communities and building types. We've analyzed thousands of buildings, from as small as a 3,500 square-foot day care center to the 100-story John Hancock Center in Chicago. We also routinely inspect buildings with various types of mechanical systems such as simple electric heat, to complex systems with air handlers, chillers, boilers, elevators, and life safety security systems.

We're familiar with all types of building exteriors as well. Our well versed staff regularly identifies optimal repair and replacement solutions for such building exterior surfaces such as adobe, brick, stone, concrete, stucco, EIFS, wood products, stained glass and aluminum siding, and window wall systems.

OLD TO NEW

Reserve Advisors experience includes ornate and vintage buildings as well as modern structures. Our specialists are no strangers to older buildings. We're accustomed to addressing the unique challenges posed by buildings that date to the 1800's. We recognize and consider the methods of construction employed into our analysis. We recommend appropriate replacement programs that apply cost effective technologies while maintaining a building's character and appeal.



QUALIFICATIONS
THEODORE J. SALGADO
Principal Owner

CURRENT CLIENT SERVICES

Theodore J. Salgado is a co-founder of Reserve Advisors, Inc., which is dedicated to serving community associations, city and country clubs, religious organizations, educational facilities, and public and private entities throughout the United States. He is responsible for the production, management, review, and quality assurance of all reserve studies, property inspection services and consulting services for a nationwide portfolio of more than 6,000 clients. Under his direction, the firm conducts reserve study services for community associations, apartment complexes, churches, hotels, resorts, office towers and vintage architecturally ornate buildings .



PRIOR RELEVANT EXPERIENCE

Before founding Reserve Advisors, Inc. with John P. Poehlmann in 1991, Mr. Salgado, a professional engineer registered in the State of Wisconsin, served clients for over 15 years through American Appraisal Associates, the world's largest full service valuation firm. Mr. Salgado conducted facilities analyses of hospitals, steel mills and various other large manufacturing and petrochemical facilities and casinos.

He has served clients throughout the United States and in foreign countries, and frequently acted as project manager on complex valuation, and federal and state tax planning assignments. His valuation studies led to negotiated settlements on property tax disputes between municipalities and property owners.

Mr. Salgado has authored articles on the topic of reserve studies and facilities maintenance. He also co-authored

EXPERT WITNESS

Mr. Salgado has testified successfully before the Butler County Board of Tax Revisions in Ohio. His depositions in pretrial discovery proceedings relating to reserve studies of Crestview Estates Condominium Association in Wauconda, Illinois, Rivers Point Row Property Owners Association, Inc. in Charleston, South Carolina and the North Shore Club Associations in South Bend, Indiana have successfully assisted the parties in arriving at out of court settlements.

EDUCATION - Milwaukee School of Engineering - B.S. Architectural Engineering

PROFESSIONAL AFFILIATIONS/DESIGNATIONS

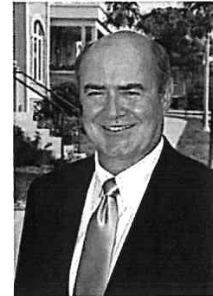
American Association of Cost Engineers - Past President, Wisconsin Section
Association of Construction Inspectors - Certified Construction Inspector
Association of Professional Reserve Analysts - Past President & Professional Reserve Analyst (PRA)
Community Associations Institute - Member and Volunteer Leader of multiple chapters
Concordia Seminary, St. Louis - Member, National Steering Committee
Milwaukee School of Engineering - Member, Corporation Board
Professional Engineer, Wisconsin, Registered in 1982



JOHN P. POEHLMANN, RS
Principal

John P. Poehlmann is a co-founder of Reserve Advisors, Inc. He is responsible for the finance, accounting, marketing, and overall administration of Reserve Advisors, Inc. He also regularly participates in internal Quality Control Team Reviews of Reserve Study reports.

Mr. Poehlmann directs corporate marketing, including business development, advertising, press releases, conference exhibiting, and direct mail promotions. He frequently speaks throughout the country at seminars and workshops on the benefits of future planning and budgeting for capital repairs and replacements of building components and other assets.



Mr. Poehlmann served on the national Board of Trustees of Community Associations Institute. Community Associations Institute (CAI) is a national, nonprofit 501(c)(6) trade association created in 1973 to provide education and resources to America's 305,000 residential condominium, cooperative and homeowner associations and related professionals and service providers. The Institute is dedicated to fostering vibrant, responsive, competent community associations that promote harmony, community, and responsible leadership.

He is a founding member of the Institute's Reserve Committee. The Reserve Committee developed national standards and the Reserve Specialist (RS) Designation Program for Reserve Study providers. Mr. Poehlmann has authored numerous articles on the topic of Reserve Studies, including Planning for Replacement of Property Doesn't Have to Be Like a Trip to the Dentist, Reserve Studies for the First Time Buyer, Sound Association Planning Parallels Business Concepts, and Reserve Studies Minimize Liability. He has worked with a variety of publications, including the Chicago Tribune, The Milwaukee Journal/Sentinel, Common Ground, Common Interest, and Condo Management. He also co-authored "Reserves", an educational videotape produced by Reserve Advisors on the subject of Reserve Studies and the benefits of maintaining appropriate reserves.

INDUSTRY SERVICE AWARDS

CAI National Rising Star Award - To an individual whose leadership abilities and professional contributions have earmarked them for even greater accomplishments in the future.

CAI Michigan Chapter Award - "Given to the individual who contributed their time, expertise, and resources toward improving the quality of services offered by the chapter. Mr. Poehlmann was unanimously selected as the winner of the CAI Michigan Chapter Award."

EDUCATION

University of Wisconsin-Milwaukee - Master of Science Management
University of Wisconsin - Bachelor of Business Administration

PROFESSIONAL AFFILIATIONS

Community Associations Institute (CAI) - Founding member of Reserve Committee; former member of National Board of Trustees; Reserve Specialist (RS) designation; Member of multiple chapters

Association of Condominium, Townhouse, & Homeowners Associations (ACTHA) – member



ALAN M. EBERT, P.E., PRA, RS
Associate Director of Quality Assurance

CURRENT CLIENT SERVICES

Alan M. Ebert, a Geological Engineer, is an Advisor for Reserve Advisors, Inc. Mr. Ebert is responsible for the inspection and analysis of the condition of clients' properties, and recommending engineering solutions to prolong the lives of the components. He also forecasts capital expenditures for the repair and/or replacement of the property components and prepares technical reports on assignments. He is responsible for conducting Life Cycle Cost Analyses and Capital Replacement Forecast services and the preparation of Reserve Study Reports for condominiums, townhomes and homeowner associations.

The following is a partial list of clients served by Alan Ebert demonstrating his breadth of experiential knowledge of community associations in construction and related buildings systems.

Brownsville Winter Haven Located in Brownsville, Texas, this unique homeowners association contains 525 units. The Association maintains three pools and pool houses, a community and management office, landscape and maintenance equipment, and nine irrigation canals with associated infrastructure.

Rosemont Condominiums This unique condominium is located in Alexandria, Virginia and dates to the 1940's. The two mid-rise buildings utilize decorative stone and brick masonry. The development features common interior spaces, multi-level wood balconies and common asphalt parking areas.

Stillwater Homeowners Association Located in Naperville, Illinois, Stillwater Homeowners Association maintains four tennis courts, an Olympic sized pool and an upscale ballroom with commercial-grade kitchen. The community also maintains three storm water retention ponds and a detention basin.

Birchfield Community Services Association This extensive Association comprises seven separate parcels which include 505 townhome and single family homes. This Community Services Association is located in Mt. Laurel, New Jersey. Three lakes, a pool, a clubhouse and management office, wood carports, aluminum siding, and asphalt shingle roofs are a few of the elements maintained by the Association.

Oakridge Manor Condominium Association Located in Londonderry, New Hampshire, this Association includes 104 units at 13 buildings. In addition to extensive roads and parking areas, the Association maintains a large septic system and significant concrete retaining walls.

Memorial Lofts Homeowners Association This upscale high rise is located in Houston, Texas. The 20 luxury units include large balconies and decorative interior hallways. The 10-story building utilizes a painted stucco facade and TPO roof, while an on-grade garage serves residents and guests.

PRIOR RELEVANT EXPERIENCE

Mr. Ebert earned his Bachelor of Science degree in Geological Engineering from the University of Wisconsin-Madison. His relevant course work includes foundations, retaining walls, and slope stability. Before joining Reserve Advisors, Inc., Mr. Ebert was an oilfield engineer and tested and evaluated hundreds of oil and gas wells throughout North America.

EDUCATION

University of Wisconsin-Madison - B.S. Geological Engineering

PROFESSIONAL AFFILIATIONS/DESIGNATIONS

Reserve Specialist (RS) - Community Associations Institute

Professional Reserve Analyst (PRA) - Association of Professional Reserve Analysts

Professional Engineering License - Wisconsin 2012



NICOLE L. LOWERY, PRA, RS
Associate Director of Quality Assurance

CURRENT CLIENT SERVICES

Nicole L. Lowery, a Civil Engineer, is an Advisor for *Reserve Advisors, Inc.* Ms. Lowery is responsible for the inspection and analysis of the condition of clients' property, and recommending engineering solutions to prolong the lives of the components and prepares reports on assignments. She is responsible for conducting Life Cycle Cost Analysis and Capital Replacement Forecast services on condominiums, townhomes, planned unit developments, and homeowner associations.

The following is a partial list of clients served by Nicole Lowery demonstrating her breadth of experiential knowledge of community associations in construction and related buildings systems.

Berkeley Square Condominium Association A townhome style condominium development of 122 units in 18 buildings located in Tampa, Florida. The buildings feature complex roof designs, masonry veneer, and stucco construction.

3 Chisolm Street Homeowners Association This historic Charleston, South Carolina community was constructed in 1929 and 1960 and comprises brick and stucco construction with asphalt shingle and modified bitumen roofs. The unique buildings were originally the Murray Vocational School. The buildings were transformed in 2002 to 27 high-end condominiums. The property includes a courtyard and covered parking garage.

