

The Council of Unit Owners of Spring Meadows Condominium, Inc.

Articles of Incorporation



THE COUNCIL OF UNIT OWNERS OF
SPRING MEADOWS CONDOMINIUM, INC.

ARTICLES OF INCORPORATION

THIS IS TO CERTIFY:

That I, Brooks R. Palmer, whose post office address is 5163 Endymion Lane, 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 purpose do hereby make, execute and adopt the following Articles of Incorporation:

ARTICLE I. The name of the Corporation shall be:
THE COUNCIL OF UNIT OWNERS OF SPRING MEADOWS 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 City of Baltimore, State of Maryland, at:

c/o Wallace H. Campbell & Company, Inc.
1701 Meridene Drive
Baltimore, Maryland 21237

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:

Brooks R. Palmer
5163 Endymion Lane
Columbia, Maryland 21044

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 Title 11, Real Property Article, Section 11-101, et seq., of the Annotated Code of Maryland (1974 Repl. Vol.), as amended, hereinafter called the "Condominium Act", and in a manner consistent with a certain Declaration relating thereto and heretofore recorded among the Land Records for Anne Arundel County, Maryland, and in a manner consistent with a certain Regulatory Agreement attached to said Declaration as "EXHIBIT D", to provide for the maintenance, operation and management of a certain condominium project located in Anne Arundel County, Maryland, hereinafter called "the condominium" and identified as follows:

"SPRING MEADOWS 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 hereof, as conferred by the Condominium Act and the General Laws of the State of Maryland.

Notwithstanding any other provision contained herein, this Corporation is authorized to enter into a contract (Regulatory Agreement) with the Federal Housing Commissioner and shall be bound by the terms thereof to enable the Commissioner to carry out the provisions of the National Housing Act, as amended. Upon execution, such contract (Regulatory Agreement) shall be binding upon the Corporation, its successors and assigns, so long as any mortgage on any condominium unit in the condominium is outstanding, unpaid and insured or held by the Federal Housing Commissioner.

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 specifically provided for in the Condominium Act.

ARTICLE VI. The authorized number of memberships of this Corporation is 310. Every person, group of persons, corporation, partnership, trust or other legal entity or any combination thereof, who is a record owner of a fee interest in any condominium unit in the condominium shall be a member of this Corporation; provided, however, that any such 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 holder 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 seven (7), 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>
Brooks R. Palmer	1133 - 15th Street, N.W. Washington, D. C. 20005
Michael E. McGuire	1133 - 15th Street, N.W. Washington, D. C. 20005
Michael A. Banzhaf	1133 - 15th Street, N.W. Washington, D. C. 20005

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. The Corporation shall indemnify every officer and Director of the Corporation 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 settlement of any such suit or proceeding, if approved by the then Board of Directors of the Corporation) to which he may be made a party by reason of being or having been an officer or Director of the Corporation whether or not such person is an officer or Director at the time such expenses are incurred. The officers and Directors of the Corporation shall not be liable to the members of the Corporation for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The officers and Directors of the Corporation shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Corporation and the Corporation 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 of the Corporation, or former officer or Director of the Corporation may be entitled.

The Directors shall exercise their powers and duties in good faith and with a view to the interests of the Corporation and the Condominium. No contract or other transaction between the Corporation and one or more of its Directors, or between the Corporation and any corporation, firm or association in which one or more of the Directors of this Corporation 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 authorized or approves the contract or transaction, or because his or their votes are counted for such purposes, if any of the conditions specified in any of the following paragraphs 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 Corporation 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 any committee thereof which authorizes, approves or ratifies any contract or transaction, and may vote thereat to authorize any contract or transaction with like force and effect as if he were not such Director or officer of such other corporation, or not so interested.

ARTICLE XI. Subject to the limitations set forth in the Declaration, the By-Laws of this Corporation, and any Regulatory Agreement entered into between this Corporation and the Federal Housing Commissioner, 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 30 day of October, 1977.

WITNESS:

Barry M. Fitzpatrick
Barry M. Fitzpatrick

Brooks R. Palmer (S)
Brooks R. Palmer

STATE OF MARYLAND
COUNTY OF MONTGOMERY

BE IT REMEMBERED, that on this 30 day of October, 1977
personally appeared before me, a Notary Public in and for the State
and County aforesaid, BROOKS R. PALMER, party to the afore-
going Articles of Incorporation, known personally to me as such,
and I having first made known to him the contents of said Articles
of Incorporation, he did acknowledge that he signed, sealed and
delivered the same as his voluntary act and deed, and he acknowl-
edged the facts therein stated to be true as set forth.

GIVEN under my hand the year and day first above written.

Barry M. Fitzpatrick
Barry M. Fitzpatrick, Notary Public

My Commission expires: 7-1-78

The Council of Unit Owners of Spring Meadows Condominium, Inc.

Budget



**THE COUNCIL OF UNIT OWNERS OF SPRING MEADOWS CONDOMINIUM INC.
APPROVED 2026 BUDGET**

Description		Approved 2026 Budget	Approved 2025 Budget
		<i>\$50.00 increase</i>	<i>\$25.00 increase</i>
<i>Monthly Assessment:</i>		<i>\$270.00/unit/month</i>	<i>\$220.00/unit/month</i>
OPERATING INCOME			
Income			
4000-00 Assessment	\$	1,004,400.00	\$ 818,400.00
4020-00 Interest Income-Reserves	\$	500.00	\$ 500.00
4090-00 Reserves Transfer	\$	59,000.00	-
Total Income	\$	1,063,900.00	\$ 818,900.00
Total OPERATING INCOME	\$	1,063,900.00	\$ 818,900.00
OPERATING EXPENSE			
Administrative Expense			
5005-00 Audit/Tax Preparation	\$	2,500.00	\$ 2,500.00
5015-00 Management Services	\$	58,200.00	\$ 58,200.00
5020-00 Printing & Postage	\$	5,000.00	\$ 5,000.00
5035-00 Social Activities	\$	1,000.00	\$ 1,000.00
5055-00 Legal/Collection	\$	45,000.00	\$ 32,000.00
5070-00 Bad Debt	\$	15,000.00	\$ 15,000.00
5080-00 Pest Control/Extermination	\$	2,000.00	\$ 1,850.00
5095-00 Miscellaneous Admin	\$	3,500.00	\$ 10,000.00
Total Administrative Expense	\$	132,200.00	\$ 125,550.00
Tax Expense			
5130-00 Fed/State Taxes	\$	1,000.00	\$ 1,000.00
5145-00 County Tax	\$	3,000.00	\$ 3,000.00
Total Tax Expense	\$	4,000.00	\$ 4,000.00
Insurance Expense			
5205-00 Insurance	\$	242,186.00	\$ 91,225.00
5215-00 Insurance Deductible	\$	20,000.00	\$ 20,000.00
Total Insurance Expense	\$	262,186.00	\$ 111,225.00
Pool Repairs & Maintenance			
5405-00 Pool Mgmt Contract	-		\$ 40,000.00
5420-00 Pool Maintenance/Supplies	-		\$ 8,000.00
Total Pool Repairs & Maintenance	-		\$ 48,000.00
Repairs & Maintenance			
5800-00 General Repairs & Maintenance	\$	140,000.00	\$ 115,000.00
5950-00 Plumbing Repairs-Common	\$	25,000.00	\$ 25,000.00
Total Repairs & Maintenance	\$	165,000.00	\$ 140,000.00
Utilities			
6000-00 Electricity	\$	6,500.00	\$ 6,500.00
6010-00 Water and Sewer	\$	195,000.00	\$ 191,650.00
6035-00 Trash Removal	\$	17,000.00	\$ 12,000.00
6045-00 Telephone	\$	1,200.00	\$ 1,200.00
Total Utilities	\$	219,700.00	\$ 211,350.00
Landscaping			
6105-00 Grounds/Landscaping Contract	\$	39,540.00	\$ 33,000.00

**THE COUNCIL OF UNIT OWNERS OF SPRING MEADOWS CONDOMINIUM INC.
APPROVED 2026 BUDGET**

Description	Approved 2026 Budget	Approved 2025 Budget
	<i>\$50.00 increase</i>	<i>\$25.00 increase</i>
Monthly Assessment:	\$270.00/unit/month	\$220.00/unit/month
6110-00 Grounds Improvement &	\$ 3,500.00	\$ 3,500.00
6130-00 Tree Care Expense	\$ 15,000.00	\$ 15,000.00
6135-00 Snow Removal	\$ 18,000.00	\$ 18,000.00
Total Landscaping	\$ 76,040.00	\$ 69,500.00
Capital Improvements		
Concrete Curb and Gutter,Barrier (5%)	\$ 21,000.00	\$ 33,000.00
Concrete Flatwork (5%)	\$ 31,000.00	\$ 3,500.00
Welcome Sign	\$ 7,000.00	\$ 15,000.00
Total Capital Improvements	\$ 59,000.00	\$ 51,500.00
Reserve Contribution		
9005-00 Reserve Contribution	\$ 145,274.00	\$ 108,775.00
9500-00 Reserves - Interest	\$ 500.00	\$ 500.00
Total Reserve Contribution	\$ 145,774.00	\$ 109,275.00
Total OPERATING EXPENSE	\$ 1,063,900.00	\$ 818,900.00
Net Income:	\$ 0.00	\$ 0.00

The Council of Unit Owners of Spring Meadows Condominium, Inc.

Bylaws



"EXHIBIT B"

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BY-LAWS

THE COUNCIL OF UNIT OWNERS OF SPRING MEADOWS CONDOMINIUM, INC.

ARTICLE I

Name and Location

Section 1. Name and Location. The name of the Council of Unit Owners is as follows:

THE COUNCIL OF UNIT OWNERS OF SPRING MEADOWS CONDOMINIUM, INC.

Its principal office and mailing address is as follows:

c/o Wallace H. Campbell & Company, Inc.
1701 Meridene Drive
Baltimore, Maryland 21237

ARTICLE II

Definitions

Section 1. Declaration. "Declaration", as used herein, means that certain Declaration made the day of 1977, by the Declarant therein identified, pursuant to Title 11, Real Property Article, Annotated Code of Maryland (1974 Repl. Vol.) and as amended, by which certain described premises (including land) are submitted to a condominium property regime and which Declaration is recorded among the Land Records for Anne Arundel County, Maryland, immediately prior hereto and to which these By-Laws are appended as an Exhibit.

Section 2. Mortgagee. "Mortgagee", as used herein, means the holder of any recorded mortgage, or the party secured or beneficiary of any recorded deed of trust, encumbering one or more of the condominium units in the condominium. "Mortgage", as used herein, shall include deed of trust. "First mortgage", as used herein, shall mean a mortgage with priority over other mortgages. As used in these By-Laws, the term "mortgagee" shall mean any mortgagee and shall not be limited to 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, trusts, mutual savings banks, credit unions, pension funds, mortgage companies, Federal National Mortgage Association ("FNMA"), Government National Mortgage Association ("GNMA"), 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 11, Real Property Article Annotated Code of Maryland (1974 Repl. Vol.) as amended.

ARTICLE III

Membership

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Section 1. Members. 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 of Unit Owners; 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 of Unit Owners by reason only of such interest.

Section 2. Membership Certificates. In the event the Board of Directors considers it necessary or appropriate to issue membership certificates or the like, then each such membership certificate shall state that the Council of Unit Owners is organized under the laws of the State of Maryland, the name of the registered holder or holders of the membership represented thereby, and shall be in such form as shall be approved by the Board of Directors. Membership certificates shall be consecutively numbered, bound in one or more books, and shall be issued therefrom upon certification as to the transfer of title to the condominium unit to which such membership is appurtenant. Every membership certificate shall be signed by the President or a Vice President and the Secretary or an Assistant Secretary of the Council of Unit Owners and shall be sealed with the seal of the Council of Unit Owners, if any. Such signatures and seal may be original or facsimile.

Section 3. Lost Certificates. The Board of Directors may direct a new certificate or certificates to be issued in place of any certificate or certificates previously issued by the Council of Unit Owners and alleged to have been destroyed or lost, upon the making of an affidavit of that fact by the unit owner claiming the membership certificate to be lost or destroyed. When authorizing such issuance of a new certificate or certificates, the Board of Directors may, in its discretion, and as a condition precedent to the issuance thereof, require the registered holder or holders of such lost or destroyed certificate or certificates, or his legal representative, to advertise the same in such manner as the Board of Directors shall require and to give the Council of Unit Owners a bond in such sum as the Board of Directors may require as indemnity against any claim that may be made against the Council of Unit Owners.

ARTICLE IV

Meetings of Unit Owners

Section 1. Place of Meeting. Meetings of the unit owners shall be held at the principal office of the Council of Unit Owners or at such other suitable place within the State of Maryland reasonably convenient to the unit owners as may from time to time be designated by the Board of Directors.

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Section 2. Annual Meetings. The first annual meeting of the unit owners shall be held at such time as the Board of Directors shall determine but, in any event, within one hundred twenty (120) days after sixty percent (60%) of the condominium units in the project have been sold and title to the same has been conveyed by the Declarant or within one (1) year following the recordation of the Declaration, whichever shall first occur. Thereafter the annual meetings of the unit owners shall be held on the second Tuesday of September of each succeeding year. At such meeting there shall be elected by ballot of the unit owners a Board of Directors in accordance with the requirements of Article V of these By-Laws. The unit owners may also transact such other business of the Council of Unit Owners as may properly come before them.

Section 3. Special Meetings. It shall be the duty of the President to call a special meeting of the unit owners as directed by resolution of the Board of Directors, or at the request of the Federal Housing Commissioner, or upon a petition signed by unit owners representing at least twenty percent (20%) of the total votes of the unit owners having been presented to the Secretary; provided, however, that, except upon resolution of the Board of Directors, no special meeting of the unit owners shall be called prior to the first annual meeting of unit owners as hereinabove provided for. 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 specifically stated in the notice.

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

Section 5. Notice of Meetings. It shall be the duty of the Secretary to mail or otherwise deliver a notice of each annual and special meeting of the Council of Unit Owners, stating the purpose thereof as well as the time and place where it is to be held, to each unit owner at his address as it appears on the roster of unit owners maintained by the Council of Unit Owners, or if no such address appears, at his last known place of address or at his condominium unit, at least fifteen (15) but not more than thirty (30) days prior to such meeting. Notice by either such method shall be considered as notice served and proof of such notice shall be made by the affidavit of the person giving such notice. Attendance by a unit owner at any annual or special meeting shall be a waiver of notice by him of the time, place and purpose thereof. Notice of any annual or special meeting of the unit owners may also be waived by any unit owner either prior to, at or after any such meeting. A notice of each annual and each special meeting of the Council of Unit Owners shall also be mailed to the Federal Housing Commissioner.