Lakes of Pine Run Condominium Association This condominium community comprises 112 units in 41 buildings of stucco construction with asphalt shingle roofs. Located in Ormond Beach, Florida, it has a domestic water treatment plant and wastewater treatment plant for the residents of the property.

Rivertowne on the Wando Homeowners Association This exclusive river front community is located on the Wando River in Mount Pleasant, South Carolina. This unique Association includes several private docks along the Wando River, a pool and tennis courts for use by its residents.

Biltmore Estates Homeowners Association This private gated community is located in Miramar, Florida, just northwest of Miami, Florida and consists of 128 single family homes. The lake front property maintains a pool, a pool house and private streets.

Bellavista at Miromar Lakes Condominium Association Located in the residential waterfront resort community of Miromar Lakes Beach & Golf Club in Fort Myers, Florida, this property comprises 60 units in 15 buildings. Amenities include a clubhouse and a pool.

PRIOR RELEVANT EXPERIENCE

Before joining Reserve Advisors, Inc., Ms. Lowery was a project manager with Kipcon in New Brunswick, New Jersey and the Washington, D.C. Metro area for eight years, where she was responsible for preparing reserve studies and transition studies for community associations. Ms. Lowery successfully completed the bachelors program in Civil Engineering from West Virginia University in Morgantown, West Virginia.

EDUCATION

West Virginia University - B.S. Civil Engineering

PROFESSIONAL AFFILIATIONS / DESIGNATIONS

Reserve Specialist (RS) - Community Associations Institute

Professional Reserves Analyst (PRA) - Association of Professional Reserve Analysts



MIKE S. BENTLEY, PRA, RS
Responsible Advisor

CURRENT CLIENT SERVICES

Mike S. Bentley, a Civil Engineer, is an Advisor for *Reserve Advisors, Inc.* Mr. Bentley is responsible for the inspection and analysis of the condition of clients' property, and recommending engineering solutions to prolong the lives of the components. He also forecasts capital expenditures for the repair and/or replacement of the property components and prepares technical reports on assignments. He is responsible for conducting Life Cycle Cost Analysis and Capital Replacement Forecast services and the preparation of Reserve Study Reports for condominiums, townhomes, high rise condominium towers, homeowner associations, and religious and educational facilities. Mr. Bentley frequently serves as the *Quality Assurance Review Coordinator* for all types of developments.

The following is a partial list of clients served by Mike S. Bentley demonstrating his breadth of experiential knowledge of community associations in construction and related buildings systems.

Summit Hotel Condominium Owner's Association At the base of the Big Sky Mountain in Montana, this 11-story high, 221 room condominium hotel serves vacationers year round. The Association maintains a stucco and masonry exterior, interior finishes, furnishings and appliances as well as the full range of mechanical equipment including three elevators, two chillers, two cooling towers and three boilers. The Summit also includes two restaurants, a full service kitchen, a pool, steam room and fitness room.

Emerald Chase Homeowners Association This planned unit development lays nestled within the wooded suburbs of Raleigh, North Carolina. Built in 1986, Emerald Chase maintains over two miles of asphalt pavement roads as well as an irrigation system.

Riverbridge Condominium Association Situated on the bank of the Milwaukee River, these three newly developed mid-rise buildings contain 117 units as well as an underground parking garage. In addition to the building's interior amenities, a security system and mechanical systems, Riverbridge also maintains a cantilevered concrete plaza giving pedestrians breathtaking views of the river below.

Patuxent Point Community Association A quaint community located in Patuxent, Maryland comprises 106 units in 18 buildings. Amenities at this coastal community include a clubhouse, tennis courts, pool, playground and asphalt walking paths. The painted wood siding on the exterior walls of the three-story townhomes give Patuxent Point a sense of charm and warmth.

Clubs at Bradford Place Community Association Seventy-nine units housed in 31 duplexes and triplexes comprise this retirement community on the outskirts of Chicago. The Association maintains the asphalt pavement driveways and concrete sidewalks throughout the community in addition to the vinyl siding and brick exteriors.

PRIOR RELEVANT EXPERIENCE

Before joining Reserve Advisors, Inc., Mr. Bentley attended Columbia University in New York, New York where he attained his Bachelor of Science degree in Civil Engineering. His studies focused on structural engineering as well as construction management.

EDUCATION

Columbia University - B.S. Civil Engineering

PROFESSIONAL AFFILIATIONS / DESIGNATIONS

Engineer In Training (E.I.T.) Registration – New York 2005

Professional Reserve Analyst (PRA) - Association of Professional Reserve Analysts

Reserve Specialist (RS) - Community Associations Institute



KYLE L. NELSON, RS
Review Coordinator

CURRENT CLIENT SERVICES

Kyle L. Nelson, a Biological Systems Engineer, is an Advisor for *Reserve Advisors, Inc.* Mr. Nelson is responsible for the inspection and analysis of the condition of clients' property, and recommending engineering solutions to prolong the lives of the components. He also forecasts capital expenditures for the repair and/or replacement of the property components and prepares technical reports on assignments. He is responsible for conducting Life Cycle Cost Analysis and Capital Replacement Forecast services and the preparation of Reserve Study Reports and Transition Study Reports for condominiums, townhomes and homeowner associations.

The following is a partial list of clients served by Kyle Nelson demonstrating his breadth of experiential knowledge of community associations in construction and related buildings systems.

2400 McCue Owners Association This four-story condominium style building located in Houston, Texas was constructed in 2001 and consists of 200 units. The building comprises asphalt shingle and EPDM roofs, concrete balconies with metal rails, and stucco and brick veneer walls. The enclosed courtyard features a pool and a separate fitness facility. The building utilizes an underground parking garage.

Highlands Falls Community Association This planned unit development in Highlands, North Carolina is responsible for common elements shared by 383 single family homes. The development was constructed from the 1970's to the 1980's and comprises nearly 100,000 square yards of asphalt pavement, maintenance equipment and buildings. The community provides water to its residents via wells and water towers, and sewerage via a 135,000 gallons/day wastewater treatment facility.

Somerset Heights Condominium Association This high-rise apartment style development, located in Decatur, Georgia, comprises 172 units in a 20-story building, and was constructed in 1969. Converted from apartments to condos in 1999, this octagonal building provides spectacular views of Atlanta's downtown skyline. The exterior of the building comprises brick and concrete walls, flat roofs and common windows and entrance doors. The interior contains common areas and various mechanical equipment. The development contains a concrete parking structure, pool and asphalt pavement.

Cinco Ranch II Residential Association Located in Katy, Texas, this master association is responsible for common elements shared by over 6,000 single family homes. The community consists of three pools and pool houses with large water slides and other features, over 25 miles of fences and perimeter walls, over 20 separate playgrounds as well as other common recreational areas, five tennis courts, three ponds and an extensive irrigation system.

The Villa Belmont Condominium Apartments This condominium development located near Wilmington, Delaware comprises 282 units in eight buildings. The buildings were constructed in the 1960's and the development contains a pool and asphalt pavement drives and parking areas.

Lakelands Club Consolidated Homeowners Association Located in Plainfield, Illinois, this planned unit development features single family homes and duplexes which line the perimeter of a 43-acre private lake. The development contains a large clubhouse, a swimming pool, nearly a mile of aluminum fences, asphalt pavement streets, parking areas and walking paths, gates and operators, brick pavers, large retaining walls and an irrigation system.

PRIOR RELEVANT EXPERIENCE

Before joining Reserve Advisors, Inc., Mr. Nelson attended the University of Wisconsin in Madison, Wisconsin where he attained his Bachelor of Science degree in Biological Systems Engineering. His studies focused on construction engineering and management, project estimating and structural analysis. He also worked for J.P. Cullen and Sons as a Student Engineer.

EDUCATION

University of Wisconsin - B.S. Biological Systems Engineering

PROFESSIONAL AFFILIATIONS

Reserve Specialist (RS) - Community Associations Institute



RESOURCES

Reserve Advisors, Inc. utilizes numerous resources of national and local data to conduct its Professional Services. A concise list of several of these resources follows:

Association of Construction Inspectors, (ACI) the largest professional organization for those involved in construction inspection and construction project management. ACI is also the leading association providing standards, guidelines, regulations, education, training, and professional recognition in a field that has quickly become important procedure for both residential and commercial construction, found on the web at <http://www.iami.org>. Several advisors and a Principal of Reserve Advisors, Inc. hold Senior Memberships with ACI.

American Society of Heating, Refrigerating and Air-Conditioning Engineers, Inc., (ASHRAE) the American Society of Heating, Refrigerating and Air-Conditioning Engineers, Inc., devoted to the arts and sciences of heating, ventilation, air conditioning and refrigeration; recognized as the foremost, authoritative, timely and responsive source of technical and educational information, standards and guidelines, found on the web at <http://www.ashrae.org>. Reserve Advisors, Inc. actively participates in its local chapter and holds individual memberships.

Community Associations Institute, (CAI) America's leading advocate for responsible communities noted as the only national organization dedicated to fostering vibrant, responsive, competent community associations. Their mission is to assist community associations in promoting harmony, community, and responsible leadership.

Marshall & Swift / Boeckh, (MS/B) the worldwide provider of building cost data, co-sourcing solutions, and estimating technology for the property and casualty insurance industry found on the web at <http://www.msbinfo.com>

R.S. Means CostWorks, North America's leading supplier of construction cost information. As a member of the Construction Market Data Group, Means provides accurate and up-to-date cost information that helps owners developers, architects, engineers, contractors and others to carefully and precisely project and control the cost of both new building construction and renovation projects found on the web at <http://www.rsmeans.com>

Reserve Advisors, Inc., library of numerous periodicals relating to reserve studies, condition analyses, chapter community associations, and historical costs from thousands of capital repair and replacement projects, and product literature from manufacturers of building products and building systems.



CORPORATE OFFICE

Reserve Advisors, Inc.
735 N. Water Street, Suite 175
Milwaukee, WI 53202

Reserve Study Update

November 21, 2014

The Reserve Study for Council of Unit Owners of Montgomery Woods Condominium, Inc.
Was submitted onNovember 21, 2014

To maintain the most accurate and cost-effective replacement schedule and funding plan for
your property elements, this study should be updated on or about**Fourth Quarter, 2016**
...but no later than.....**Fourth Quarter, 2017**

As a valued client, we are pleased to offer a discounted rate of.....**\$2,550**

For a Reserve Study Update with Site visit as noted above.

This future update fee is based on the same property components that were contained in your last Reserve Advisors' reserve study or update. We are pleased to include property additions for an additional fee.

To initiate your Reserve Study Update, please sign this authorization and fax or mail to the
number below. Upon receipt of this authorization we will contact you to schedule your site visit
and invoice for the Reserve Study Update Service.

Sign this contract below and fax to **414-272-3663**. Or mail to
Reserve Advisors, Inc.
735 N. Water St., Ste. 175
Milwaukee, WI 53202

Delivery options for your Reserve Study Update Report, Please check one of the following:

- 1-Full color printed copy PLUS Electronic Report, FREE
- 2-Full color printed copies PLUS Electronic Report, \$100

For: Reserve Advisors, Inc.

Signature: Michelle Baldry

Michelle Baldry
Director of Client Services - Northeast Region
MBaldry@reserveadvisors.com
Ref. # 99055
800-221-9882

For Council of Unit Owners of Montgomery
Woods Condominium, Inc.

Name: _____
Title: _____
Date: _____
Phone: _____

Agent or Manager: Susan Saltsman
Management Firm: Wallace H. Campbell &
Company, Inc.

Montgomery Woods Condominium Association, Inc

Rules and Regulations





RULES AND REGULATIONS
OF
MONTGOMERY WOODS
CONDOMINIUM ASSOCIATION,
INC.

8725 Loch Raven Blvd. Suite 201 Towson, MD 21286

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RULES AND REGULATIONS
OF
MONTGOMERY WOODS CONDOMINIUM
May 1, 1996

No town house shall be leased for a period of time less than six (6) months. No portion other than the entire town house unit shall be leased for any time. All unit owners who lease their unit shall, within 15 days of leasing such unit, provide the management agent with a copy of the lease, the owner's mailing address, the name of a contact person (if other than the owner), and a telephone number for emergency purposes. All leases shall be subject to the terms of The Rules and Regulations, the Declaration and Bylaws.

No excessive noise, obnoxious activity or behavior shall be carried on within any condominium unit or on condominium property which may become an annoyance to the neighbors or which may interfere with the peaceful use and enjoyment as reminded by the Howard County noise ordinance. Excessive or unnecessary noise is a violation of the By-Laws, Article IX, Section 4(a) and may be in violation of the Howard County Noise Ordinance. All complaints of noise should be made to the management company in writing and should also be reported to the Howard County Police at the time of occurrence. Any violation cited by the Howard County Police will automatically be deemed a violation of the By-Laws and this Rule and subject to a fine by the Condominium.

All domestic pets shall be leashed and accompanied while on common areas of condominium property. Pets shall not be allowed to run loose, be unsupervised or leashed to any stationary object on the common or limited common elements. There shall be no commercial breeding, boarding and/or raising of any animals within any condominium unit. No pet shall create or cause a disturbance to other residents of the Condominium. Unleashed pets and uncontrolled pets are a violation of the By-Laws, Article IX, Section 4(k) and may be a violation of the Howard County Animal Control Ordinance. All complaints regarding animal violations should be made to the management company in writing and should also be reported to the Howard County Animal Control Warden at the time of the occurrence. Any violation cited by the Howard County Animal Control Warden will automatically be deemed a violation of the By-Laws and this Rule and be subject to a fine by the Condominium.

No house trailer, trailer, camper camp truck, boat, boat trailer, or truck (dump truck, flatbed, step van, moving van, tow truck, cab or vehicle for hire or other commercial or recreational vehicle) shall be kept upon the Condominium property without written permission of the Board of Directors. All vehicles, belonging to an owner, a member of the owner's family, a guest, tenant or an employee shall be parked in the parking spaces provided, and shall not be parked in such a manner as to impede or prevent ready access to any other parking space or ingress and egress along the travel lanes. No vehicle shall be parked or driven off the roadway or parking lot onto any limited or common element of the Condominium. Residents should use only two (2) parking spaces per unit. Any extra

vehicles should be parked in overflow parking areas. Motorcycles may be parked but not stored in the parking spaces. Motorcycles may be parked and stored within the fenced backyard area.

Routine maintenance (a periodic adjustment or minor repair, such as a fire change, an oil change or the replacement of fluids) is permitted, provided, that the maintenance is started and completed within three (3) days, there is no use of heavy equipment (i.e. lifts, engine wenchers), and all evidence of the maintenance (rags, fluids, trash, tools, parts) is removed immediately and completely. Any damage to parking areas or the common elements as a result of the maintenance is the responsibility of the owner. Owner is further responsible for compliance with all Federal and State laws regarding the proper disposal of fluids. Any such vehicle maintenance shall not annoy or disturb the other unit owners or occupants of the Condominium.

The Council shall not be liable for any loss or damage resulting to any vehicle while on the premises.

All vehicles parked on the Condominium property must be properly tagged and registered. The parking or storing of any junk vehicle for a period of more than forty eight (48) hours on the Condominium's property shall be strictly prohibited. For the purpose of this Rule, the term "junk vehicle" shall mean any abandoned vehicle, any inoperable vehicle, any vehicle under repair, or any vehicle without current license tags. Any such vehicle not removed from a parking space, or the common elements of the Condominium, for a period of more than forty eight (48) hours shall be subject to removal by towing or by such other forms of removal as may be available. The Condominium will notify the owner of the vehicle by mail if possible, and by posting the vehicle, at least forty eight (48) hours prior to the time that such vehicle is to be towed. In the event the vehicle is towed from the Condominium, such towing shall be at the cost and expense of the owners of the vehicle. The cost and expense of the towing shall be passed onto the unit owner and collected in the same manner as Condominium assessments, with the same remedies being applicable for the non-payment thereof.

The By-Laws Article IX, Section 4(g) states "no part of the common elements shall be used for commercial activities of any character". A typical one day single unit residential yard sale does not fall into this category of "commercial activity", providing that 1) the owner of the residence holding a yard sale obtains the prior written permission of the Board, and 2) any evidence of the sale, trash, sale items, tables, etc., is removed from the area and the is restored to its original condition within three (3) hours after end of the sale. Unless expressly allowed by written permission, no such yard sale may take place in the general common elements of the Condominium.

The Architectural Guidelines that have been implemented in the past and updated periodically are proposed for adoption as part of the Rules and Regulations of Montgomery Woods Condominium.

In the event an owner is properly notified of a violation of The Rules and Regulations, and only after a proper hearing is held and correcting the violation is deemed necessary to protect and preserve the appearance, value or safety of the condominium association, the Board of Directors can arrange to enforce the By-Laws and the Rules and Regulations. The powers of the Condominium to enforce the By-Laws and the Rules and Regulations are found in Article IX, Sections 2 and 3, Pages 29 and 30, Article X, Pages 35 and 36 of the By-Laws. The enforcement powers include (1) fining the owner; (2) holding the owner responsible for all costs or correcting the violation all costs and attorneys' fees arising out of the alleged default and all interest arising out of the failure to pay for the costs or correcting the violation; (3) the right of entry onto the property to remove the violation; and (4) the filing of legal proceedings in order to enforce the terms of the Declaration, the By-Laws and the Rules and Regulations.

Fines may be imposed for violations of the By-Laws, these Rules and Regulations, the Architectural Guidelines or any other rule, regulation or policy duly proposed, published and adopted by the Condominium. Fines will be imposed for the first violation in an amount established by the Board not to exceed \$100.00. Fines will be imposed for a second violation for the same type of offense in an amount established by the Board not to exceed \$200.00. Fines will be imposed for a third or subsequent violation for the same type of offense in an amount established by the Board not to exceed \$500.00. Each day of a continuing violation will be considered a separate violation for which a separate fine may be imposed.

These Rules and Regulations were adopted in accordance with the Maryland Condominium Act, MD. Real Prop. Code Ann., Section 11-111 (1996 Repl. Vol.).

POINTS OF INTEREST

This section brings "Points of Interest" to unit owners' attention, from our amended By-Laws, dated May 1988. Each is written summarized for easy understanding. The section of the By-Laws that it was taken from is referenced to make it easier for you to go back and read. It is **STRONGLY** recommended that you read your By-Laws, since it is what is in the By-Laws that governs our community. This write up does not in any way replace the By-Laws.