Section 6. Quorum. The presence, either in person or by proxy, of unit owners representing at least fifty-one percent (51%) of the total votes of the Council of Unit Owners shall be requisite for, and shall constitute a quorum for the transaction of business at all meetings of members.

Section 7. Adjourned Meetings. If any meeting of unit owners cannot be organized because a quorum has not attended, the unit owners who are present, either in person or by proxy, may, except as otherwise provided by law, adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called.

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Section 8. 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 or as otherwise established in 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 of Unit Owners, 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 unit 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. In the event any condominium unit is owned by a corporation, then the vote appurtenant to such condominium unit shall be cast by a person designated in a certificate signed by the president or any vice president and attested by the secretary or an assistant secretary of such corporation and filed with the Secretary of the Council of Unit Owners at or prior to the meeting. Any such certificate shall remain valid until revoked or superseded in writing. The vote appurtenant to any condominium unit which is owned by a trust or partnership may be exercised by any trustee or partner thereof, as the case may be, and, unless any objection or protest by any other trustee or partner is noted at such meeting, the Chairman of such meeting shall have no duty to inquire as to the authority of the person casting such vote or votes. No unit owner shall be eligible to vote, either in person or by proxy, or to be elected to the Board of Directors who is shown on the books or management accounts of the Council of Unit Owners to be more than thirty (30) days delinquent in any payment due the Council of Unit Owners.

Section 9. Proxies. A unit owner may appoint any other unit owner, his tenant, mortgagee or the Declarant or the Management Agent as his proxy. In no case may any unit owner (except the Declarant, 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 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.

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Section 10. 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 of Unit Owners 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 at any such meeting and may, upon his request made to the Chairman 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. The Federal Housing Commissioner 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 at any such meeting and may, upon his request made to the Chairman 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.

Section 11. Order of Business. The order of business at all annual meetings of the unit owners of the Council of Unit Owners shall be as follows:

- (a) Roll call and certification of proxies.
- (b) Proof of notice of meeting or waiver of notice.
- (c) Reading and disposal of minutes of preceding meetings, if any.
- (d) Reports of officers, if any.
- (e) Reports of committees, if any.
- (f) Election or appointment of inspectors of election.
- (g) Election of directors.
- (h) Unfinished business.
- (i) New Business.
- (j) Adjournment.

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

Section 12. Rules of Order and Procedure. The rules of order and all other matters of procedure at all annual and special meetings of the unit owners shall be determined by the Chairman of such meeting.

Section 13. Inspectors of Election. The Board of Directors may, in advance of any annual or special meeting of the unit owners appoint an uneven number of one or more inspectors of election to act at the meeting and at any adjournment thereof. In the event inspectors are not so appointed, the Chairman of any annual or special meeting of unit owners shall appoint such inspectors of election. Each inspector so appointed, before entering upon the discharge of his duties, shall take and sign an oath faithfully to execute the duties of inspector of election at such meeting. The oath so taken shall be filed with the Secretary of the Council of Unit Owners. No officer or director of the Council of Unit Owners, and no candidate for Director of the Council of Unit Owners, shall act as an inspector of election at any meeting of the unit owners if one of the purposes of such meeting is to elect Directors.

LOW OFFICE
McKINLEY
ELECTRONIC & CAMERA
222 HUNTERDON COURT
BIRMINGHAM, AL 35201
(205) 325-1000

ARTICLE V

Directors

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Section 1. Number and Qualification. The affairs of the Council of Unit Owners shall be governed by a Board of Directors composed of an uneven number of at least three (3) natural persons and not more than nine (9) natural persons, a majority 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 Declarant 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 Anne Arundel County, Maryland, until the first annual meeting of the unit owners are as set forth in the Articles of Incorporation of the Council of Unit Owners, i.e., Brooks R. Talbot, Michael E. McGuire and Michael E. Banzhaf.

Section 3. Powers and Duties. The Board of Directors shall have all the powers and duties necessary for the administration of the affairs of the Council of Unit Owners and the condominium 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 unit 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 general and limited 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 therefore in a manner consistent with law and the provisions of these By-Laws and the Declaration; and

(c) designation, hiring and dismissal of the personnel necessary for the good working order of the condominium and for the proper care of the common elements and to provide services for the project in a manner consistent with law and the provisions of these By-Laws and the Declaration; and

(d) promulgation and enforcement of such rules and regulations and such restrictions on or requirements as may be deemed proper respecting the use, occupancy and maintenance of the condominium and the use of the general and limited common elements and as are designated to prevent unreasonable interference with the use and occupancy of the condominium and of the general and limited common elements by the unit owners and others, all of which shall be consistent with law and the provisions of these By-Laws and the Declaration; and

LAW OFFICES
MILFORD
FREDERICK & COMPANY
ONE HANCOCK STREET
BALTIMORE, MD 21201
410.524.1000

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

(f) to enter into agreements whereby the Council of Unit Owners 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 of Unit Owners; and

(g) to purchase insurance upon the condominium in the manner provided for in these By-Laws; and

(h) 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

(i) 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

(j) 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; and

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

Section 4. Management Agent. The Board of Directors shall employ for the Council of Unit Owners a management agent or manager (the "Management Agent") at a rate of compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall from time to time authorize in writing. The Council of Unit Owners 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 of Unit Owners 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 (1) 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. The Federal Housing Commissioner shall have the right to terminate any management agreement entered into by the Council of Unit Owners as of the end of any calendar month, with or without cause, upon thirty (30) days' written notice to the Council of Unit Owners and the Management Agent of its intention so to do.

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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 membership 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 by the unit owners at the next annual meeting to serve out the unexpired portion of the term.

Section 7. Removal of Directors. At an annual meeting of unit owners, or at any special meeting duly called for such purpose (but only at or after the first annual meeting of unit owners, as hereinabove provided for) any Director may be removed with or without cause by the affirmative vote of the majority of the votes of the unit owners present and voting, in person or by proxy, and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the unit owners shall be given an opportunity to be heard at the meeting. The term of any Director who becomes more than sixty (60) days delinquent in payment of any assessments or carrying charges due the Council of Unit Owners may be terminated by resolution of the remaining Directors and the remaining Directors shall appoint his successor as provided in this Article.

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Section 8. Compensation. No compensation shall be paid to Directors for their services as Directors. No remuneration shall be paid to any Director who is also a unit owner for services performed by him for the Council of Unit Owners in any other capacity unless a resolution authorizing such remuneration shall have been adopted by the Board of Directors before such services are undertaken. Directors may be reimbursed for their actual out-of-pocket expenses necessarily incurred in connection with their services as Directors.

Section 9. 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, provided a majority of the whole Board of Directors shall be present at such first meeting.

Section 10. 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 (2) 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 six (6) days prior to the day named for such meeting.

Section 11. Special Meetings. Special meetings of the Board of Directors may be called by the President on three (3) days' notice of each Director, given personally or by mail, telephone or telegraph, which notice shall state the time, place 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 on the written request of at least one-third (1/3) of the Directors.

Section 12. 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 of Directors shall be a waiver of notice by him of the time, place and purpose thereof. If all the Directors are present at any meeting of the Board of Directors, no notice shall be required and any business may be transacted at such meeting.

Section 13. Quorum. At all meetings of the Board of Directors a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at any 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.

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

Section 15. Rights of Mortgagees. Any institutional mortgagee or any condominium unit in the condominium who desires notice of the regular and special meetings of the Board of Directors shall notify the Secretary to that effect by Registered Mail - Return Receipt Requested. Any such notice shall contain the name and post office address of such institutional mortgagee and the name of the person to whom notice of the regular and special meetings of the Board of Directors should be addressed. The Secretary of the Council of Unit Owners shall maintain a roster of all institutional mortgagees from whom such notices are received and it shall be the duty of the Secretary to mail or otherwise cause the delivery of a notice of each regular or special meeting of the Board of Directors to each such institutional mortgagee, in the same manner, and subject to the same requirements and limitations as are otherwise provided in this Article for notice to the members of the Board of Directors. Any such institutional mortgagee shall be entitled to designate a representative to attend any regular or special meeting of the Board of Directors and such representatives may participate in the discussion at any such meeting and may, upon his request made to the Chairman in advance of the meeting, address the members of the Board of Directors present at any such meeting. Such representative shall have no voting rights at any such meeting. Such representative shall be entitled to copies of the minutes of all meetings of the Board of Directors upon request made in writing to the Secretary.

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

ARTICLE VI

Officers

Section 1. Designation. The principal officers of the Council of Unit Owners shall be a President, a Vice President, a Secretary, and a Treasurer, all of whom shall be elected by the Board of Directors. Prior to the first annual meeting of unit owners, the officers of the Council of Unit Owners need not be unit owners. Thereafter, except for the President, the officers of the Council of Unit Owners need not be unit owners. The Directors may appoint an assistant secretary and an assistant treasurer and such other officers as in their judgment may be necessary. The offices of Secretary and Treasurer may be filled by the same person.

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

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 of Directors called for such purpose.

Section 4. President. The President shall be the chief executive officer of the Council of Unit Owners. He shall preside at all meetings of the unit owners 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 a corporation, including, but not limited to, the power to appoint such committees from among the unit owners from time to time as he may, in his discretion, decide are appropriate to assist in the conduct of the affairs of the Council of Unit Owners. The President shall count the votes at all meetings of the unit owners.

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 shall appoint some other member of the Board to do so on an interim basis. The Vice President shall also assist the President generally and shall perform such other duties as shall from time to time be delegated to 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 unit owners for the recording of the resolutions of the Council of Unit Owners. The Secretary shall give notice of all annual and special meetings of the unit owners in conformity with the requirements of these By-Laws. The Secretary shall have custody of the seal of the Council of Unit Owners, if any. The Secretary shall have charge of the membership transfer books and of such other books and papers as the Board of Directors may direct and he shall, in general, perform all of the duties incident to the office of Secretary.

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

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ARTICLE VII

Liability and Indemnification of Officers and Directors

Section 1. Liability and Indemnification of Officers and Directors. The Council of Unit Owners shall indemnify every officer and Director of the Council of Unit Owners 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 of Unit Owners) to which he may be made a party by reason of being or having been an officer or Director of the Council of Unit Owners, whether or not such person is an officer or Director of the Council of Unit Owners at the time such expenses are incurred. The officers and Directors of the Council of Unit Owners shall not be liable to the unit owners for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The officers and Directors of the Council of Unit Owners shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Council of Unit Owners or the condominium (except to the extent that such officers or Directors may also be owners of condominium units), and the Council of Unit Owners 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 of Unit Owners, or former officer or Director of the Council of Unit Owners may be entitled.

Section 2. Common or Interested Directors. The Directors shall exercise their powers and duties in good faith and with a view to the interests of the Council of Unit Owners and the condominium. No contract or other transaction between the Council of Unit Owners and one or more of its Directors, or between the Council of Unit Owners and any corporation, firm or association (including the Declarant) in which one or more of the Directors of the Council of Unit Owners 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 of Directors 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 unit owners, or a majority thereof, and they approve or ratify the contract or transaction in good faith by a vote sufficient for the purpose; or

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(c) the contract or transaction is commercially reasonable to the Council of Unit Owners 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 thereat to authorize any contract or transaction with like force and effect as if he were not such director or officer of such other corporation or not so interested:

ARTICLE VIII

Assessments and Carrying Charges for Common Expenses

Section 1. Annual Assessments and Carrying Charges. Each unit owner shall pay to the Council of Unit Owners, 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 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 or as otherwise established in the Declaration) of the sum required by the Council of Unit Owners, 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, without limitation, charges by the Council of Unit Owners for facilities and services furnished, including, without limitation, charges by the Council of Unit Owners for facilities and services furnished by it and charges by the Community Facilities Trustee 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 of Unit Owners 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 of Unit Owners 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 of Unit Owners; and

(f) the cost of funding contributions to the "Paid-in-Surplus" account of the Council of Unit Owners and the cost of funding all reserves established by the Council of Unit Owners, and by the Community Facilities Trustee, including, when appropriate, a general operating reserve and a reserve for replacements; and

(g) the estimated cost of repairs, maintenance and replacements of the common elements of the condominium to be made by the Council of Unit Owners.

The Board of Directors of the Council of Unit Owners 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 of Unit Owners 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 this 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 of Unit Owners to meet its annual expenses for that period. 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 of Unit Owners, as hereinafter in these By-Laws provided for, and shall provide for sufficient estimates on a monthly basis, to permit comparison to and analysis of deviations from the various periodic reports of the actual results of operations and the actual financial condition of the Council of Unit Owners, 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 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. Any budget adopted by the Board of Directors shall be made in accordance with a schedule filed with and approved in writing by the Federal Housing Commissioner.

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Section 3. Special Assessments. In addition to the regular assessments authorized by this Article, the Council of Unit Owners may levy in any assessment year a special assessment or assessments, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement located upon the 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 of Unit Owners. A special meeting of the unit owners shall be duly called for this purpose.

Section 4. Reserve for Replacements and General Operating Reserves.

(a) The Council of Unit Owners 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 operating 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 of Unit Owners 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 owner 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 as 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 level is restored.

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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 preceding 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 of Unit Owners 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.

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 of Unit Owners 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 the jurisdiction where the Declaration was originally recorded, 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:

MC #212 972

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STATEMENT OF CONDOMINIUM LIEN

This is to certify that _____, owner(s) of Unit No. _____, in _____, (is) (are) indebted to the Council of Unit Owners in the amount of \$ _____ as of _____, 19____, for (his) (their) proportionate share of the 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.

THE COUNCIL OF UNIT OWNERS OF
SPRING MEADOWS CONDOMINIUM, INC.

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

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 of Unit Owners, 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 of the Council of Unit Owners for such purposes.

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.

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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 of Unit Owners 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 or collection and reasonable attorneys' 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 of Unit Owners.

In the event any proceeding to foreclose the lien for any assessment due the Council of Unit Owners 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 of Unit Owners 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 of Unit Owners, 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 of Unit Owners stating the payments on account of all assessments levied by the Council of Unit Owners against the condominium unit were current as of the date of recordation of such deed of trust, mortgage instrument or other encumbrance.

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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 or 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 in the execution of such amendment.

Section 7. Additional Rights of Mortgagees - Notice. The Council of Unit 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 of Unit Owners 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 for 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; and, in the event the Federal Housing Commissioner has insured such mortgage, then 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 Federal Housing Commissioner.