1. Each individual unit is entitled to a vote, which may be cast by the owner, the owner's spouse, or by lawful proxy.
 - a. By-Laws Article III, Page 5, Section 5 Part (a)
2. The Council of Unit Owners shall elect one or more Inspectors of Elections, who will count the votes at each meeting of the Council. The term of office is one (1) year and he/she may appoint assistants to aid in the counting of the votes.
 - a. By-Laws Article III, Page 6, Section 5 Part (e)
3. The Council shall maintain a current roster of names and addresses of each unit owner, to which notices of meetings shall be sent. The unit owner must, within ten (10) days after acquiring the title to the unit or changing his mailing address, furnish the manager of the Council with his name and current mailing address.
 - a. By-Laws, Article III, Page 7, Section 9
4. The Board, or its authorized agents, may enter any unit for the purpose of inspecting any unit for defects or for correcting any condition originating from that unit which may affect another unit or common elements. Reasonable notice must be given by the Board to enter the unit. In the case of a bona fide emergency involving illness or potential danger to life or damage to property, the Board, or its authorized agents, may enter a unit without notice.
 - a. By-Laws, Article VII, Page 19, Section 2
5. The Board may make a resolution to make repairs or do maintenance to an individual residence to protect the common elements, preserve the appearance or value of the project or if it is in the best interest of the owners of all the Condominium units, provided that reasonable notice is given. However, in the event of an emergency, the Board may proceed without notice. The cost of the repairs or maintenance is the owner's sole responsibility.
 - a. By-Laws, Article VII, Page 21, Section 2, Part (h)

POINTS OF INTEREST

6. The Condominium units shall be used for residential purposes only.
 - a. By-Laws, Article IX, Page 29, Section 1
7. The Board may make and enforce rules and regulations that govern the conduct and use of the individual units and common elements.
 - a. By-Laws, Article IX, Page 29, Section 1
8. The Board has the power to suspend an owner's right to vote and impose reasonable fines, which constitute a lien upon the property, for violations under the Declaration, the By-Laws, or any rules and regulations. Each day of a continuing violation may be considered a separate violation.
 - a. By-Laws, Article IX, Page 29 Section 2
9. Do not do anything that will interfere with peaceful use and possession of the units. Avoid offensive trade or activities that may become an annoyance to the neighborhood and unnecessary noise that may disturb others.
 - a. By-Laws, Article IX, Page 30 Section 4 Part (a)
10. Nothing can be stored on any common area without the express permission of the Board. No garments, rugs or similar objects may be hung or cleaned from the windows or the exterior of the units or on common areas.
 - a. By-Laws, Article IX, Page 30 Section 4 Part (b)
11. Parking shall be regulated by the Board. No vehicle may remain parked or unmoved in any one parking space for more than two weeks without consent of the Board. No maintenance or repair of any vehicle, other than minor maintenance, such as oil changes or tune-ups, may be performed on common elements. Refer to the vehicle guidelines for the types of vehicles that may be parked in the community. The Board may institute a towing policy to enforce the parking.
 - a. By-Laws, Article IX, Page 30 Section 4 Part (c)
12. You may not structurally alter, construct, add to or remove anything from any Condominium unit except in accordance with the By-Laws.
 - a. By-Laws, Article IX, Page 31 Section 4 Part (e)
13. No sign of any kind, temporary or permanent, including real estate signs, may be posted or displayed without written consent from the Board.
 - a. By-Laws, Article IX, Page 31 Section 4 Part (f)
14. No commercial activity may be done on any common element of the community.
 - a. By-Laws, Article IX, Page 31 Section 4 Part (g)

POINTS OF INTEREST

15. Domestic pets are allowed, but the owners shall keep the pets on a leash or other means of control at all times while on common elements and must be attended by a person able to control the animal. Animals are not allowed on common elements or within individual units for commercial use.
 - a. By-Laws, Article IX, Page 32 Section 4 Part (k)
16. You may not violate any rule that the Board adopts and distributes in writing to unit owners.
 - a. By-Laws, Article IX, Page 32 Section 4 Part (l)
17. Units may only be rented in their entirety. No subletting of units will be permitted. All unit owners shall hold all lessees to the provisions of the By-laws and rules and regulations governing our community.
 - a. By-Laws, Article IX, Page 32 Section 5
18. All provisions in the By-Laws and the Rules and Regulations governing our community shall apply to the tenants. If a tenant violates the By-Laws and Rules and Regulations, and a fine is imposed, the fine will be imposed on the tenant. However, if the fine is not paid by the tenant within the time period set, the owner shall pay the fine upon notice from the Board. Unpaid fines constitute a lien against the unit.
 - a. By-Laws, Article IX, Page 33 Section 5 Part (a)
19. Any tenant that violates the By-Laws or Rules and Regulations is in violation of the terms of their lease and the owner has the right to terminate the lease without liability and evict the tenant in accordance with Maryland Law.
 - a. By-Laws, Article IX, Page 33 Section 5 Part (b)
20. The tenant is obligated for the payment of all assessments against the owner, which are owed during the tenant's occupancy of the unit. This does not release the owner of this obligation. Upon request from the Board, after being delinquent for more than 30 days, the tenant shall pay the Board all unpaid annual or special assessments. The payments are not to exceed the amount of the monthly rental payment or be due prior to the due date of the monthly rent. The tenant's rent payment to the owner, for that month, will then be reduced by the same amount the tenant paid the Board.
 - a. By-Laws, Article IX, Pages 33-34 Section 5 Part (c)

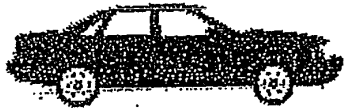
POINTS OF INTEREST

21. All rentals must be for a term of no less than 6 months. All unit owners must give written notice, supply a copy of the executed lease, and provide general information about the lessee to the Board as they may reasonably require within 10 days of signing the lease. The unit owner must also make the By-Laws and Rules and Regulations available to the tenant. If the unit owner fails to provide the governing documents to the tenant, the tenant may request the copies from the Board and all associated costs will be charged to the unit owner.
 - a. By-Laws, Article IX, Page 34 First full paragraph of the page
22. Parking is on a first come first serve basis. No vehicle belonging to any unit owner, guest, employee, or invitee should be parked in a manner, which interferes with or impedes access to any other parking space. The Board may assign parking spaces.
 - a. By-Laws, Article IX, Page 34 Section 6
23. As a condition for approval of an architectural change, the unit owner shall assume all responsibilities for maintenance, repair, replacement and insurance to and on such change.
 - a. By-Laws, Article XI, Page 37 Section 2 Part (a)
24. Construction or alterations approved by the Architectural Review Committee must be started within 6 months of the approval and completed within 12 months. If the work is not completed in this time then the unit owner will be required to get new approval. There shall be no deviation from the approved plans.
 - a. By-Laws, Article XI, Page 38 Section 2 Part (b)
25. The Architectural Review Committee shall be composed of an uneven number of 3 or more people. If there is no Architectural Review Committee, the Board shall be the Architectural Review Committee. An affirmative vote of a majority of the members of the Architectural Review Committee shall be required in order to adopt any rule or regulation, or make any finding, determination or issue any consent or approval.
 - a. By-Laws, Article XI, Page 38 Section 4
26. No exterior changes may be made without written permission. The written permission must be sent certified mail. The Board of Directors or the Architectural Review Committee may publish a list of pre-approved changes and alterations.
 - a. By-Laws Page 36 Article XI Section 1

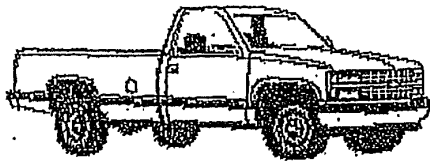
Montgomery Woods

Commercial and Leisure Vehicle Guidelines

Acceptable Commercial Vehicles

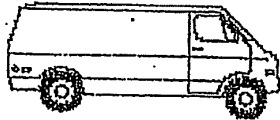


Car



Truck

- Trucks with ladders may not exceed past tailgate. Must be with in the bed of the truck.

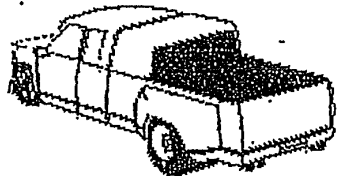


Work Van

- Vans with ladders permitted but, may not extend past the bumpers.

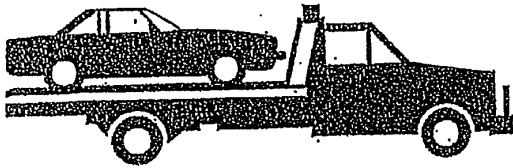
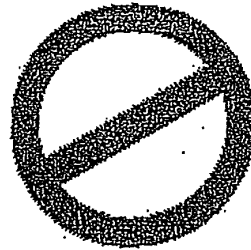


Cab Truck

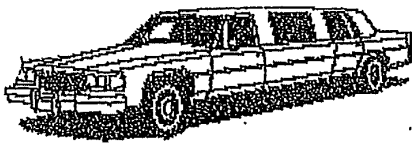


Utility Truck

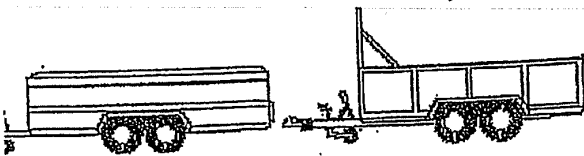
Unacceptable Commercial Vehicles



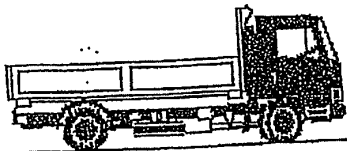
Tow Truck



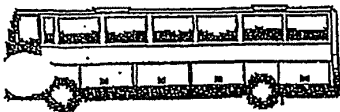
Limousine



Trailers

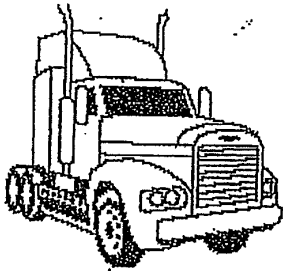
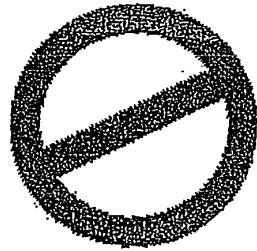


Flat Bed Truck

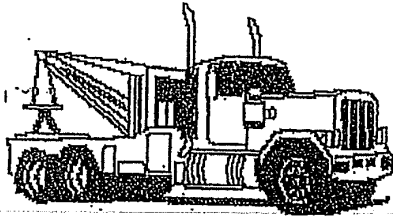


Bus

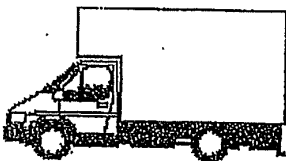
Unacceptable Commercial Vehicles



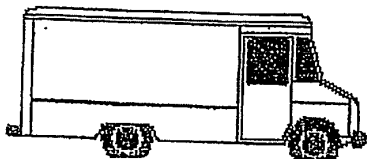
Truck Cab



Utility Tow Truck

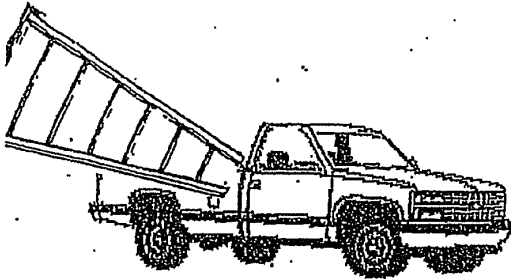
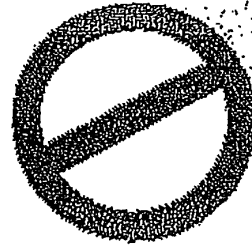