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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 of Unit Owners 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 said Council of Unit Owners, 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 Thirty Dollars (\$30.00) may be levied in advance by the Council of Unit Owners for each certificate so delivered, except that no charge shall be levied against any institutional mortgagee of any condominium unit in the condominium who requests such a certificate.

Section 10. Additional Default. Any recorded first mortgage secured on a condominium unit in the condominium shall provide that any default by the mortgagor in the payment of any assessment levied pursuant to the Declaration or these By-Laws, or any installment thereof, shall likewise be a default in such mortgage (or the indebtedness or note secured thereby). Such mortgages shall also provide that, in the event of any default thereunder, the mortgagee shall have the right, at its option exercised by notice in writing to the mortgagor and the Secretary of the Council of Unit Owners, to cast the votes appurtenant to the condominium unit which is security for the repayment of the mortgage debt at all meetings of the unit owners. Failure to include such provisions in any such mortgage shall not affect the validity or priority thereof and the protection extended to the holder of such mortgage (or the holder of the indebtedness or note secured thereby) by reason of the provisions of this Article shall not be altered, modified, or diminished by reason of any such failure.

ARTICLE IX

Use Restrictions

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Section 1. Residential Use. Except for such condominium units as may be designated in the Declaration or on the Condominium Plat for commercial or other non-residential purposes, if any, and 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 hereinafter, shall be construed to prohibit the Declarant from the use of any condominium units which the Declarant owns for promotional or display purposes, as "model apartments", a sales office or the like, or from leasing any unit or units which the Declarant owns except that Declarant 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. For purposes of this Section 2, the expression "transient or hotel purposes" shall be defined to mean (a) rental for any period less than thirty (30) days; or (b) any rental whereby the tenants are furnished customary hotel services such as room service for food and beverage, maid service, laundry and linen or bell boy service.

Section 3. Prohibited Uses and Nuisances. Except for the activities of the Declarant 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 Declarant or the Council of Unit Owners:

(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.

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(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.

(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) 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 of the common elements, except that this shall not prohibit the keeping of a dog, cat or caged birds as domestic pets provided that they are not kept or maintained for commercial purposes or for breeding. Pets shall not be permitted upon the general common elements of the condominium unless accompanied by an adult and unless they are carried or leashed. Any unit owner who keeps or maintains any pet upon any portion of the condominium shall be deemed to have indemnified and agreed to hold the Council of Unit Owners, each of the unit owners and the Declarant and Management Agent free and harmless from any loss, claim or liability of any kind or character whatever arising by reason of keeping or maintaining such pet within the condominium. All pets shall be registered with the Board of Directors and shall otherwise be registered and inoculated as required by law. The Board of Directors shall have the right to order any person whose pet is a nuisance, to remove such pet from the premises and the Board of Directors, after affording the right to a hearing to the unit owner affected, shall have the exclusive authority to declare any pet a nuisance.

(f) except for such signs as may be posted by the Declarant or the Council of Unit Owners 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 subsection 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.

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(g) except as hereinelsewhere provided, no junk vehicle or other vehicle on which current registration plates are not displayed, trailer, truck, camper, camp truck, house trailer, boat or the like shall be kept upon any of the general common elements, nor shall the repair or extraordinary maintenance of automobiles or other vehicles be carried out on any of the common elements or within or upon any condominium unit.

(h) except as hereinelsewhere provided, no part of the common elements shall be used for commercial activities of any character. This subsection shall not apply to the use of the common elements and of condominium units by the Declarant for display, marketing, promotional or sales purposes or as "model" condominium units.

(i) 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.

(j) 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 or clothes lines shall not be maintained upon any of the common elements at any time. No clothing, laundry or the like shall be hung from any part of any condominium unit or upon any of the common elements or from or upon any balcony or patio.

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

(l) nothing shall be stored upon any balcony or patio, nor shall the cooking or preparation of food be permitted upon any balcony or upon any portion of the general common elements of the project, except with the consent of the Board of Directors.

(m) 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.

(n) no unit owner shall engage or direct any employee of the Council of Unit Owners or the Management Agent on any private business of the unit owner during the hours such employee is employed by the Council of Unit Owners or the Management Agent nor shall any member direct, supervise or in any manner attempt to assert control over any such employee.

(o) 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 X

Section 1. Architectural and Environmental Control Committee.
Member of the condominium by the Declarant

Section 2. Architectural and Environmental Control Committee
Operation. The Architectural and Environmental Control Committee shall be composed of an uneven number of three (3) or more natural persons designated from time to time by the Board of Directors of the Council of Unit Owners 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.

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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.

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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 who is aggrieved by any action or forbearance from action by the Architectural and Environmental Control Committee may appeal the decision of the Architectural and Environmental Control Committee to the Board of Directors of the Council of Unit Owners 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 made pursuant to this Article X for or concerning the construction of any fence within the condominium: All fences shall be constructed of wood with either painted or natural finishes. No fence shall be constructed of chain link, wire or other metal. Fencing shall be reasonable uniform in height throughout the condominium. The minimum height of any fence shall be forty-eight (48) inches and the maximum height of any fence 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 and topography. No area in front or to the side of any condominium unit shall be fenced.

Section 8. Additions, Alterations or Improvements by Board of Directors. Except in cases of bona fide emergencies involving manifest danger to life, safety or property, or the interruption of essential services to the condominium, whenever in the judgment of the Board of Directors the common elements of the condominium shall require additions, alterations or improvements requiring the expenditure of funds of the Council of Unit Owners in excess of Twenty Thousand and * * * No/100 Dollars (\$20,000.00), such additions, alterations or improvements shall not be made until the same shall have been approved by (a) unit owners representing a majority of the total votes of the Council of Unit Owners at a meeting of the unit owners duly called for such purpose; and (b) the institutional holder of any mortgages or other obligations secured by any condominium unit or units in the aggregate principal sum of more than \$150,000.00, which approval shall be in writing.

ARTICLE XI

Insurance

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

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(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 project 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, legal liability, hired automobile liability, non-owned automobile liability, liability for property of others, 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 of Unit Owners 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

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(e) such other policies of insurance, including insurance for other risks of a similar or dissimilar nature and fidelity coverage as required by Section 16 of Article V 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 of Unit Owners, trustees for the Council of Unit Owners and such employees and agents of the Council of Unit Owners who handle or are responsible for the handling of funds of the Council of Unit Owners. Such fidelity coverage shall meet the following requirements:

- (i) all such fidelity bonds and policies of insurance shall name the Council of Unit Owners 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 the State where the condominium is located and holding a rating of "Class VII" or better in the current edition of Best's Insurance Guide.

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(b) exclusive authority to negotiate losses under said policies shall be vested in the Board of Directors of the Council of Unit Owners, as a trustee for the owners of the condominium units, or its authorized representative, including any trustee with which the Council of Unit Owners may enter into any Insurance Trust Agreement, or any successor trustee, each of which shall be hereinafter 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 of Unit Owners 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 of Unit Owners may be a party, these By-Laws or the provisions of the Condominium Act.

(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 XII of these By-Laws. Such mortgagee clause shall provide for notice in writing to the mortgagee of any loss paid as aforesaid.

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.

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ARTICLE XII

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 of Unit Owners 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 VIII 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 XII of these By-Laws for the period during which such loss was sustained, and the unit owners 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 of Unit Owners 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.

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

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

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

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

Upon completion of the reconstruction or repair and payment in full of all amounts due on account thereof, any proceeds of insurance then in the hands of the Insurance Trustee shall be paid to the Council of Unit Owners 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 XIII

Fiscal Management

Section 1. Fiscal Year. The fiscal year of the Council of Unit Owners shall begin on the first day of January every year, except for the first fiscal year of the Council of Unit Owners which shall begin at the date of recordation of the Declaration among the Land Records for the jurisdiction where the Declaration was originally recorded. 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 of Unit Owners subsequently dictate.

Section 2. Principal Office - Change of Same. The principal office of the Council of Unit Owners 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 of Unit Owners from time to time; provided, however, that no such change shall become effective until a certificate evidencing such change shall have been made by the Secretary or any Assistant Secretary of the Council of Unit Owners and recorded, in the name of the Council of Unit Owners, among the Land Records for the jurisdiction where the Declaration is originally recorded.

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Section 3. Books and Accounts. Books and accounts of the Council of Unit Owners 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 of Unit Owners 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 of Unit Owners. The amount of any assessment required for payment of any capital expenditures or reserves of the Council of Unit Owners may be credited upon the books of the Council of Unit Owners to the "Paid-in-Surplus" account as a capital contribution by the members. The receipts and expenditures of the Council of Unit Owners shall be credited and charged to other accounts under at least the following classifications:

(a) "Current Operations" which shall involve the control of actual expenses of the Council of Unit Owners, including reasonable allowances for necessary contingencies and working capital funds in relation to the assessments and expenses hereinelsewhere provided for; and

(b) "Reserves for Deferred Maintenance" which shall involve the control of monthly funding and maintenance of such deferred maintenance costs and reserves as are approved by the Board of Directors from time to time; and

(c) "Reserves for Replacement" which shall involve the control of such reserves for replacement as are provided for in these By-Laws and as may from time to time be approved by the Board of Directors; and

(d) "Other Reserves" which shall involve the control over funding and charges against any other reserve funds which may from time to time be approved by the Board of Directors; and

(e) "Investments" which shall involve the control over investment of reserve funds and such other funds as may be deemed suitable for investment on a temporary basis by the Board of Directors; and

(f) "Betterments" which shall involve the control over funds to be used for the purpose of defraying the cost of any construction or reconstruction, unanticipated repair or replacement of a described capital improvement and for expenditures for additional capital improvements or personal property made or acquired by the Council of Unit Owners with the approval of the Board of Directors

Section 4. Auditing. At the close of each fiscal year, the books and records of the Council of Unit Owners 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 of Unit Owners shall furnish the unit owners and any mortgagee requesting the same and the Federal Housing Commissioner with an annual financial statement, including the income and disbursements of the Council of Unit Owners, within sixty (60) days following the end of each fiscal year.

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ON 10/10/73
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Section 5. Inspection of Books. The books and accounts of the Council of Unit Owners, vouchers accrediting the entries made thereupon and all other records maintained by the Council of Unit Owners shall be available for examination by the unit owners and their duly authorized agents or attorneys, and the Federal Housing Commissioner 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 of Unit Owners by either the President or a Vice President, and all checks shall be executed on behalf of the Council of Unit Owners 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 of Unit Owners, 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 XIV

Physical Management

Section 1. Management and Common Expenses. The Council of Unit Owners, 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 hereinafter 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 of Unit Owners 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 of Unit Owners consistent with the provisions of these By-Laws, together with the services of such other personnel as the Board of Directors of the Council of Unit Owners shall consider necessary for the operation of the condominium; and

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(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 common elements of the condominium, including, without limitation, the cost of painting, maintaining, replacing, repairing and landscaping the common elements 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 of Unit Owners to repair, replace, or otherwise maintain the interior of any condominium unit or any fixtures, appliances, equipment or the like located therein; and

(f) the cost of any and all other materials, supplies, labor, services, maintenance, repairs, taxes, assessments or the like, which the Council of Unit Owners 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 VIII 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.

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Section 2. Council of Unit Owners as Attorney-in-Fact. The Council of Unit Owners 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 of Unit Owners 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 herein elsewhere 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 of Unit owners as attorney-in-fact as aforesaid.

Section 3. Management Agent. The Council of Unit Owners may by contract in writing delegate any of its ministerial duties, powers or functions to the Management Agent. The Council of Unit Owners 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. Except for maintenance requirements herein imposed upon the Council of Unit Owners, the owner of any condominium unit shall, at his own expense, maintain the interior of his condominium unit and any and all equipment, appliances or fixtures therein situate, and its other appurtenances (including, without limitation, any balcony, 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 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 other limited common elements which may be appurtenant to such condominium unit and reserved for his exclusive use in a clean, orderly and sanitary condition.

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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 of Unit Owners shall have an irrevocable right and an easement to enter condominium units for the purpose of making repairs to the common elements when the repairs reasonably appear necessary for public safety or to prevent damage to other portions of the condominium. Except in cases involving manifest damage to public safety or property, the Council of Unit Owners shall make a reasonable effort to give notice to the owner of any condominium unit to be entered for the purpose of such repairs. No entry by the Council of Unit Owners for the purpose specified in this Section may be considered a trespass.

Section 7. Easement for Utilities and Related Purposes. The Council of Unit Owners 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 Declarant.

Section 8. Limitation of Liability. The Council of Unit Owners 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. The Council of Unit Owners shall not be liable to the owner of any condominium unit for loss or damage, by theft or otherwise, of articles which may be stored upon any of the common elements. No diminution or abatement of common expense assessments, as hereinafter provided, shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the common elements, or any condominium unit, or from any action taken by the Council of Unit Owners to comply with any law or ordinance or with the order or directive of any municipal or other governmental authority.

ARTICLE XV

Parking ~~186~~ 3007

Section 1. General Requirements. All parking areas within the condominium shall be considered part of the general common elements. Parking may be regulated by the Board of Directors and parking spaces may initially be assigned by the Declarant and thereafter by the Board of Directors. No unit owner shall make use of any parking space other than the space or spaces appurtenant or assigned to his condominium unit by the 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 XVI

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 of Unit Owners, 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 11, Real Property Article, of the Annotated Code of Maryland (1974 Repl. Vol.), as amended. Any amendment to these By-Laws shall be effective only upon the recordation of such amendment among the Land Records for the jurisdiction where the Declaration was originally recorded, together with a certificate in writing of the President of the Council of Unit Owners 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 of the Council of Unit Owners or by petition signed by unit owners representing at least twenty-five percent (25%) of the total votes of the Council of Unit Owners, which petition shall be delivered to the Secretary of any annual or special meeting of the unit owners at which such proposed amendment is to be considered and voted upon.

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ARTICLE XVII

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 of Unit Owners 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 VIII 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.

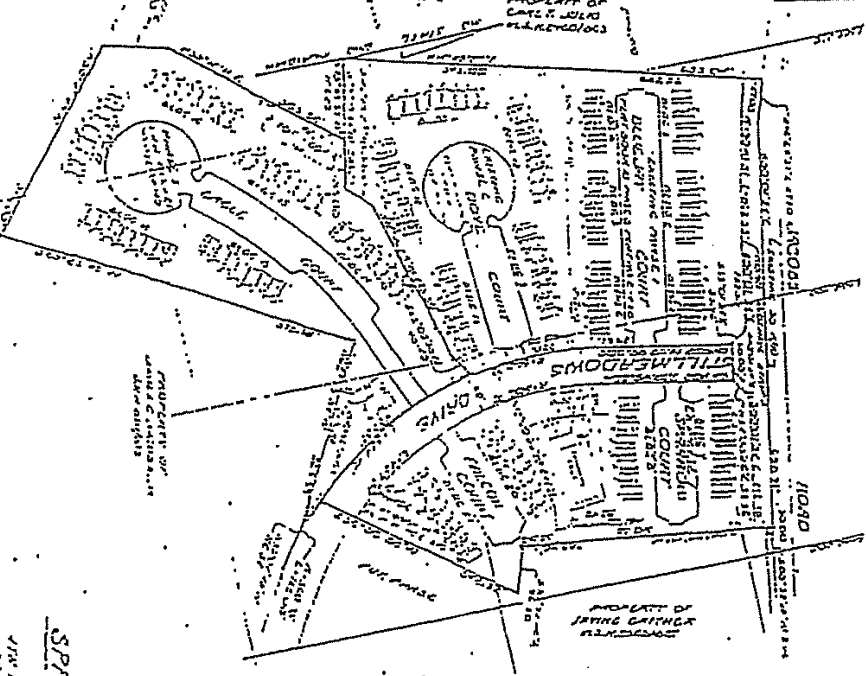
Section 3. Subdivision or Partition. No condominium unit in the condominium shall be subdivided or partitioned without the prior written approval of the holder of any first mortgage on such condominium unit.

Section 4. Casualty Losses. In the event of damage or destruction of any condominium unit or any part of the common elements of the condominium the Board of Directors of the Council of Unit Owners 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.



LOCATION OF SITE

NOTES:
 1. THE SITE IS LOCATED IN THE NORTHWEST CORNER OF THE INTERSECTION OF THE HIGHWAY AND THE RAILROAD.
 2. THE SITE IS SURROUNDED BY RESIDENTIAL DEVELOPMENT.
 3. THE SITE IS ADJACENT TO THE RAILROAD TRACKS.
 4. THE SITE IS ADJACENT TO THE HIGHWAY.
 5. THE SITE IS ADJACENT TO THE RAILROAD TRACKS.
 6. THE SITE IS ADJACENT TO THE HIGHWAY.
 7. THE SITE IS ADJACENT TO THE RAILROAD TRACKS.
 8. THE SITE IS ADJACENT TO THE HIGHWAY.
 9. THE SITE IS ADJACENT TO THE RAILROAD TRACKS.
 10. THE SITE IS ADJACENT TO THE HIGHWAY.



SPRING MEADOWS CONDOMINIUM

NEW DEVELOPMENT CORP.
 1. THE SITE IS LOCATED IN THE NORTHWEST CORNER OF THE INTERSECTION OF THE HIGHWAY AND THE RAILROAD.
 2. THE SITE IS SURROUNDED BY RESIDENTIAL DEVELOPMENT.
 3. THE SITE IS ADJACENT TO THE RAILROAD TRACKS.
 4. THE SITE IS ADJACENT TO THE HIGHWAY.
 5. THE SITE IS ADJACENT TO THE RAILROAD TRACKS.
 6. THE SITE IS ADJACENT TO THE HIGHWAY.
 7. THE SITE IS ADJACENT TO THE RAILROAD TRACKS.
 8. THE SITE IS ADJACENT TO THE HIGHWAY.
 9. THE SITE IS ADJACENT TO THE RAILROAD TRACKS.
 10. THE SITE IS ADJACENT TO THE HIGHWAY.

SEPARATE CERTIFICATION:
 1. THE SITE IS LOCATED IN THE NORTHWEST CORNER OF THE INTERSECTION OF THE HIGHWAY AND THE RAILROAD.
 2. THE SITE IS SURROUNDED BY RESIDENTIAL DEVELOPMENT.
 3. THE SITE IS ADJACENT TO THE RAILROAD TRACKS.
 4. THE SITE IS ADJACENT TO THE HIGHWAY.
 5. THE SITE IS ADJACENT TO THE RAILROAD TRACKS.
 6. THE SITE IS ADJACENT TO THE HIGHWAY.
 7. THE SITE IS ADJACENT TO THE RAILROAD TRACKS.
 8. THE SITE IS ADJACENT TO THE HIGHWAY.
 9. THE SITE IS ADJACENT TO THE RAILROAD TRACKS.
 10. THE SITE IS ADJACENT TO THE HIGHWAY.

NOTES TO THE EXHIBIT:
 1. THE SITE IS LOCATED IN THE NORTHWEST CORNER OF THE INTERSECTION OF THE HIGHWAY AND THE RAILROAD.
 2. THE SITE IS SURROUNDED BY RESIDENTIAL DEVELOPMENT.
 3. THE SITE IS ADJACENT TO THE RAILROAD TRACKS.
 4. THE SITE IS ADJACENT TO THE HIGHWAY.
 5. THE SITE IS ADJACENT TO THE RAILROAD TRACKS.
 6. THE SITE IS ADJACENT TO THE HIGHWAY.
 7. THE SITE IS ADJACENT TO THE RAILROAD TRACKS.
 8. THE SITE IS ADJACENT TO THE HIGHWAY.
 9. THE SITE IS ADJACENT TO THE RAILROAD TRACKS.
 10. THE SITE IS ADJACENT TO THE HIGHWAY.

SPRING MEADOWS CONDOMINIUM
 1. THE SITE IS LOCATED IN THE NORTHWEST CORNER OF THE INTERSECTION OF THE HIGHWAY AND THE RAILROAD.
 2. THE SITE IS SURROUNDED BY RESIDENTIAL DEVELOPMENT.
 3. THE SITE IS ADJACENT TO THE RAILROAD TRACKS.
 4. THE SITE IS ADJACENT TO THE HIGHWAY.
 5. THE SITE IS ADJACENT TO THE RAILROAD TRACKS.
 6. THE SITE IS ADJACENT TO THE HIGHWAY.
 7. THE SITE IS ADJACENT TO THE RAILROAD TRACKS.
 8. THE SITE IS ADJACENT TO THE HIGHWAY.
 9. THE SITE IS ADJACENT TO THE RAILROAD TRACKS.
 10. THE SITE IS ADJACENT TO THE HIGHWAY.

SPRING MEADOWS CONDOMINIUM
 1. THE SITE IS LOCATED IN THE NORTHWEST CORNER OF THE INTERSECTION OF THE HIGHWAY AND THE RAILROAD.
 2. THE SITE IS SURROUNDED BY RESIDENTIAL DEVELOPMENT.
 3. THE SITE IS ADJACENT TO THE RAILROAD TRACKS.
 4. THE SITE IS ADJACENT TO THE HIGHWAY.
 5. THE SITE IS ADJACENT TO THE RAILROAD TRACKS.
 6. THE SITE IS ADJACENT TO THE HIGHWAY.
 7. THE SITE IS ADJACENT TO THE RAILROAD TRACKS.
 8. THE SITE IS ADJACENT TO THE HIGHWAY.
 9. THE SITE IS ADJACENT TO THE RAILROAD TRACKS.
 10. THE SITE IS ADJACENT TO THE HIGHWAY.

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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 of Unit Owners 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.

Section 6. Regulatory Agreement - Rights of Federal Housing Commissioner. It is contemplated that the Council of Unit Owners will enter into and agree to be bound by a certain Regulatory Agreement with the Federal Housing Commissioner. In the event of any violation of the provisions of the Regulatory Agreement by the Council of Unit Owners or by any unit owner, or in the event of a failure on the part of the Council of Unit Owners or any unit owner to abide by and carry out the provisions of the Declaration or these By-Laws, the Federal Housing Commissioner may give written notice thereof to the Council of Unit Owners, or to the defaulting unit owner, by registered or certified mail. In the event such violation is not corrected to the satisfaction of the Federal Housing Commissioner within fifteen (15) days after the date such notice is mailed, or within such additional period of time as may be set forth in said notice, without further notice the Commissioner may declare a default under the Regulatory Agreement and upon such default the Federal Housing Commissioner may:

(a) In the case of a default by the owner of a condominium unit (i) if the Federal Housing Commissioner holds the mortgage of the defaulting unit owner, then the Federal Housing Commissioner may declare the whole of said indebtedness due and payable and may then proceed with the foreclosure of such mortgage; or (ii) in the event such mortgage is held by an FHA-insured mortgagee and insured by the Federal Housing Commissioner, then the Federal Housing Commissioner may notify the mortgagee of such default and the mortgagee, with the prior written consent of the Federal Housing Commissioner, may declare the whole indebtedness due and thereupon proceed with the foreclosure of the mortgage or may assign the mortgage to the Federal Housing Commissioner as provided in the Regulations adopted pursuant to the National Housing Act.

(h) In the event of any default by the Council of Unit Owners or by the owner of a condominium unit in the condominium, the Federal Housing Commissioner may apply to any court, State or Federal, for specific performance of the Regulatory Agreement, for an injunction against violation of the Regulatory Agreement, or for such other relief (including relief related to the provisions of the Declaration or these By-Laws) as may be appropriate.

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Any and all rights, privileges and protection provided under the Declaration or these By-Laws or the Articles of Incorporation of the Council of Unit Owners 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. 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 Federal Housing Commissioner.

ARTICLE XVIII

Compliance - Interpretation - Miscellaneous

Section 1. Compliance. These By-Laws are set forth in compliance with the requirements of Title 11, Real Property Article, Annotated Code of Maryland (1974 Repl. Vol.), as amended.

Section 2. Conflict. These By-Laws are subordinate and subject to all provisions of the Declaration and to the provisions of Title 11, Real Property Article, Annotated Code of Maryland (1974 Repl. Vol.), as amended. 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 11, Real Property Article, Annotated Code of Maryland (1974 Repl. Vol.), as amended, the provisions of the statute shall control.

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.

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"EXHIBIT C"

<u>Unit No.</u>	<u>Percentage Interest in Common Elements Common Expenses and Common Profits</u>	<u>Votes</u>
		1
1-1-1	1/50th	1
1-1-2	1/50th	1
1-1-3	1/50th	1
1-1-4	1/50th	1
1-1-5	1/50th	1
1-1-6	1/50th	
		1
1-2-1	1/50th	1
1-2-2	1/50th	1
1-2-3	1/50th	1
1-2-4	1/50th	1
1-2-5	1/50th	1
1-2-6	1/50th	
		1
1-3-1	1/50th	1
1-3-2	1/50th	1
1-3-3	1/50th	1
1-3-4	1/50th	1
1-3-5	1/50th	
		1
1-4-1	1/50th	1
1-4-2	1/50th	1
1-4-3	1/50th	1
1-4-4	1/50th	1
1-4-5	1/50th	

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"EXHIBIT C"

<u>Unit No.</u>	<u>Percentage Interest in Common Elements Common Expenses and Common Profits</u>	<u>Votes</u>
	1/50th	1
1-5-1	1/50th	1
1-5-2	1/50th	1
1-5-3	1/50th	1
1-5-4	1/50th	1
1-5-5	1/50th	1
1-5-6	1/50th	1
	1/50th	1
1-6-1	1/50th	1
1-6-2	1/50th	1
1-6-3	1/50th	1
1-6-4	1/50th	1
1-6-5	1/50th	1
1-6-6	1/50th	1
	1/50th	1
1-7-1	1/50th	1
1-7-2	1/50th	1
1-7-3	1/50th	1
1-7-4	1/50th	1
1-7-5	1/50th	1
1-7-6	1/50th	1
1-7-7	1/50th	1
1-7-8	1/50th	1
	1/50th	1
1-8-1	1/50th	1
1-8-2	1/50th	1
1-8-3	1/50th	1
1-8-4	1/50th	1
1-8-5	1/50th	1
1-8-6	1/50th	1
1-8-7	1/50th	1
1-8-8	1/50th	1

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"EXHIBIT D"

REGULATORY AGREEMENT

THIS AGREEMENT, dated this 26th day of August, 1977, by and between THE COUNCIL OF UNIT OWNERS OF SPRING MEADOWS CONDOMINIUM, INC. (hereinafter called the "Council of Unit Owners" or the "Council"), whose address is c/o Wallace H. Campbell & Company, Inc., 1701 Meridene Drive, Baltimore, Maryland, 21237, party of the first part, and the FEDERAL HOUSING COMMISSIONER (hereinafter called the "Commissioner") acting pursuant to the authority granted in him by the National Housing Act, as amended (hereinafter referred to as the "Act"), party of the second part.

WHEREAS, the Council of Unit Owners has the responsibility for administering the condominium project known as "SPRING MEADOWS CONDOMINIUM" and desires to aid the members of the Council of Unit Owners in obtaining financing for the purchase of condominium units in the condominium; and

WHEREAS, mortgagees may be unwilling to lend aums to the members of the Council of Unit Owners 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 Council of Unit Owners shall, by 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, inconsideration of the sum of Ten and * * * No/100 Dollars (\$10.00) in hand paid, and other good and valuable consideration 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 condominium units in the condominium, and in order that the Council of Unit Owners 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 condominium 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 condominium unit in the condominium, or during any time the 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:

1. The Council of Unit Owners shall establish and maintain a reserve fund for replacements by the allocation and payment monthly to such reserve fund an amount to be designated from time to time by the Commissioner. Such funds 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.

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The reserve fund is for the purpose of effecting 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.

The Council of Unit Owners shall establish and maintain a general operating reserve by the allocation and payment monthly to such reserve fund of a sum equivalent to not less than three percent (3%) of the monthly assessments chargeable to the owners of condominium units in the condominium pursuant to the By-Laws of the condominium. Upon 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 owners of condominium units in the condominium pursuant to the By-Laws, the rate of such monthly allocations may, by appropriate action of the Council of Unit Owners, be reduced from three percent (3%) to two percent (2%); provided, however, that in the event withdrawals from such account reduce it below the said fifteen percent (15%) accrual, the rate of such monthly deposits shall be immediately restored to three percent (3%). At any time thereafter, upon accrual in said general operating reserve account of an amount equal to twenty-five percent (25%) of the current annual amount of assessments chargeable to the owners of condominium units in the condominium pursuant to the By-Laws, such monthly allocations may, by appropriate action of the Council of Unit Owners, be discontinued and no further deposits need be made into such general operating reserve so long as said twenty-five percent (25%) level is maintained and, provided further, that upon reduction of such reserve below said twenty-five percent (25%) level, monthly deposits shall forthwith be made at the three percent (3%) rate until the twenty-five percent (25%) level is restored. The general operating reserve shall remain in a special account 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, and shall at all times be under the control of the Council of Unit Owners. The cumulative reserve is intended to provide a measure of financial stability as a result of delinquent payments of assessments by owners of condominium units in the condominium and other contingencies. Disbursements from the general operating reserve totaling in excess of twenty percent (20%) of the total balance in the general operating reserve as of the close of the preceding annual period may not be made during any annual period without the consent of the Commissioner. Reimbursement shall be made to the account upon payment of delinquencies for which funds were withdrawn from the general operating reserve.