Box Truck

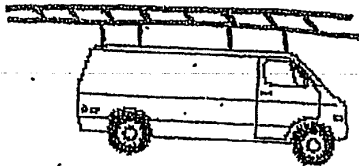


Work Horse Van

Unacceptable Commercial Vehicles



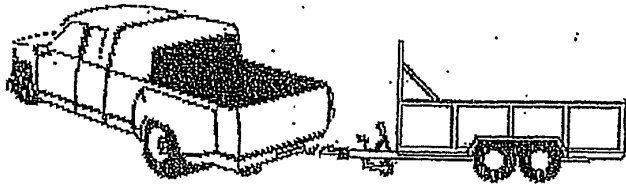
Truck



Work Van

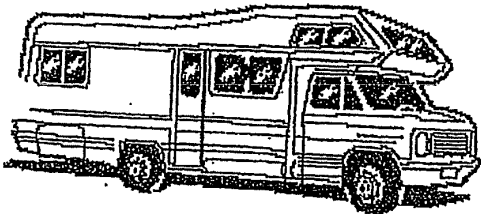
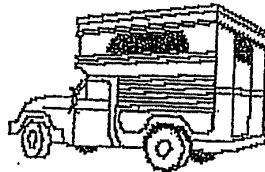
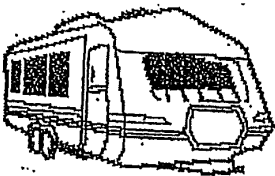
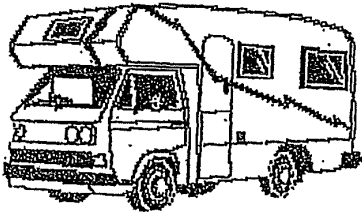
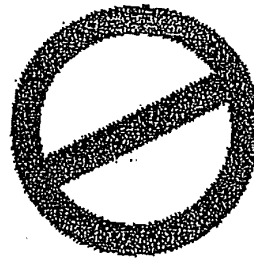
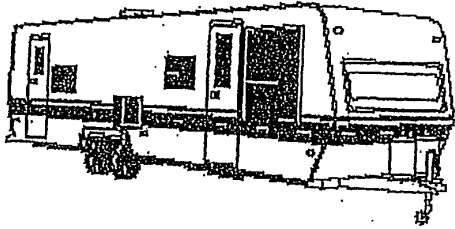
- Vans or Truck with ladders that exceed past the bumpers of vehicle must be removed while parked.

Unacceptable Vehicles

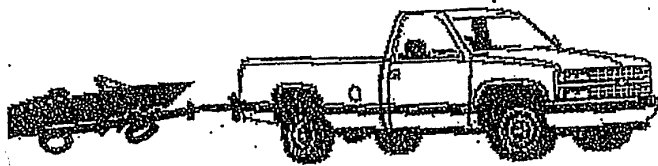


Truck & Trailer

Unacceptable Leisure Vehicles



Unacceptable Leisure Vehicles



Trailed Boat



Trailed Camper



ARCHITECTURAL GUIDELINES
OF
MONTGOMERY WOODS
CONDOMINIUM ASSOCIATION,
INC.

8725 Loch Raven Blvd. Suite 201 Towson, MD 21286

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THE UNIVERSITY OF
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BUSINESS AND
ECONOMICS

ARCHITECTURAL GUIDELINES

These guidelines have been published to make homeowners aware of exterior changes and general maintenance issues that are acceptable. This is not an approval for these items. Unit owners must apply to the Architectural Review Committee by submitting an Exterior Alteration Form before making any exterior changes. You can obtain a copy of this form in your Montgomery Woods Handbook or by requesting a copy from the management company. Routine maintenance such as painting or replacing an original item with one of like style and materials is acceptable without approval. All units must be kept in good repair, lawns must be kept neat, and gardens weed free.

1. Storm doors

- 1.1 Must be dark brown in color
- 1.2 Doors with grills are permitted
- 1.3 All glass must be non-colored

2. Front Doors

- 2.1 Must be dark brown in color
- 2.2 All glass must be non-colored
- 2.3 Trim may be painted any color from the approved color chart
- 2.4 Standard brass kick plates are allowed

3. Rear Doors

- 3.1 Rear doors may be sliders or French Doors
- 3.2 Sliders must be dark brown in color
- 3.3 French Doors Must be dark brown. Refer to the approved color chart
- 3.4 Doors may have brown colored grill
- 3.5 Trim must be painted any color from the approved color chart
- 3.6 All glass must be non-colored

4. Door Alterations

- 4.1 Small door knockers, peepholes, or doorbells may be attached to the door or door frame

5. Porches

- 5.1 Door Mats are allowed
- 5.2 Indoor/outdoor carpet is not allowed on the front porch
- 5.3 Treads are not allowed

6. Outdoor Lighting attached to the house

- 6.1 Fixtures must be black, brass, brown or verdigris
- 6.2 All light bulbs must be non-colored

7. Outdoor Lighting not attached to the house

- 7.1 Allowed within seven (7) feet of the front and side foundation walls
- 7.2 Must be hardwired to the house
- 7.3 The illumination from the light must be clear, white light
- 7.4 May be of any style
- 7.5 Fixtures must be brown or black
- 7.6 May not be more than fourteen (14) inches above the ground
- 7.7 May not be more than twelve (12) volts

8. Nameplates and Signs

- 8.1 A nameplate, house number plaque or welcome sign may be installed under the porch light
- 8.2 Must be wood, wood color, brass, black, dark green or verdigris
- 8.3 May not be more than eight (8) inches by eighteen (18) inches
- 8.4 Nameplates, house number plaques or welcome signs may only be illuminated by the front porch light
- 8.5 One (1) realty sign is permitted per unit, no larger than two (2) feet by three (3) feet, or six (6) square feet
- 8.6 One political sign is permitted per unit, no larger than two (2) feet by three (3) feet, or six (6) square feet
- 8.7 One (1) home security sign is permitted per unit
- 8.8 No sign may be illuminated
- 8.9 Signs are not permitted on common area

9. House Numbers

- 9.1 Must be white in color
- 9.2 Must be at least four (4) inches and no more than six (6) inches high
- 9.3 Must be visible from the street

10. Window Frame

- 10.1 Frame must be dark brown in color
- 10.2 Must slide open from the side
- 10.3 Double hung windows may only be installed in the end units in the small side windows
 - a. Trim must be painted any color from the approved color chart
- 10.4 All glass must be clear
- 10.5 Drapes, blinds, shades, and curtains must be in good repair
- 10.6 Drapes, blinds, shades, and curtains must be made specifically for windows

11. Flags

- 11.1 Flagpole holders or brackets must be black, brown, or brass
 - a. May be attached to the unit for the purpose of displaying the American Flag only
- 11.2 Permanent flagpoles are not permitted
- 11.3 Flags may be no larger than three (3) feet by five (5) feet
- 11.4 No other flags or banners are allowed

12. Hanging Planters and Window boxes

12.1 Hanging Planters or baskets may be no larger than twelve (12) inches in diameter

a. May be attached under the porch ceiling

12.2 Window boxes must be painted dark brown. Refer to approved color chart

a. Plastic boxes must be dark brown in color

b. Planter boxes may be attached under the kitchen window only

c. Planter boxes may not exceed a height of eight (8) inches, a depth of twelve (12) inches, and no wider than the width of the window

d. Window boxes must have plain, unobtrusive brackets

13. Roof

13.1 Samples must be submitted for ARC approval

14. Roof Vents

14.1 May be installed in existing vent openings in the rear slope of the roof and must match color

15. Fireplace Stacks and Chimneys

15.1 Must be brown in color

15.2 Must be in good repair

16. Gutters and Downspouts

16.1 Must be dark brown in color

16.2 Must be kept in good repair

17. General Common Area

17.1 Nothing can be planted or altered in the common area

18. Trees

18.1 No trees may be planted in the common area without ARC approval

19. Shrubs and Flowers

19.1 May be planted within seven (7) feet of the front and side foundations walls, and within the fenced area of the back yard

19.2 Shrubs in the front of the unit may not exceed ten (10) feet in height, except under the front window where the shrub may only be as high as high as the bottom of the front window

19.3 Shrubs on the side of a unit may not exceed ten (10) feet in height

19.4 Shrubs in the rear of a unit may not exceed ten (10) feet in height or four (4) feet above the fence line, whichever is lower

19.5 No plants, ivy or other vines may grow on the brick of the house, through the fence, or over the fence

20. Rock Gardens

20.1 May be placed within five (5) feet of the front or side foundation and within the enclosed area of the back yard

20.2 Rocks must be of a natural color, not painted and not white

21. Landscape Borders

21.1 Garden area must be enclosed by landscaping lumber, natural or dark stained, or natural color rocks

22. Vegetable Gardens

22.1 Must be in the enclosed backyard, and must not extend through or over the privacy fence

23. Hedges

23.1 Any planting designed to be a hedge or fence must be approved by the ARC

24. Container Gardens

24.1 Must be within seven (7) feet of the front or side foundation walls

24.2 Wood containers must be left natural

24.3 Ceramic or plastic containers are allowed

24.4 Containers may be no larger than two (2) feet tall and two feet in diameter

24.5 Container gardens are for growing flowers and small bushes only

24.6 There is a maximum of six containers

25. Patios

25.1 Permitted within the backyard area only

25.2 Must drain away from the foundation wall

26. Decks

26.1 Wood decks are permitted within the backyard area

26.2 All decks must be level with no more than two (2) steps up. Each step can be no more than eight (8) inches

26.3 Decks must be well maintained and in safe condition

26.4 Decks may be constructed of redwood, cedar, pine planking, or natural color composite that has been treated for outdoor use and stained. (Refer to the approved color chart.)

26.5 Lattice may be installed between the bottom of the deck and the ground. The lattice must match the color of the deck and fence

26.6 No second story decks are allowed

27. Fences

- 27.1 Must be shadow box style
- 27.2 Minimum height shall be thirty-six (36) inches for the back section only and all others shall be seventy-two (72) inches high
- 27.3 Must extend fifteen (15) feet from the rear corners of the unit, ninety degrees to the rear of the unit. End units may extend ten (10) feet to the side from the wall
- 27.4 Nothing may be hung over the fence or on the outside of the fence
- 27.5 Wood may be stained or painted, (refer to the approved color chart) or left natural

28 Trash Cans, Litter, and Recycling

- 28.1 Trash may not be burned
- 28.2 No unreasonable accumulation or storage of litter, building material or trash is permitted
- 28.3 Trash and garbage containers shall be stored in the back of the unit with five (5) feet of the rear of the of the unit if there is no fence, or within the fenced area of the backyard
- 28.4 Trash stored outside between pickups must be kept in closed, rigid containers
- 28.5 Containers for trash pickup and recycling must be put curbside for pickup after 5 PM the day before the pickup, and must be removed by 11 PM the day of the pickup.
- 28.6 All trash containers and recycling containers must be marked with your unit number

29. Grills, Barbecues, and Fireplaces

- 29.1 Permanently installed barbecues require ARC approval
- 29.2 Portable grills and portable outdoor fireplaces must be used in accordance with the with Howard County Law

30. Pools

- 30.1 No in ground or permanently installed above ground pools are permitted
- 30.2 Hot tubs may be permitted in a completely enclosed back yard with ARC approval

31 Firewood

- 31.1 Residents are restricted to no more than one (1) cord of firewood per unit
- 31.2 All residents must keep their firewood within the backyard area
- 31.3 Firewood should be stacked neatly and safely

32. Lawn Mowers

- 32.1 Must be kept in the backyard area when not in use

33. Sports Equipment

- 33.1 May not be permanently installed without ARC approval
- 33.2 Must be kept inside the unit or within the fenced area of the backyard when not in use
- 33.3 May not exceed ten (10) feet in height or four (4) feet above the fence line, whichever is shorter

34. Play Equipment

- 34.1 Swing sets and climbers must be fastened to the ground and be in a completely enclosed backyard
- 34.2 Sand boxes are allowed only within a completely enclosed backyard
- 34.3 Loose piles of sand are prohibited
- 34.4 All play equipment must be kept inside of the unit or within the backyard area when not in use
- 34.5 May not exceed ten (10) feet in height or four (4) feet above the fence line, whichever is lower

35. Lawn Ornaments

- 35.1 No birdbaths, figurines, or other ornaments are permitted in the front or side yard
- 35.2 Ornaments may be placed in the backyard area

36. Walkways

- 36.1 Must be kept in good repair
- 36.2 Additional walkways or modifications to existing walkways, including any visible fenced area of the backyard, must be approved by the ARC
- 36.3 Black iron railings are allowed with ARC approval

37. Outbuildings

- 37.1 An outbuilding is any structure, permanent or temporary, erected outside of a unit including but not limited to sheds, storage bins, greenhouses, dog houses, and gazebos
- 37.2 All proposed outbuildings must be submitted for approval by the ARC
 - A) Must be located within the backyard area
 - B) Must be anchored or mounted to a base
 - C) Must not alter natural water drainage
 - D) Must not block access to water and electric meters
 - E) Must not be metal
 - F) May be no taller than ten (10) feet from the ground or four (4) feet above the fence, whichever is lower

38. Clotheslines

- 38.1 Permanent clotheslines or other devices for drying laundry are prohibited
- 38.1 Nothing may hang over the fence

39. Lawn Furniture

39.1 All lawn furniture, including but not limited to wood, plastic, or metal furniture, tables and picnic tables are allowed within the backyard area, and may not exceed ten (10) feet in height or four (4) feet above the fence line, whichever is lower

39.2 Units with front entrances

A) May keep a small bench, glider, or two (2) chairs within seven (7) feet of the front foundation wall

B) Must be rust, black, dark brown, dark green or verdigris

39.3 Units with side entrances

A) May keep a small bench, glider, or two (2) chairs on the porch or under the front window within seven (7) feet of the front foundation wall

B) Must be rust, black, dark brown, dark green, or verdigris

C) Nothing may be stored on or under the outside furniture

40. Holiday Decorations

40.1 May be put up no more than thirty (30) days prior to the holiday

40.2 Must be taken down no more than thirty (30) days following the holiday

40.3 No flags, other than the American Flag, or banners are allowed

40.4 Seasonal door decorations are allowed

40.5 No unit may be under perpetual holiday

41. Vehicles

41.1 All vehicles are to be parked on the paved area only

41.2 Any unit owner that drives on or is the reason for a vehicle to be driven on an unpaved area will be responsible for any damage that the vehicle does to the common area

42. Parking Lots

42.1 No junked vehicle or vehicles without current registration are permitted to be parked on the parking lot

42.2 See the vehicle guidelines for the type of vehicle that are allowed to park in the community

42.3 No vehicle may remain parked and unmoved in any one parking spot for more than two (2) weeks without the consent of the board of directors

42.4 Routine vehicle maintenance is allowed if:

A) The repairs take no more than three (3) days

B) There is no use of heavy equipment, eg, lifts, engine winches, etc.

C) The area is completely cleaned when work is not being done and after completion of the work

D) The vehicle is not left on jacks when not being worked on

42.5 No oil, lubricant, fluid, or fuel is to leak from the vehicle or deposited in the storm drains, parking area, or any other area of the community

42.6 Residents should use only two (2) parking spaces per unit; all extra vehicles should be parked in an out of the way parking space

43. Hoses

- 43.1 Must be either coiled close to the unit, or kept on hose reel or in a hose box
- 43.2 Hose reels can be either free standing, or attached to the unit, no higher than three (3) feet from the ground
- 43.3 Hose reels and hose boxes must be black, gray, rust, dark brown, tan, or dark green in color

44. Pods, Dumpsters, and Similar Items

- 44.1 Must have ARC approval

45. Cable and Dish Wire

- 45.1 Must be attached tightly to the unit and not hang at any point
- 45.2 Must be brown or black in color
- 45.3 It is suggested that the cable wire be installed behind the rear downspout if at all possible

46. Storage

- 46.1 No storage of landscaping tools, toys, or any other items other than those approved in these guidelines, in the front or side of a unit
- 46.2 No accumulation of newspaper or flyers in the front or side of a unit

47. Miscellaneous

- 47.1 All wood, vinyl, or aluminum may be painted or stained an approved house color from the color chart

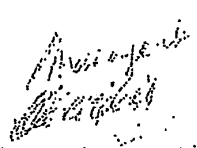
ARCHITECTURAL PROCEDURES

This material is prepared to help understand the process, procedures and guidelines that dictate how the Architectural Committee works and the process, procedures and guidelines that Unit Owners must follow to stay in compliance.

1. The purpose of the ARC Guidelines is to:
 - a. Maintain the appearance of the community, thereby enhancing property values
 - b. Provide guidance to those wishing to alter the part of their unit visible to the community
 - c. Provide guidance to the ARC committee

2. Architectural Review Committee
 - a. The Architectural Review Committee shall be composed of an uneven number of 3 or more members. Members shall be made up of volunteer property owners from the community. The Chairman of the Architectural Review is chosen by the President of the Board of Directors.
 - b. If there is no Architectural Review Committee, the Board shall be the Architectural Review Committee.
 - c. The ARC is responsible for:
 - i. Periodic inspections of the community
 - ii. Noting any violations of the ARC Guidelines
 - iii. Reporting their findings to the Board of Directors
 - iv. Recommending appropriate actions to correct the ARC violations
 - v. Recommending changes to the ARC Guidelines
 - d. Inspections shall be done by at least two members of the ARC committee. All members doing the inspection will sign the inspection report.
 - e. ARC Members are not allowed to inspect their own unit.
 - f. An affirmative vote of a majority of the members of the Architectural Review Committee shall be required in order to adopt any rule or regulation, or make any finding, determination or issue any consent or approval.

3. Requests
 - a. All improvements, including additions, alterations, modifications, plantings or other exterior changes, from the surface of the interior wall outward and any major interior structural changes, must be approved by the Architectural Review Committee prior to implementation. If the changes are according to the Architectural Guidelines, the approval will be automatic. Failure to obtain approval before implementation may result in fining.
 - b. Requests for improvements should be submitted to the ARC and must include:

- 
- i. Requestor's name, address and phone number
 - ii. Complete description of the improvements
 - iii. Attached diagrams, plans or sketches
- c. All requests must be sent certified mail to Wallace Campbell & Co; Attn: Susan Saltzman; 6212 York Road; Baltimore, MD 21212.

4. Approvals

- a. A copy of the approved or disapproved request will be kept in the permanent Architectural Review Committee records and a copy will be returned to the applicant.
- b. It is the unit owners' responsibility to keep a copy of the approved request in case there is a future challenge to the approval (of a request) or in case there is a revision to the ARC Guidelines.
- c. If the ARC fails to approve or disapprove a request within ninety (90) days of receiving it by certified mail, it will be assumed to be approved.

5. Limitations

- a. Work on approved plans must be started within six (6) months following the date of ARC approval.
- b. Work must be completed within twelve (12) months following the date of commencement.
- c. Extensions of time will be granted only upon specific request to the ARC and only if warranted.
- d. If the work and completion have not occurred within the time stated, approval is deemed to have lapsed and a new application is required.
- e. There shall be no deviation from the plans approved by the ARC.
- f. Approval of any plan shall not be construed as a blanket approval of that plan or any of its elements in any situation other than the one approved.