3. The Council of Unit Owners will not employ a management agent for the condominium project, nor enter into a management contract for the condominium project, nor undertake "self-management", unless the Commissioner has approved in writing the proposed management agent and the form of management contract or other management arrangement.

4. The Council of Unit Owners shall not, without the prior approval of the Commissioner, given in writing, remodel, reconstruct, demolish or subtract from the premises constituting the condominium project.

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5. The Council of Unit Owners shall not, without the prior approval of the Commissioner, given in writing, either (a) amend or change the Declaration to which this Regulatory Agreement is appended as an Exhibit; or (b) terminate, amend or change the By-Laws of the Council of Unit Owners; or (c) fail to establish and maintain a reserve for replacements and a general operating reserve as set forth in this Regulatory Agreement; or (d) fail to provide for the management of the condominium project in a manner approved by the Commissioner.

6. The Council of Unit Owners shall maintain the common elements of the condominium project in good repair and in such condition as will preserve the health and safety of the owners of the condominium units therein. Each owner of a condominium unit in the condominium shall maintain his condominium unit in good repair and in such condition as will preserve the health and safety of the owners of the condominium units.

7. The books, contracts, records, documents and papers of the Council of Unit Owners, 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 Council of Unit Owners shall file with the Commissioner the following reports verified by the signature of such officers of the Council of Unit Owners as may be designated and in such form as may be prescribed by the Commissioner:

(a) monthly operating reports, when required by the Commissioner; and

(b) annual financial reports prepared by a certified public accountant or other person acceptable to the Commissioner, within sixty (60) days after the end of each fiscal year; and

(c) specific answers to questions upon which information is desired from time to time relative to the operation and condition of the condominium project; and

(d) copies of minutes of all meetings of the Council of Unit Owners certified to by the secretary of the Council of Unit Owners within thirty (30) days after such meetings and, when required by the Commissioner, copies of minutes of meetings of the Board of Directors of the Council of Unit Owners.

8. The Council of Unit Owners shall establish and collect from the owners of the condominium units monthly assessments pursuant to the conditions set forth herein and in the By-Laws of the Council of Unit Owners. Monthly assessments charged to the unit owners during the initial occupancy period shall be made by the Council of Unit Owners in accordance with a schedule of charges filed with and approved in writing by the Commissioner prior to the opening of the condominium project for occupancy. Such assessments shall be in an amount sufficient to meet the FHA estimate of management expenses, operating expenses, maintenance expenses, reserves and all other expenses of the Council of Unit Owners. Subsequent to the initial

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occupancy period, assessments made by the Council of Unit Owners 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 Council's estimate of expenses set forth in an operating budget which shall be prepared and submitted to the FHA at least sixty (60) days prior to the beginning of each fiscal year. The operating budget shall set forth the anticipated income of the Council of Unit Owners and a sufficiently detailed estimate of expenses which will include separate estimates for administration expenses, operating expenses, maintenance expenses, utilities, hazard insurance and allocations to the replacement reserve and general operating reserve. Such assessments shall not be changed except with the prior written approval of the Commissioner. The Council of Unit Owners agrees that if at any time the owner of a condominium unit in the condominium project fails to pay his monthly assessment as provided in the By-Laws, then the Council of Unit Owners shall, upon the direction of the Commissioner, institute necessary legal action to collect the assessment.

9. Upon a violation of any of the above provisions of this Regulatory Agreement by the Council of Unit Owners, or by any owner of a condominium unit in the condominium project, or upon the failure of the Council of Unit Owners to abide by and carry out the provisions of the Declaration to which this Regulatory Agreement is appended, or the By-Laws of the Condominium, the Commissioner may give written notice thereof to the Council of Unit Owners or the owner of the condominium unit by registered or certified mail. If such violation is not corrected to the satisfaction of the Commissioner within fifteen (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 default under this Agreement and upon such default the Commissioner may:

(a) in the case of default by the owner of a condominium unit:

(i) if the Commissioner holds the note of the defaulting unit owner, the Commissioner may declare the whole of said indebtedness due and payable and then proceed with the foreclosure of the mortgage; or

(ii) if said note is held by an FHA-insured mortgagee, the Commissioner may 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 foreclosure of the mortgage or assign the note and mortgage to the Commissioner as provided in the Regulations.

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(b) In the case of a default by the Council of Unit Owners or by the owner of a condominium unit, the Commissioner may apply to any Court, State or Federal, for specific performance of this Agreement, for an injunction against any violation of this 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 property described in the Declaration to which this Agreement is attached, and to bind all of the owners of condominium units in the condominium, present and future.

11. As used in this Regulatory Agreement the term:

- (a) "Mortgage" shall include "Deed of Trust";
- (b) "Note" shall include "Bond";
- (c) "Mortgagee" shall include the "Beneficiary" under a 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) "Declaration" shall include all legal documents, deed, by-laws, plans, plats and the like required by the laws of the State of Maryland in order to establish a condominium regime for the condominium.

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 Council of Unit Owners agrees and assumes the obligation to have this Agreement recorded in the appropriate Land Records for Anne Arundel County, Maryland 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 Council of Unit Owners.

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15. It is specifically agreed between the parties hereto that the breach of any of the terms of this Agreement by the Council of Unit Owners or by the owner of any condominium unit in the condominium 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 the mortgagees may not be willing to lend sums of money to owners of condominium units on the security of mortgages covering such units unless the same were insured by the Commissioner.

IN WITNESS WHEREOF, the parties hereto have duly executed these presents on the year and day first above written.

COUNCIL OF UNIT OWNERS OF
SPRING MEADOWS CONDOMINIUM, INC.

ATTEST:

Marked Taylor

By: Brooks R. Palmer
Brooks R. Palmer, President

SECRETARY OF HOUSING AND URBAN
DEVELOPMENT, acting by and through
the FEDERAL HOUSING COMMISSIONER

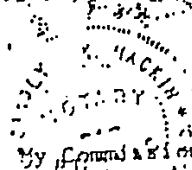
Harry J. Thomas
Witness

By: [Signature]
Authorized Agent

STATE OF MARYLAND)
COUNTY OF MONTGOMERY)

The undersigned, a Notary Public in and for the jurisdiction aforesaid, does hereby certify that BROOKS R. PALMER, personally well known to me to be the President of the Council of Unit Owners named above appeared before me this day in person and acknowledged that he executed and delivered the foregoing instrument as the free and voluntary act of said Council of Unit Owners for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this ... day of ... 1977.



Marked Taylor
Notary Public

Mailed to: [Signature]

The Council of Unit Owners of Spring Meadows Condominium, Inc.

CC&Rs/Declaration



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THIS DECLARATION, made and entered into this 26th day of August, 1977, by NCHP DEVELOPMENT CORP., a corporation organized and existing under the laws of the District of Columbia, hereinafter and in the Exhibits hereto sometimes called the "Declarant":

WHEREAS, the Declarant is the owner in fee simple of certain land and premises located in the County of Anne Arundel, State of Maryland and more particularly described on "EXHIBIT A-1" attached hereto and by this reference made a part hereof; and

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WHEREAS, the Declarant is the owner of certain buildings and other improvements constructed upon the aforesaid premises, which property constitutes a "condominium" pursuant to Title 11, Section 11-101, et seq., of the Real Property Article, Annotated Code of Maryland (1976 Supp.), and it is the desire and intention of the Declarant 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, prior to the recordation hereof, the Declarant has filed for record in the Office of the Clerk of Court for the Circuit Court for Anne Arundel County, Maryland, a certain Plat, hereinafter referred to as the "Condominium Plat", which Condominium Plat, consisting of seven (7) sheets, is recorded in Condominium Plat Book, 10, beginning at plat E 458 - ; and Pages 8 - 14.

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WHEREAS, the Declarant desires and intends by the recordation of the Condominium Plat and this Declaration, to submit the property described on "EXHIBIT A-1" attached hereto, together with the improvements heretofore or hereafter constructed thereon, and all appurtenances thereto, to the provisions of Title 11, Section 11-101, et seq., of the Real Property Article, Annotated Code of Maryland (1976 Supp.) as a condominium:

NOTARIAL PUBLIC
STATE OF MARYLAND
COMMISSION EXPIRES 03/31/80
NOTARY PUBLIC

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NOW, THEREFORE, the Declarant hereby declares that all of the property described on "EXHIBIT A-1" attached hereto, together with all improvements heretofore or hereafter constructed thereon, and all appurtenances thereto, shall be held, conveyed, divided or subdivided, leased, rented and occupied, improved, hypothecated and encumbered subject to the covenants, restrictions, uses, limitations, obligations, easements, equitable servitudes, charges and liens (hereinafter sometimes referred to as "covenants and restrictions") hereinafter set forth, including the provisions of the By-Laws of the Council of Unit Owners of the condominium, attached hereto as "EXHIBIT B" and by this reference incorporated herein, all of which are declared and agreed to be in aid of a plan for improvement of said property, and the division thereof into condominium units and common elements, and shall be deemed to run with and bind the land, and shall inure to the benefit of and be enforceable by the Declarant, its successors and assigns, and any person acquiring or owning an interest in said property and improvements, including, without limitation, 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.

ARTICLE I

Section 1. 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 meanings:

(a) "The Act" or "the Condominium Act" means Title 11, Section 11-101 through and including Section 11-128 of the Real Property Article, Annotated Code of Maryland (1976 Supp.) and shall include any revisions thereof and amendments and supplements thereto which are enacted subsequent to the date of this Declaration and which are not inconsistent with the provisions hereof.

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

(c) "Unit" or "condominium unit" means a three dimensional area, as hereinafter and on the Condominium Plat described and identified, and shall include all improvements contained within that area except those excluded in this Declaration.

(d) "Common elements" means both general common elements and limited common elements, as hereinafter and on the Condominium Plat described and identified, and shall include all of the condominium except the condominium units.

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(e) "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.

(f) "Council of Unit Owners" means all of the unit owners in association.

(g) "Common expenses and common profits" means the expenses and profits of the Council of Unit Owners.

(h) "Commissioner" or "Federal Housing Commissioner" means the Federal Housing Commissioner acting for and on behalf of the Secretary of Housing and Urban Development.

Section 2. 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 Title 11, Section 11-101, et seq., Real Property Article, Annotated Code of Maryland (1976 Supp.)

Section 3. Name. The name by which the condominium is to be identified is as follows:

"SPRING MEADOWS CONDOMINIUM"

ARTICLE II

Section 1. Property Subject to Declaration. The property which is, and shall be, held, conveyed, divided or subdivided, hypothecated or encumbered, sold, leased, rented, used, occupied, and improved subject to this Declaration and the provisions of the Condominium Act is located in the County of Anne Arundel, State of Maryland, and is more particularly described on "EXHIBIT A-1" attached hereto and by this reference made a part hereof.

Section 2. Condominium Plat. The Condominium Plat is incorporated herein and by this reference made a part of this Declaration.

ARTICLE III

Section 1. The Condominium Units. The general description and number of each condominium unit in the condominium, including its perimeters, approximate dimensions, floor area, identifying number or letter, location and such other data as may be sufficient to identify it with reasonable certainty, is set forth on the Condominium Plat.

LAW OFFICES
MCKEEVER
PROFESSIONAL & LEGAL
SAS HUNTERMAN & LLOYD
P.O. BOX 1000
BETHESDA, MD 20814

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The lower boundary of any condominium unit in the condominium is a horizontal plane (or planes), the elevation of which coincides with the elevation of the lower surface of the concrete floor or subfloor thereof, extended to intersect the lateral or perimetrical boundaries thereof. The upper boundary of any condominium unit in the condominium is a horizontal plane (or planes), the elevation of which coincides with the upper surface of the roof joists thereof, to include the roof joists within the condominium unit, 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 unexposed surface of the perimeter drywall thereof, to include the perimeter drywall within the condominium unit, and to include the trim, windows and doors within the condominium unit, extended to intersect the upper and lower boundaries thereof and to intersect the other lateral or perimetrical boundaries of the condominium unit.

Equipment and appurtenances located within any condominium unit and designed or installed to serve only that unit, including, without limiting the generality of the foregoing, furnaces, air-conditioning equipment, mechanical equipment, appliances, range hoods, non-bearing partition walls, flooring materials, carpets, outlets, electrical receptacles and outlets, fixtures, cabinets and the like, shall be considered a part of the condominium unit and not a part of the common elements. Mechanical equipment and appurtenances located outside the boundaries of any condominium unit and designed or installed to serve only a particular unit, including, without limiting the generality of the foregoing, furnaces, air-conditioning equipment, compressors, compressor pads, ducts, pipes, hoses, tubing and the like, shall be considered a part of the condominium unit which they are designated or designed to serve exclusively and shall not be considered a part of the common elements.

Section 2. Easements. 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 pipes, ducts, flues, chutes, conduits, cables, wires and wire outlets, utility lines and the like, and any other common elements located within or accessible only from any particular condominium unit, and for support.

ARTICLE IV

Section 1. Limited Common Elements. The limited common elements of the condominium are those common elements designated as such on the Condominium Plat and such other common elements as are agreed upon by all of the unit owners to be reserved for the exclusive use of one or more, but less than all of the unit owners. Any area designated on the Condominium Plat as a deck, terrace, patio, entrance stoop, patio fence, or the like, and designated on the Condominium Plat as a limited common element, 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.

Section 3. Covenant Against Partition. The common elements, both general and limited, shall remain undivided. No owner of any condominium unit or any other person shall bring any action for partition - division thereof except as may be provided for in the Condominium Act.

ARTICLE V

Section 2. Undivided Percentage Interests in Common Elements.
Each unit owner shall own an undivided percentage interest in the common elements of the condominium equal to that set forth on "EXHIBIT C" attached hereto and by this and other reference made a part hereof. The undivided percentage interest in the common elements set forth on "EXHIBIT C" shall have a permanent character and, except as specifically provided in Article VI of this Declaration and in the Condominium Act, may not be changed without the written consent of all of the unit owners and the holders of all 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, circumstance, action, occurrence or proceeding in any manner affecting a condominium unit also shall affect, in like manner, the individual percentage interest in the common elements appertaining to such unit, whether or not such percentage interest is expressly described or mentioned.

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Section 3. Percentage Interest in Common Elements and Common Profits. 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" attached hereto and by this and other reference made a part hereof. 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 Article VI of this Declaration and in the Condominium Act, may not be changed without the written consent of all of the unit owners and the holders of all 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 also shall affect, in like manner, 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 also 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.