6. Inspections

a. Yearly Inspections

- i. A yearly inspection of the entire property will be conducted beginning every April. Notices of inspection will be sent to the Unit owners by June 1st.
- ii. Corrections of any violations must be completed by September 1st.
- iii. The unit owner must inform the ARC when the violations have been corrected, otherwise the ARC will assume the violations have not been corrected.
- iv. Extensions of time will be granted only upon specific request to the ARC and only if warranted.
- v. Any unit owner that has not corrected all violations by September 1st, or been granted an extension will be called into a closed meeting.

b. Monthly Inspections

- i. Random monthly inspections will be conducted for regular maintenance (ie: grass cutting, snow removal, no storage of anything in the front of the unit) or major structural violations (ie: gutter falling off, gable pulled away from the unit).
- ii. Any unit with a violation during the random monthly inspection will be sent a letter and have 5 days to correct the violation, unless it is a major structural violation, in which the unit owner will have 90 days to correct the violation.
- iii. After the allowed time period to correct the violation, if the violation has not been corrected, the unit owner will be called into a closed meeting.

7. Closed Meetings

- a. The closed meetings are a time for the unit owner to work with the ARC to correct the violation.
- b. Written notice will be given to the unit owner of the closed meeting with at least ten (10) days notice.
- c. The closed meetings will be conducted by the ARC. However, the Board of Directors can attend the closed meetings.
- d. If the unit owner does not like the decision of the ARC, the unit owner can appeal the decision to the Board of Directors.
- e. If a unit owner does not show up for their closed meeting, the unit owner will automatically be deemed in violation and fining can begin.
- f. The unit owner must give the ARC 48 hours notice if unable to attend the closed meeting or the unit owner may be fined.
- g. According to the Maryland Condo Act, a unit owner has two opportunities for a closed-door meeting. Therefore, if the unit owner cannot attend the first scheduled closed door meeting, with proper notice, a second closed door meeting will be scheduled. If the unit owner cannot attend the second closed meeting, the meeting will take place in their absence and the unit owner will be notified of the result of the meeting by mail.

8. Revisions to the Architectural Guidelines

- a. It is the intent of the Architectural Guidelines to guide unit owners with consistent, easy to follow rules for exterior alterations and maintenance.
- b. It is the Intent of the ARC to be fair in the enforcement of the guidelines, resisting requests for exceptions.
- c. It is the intent of the ARC to be sensitive to the needs and requests of the community.
- d. Rather than grant exceptions, the ARC will grant revisions to the Architectural Guidelines using the following procedure. The forms needed can be supplied by the ARC, can be downloaded from the Montgomery Woods website. Once completed, the forms must be submitted to the ARC committee or to Wallace H. Campbell.

- i. A unit owner must submit a signed written request for each guideline change.
- ii. The unit owner must obtain signatures of 51% (65 units) of the community agreeing to each change.
- iii. Signatures must be obtained between one week prior to and two weeks following the request for the guideline change.
- iv. The Board of Directors shall have two weeks after submitting signatures to verify forms and information.
- v. If the unit owner successfully completes the above, the guidelines will be changed accordingly for the community.

MONTGOMERY WOODS CONDOMINIUM
Exterior Alteration Application



Before your exterior alteration project begins, please submit this completed form to **Wallace H. Campbell & Co., Inc.** at **6212 York Road, Baltimore, MD 21212**. Your application may take up to sixty days to be approved or disapproved (*Article XI, Section 1* of our governing documents). To expedite the process, please be sure to include as much detail as possible about your exterior alteration project. You may attach additional documents as supplements to this request.

DATE: _____
NAME: _____
ADDRESS: _____
PHONE: _____

Please provide a full description of desired changes:

- If applying for approval of paint or stain, please enclose a paint/stain chip, type and color.
- Include a drawing of your proposed change, where applicable.
- Please note that this application does not exempt you from obtaining any necessary county permits or contacting Miss Utility, if relevant.

If using a contractor, please furnish us with the following information:

NAME OF CONTRACTOR: _____
CONTRACTOR PHONE: _____ LICENSE NO.: _____

THIS SECTION TO BE COMPLETED BY ACC REPRESENTATIVE

The Architectural Control Committee of Montgomery Woods has reviewed this application. Your application has been:

APPROVED AS SUBMITTED DECLINED AS SUBMITTED APPROVED WITH CHANGES

ACC REPRESENTATIVE: _____ DATE: _____
ACC REPRESENTATIVE: _____ DATE: _____
ACC REPRESENTATIVE: _____ DATE: _____
BOARD MEMBER: _____ DATE: _____

MONTGOMERY WOODS

APPROVED PAINT COLORS

Duron is the *official* paint for the community. Paints will be Semi Gloss.

Exterior Colors:

Brown:

- * Timber Trail - 8746N
- * Treasure Chest - 8296N
- * Chestnut Brown - (No number)
- * French Roast -- 6069

Trim Colors:

Tan:

- * Tenderfoot - 8241W
- * Northern Plains - 8242W

Duron paints and wall coverings can be found at select Sherwin-Williams stores. Local stores can be found by visiting the following website:

<http://www.duron.com>

Montgomery Woods Condominium Association, Inc

W-9 for Association



Request for Taxpayer Identification Number and Certification

**Give Form to the
requester. Do not
send to the IRS.**

▶ Go to www.irs.gov/FormW9 for instructions and the latest information.

Print or type. See Specific Instructions on page 3.	1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank. CUO of Montgomery Woods Condominium, Inc	
	2 Business name/disregarded entity name, if different from above	
	3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only one of the following seven boxes. <input type="checkbox"/> Individual/sole proprietor or single-member LLC <input checked="" type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ▶ _____ Note: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is not disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner. <input type="checkbox"/> Other (see instructions) ▶ _____	
	4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) _____ Exemption from FATCA reporting code (if any) _____ <small>(Applies to accounts maintained outside the U.S.)</small>	
	5 Address (number, street, and apt. or suite no.) See instructions. 8725 Loch Raven Blvd Ste 201	Requester's name and address (optional)
	6 City, state, and ZIP code Towson, MD 21286	
	7 List account number(s) here (optional)	

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

Note: If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number	
[][] - [][] - [][][][][][]	
or	
Employer identification number	
5 2 - 1 0 5 3 0 2 3	

Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
- I am a U.S. citizen or other U.S. person (defined below); and
- The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

Sign Here	Signature of U.S. person ▶	Date ▶ <u>9-11-20</u>
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General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/FormW9.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

- Form 1099-INT (interest earned or paid)

- Form 1099-DIV (dividends, including those from stocks or mutual funds)
 - Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
 - Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
 - Form 1099-S (proceeds from real estate transactions)
 - Form 1099-K (merchant card and third party network transactions)
 - Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
 - Form 1099-C (canceled debt)
 - Form 1099-A (acquisition or abandonment of secured property)
- Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding, later.

Montgomery Woods Condominium Association, Inc

W9 for Pelican



Request for Taxpayer Identification Number and Certification

▶ Go to www.irs.gov/FormW9 for instructions and the latest information.

**Give Form to the
requester. Do not
send to the IRS.**

Print or type. See Specific Instructions on page 3.	<p>1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.</p>	
	<p>2 Business name/disregarded entity name, if different from above</p>	
	<p>3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only one of the following seven boxes.</p> <p><input type="checkbox"/> Individual/sole proprietor or single-member LLC <input type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate</p> <p><input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ▶ _____</p> <p>Note: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is not disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner.</p> <p><input type="checkbox"/> Other (see instructions) ▶ _____</p>	<p>4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):</p> <p>Exempt payee code (if any) _____</p> <p>Exemption from FATCA reporting code (if any) _____</p> <p><small>(Applies to accounts maintained outside the U.S.)</small></p>
	<p>5 Address (number, street, and apt. or suite no.) See instructions.</p>	Requester's name and address (optional)
	<p>6 City, state, and ZIP code</p>	
	<p>7 List account number(s) here (optional)</p>	

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

Social security number																									
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or

Employer identification number																									
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Note: If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
3. I am a U.S. citizen or other U.S. person (defined below); and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

Sign Here	Signature of U.S. person ▶ <i>Philip Cohen</i>	Date ▶ <i>4/05/2021</i>
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General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/FormW9.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

- Form 1099-INT (interest earned or paid)

- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)
- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding, later.

By signing the filled-out form, you:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income, and
4. Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct. See *What is FATCA reporting*, later, for further information.

Note: If you are a U.S. person and a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien;
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States;
- An estate (other than a foreign estate); or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax under section 1446 on any foreign partners' share of effectively connected taxable income from such business. Further, in certain cases where a Form W-9 has not been received, the rules under section 1446 require a partnership to presume that a partner is a foreign person, and pay the section 1446 withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid section 1446 withholding on your share of partnership income.

In the cases below, the following person must give Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States.

- In the case of a disregarded entity with a U.S. owner, the U.S. owner of the disregarded entity and not the entity;
- In the case of a grantor trust with a U.S. grantor or other U.S. owner, generally, the U.S. grantor or other U.S. owner of the grantor trust and not the trust; and
- In the case of a U.S. trust (other than a grantor trust), the U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

Foreign person. If you are a foreign person or the U.S. branch of a foreign bank that has elected to be treated as a U.S. person, do not use Form W-9. Instead, use the appropriate Form W-8 or Form 8233 (see Pub. 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items.

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity, give the requester the appropriate completed Form W-8 or Form 8233.

Backup Withholding

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS 24% of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, payments made in settlement of payment card and third party network transactions, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the instructions for Part II for details),
3. The IRS tells the requester that you furnished an incorrect TIN,
4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or
5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See *Exempt payee code*, later, and the separate Instructions for the Requester of Form W-9 for more information.

Also see *Special rules for partnerships*, earlier.

What is FATCA Reporting?

The Foreign Account Tax Compliance Act (FATCA) requires a participating foreign financial institution to report all United States account holders that are specified United States persons. Certain payees are exempt from FATCA reporting. See *Exemption from FATCA reporting code*, later, and the Instructions for the Requester of Form W-9 for more information.

Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you no longer are tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account; for example, if the grantor of a grantor trust dies.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Line 1

You must enter one of the following on this line; **do not** leave this line blank. The name should match the name on your tax return.