Section 4. Voting Rights. At any meeting of the Council of Unit Owners each unit owner shall be entitled to cast one (1) vote on each question brought before such meeting.

ARTICLE VI

Section 1. Expansion - Addition of Subsequent Phases. Pursuant to the provisions of Section 11-117 of the Condominium Act, and subject to the limitations and requirements herein and therein set forth, the Declarant shall have and hereby reserves the absolute right, but not the obligation, to be exercised at any time or from time to time prior to the 1st day of December, 1985, to annex to the land and improvements described on "EXHIBIT A-1" attached hereto, and thereby to submit to each and every of the provisions of this Declaration and the Condominium Act, any of the land described on "EXHIBIT A-2", "EXHIBIT A-3", "EXHIBIT A-4", "EXHIBIT A-5", "EXHIBIT A-6", "EXHIBIT A-7", "EXHIBIT A-8" and "EXHIBIT A-9" attached to this Declaration and by this reference made a part hereof, in such increments and in such order as to the Declarant may from time to time seem appropriate, together with the improvements heretofore or hereafter constructed upon any of such land, as such land and such improvements are delineated, in general terms, on the Condominium Plat. Any such expansion or annexation shall be accomplished by the recordation among the Land Records for Anne Arundel County, Maryland of an amendment or amendments to this Declaration and the Condominium Plat as required pursuant to the provisions of Section 11-117 of the Condominium Act.

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Section 2. Reallocation of Percentage Interests in Event of Expansion. Upon the recordation of any amendment to this Declaration and to the Condominium Plat for the purpose of expanding the condominium pursuant to the provisions of Section 1 of this Article VI, each unit owner, by operation of law and the provisions of this Declaration, shall then have and own an undivided percentage interest in the common elements of the condominium and an undivided percentage interest in the common expenses and common profits of the condominium equal to a fraction, the numerator of which shall always be the number "1" and the denominator of which shall be the total number of condominium units then included within the condominium. Upon the recordation of each such amendment to the Declaration and to the Condominium Plat for the purposes aforesaid, the percentage interests hereinbefore provided for shall be automatically reallocated in accordance with the formula set forth in this Section 2.

Any deed or other instrument for or otherwise relating to any condominium unit in the condominium shall be delivered subject to a conditional limitation that the percentage interests in the common elements, common expenses and common profits of the condominium appurtenant to such condominium unit shall be automatically reallocated, pro tanto, in accordance with the formula set forth above, upon the recordation of any such amendment to the Declaration and to the Condominium Plat.

Whenever in this Declaration or in any of the Exhibits hereto reference is made to "EXHIBIT A-1", then such reference shall mean and refer to "EXHIBIT A-1" as the same may from time to time be modified, amended or enlarged pursuant to the operation of this Article VI and to the exercise of the rights herein reserved to the Declarant. Whenever in this Declaration or in any of the Exhibits hereto reference is made to "EXHIBIT C", then such reference shall mean and refer to "EXHIBIT C" as the same may from time to time be modified, amended or enlarged in accordance with the formula set forth above pursuant to the operation of this Article VI and to the exercise of the rights herein reserved to the Declarant.

Section 3. Reservation of Power of Attorney for Expansion. There is hereby reserved unto GEORGE M. BRADY, JR. and to BROOKS R. PALMER, and to either of them acting without the other, with full and absolute power of substitution, an irrevocable power-of-attorney, coupled with an interest, for the purpose of reallocating the percentage interests in the common elements, common expenses and common profits of the condominium appurtenant to each of the condominium units in the condominium in accordance with the provisions of this Declaration and the formula hereinabove set forth, and to execute, acknowledge and deliver such further instruments as may from time to time be required in order to accomplish the purposes of this Article.

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Each owner and each mortgagee of a condominium unit in the condominium shall be deemed to have acquiesced in the amendments to this Declaration and in the amendments to the Condominium Plat for the purpose of adding additional land, condominium units and common elements to the condominium in the manner set forth in this Article VI, and shall be deemed to have granted unto the said attorney-in-fact, and to each of them, with full and absolute power of substitution, an irrevocable power-of-attorney, coupled with an interest, to execute, acknowledge and deliver any such amendments, and each such unit owner and mortgagee shall be deemed to have agreed and covenanted to execute such further instruments, if any, as may from time to time be required by the Declarant, its successors and assigns, to properly accomplish such amendments.

Section 4. Easements to Facilitate Completion and Expansion. There is hereby reserved to the Declarant and to its agents, successors and assigns, without restriction or limitation, a non-exclusive easement over all of the common elements of the condominium for purposes of ingress, egress, the storage of building supplies, materials and equipment, the installation, construction, reconstruction and maintenance of utility lines and storm drainage facilities and, without restriction or limitation, for any and all other purposes related to the development of the premises described on "EXHIBIT A-1" and any of the parcels of additional land herein or on the Exhibits hereto described, and for any and all purposes related to the completion and sale of the improvements thereon; provided, however, that the use or advantage shall not interfere with the beneficial use by the unit owners of either the condominium units or the common elements.

Section 5. Limitations. The rights and options reserved to the Declarant in this Article VI shall not be subject to any limitations other than those specifically provided for in this Article VI and in the Condominium Act. The rights and options reserved to the Declarant in this Article VI may be exercised by the Declarant as to none or as to any or all of the parcels of additional land described in this Article and in the Exhibits hereto, either at the same time or at different times and in any order or sequence. The rights and options reserved to the Declarant in this Article VI may be exercised by the Declarant without the consent of any unit owner or mortgagee.

The maximum number of condominium units which may be erected on the parcels of additional land described in this Article VI is as follows:

- (a) Phase 2 - a maximum of 40 additional condominium units may be erected on the parcel of additional land described on "EXHIBIT A-2" attached hereto; and
- (b) Phase 3 - a maximum of 48 additional condominium units may be erected on the parcel of additional land described on "EXHIBIT A-3" attached hereto; and

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(c) Phase 4 - a maximum of 16 additional condominium units may be erected on the parcel of additional land described on "EXHIBIT A-4" attached hereto; and

(d) Phase 5 - a maximum of 23 additional condominium units may be erected on the parcel of additional land described on "EXHIBIT A-5" attached hereto; and

(e) Phase 6 - a maximum of 33 additional condominium units may be erected on the parcel of additional land described on "EXHIBIT A-6" attached hereto; and

(f) Phase 7 - a maximum of 36 additional condominium units may be erected on the parcel of additional land described on "EXHIBIT A-7" attached hereto; and

(g) Phase 8 - a maximum of 24 additional condominium units may be erected on the parcel of additional land described on "EXHIBIT A-8" attached hereto; and

(h) Phase 9 - a maximum of 40 additional condominium units may be erected on the parcel of additional land described on "EXHIBIT A-9" attached hereto.

ARTICLE VII

Section 1. Encroachments. In the event any portion 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 then repaired or reconstructed as authorized in by By-Laws of the Council of Unit Owners 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.

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ARTICLE VIII

Section 1. Amendment. Except as otherwise provided in the Condominium Act, this Declaration may be amended only with the written consent of all of the unit owners and the holders of all mortgages on the condominium units in the condominium. Any such amendment shall be effective only upon the recordation of a Declaration of Amendment among the Land Records for Anne Arundel County, Maryland.

Section 2. Termination and Waiver. The condominium regime established by the recordation of this Declaration and the Condominium Plat may be terminated by Deed of Termination executed by all of the unit owners and, in a manner to indicate their consent to such termination, by all persons with recorded encumbrances, including judgment lienors, on the condominium units in the condominium, all in the manner provided in Section 11-121 of the Condominium Act. Any such termination shall be effective only upon the recordation of a Deed of Termination among the Land Records for Anne Arundel County, Maryland.

ARTICLE IX

Section 1. Regulatory Agreement. The Declarant hereby declares that all of the property described on "EXHIBIT A-1" attached hereto, together with all improvements heretofore or hereafter constructed thereon, and all appurtenances thereto shall be held, conveyed, divided or subdivided, leased, rented and occupied, improved, hypothecated and encumbered, and that the administration of the Council of Unit Owners in the condominium as provided for in the By-Laws attached hereto as "EXHIBIT B" shall be subject in all respect to the terms and provisions of a certain Regulatory Agreement executed or to be executed by the Council of Unit Owners and the Federal Housing Commissioner (acting pursuant to the authority granted to him by the National Housing Act, as amended), a copy of which Regulatory Agreement is attached hereto as "EXHIBIT D" and by this reference incorporated herein and made a part of this Declaration.

Section 2. Acknowledgment By Declarant. The Declarant covenants to take no action which would adversely affect the rights of the Council of Unit Owners with respect to assurances against latent defects in the condominium or other rights assigned to the Council of Unit Owners, the unit owners and their respective successors in interest, as their interests may appear.

1007 136
ARTICLE X

Section 1. Construction and Enforcement. The provisions hereof shall be liberally construed to facilitate the purpose of creating a uniform plan for the creation and operation of a condominium. Enforcement of these covenants and restrictions and of the By-Laws attached hereto shall be by any proceeding at law or in equity against any person or persons violating or attempting to violate any covenant or restriction; either to restrain or enjoin violation or to recover damages, or both, and against any condominium unit to enforce any lien; and the failure or forbearance by the Council of Unit Owners or the owner of any condominium unit to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

There shall be and there is hereby created and declared to be a conclusive presumption that any violation or breach or any attempted violation or breach of any of the within covenants or restrictions cannot be adequately remedied by action at law or exclusively by recovery of damages.

Section 2. Severability. Invalidity of any one of these covenants or restrictions by judgment, decree or order shall in no way affect any other provisions hereof, each of which shall remain in full force and effect.

Section 3. Captions. The captions contained in this Declaration are for convenience only and are not a part of this Declaration and are not intended in any way to limit or enlarge the terms and provisions of this Declaration.

IN WITNESS WHEREOF, the said NCHP DEVELOPMENT CORP., a District of Columbia corporation, has caused these presents to be executed in its corporate name by GEORGE M. BRADY, JR., its President, attested by JOSEPH A. STORY, its Secretary, and its corporate seal to be hereunto affixed; and does hereby appoint the said GEORGE M. BRADY, JR. as its true and lawful attorney-in-fact to acknowledge and deliver these presents as the act and deed of the said NCHP DEVELOPMENT CORP., all as of the year and day first above written.

NCHP DEVELOPMENT CORP.

George M. Brady, Jr.
George M. Brady, Jr., President

ATTEST:

Joseph A. Story
Joseph A. Story, Secretary

UNITED STATES OF AMERICA
DISTRICT OF COLUMBIA

LINEA 3007 PAG. 137

DISTRICT OF COLUMBIA

I HEREBY CERTIFY that on the 26th day of August, 1977, before me, the subscriber, a Notary Public in and for the jurisdiction afore-said, personally appeared GEORGE M. BRADY, JR., personally well known to me to be the person named as attorney-in-fact in the foregoing Declaration and by virtue of the authority vested in him by said instrument, acknowledged the same to be the act and deed of NCHP DEVELOPMENT CORP. and that the same was executed for the purposes therein contained.

WITNESS my hand and Notarial Seal the year and day first
above written.

Maria Perry Ahern
Notary Public

My Commission expires: 2/21/82

APPROVED as to form this 24th day of August, 1977.

SECRETARY OF HOUSING AND URRAN DEVELOPMENT OF WASHINGTON, D. C. , acting by and through the FEDERAL HOUSING COMMISSIONER.

By: _____ Authorized Agent

The undersigned, a member in good standing of the Bar of the Court of Appeals of Maryland, hereby certifies that the within instrument was prepared by him or under his supervision.

By: Barry M. Fitzpatrick

Pursuant to the provisions and requirements of Section 11-102.1 of the Condominium Act, we hereby affirm, under penalty of perjury, that the notice requirements of Section 11-102.1 of the Condominium Act, if applicable, have been fulfilled.

NCHP DEVELOPMENT CORP.

By: George H. Brady, Jr., President

"EXHIBIT A-1"

(BLUE JAY COURT - SPARROW COURT)

Doc. 3007 ~~132~~ 138

Beginning for the same at a point located in the southerly right-of-way line of the widening strip of Jacobs Road, said point being located South 14 degrees 49 minutes 27 seconds West 27.08 feet from the northwesternmost corner of the outline of Plat One "Reed Bird Townhouses" as recorded among the Plat Records of Anne Arundel County, Maryland in Plat Book 60, page 11, said point of beginning is point number 11 on said record plat, thence running and binding on the road widening of Jacobs Road, referring the courses of this description to the Maryland State Grid Meridian,

(1) Along a curve to the left 269.55 feet, said curve having a radius of 3040.81 feet and being subtended by a chord of South 77 degrees 29 minutes 12 seconds East 269.46 feet thence,

(2) South 80 degrees 01 minutes 34 seconds East 137.50 feet thence,

(3) South 35 degrees 01 minutes 34 seconds East 35.36 feet thence,

(4) South 80 degrees 01 minutes 34 seconds East 60.00 feet thence,

(5) North 54 degrees 56 minutes 26 seconds East 35.36 feet thence,

(6) South 80 degrees 01 minutes 34 seconds East 212.10 feet thence,

(7) South 08 degrees 37 minutes 19 seconds West 310.22 feet thence,

(8) North 81 degrees 22 minutes 45 seconds West 50.49 feet thence,

(9) South 78 degrees 08 minutes 56 seconds West 244.51 feet to a point in the westerly right-of-way line of Reedbird Drive, 66 feet wide, thence running and binding on said right-of-way,

3007 139

(10) along a curve to the right having a radius of 560.70 feet, an arc length of 135.00 feet and being subtended by a chord of North 00 degrees 58 minutes 13 seconds West 134.67 feet thence leaving said right-of-way line and running.

(11) North 80 degrees 01 minutes 34 seconds West 457.03 feet to intersect the outline of Plat One, thence running and binding on said outline,

(12) North 14 degrees 49 minutes 27 seconds East 310.04 feet to the point of beginning; containing 5.137 acres of land more or less per description prepared by John E. Harms, Jr. & Associates, Inc., Consulting Engineers and Land Surveyors, Pasadena, Maryland.

Being part of Plat One "Reed Bird Townhouses" as recorded among the Plat Records of Anne Arundel County, Maryland in Plat Book 60, Page 11.

"EXHIBIT A-2"

(DOVE COURT)

3007 140

Beginning for the same at a point, said point of beginning being point numbered 23 on "PLAT ONE OF SPRING MEADOWS" as recorded in Plat Book 61 at page 20 among the Land Records for Anne Arundel County, Maryland, thence running and referring the courses of this description to the Maryland State Grid Meridian,

- (1) North 75 degrees 10 minutes 33 seconds West 125.29 feet, thence
- (2) North 14 degrees 49 minutes 27 seconds East 343.00 feet, thence
- (3) South 80 degrees 01 minute 34 seconds East 457.03 feet, thence
- (4) along a curve to the left 168.99 feet, said curve having a radius of 560.70 feet and being subtended by a chord of South 2 degrees 42 minutes 26 seconds East 168.35 feet, thence
- (5) South 63 degrees 05 minutes 38 seconds West 48.49 feet, thence
- (6) South 72 degrees 46 minutes 25 seconds West 275.50 feet, thence
- (7) South 46 degrees 19 minutes 27 seconds West 50.00 feet, thence
- (8) North 75 degrees 10 minutes 33 seconds West 85.00 feet, to the point and place of beginning and containing an area of 3.319 acres of land more or less per description prepared by John E. Harms, Jr. & Associates, Inc., Consulting Engineers and Land Surveyors, Pasadena, Maryland.

"EXHIBIT A-3"

LIB 3007 141

(EAGLE COURT)

Beginning for the same at a point, said point of beginning being point numbered 23 on "PLAT ONE OF SPRING MEADOWS" as recorded in Plat Book 61 at page 20 among the Land Records for Anne Arundel County, Maryland, thence running and referring the courses of this description to the Maryland State Grid Meridian,

- (1) South 75 degrees 10 minutes 33 seconds East 85.00 feet, thence
- (2) North 46 degrees 19 minutes 27 seconds East 50.00 feet, thence
- (3) North 72 degrees 46 minutes 25 seconds East 275.50 feet, thence
- (4) North 63 degrees 05 minutes 38 seconds East 48.49 feet, thence
- (5) along a curve to the left 437.81 feet, said curve having a radius of 560.70 feet, and being subtended by a chord of South 33 degrees 42 minutes 40 seconds East 426.78 feet, thence
- (6) North 56 degrees 04 minutes 49 seconds West 112.84 feet, thence
- (7) North 62 degrees 39 minutes 34 seconds West 265.59 feet, thence
- (8) South 29 degrees 23 minutes 43 seconds West 575.78 feet, thence
- (9) North 50 degrees 47 minutes 49 seconds West 346.00 feet, thence
- (10) North 14 degrees 49 minutes 27 seconds East 105.00 feet, thence
- (11) North 39 degrees 12 minutes 11 seconds East 303.52 feet, to the point and place of beginning and containing an area of 4.888 acres of land more or less, per description prepared by John E. Harms, Jr. & Associates, Inc., Consulting Engineers and Land Surveyors, Pasadena, Maryland.

"EXHIBIT A-5"
(GRAYBIRD COURT)

3007 143

Beginning for the same at a point in the southwesterly right-of-way line of Stillmeadows Drive, 60.00 feet wide, said point of beginning being point numbered 6 on "REVISED PLAT ONE - SPRING MEADOWS" recorded in Plat Book 61 at page 20 among the Land Records for Anne Arundel County, Maryland. thence along said right-of-way line, referring the courses and distances of this description to the Maryland State Grid Meridian;

(1) along a curve to the right 122.00 feet, said curve having a radius of 560.70 feet and being subtended by a chord of North 49 degrees 50 minutes 50 seconds West 121.76 feet thence leaving said right-of-way and running

(2) North 36 degrees 30 minutes 58 seconds East 342.32 feet to intersect a northerly outline of the aforementioned record plat, thence along part of said outline,

(3) South 70 degrees 34 minutes 42 seconds East 108.90 feet to point number 4, said point also being point number 10 as shown on the "Revised Plat Two Spring Meadows" as recorded among the plat records of Anne Arundel County, Maryland in Plat Book 61, page 21. thence along part of a northerly outline of the second mentioned plat

(4) South 70 degrees 34 minutes 41 seconds East 164.16 feet thence leaving said outline,

(5) South 33 degrees 55 minutes 10 seconds West 423.57 feet to intersect the southwesterly right-of-way line of Stillmeadows Drive, 60.00 feet wide, thence along said right-of-way line,

(6) North 56 degrees 04 minutes 49 seconds West 158.93 feet to the point of beginning; and containing 2.417 acres of land more or less, per description prepared by John E. Harms, Jr. & Associates, Inc., Consulting Engineers and Land Surveyors, Pasadena Maryland.

"EXHIBIT A-6"

LAST 3007 RE 144

(JAYBIRD COURT)

Beginning for the same at a point in the southwesterly right-of-way line of Stillmeadows Drive, 60.00 feet wide, said point of beginning being point numbered 30 on "REVISED PLAT TWO - SPRING MEADOWS" recorded in Plat Book 61 at page 21 among the Land Records for Anne Arundel County, Maryland, thence along said right-of-way line, referring the courses and distances of this description to the Maryland State Grid Meridian;

(1) North 56 degrees 04 minutes 49 seconds West 282.83 feet thence leaving said right-of-way and running

(2) North 33 degrees 55 minutes 11 seconds East 423.57 feet to intersect a northerly outline of said plat, thence along the outlines

(3) South 70 degrees 34 minutes 41 seconds East 39.00 feet thence,

(4) North 82 degrees 56 minutes 17 seconds East 184.88 feet thence,

(5) South 74 degrees 24 minutes 43 seconds East 41.20 feet thence, leaving the outlines and running.

(6) South 20 degrees 40 minutes 32 seconds East 93.06 feet thence,

(7) South 35 degrees 06 minutes 47 seconds West 453.72 feet to intersect the northeasterly right-of-way line of Stillmeadows Drive, thence crossing said Drive

(8) South 33 degrees 55 minutes 11 seconds West 60.00 feet to the point of beginning; and containing 3.337 acres of land more or less, per description prepared by John E. Harns, Jr. & Associates, Inc., Consulting Engineers and Land Surveyors, Pasadena, Maryland.

"EXHIBIT A-7"

(ORTIOLE COURT)

3007 145

Beginning for the same at a point in the northeasterly right-of-way line of Stillmeadows Drive, 60.00 feet wide, said point of beginning being point numbered 31 on "REVISED PLAT TWO - SPRING MEADOWS" recorded in Plat Book 61, folio 21 among the Land Records for Anne Arundel County, Maryland, thence leaving said right-of-way line and running, referring the courses of this description to the Maryland State Grid Meridian;

- (1) North 35 degrees 06 minutes 47 seconds East 453.72 feet thence,
- (2) South 57 degrees 23 minutes 11 seconds East 242.08 feet to intersect the northwesterly right-of-way line of Mapes Road, 80.00 feet wide, thence along said right-of-way line,
- (3) South 32 degrees 36 minutes 49 seconds West 430.00 feet thence,
- (4) South 77 degrees 36 minutes 49 seconds West 35.36 feet to intersect the northeasterly right-of-way line of Stillmeadows Drive, 60.00 feet wide, thence along said right-of-way line,
- (5) North 57 degrees 23 minutes 11 seconds West 87.57 feet thence,
- (6) Along a curve to the right 149.31 feet, said curve having a radius of 6550.16 feet, and being subtended by a chord of North 56 degrees 44 minutes 00 seconds West 149.31 feet to the point of beginning; and containing 2.623 acres of land more or less, per description prepared by John E. Harms, Jr. & Associates, Inc., Consulting Engineer and Land Surveyors, Pasadena, Maryland.

"EXHIBIT A-6"

DEK 3007 ME 146

(ROBIN COURT)

Beginning for the same at a point in the northeasterly right-of-way line of Stillmeadows Drive, 60.00 feet wide, said point of beginning being point numbered 31 on "REVISED PLAT TWO - SPRING MEADOWS" recorded in Plat Book 61, page 21 among the Land Records for Anne Arundel County, Maryland, thence leaving said right-of-way line and running, referring the courses of this description to the Maryland State Grid Meridian;

- (1) along a curve to the left 149.31 feet, said curve having a radius of 6550.16 feet and being subtended by a chord of South 56 degrees 44 minutes 00 seconds East 149.31 feet thence,
- (2) South 57 degrees 23 minutes 11 seconds East 87.57 feet to a point, thence crossing said road,
- (3) South 32 degrees 36 minutes 49 seconds West 60.00 feet to intersect the southwesterly right-of-way line of said road, thence along the fillet,
- (4) South 12 degrees 23 minutes 11 seconds East 35.36 feet to intersect the northwesterly right-of-way line of Mapes Road, 80.00 feet wide, thence along said right-of-way,
- (5) South 32 degrees 36 minutes 49 seconds West 171.52 feet to intersect the southerly outline of the above-mentioned record plat, thence along the outline,
- (6) South 80 degrees 13 minutes 05 seconds West 295.84 feet thence running,
- (7) North 08 degrees 48 minutes 43 seconds East 228.21 feet thence,
- (8) North 46 degrees 41 minutes 00 seconds East 194.74 feet to intersect the southwesterly right-of-way line of Stillmeadows Drive, thence crossing said Drive,
- (9) North 33 degrees 55 minutes 11 seconds East 50.00 feet to the point of beginning, and containing 2.324 acres of land more or less, per description prepared by John E. Hains, Jr. & Associates, Inc., Consulting Engineers and Land Surveyors, Pasadena, Maryland

"EXHIBIT A-9"

(HAWK COURT)

147 3007 147

Beginning for the same at a point in the southwesterly right-of-way line of Stillmeadows Drive, 60.00 feet wide, said point of beginning being point numbered 30 on "REVISED PLAT TWO - SPRING MEADOWS" recorded in Plat Book 61, folio 21 among the Land Records for Anne Arundel County, Maryland, thence leaving said right-of-way line and running, referring the courses of this description to the Maryland State Grid Meridian:

- (1) South 46 degrees 41 minutes 00 seconds West 194.74 feet thence,
- (2) South 08 degrees 48 minutes 43 seconds West 228.21 feet to intersect a southerly outline of said record plat, thence along the outlines,
- (3) North 85 degrees 47 minutes 29 seconds West 493.69 feet thence,
- (4) North 38 degrees 08 minutes 42 seconds East 643.02 feet to intersect the southwesterly right-of-way line of Stillmeadows Drive, thence along said right-of-way line,
- (5) South 56 degrees 04 minutes 49 seconds East 327.61 feet to the point of beginning; and containing 4.201 acres of land more or less, per description prepared by John E. Harms, Jr. & Associates, Inc., Consulting Engineer and Land Surveyors, Pasadena, Maryland.

SECOND AMENDMENT TO DECLARATION

(For purposes of adding Phase 4 to the Condominium)

THIS AMENDMENT, made and entered into this 16th day of November, 1977 by NCHP DEVELOPMENT CORP., a corporation organized and existing under the laws of the District of Columbia, herein-after sometimes called the "Declarant":

WHEREAS, prior to the recordation hereof, namely, on the 28th day of September, 1977, the Declarant filed for record in the Office of the Clerk of Court for the Circuit Court for Anne Arundel County, Maryland a certain Declaration, with Exhibits, which Declaration is recorded among the aforesaid Land Records in Liber 3007 at page 126, et seq., and is hereinafter referred to as the "Declaration"; and

WHEREAS, prior to the recordation hereof, the Declarant has filed for record in the Office of the Clerk of Court for the Circuit Court for Anne Arundel County, Maryland, the following documents, hereinafter collectively referred to as the "Condominium Plat":

(a) A certain Condominium Plat, consisting of seven (7) sheets, showing Phase 1 (and showing in general terms the outlines of the land, buildings and common elements of the remaining phases of "SPRING MEADOWS CONDOMINIUM", which Condominium Plat is recorded in Condominium Plat Book 10 beginning at page 8 among the aforesaid Land Records; and

(b) A certain Condominium Plat, consisting of four (4) sheets, showing Phase 4 of "SPRING MEADOWS CONDOMINIUM", which Condominium Plat is recorded in Condominium Plat Book beginning at page among the aforesaid Land Records;

WHEREAS, the Declarant retained in the aforesaid Declaration, the absolute right, to be exercised prior to the 31st day of December, 1985, to annex to the land and improvements described on "EXHIBIT A-1" attached to the Declaration, and thereby to submit to each and every of the provisions of the Declaration and of the Condominium Act, the land described on "EXHIBIT A-4" attached to the Declaration, together with the improvements thereto or thereafter constructed upon any of such land, and the Declarant intends by the execution and recordation hereof, together with the execution and recordation of the additions to the Condominium Plat aforementioned, to exercise that right;

NOW, THEREFORE, the Declarant hereby declares that all of the property described on "EXHIBIT A-4" attached to the Declaration, together with all of the improvements heretofore or hereafter constructed thereon, and all appurtenances thereto, shall be held, conveyed, divided or subdivided, leased, rented and occupied, improved, hypothecated and encumbered subject to the covenants, restrictions, uses, limitations, obligations, easements, equitable servitudes, charges and liens (hereinafter collectively sometimes referred to as the "covenants and restrictions") set forth in the Declaration, including, without limitation, the provisions of the By-Laws of the Council of Unit Owners of the Condominium attached to said Declaration as "EXHIBIT B" and by this reference incorporated herein, all of which are declared and agreed to be in aid of a plan for the improvement of said property and the division thereof into condominium units and common elements, and shall be

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LIBER 3032 PAGE 60

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LAW OFFICES
MCKEYER
FISHER & CANADA
242 HUNGERFORD COURT
ROCKVILLE, MD. 20850
(301) 748-1400

132

deemed to run with and bind the land, and shall inure to the benefit of and be enforceable by the Declarant, its successors and assigns, and any person acquiring or owning an interest in said property and improvements, including, without limitation, any person, group of persons, corporation, partnership, trust or other legal entity, or any combination thereof, who holds such interest solely as security for the performance of an obligation.

The Declarant hereby submits the real property described on "EXHIBIT A-4" attached to the Declaration and incorporated herein by this reference as if set forth in full, to each and every of the provisions of the Declaration made by the Declarant on the 26th day of August, 1977, and recorded on the 28th day of September 1977 in Liber 3007 at page 126 among the Land Records for Anne Arundel County, Maryland, and to the provisions of the Condominium Act.

Upon the recordation of this Amendment to the Declaration, each unit owner in the condominium known as "SPRING MEADOWS CONDOMINIUM", by operation of law and the provisions of Article VI of the Declaration, shall have the undivided percentage interest in the common elements, common expenses and common profits of the condominium, and shall have the number of votes in the Council of Unit Owners provided for in the Declaration and, upon the recordation of this Amendment, the percentage interests and voting rights heretofore established and provided for in the Declaration shall be reallocated, automatically and pro tanto, as set forth in the Declaration.