If this Form W-9 is for a joint account (other than an account maintained by a foreign financial institution (FFI)), list first, and then circle, the name of the person or entity whose number you entered in Part I of Form W-9. If you are providing Form W-9 to an FFI to document a joint account, each holder of the account that is a U.S. person must provide a Form W-9.

a. **Individual.** Generally, enter the name shown on your tax return. If you have changed your last name without informing the Social Security Administration (SSA) of the name change, enter your first name, the last name as shown on your social security card, and your new last name.

Note: ITIN applicant: Enter your individual name as it was entered on your Form W-7 application, line 1a. This should also be the same as the name you entered on the Form 1040/1040A/1040EZ you filed with your application.

b. **Sole proprietor or single-member LLC.** Enter your individual name as shown on your 1040/1040A/1040EZ on line 1. You may enter your business, trade, or “doing business as” (DBA) name on line 2.

c. **Partnership, LLC that is not a single-member LLC, C corporation, or S corporation.** Enter the entity’s name as shown on the entity’s tax return on line 1 and any business, trade, or DBA name on line 2.

d. **Other entities.** Enter your name as shown on required U.S. federal tax documents on line 1. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on line 2.

e. **Disregarded entity.** For U.S. federal tax purposes, an entity that is disregarded as an entity separate from its owner is treated as a “disregarded entity.” See Regulations section 301.7701-2(c)(2)(iii). Enter the owner’s name on line 1. The name of the entity entered on line 1 should never be a disregarded entity. The name on line 1 should be the name shown on the income tax return on which the income should be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a single owner that is a U.S. person, the U.S. owner’s name is required to be provided on line 1. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity’s name on line 2, “Business name/disregarded entity name.” If the owner of the disregarded entity is a foreign person, the owner must complete an appropriate Form W-8 instead of a Form W-9. This is the case even if the foreign person has a U.S. TIN.

Line 2

If you have a business name, trade name, DBA name, or disregarded entity name, you may enter it on line 2.

Line 3

Check the appropriate box on line 3 for the U.S. federal tax classification of the person whose name is entered on line 1. Check only one box on line 3.

IF the entity/person on line 1 is a(n) . . .	THEN check the box for . . .
• Corporation	Corporation
• Individual • Sole proprietorship, or • Single-member limited liability company (LLC) owned by an individual and disregarded for U.S. federal tax purposes.	Individual/sole proprietor or single-member LLC
• LLC treated as a partnership for U.S. federal tax purposes, • LLC that has filed Form 8832 or 2553 to be taxed as a corporation, or • LLC that is disregarded as an entity separate from its owner but the owner is another LLC that is not disregarded for U.S. federal tax purposes.	Limited liability company and enter the appropriate tax classification. (P= Partnership; C= C corporation; or S= S corporation)
• Partnership	Partnership
• Trust/estate	Trust/estate

Line 4, Exemptions

If you are exempt from backup withholding and/or FATCA reporting, enter in the appropriate space on line 4 any code(s) that may apply to you.

Exempt payee code.

- Generally, individuals (including sole proprietors) are not exempt from backup withholding.
- Except as provided below, corporations are exempt from backup withholding for certain payments, including interest and dividends.
- Corporations are not exempt from backup withholding for payments made in settlement of payment card or third party network transactions.
- Corporations are not exempt from backup withholding with respect to attorneys’ fees or gross proceeds paid to attorneys, and corporations that provide medical or health care services are not exempt with respect to payments reportable on Form 1099-MISC.

The following codes identify payees that are exempt from backup withholding. Enter the appropriate code in the space in line 4.

- 1—An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2)
- 2—The United States or any of its agencies or instrumentalities
- 3—A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities
- 4—A foreign government or any of its political subdivisions, agencies, or instrumentalities
- 5—A corporation
- 6—A dealer in securities or commodities required to register in the United States, the District of Columbia, or a U.S. commonwealth or possession
- 7—A futures commission merchant registered with the Commodity Futures Trading Commission
- 8—A real estate investment trust
- 9—An entity registered at all times during the tax year under the Investment Company Act of 1940
- 10—A common trust fund operated by a bank under section 584(a)
- 11—A financial institution
- 12—A middleman known in the investment community as a nominee or custodian
- 13—A trust exempt from tax under section 664 or described in section 4947

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 13.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt payees except for 7
Broker transactions	Exempt payees 1 through 4 and 6 through 11 and all C corporations. S corporations must not enter an exempt payee code because they are exempt only for sales of noncovered securities acquired prior to 2012.
Barter exchange transactions and patronage dividends	Exempt payees 1 through 4
Payments over \$600 required to be reported and direct sales over \$5,000 ¹	Generally, exempt payees 1 through 5 ²
Payments made in settlement of payment card or third party network transactions	Exempt payees 1 through 4

¹ See Form 1099-MISC, Miscellaneous Income, and its instructions.

² However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney reportable under section 6045(f), and payments for services paid by a federal executive agency.

Exemption from FATCA reporting code. The following codes identify payees that are exempt from reporting under FATCA. These codes apply to persons submitting this form for accounts maintained outside of the United States by certain foreign financial institutions. Therefore, if you are only submitting this form for an account you hold in the United States, you may leave this field blank. Consult with the person requesting this form if you are uncertain if the financial institution is subject to these requirements. A requester may indicate that a code is not required by providing you with a Form W-9 with "Not Applicable" (or any similar indication) written or printed on the line for a FATCA exemption code.

A—An organization exempt from tax under section 501(a) or any individual retirement plan as defined in section 7701(a)(37)

B—The United States or any of its agencies or instrumentalities

C—A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities

D—A corporation the stock of which is regularly traded on one or more established securities markets, as described in Regulations section 1.1472-1(c)(1)(i)

E—A corporation that is a member of the same expanded affiliated group as a corporation described in Regulations section 1.1472-1(c)(1)(i)

F—A dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any state

G—A real estate investment trust

H—A regulated investment company as defined in section 851 or an entity registered at all times during the tax year under the Investment Company Act of 1940

I—A common trust fund as defined in section 584(a)

J—A bank as defined in section 581

K—A broker

L—A trust exempt from tax under section 664 or described in section 4947(a)(1)

M—A tax exempt trust under a section 403(b) plan or section 457(g) plan

Note: You may wish to consult with the financial institution requesting this form to determine whether the FATCA code and/or exempt payee code should be completed.

Line 5

Enter your address (number, street, and apartment or suite number). This is where the requester of this Form W-9 will mail your information returns. If this address differs from the one the requester already has on file, write NEW at the top. If a new address is provided, there is still a chance the old address will be used until the payor changes your address in their records.

Line 6

Enter your city, state, and ZIP code.

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN.

If you are a single-member LLC that is disregarded as an entity separate from its owner, enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

Note: See *What Name and Number To Give the Requester*, later, for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local SSA office or get this form online at www.SSA.gov. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at www.irs.gov/Businesses and clicking on Employer Identification Number (EIN) under Starting a Business. Go to www.irs.gov/Forms to view, download, or print Form W-7 and/or Form SS-4. Or, you can go to www.irs.gov/OrderForms to place an order and have Form W-7 and/or SS-4 mailed to you within 10 business days.

If you are asked to complete Form W-9 but do not have a TIN, apply for a TIN and write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note: Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Caution: A disregarded U.S. entity that has a foreign owner must use the appropriate Form W-8.

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if item 1, 4, or 5 below indicates otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on line 1 must sign. Exempt payees, see *Exempt payee code*, earlier.

Signature requirements. Complete the certification as indicated in items 1 through 5 below.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983.

You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983.

You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. Real estate transactions. You must sign the certification. You may cross out item 2 of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments made in settlement of payment card and third party network transactions, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), ABLE accounts (under section 529A), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account) other than an account maintained by an FFI	The actual owner of the account or, if combined funds, the first individual on the account ¹
3. Two or more U.S. persons (joint account maintained by an FFI)	Each holder of the account
4. Custodial account of a minor (Uniform Gift to Minors Act)	The minor ²
5. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee ¹
b. So-called trust account that is not a legal or valid trust under state law	The actual owner ¹
6. Sole proprietorship or disregarded entity owned by an individual	The owner ³
7. Grantor trust filing under Optional Form 1099 Filing Method 1 (see Regulations section 1.671-4(b)(2)(i)(A))	The grantor ⁴
For this type of account:	Give name and EIN of:
8. Disregarded entity not owned by an individual	The owner
9. A valid trust, estate, or pension trust	Legal entity ⁴
10. Corporation or LLC electing corporate status on Form 8832 or Form 2553	The corporation
11. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
12. Partnership or multi-member LLC	The partnership
13. A broker or registered nominee	The broker or nominee

For this type of account:	Give name and EIN of:
14. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity
15. Grantor trust filing under the Form 1041 Filing Method or the Optional Form 1099 Filing Method 2 (see Regulations section 1.671-4(b)(2)(i)(B))	The trust

¹ List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

² Circle the minor's name and furnish the minor's SSN.

³ You must show your individual name and you may also enter your business or DBA name on the "Business name/disregarded entity" name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

⁴ List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships*, earlier.

***Note:** The grantor also must provide a Form W-9 to trustee of trust.

Note: If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Secure Your Tax Records From Identity Theft

Identity theft occurs when someone uses your personal information such as your name, SSN, or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity or credit report, contact the IRS Identity Theft Hotline at 1-800-908-4490 or submit Form 14039.

For more information, see Pub. 5027, Identity Theft Information for Taxpayers.

Victims of identity theft who are experiencing economic harm or a systemic problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

Protect yourself from suspicious emails or phishing schemes.

Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to phishing@irs.gov. You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration (TIGTA) at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at spam@uce.gov or report them at www.ftc.gov/complaint. You can contact the FTC at www.ftc.gov/idtheft or 877-IDTHEFT (877-438-4338). If you have been the victim of identity theft, see www.IdentityTheft.gov and Pub. 5027.

Visit www.irs.gov/IdentityTheft to learn more about identity theft and how to reduce your risk.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their laws. The information also may be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payers must generally withhold a percentage of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to the payer. Certain penalties may also apply for providing false or fraudulent information.