IN WITNESS WHEREOF, the said NCHP DEVELOPMENT CORP., a District of Columbia corporation, has caused these presents to be executed in its corporate name by BROOKS R. PALMER, its Vice President, attested by JOSEPH A. STORY, its Secretary, and its corporate seal to be hereunto affixed; and does hereby appoint the said BROOKS R. PALMER as its true and lawful attorney-in-fact to acknowledge and deliver these presents as the act and deed of the said NCHP DEVELOPMENT CORP., all as of the year and day first above written.

NCHP DEVELOPMENT CORP.

ATTEST:

Joseph A. Story, Secretary

By: Brooks R. Palmer, Vice President

UNITED STATES OF AMERICA
 DISTRICT OF COLUMBIA

I HEREBY CERTIFY that on the 16th day of November, 1977, before me, the subscriber, a Notary Public in and for the jurisdiction aforesaid, personally appeared in said jurisdiction BROOKS R. PALMER, personally well known to me to be the person named as attorney-in-fact in the foregoing instrument bearing date on the 16th day of November, 1977, and by virtue of the authority vested in him by said instrument, acknowledged the same to be the act and deed of NCHP DEVELOPMENT CORP., and that the same was executed for the purposes therein contained.

LAW OFFICE
 MCKEEVEN
 FITZPATRICK & CANADA
 342 HUNTERFORD COURT
 ROCKVILLE, MD. 20850
 (301) 761-1600

LIBER 3032 PAGE 62

WITNESS my hand and Notarial Seal the year and day first above written.

Darryl A. McElhin
Notary Public

My Commission expires: 4/4/81

BROOKS R. PALMER, individually, joins in this Amendment for purposes of exercising the irrevocable power-of-attorney reserved unto the said BROOKS R. PALMER in the Declaration dated the 26th day of August, 1977 and recorded the 28th day of September, 1977 in Liber 3007 at page 126 among the Land Records for Anne Arundel County, Maryland, for the purpose of reallocating the percentage interests in the common elements, common expenses and common profits of "SPRING MEADOWS CONDOMINIUM" and for the additional purpose of reallocating the voting rights appurtenant to each condominium unit in "SPRING MEADOWS CONDOMINIUM", all in accordance with the provisions of the aforesaid Declaration and this Amendment, and the said BROOKS R. PALMER, by the execution and acknowledgment of these presents, does hereby reallocate such percentage interests and voting rights, pro tanto, in accordance with the provisions of the aforesaid Declaration and this Amendment, all as of the year and day first above written in this instrument.

Brooks R. Palmer (SEAL)
Brooks R. Palmer

UNITED STATES OF AMERICA }
DISTRICT OF COLUMBIA }

I HEREBY CERTIFY that on the 16th day of November, 1977, before me, the subscriber, a Notary Public in and for the jurisdiction aforesaid, personally appeared in said jurisdiction BROOKS R. PALMER, personally well known to me (or satisfactorily proven) to be the person who executed the foregoing instrument bearing date on the 16th day of November, 1977, and acknowledged that he executed the same for the purposes therein contained, having authority so to do, and that he delivered the same as such.

WITNESS my hand and Notarial Seal the year and day first above written.

Darryl A. McElhin
Notary Public

My Commission expires: 4/4/81

The undersigned, a member in good standing of the Bar of the Court of Appeals of Maryland, hereby certifies that the within instrument was prepared by him or under his immediate supervision.

Barry M. Fitzpatrick
Barry M. Fitzpatrick

LAW OFFICES
MCKEYER,
FITZPATRICK & CANADA
345 HUNGERFORD COURT
ROCKVILLE, MD. 20850
(301) 762-1600

Mailed to: _____

LIBER 3032 PAGE 63

THIRD AMENDMENT TO DECLARATION

(For purposes of adding Phase 2 to the Condominium)

THIS AMENDMENT, made and entered into this 17th day of November, 1977, by NCHP DEVELOPMENT CORP., a corporation organized and existing under the laws of the District of Columbia, hereinafter sometimes called the "Declarant":

WHEREAS, prior to the recordation hereof, namely, on the 28th day of September, 1977, the Declarant filed for record in the Office of the Clerk of Court for the Circuit Court for Anne Arundel County, Maryland a certain Declaration, with Exhibits, which Declaration is recorded among the aforesaid Land Records in Liber 3007 at page 126, et seq., and is hereinafter referred to as the "Declaration"; and

WHEREAS, prior to the recordation hereof, the Declarant has filed for record in the Office of the Clerk of Court for the Circuit Court for Anne Arundel County, Maryland, the following documents, hereinafter collectively referred to as the "Condominium Plat":

(a) A certain Condominium Plat, consisting of seven (7) sheets, showing Phase 1 (and showing in general terms the outlines of the land, buildings and common elements of the remaining phases of "SPRING MEADOWS CONDOMINIUM", which Condominium Plat is recorded in Condominium Plat Book 10 beginning at page 8 among the aforesaid Land Records; and

(b) A certain Condominium Plat, consisting of four (4) sheets, showing Phase 4 of "SPRING MEADOWS CONDOMINIUM", which Condominium Plat is recorded in Condominium Plat Book beginning at page among the aforesaid Land Records; and

(c) A certain Condominium Plat, consisting of four (4) sheets, showing Phase 2 of "SPRING MEADOWS CONDOMINIUM", which Condominium Plat is recorded in Condominium Plat Book beginning at page among the aforesaid Land Records;

WHEREAS, the Declarant retained in the aforesaid Declaration, the absolute right, to be exercised prior to the 31st day of December, 1985, to annex to the land and improvements described on "EXHIBIT A-1" attached to the Declaration, and thereby to submit to each and every of the provisions of the Declaration and of the Condominium Act, the land described on "EXHIBIT A-2" attached to the Declaration, together with the improvements theretofore or thereafter constructed upon any of such land, and the Declarant intends by the execution and recordation hereof, together with the execution and recordation of the additions to the Condominium Plat aforementioned, to exercise that right;

LAW OFFICES
MCKEEVER
FITZPATRICK & CANADA
942 HUNGERFORD COURT
ROCKVILLE, MD. 20850
(301) 793-1000



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LIBER 3032 PAGE 64

NOW, THEREFORE, the Declarant hereby declares that all of the property described on "EXHIBIT A-2" attached to the Declaration, together with all of the improvements heretofore or hereafter constructed thereon, and all appurtenances thereto, shall be held, conveyed, divided or subdivided, leased, rented and occupied, improved, hypothecated and encumbered subject to the covenants, restrictions, uses, limitations, obligations, easements, equitable servitudes, charges and liens (hereinafter collectively sometimes referred to as the "covenants and restrictions") set forth in the Declaration, including, without limitation, the provisions of the By-Laws of the Council of Unit Owners of the Condominium attached to said Declaration as "EXHIBIT B" and by this reference incorporated herein, all of which are declared and agreed to be in aid of a plan for the improvement of said property and the division thereof into condominium units and common elements, and shall be deemed to run with and bind the land, and shall inure to the benefit of and be enforceable by the Declarant, its successors and assigns, and any person acquiring or owning an interest in said property and improvements, including, without limitation, any person, group of persons, corporation, partnership, trust or other legal entity, or any combination thereof, who holds such interest solely as security for the performance of an obligation.

The Declarant hereby submits the real property described on "EXHIBIT A-2" attached to the Declaration and incorporated herein by this reference as if set forth in full, to each and every of the provisions of the Declaration made by the Declarant on the 26th day of August, 1977, and recorded on the 28th day of September, 1977 in Liber 3007 at page 126 among the Land Records for Anne Arundel County, Maryland, and to the provisions of the Condominium Act.

Upon the recordation of this Amendment to the Declaration, each unit owner in the condominium known as "SPRING MEADOWS CONDOMINIUM", by operation of law and the provisions of Article VI of the Declaration, shall have the undivided percentage interest in the common elements, common expenses and common profits of the condominium, and shall have the number of votes in the Council of Unit Owners provided for in the Declaration and, upon the recordation of this Amendment, the percentage interests and voting rights heretofore established and provided for in the Declaration shall be reallocated, automatically and pro tanto, as set forth in the Declaration.

IN WITNESS WHEREOF, the said NCHP DEVELOPMENT CORP., a District of Columbia corporation, has caused these presents to be executed in its corporate name by BROOKS R. PALMER, its Vice President, attested by JOSEPH A. STORY, its Secretary, and its corporate seal to be hereunto affixed, and does hereby appoint the said BROOKS R. PALMER as its true and lawful attorney-in-fact to acknowledge and deliver these presents as the act and deed of the said NCHP DEVELOPMENT CORP., all as of the year and day first above written.

ATTEST:

NCHP DEVELOPMENT CORP.

LAW OFFICES
MCKEVEN
FITZPATRICK & CANADY
242 HUNGERFORD COURT
ROCKVILLE, MD. 20854
(301) 763-1000

Joseph A. Story, Secretary

By: Brooks R. Palmer, Vice President

LIBER 3032 PAGE 65

UNITED STATES OF AMERICA

DISTRICT OF COLUMBIA

I HEREBY CERTIFY that on the 17th day of November, 1977, before me, the subscriber, a Notary Public in and for the jurisdiction aforesaid, personally appeared in said jurisdiction BROOKS R. PALMER, personally well known to me to be the person named as attorney-in-fact in the foregoing instrument bearing date on the 17th day of November, 1977, and by virtue of the authority vested in him by said instrument, acknowledge the same to be the act and deed of NCHP DEVELOPMENT CORP., and that the same was executed for the purposes therein contained.

WITNESS my hand and Notarial Seal the year and day first above written,

David D. McChesney
Notary Public

My Commission expires: 4/14/81

BROOKS R. PALMER, individually, joins in this Amendment for purposes of exercising the irrevocable power of attorney reserved unto the said BROOKS R. PALMER in the Declaration dated the 26th day of August, 1977 and recorded the 28th day of September, 1977 in Liber 3007 at page 126 among the Land Records for Anne Arundel County, Maryland, for the purpose of reallocating the percentage interests in the common elements, common expenses and common profits of "SPRING MEADOWS CONDOMINIUM" and for the additional purpose of reallocating the voting rights appurtenant to each condominium unit in "SPRING MEADOWS CONDOMINIUM", all in accordance with the provisions of the aforesaid Declaration and this Amendment; and the said BROOKS R. PALMER, by the execution and acknowledgment of these presents, does hereby reallocate such percentage interests and voting rights, pro tanto, in accordance with the provisions of the aforesaid Declaration and this Amendment all as of the year and day first above written in this instrument.

Brooks R. Palmer (SEAL)
Brooks R. Palmer

UNITED STATES OF AMERICA

DISTRICT OF COLUMBIA

I HEREBY CERTIFY that on the 17th day of November, 1977, before me, the subscriber, a Notary Public in and for the jurisdiction aforesaid, personally appeared in said jurisdiction BROOKS R. PALMER, personally well known to me (or satisfactorily proven) to be the person who executed the foregoing instrument bearing date on the 17th day of November, 1977, and acknowledged that he executed the same for the purposes therein contained, having authority so to do, and that he delivered the same as such

WITNESS my hand and Notarial Seal the year and day first above written,

David D. McChesney
Notary Public

My Commission expires: 4/14/81

LAW OFFICES
MCKEYER
Fitzpatrick & Canada
211 HUNTERFORD COURT
ROCKVILLE, MD. 20850
(301) 782-1800

MC #212 929

LIBER 3032 PAGE 66

The undersigned, a member in good standing of the Bar of the Court of Appeals of Maryland, hereby certifies that the within instrument was prepared by him or under his immediate supervision.


Barry M. Fitzpatrick

LAW OFFICES
MCKEEVER
FITZPATRICK & CANADA
242 HUNTERFORD COURT
ROCKVILLE, MD. 20850
(301) 762-1800

Mailed to: _____

-4-

LIBER 3219 PAGE 360

X -

FIFTH AMENDMENT TO DECLARATION

(For purposes of adding Phase 5 to the Condominium)

THIS AMENDMENT, made and entered into this 6TH day of JULY 1979, by NCHP DEVELOPMENT CORP., a corporation organized and existing under the laws of the District of Columbia, hereinafter sometimes called the "Declarant":

WHEREAS, prior to the recordation hereof, namely, on the 28th day of September, 1977, the Declarant filed for record in the Office of the Clerk of Court for the Circuit Court for Anne Arundel County, Maryland a certain Declaration, with Exhibits, which Declaration is recorded among the aforesaid Land Records in Liber 3007 at page 126, et seq., and is hereinafter referred to as the "Declaration"; and

WHEREAS, prior to the recordation hereof, the Declarant has filed for record in the Office of the Clerk of Court for the Circuit Court for Anne Arundel County, Maryland, the following documents, hereinafter collectively referred to as the "Condominium Plat":

(a) A certain Condominium Plat, consisting of seven (7) sheets, showing Phase 1 (and showing in general terms the outlines of the land, buildings and common elements of the remaining phases of "SPRING MEADOWS CONDOMINIUM", which Condominium Plat is recorded in Condominium Plat Book 10 beginning at page 8 among the aforesaid Land Records; and

(b) A certain Condominium Plat, consisting of four (4) sheets, showing Phase 4 of "SPRING MEADOWS CONDOMINIUM", which Condominium Plat is recorded in Condominium Plat Book 11, beginning at page 10 among the aforesaid Land Records; and

(c) A certain Condominium Plat, consisting of four (4) sheets, showing Phase 2 of "SPRING MEADOWS CONDOMINIUM", which Condominium Plat is recorded in Condominium Plat Book 11, beginning at page 6 among the aforesaid Land Records; and

(d) A certain Condominium Plat, consisting of four (4) sheets, showing Phase 3 of "SPRING MEADOWS CONDOMINIUM", which Condominium Plat is recorded in Condominium Plat Book 11, beginning at page 31 among the aforesaid Land Records; and

(e) A certain Condominium Plat, consisting of four (4) sheets, showing Phase 5 of "SPRING MEADOWS CONDOMINIUM", which Condominium Plat is recorded in Condominium Plat Book 16, beginning at page 12 among the aforesaid Land Records.

WHEREAS, the Declarant retained in the aforesaid Declaration, the absolute right, to be exercised prior to the 31st day of December, 1985, to annex to the land and improvements described on "EXHIBIT A-1" attached to the Declaration, and thereby to submit to each and every of the provisions of the Declaration and of the Condominium Act, the land described on "EXHIBIT A-5" attached to the Declaration, together with the improvements theretofore or thereafter constructed upon any of such land, and the Declarant intends by the execution and recordation hereof, together with the execution and recordation of the additions to the Condominium Plat aforementioned, to exercise that right;

RECEIVED FOR RECORD
CLERK OF COURT
1979 JUL 10 PM 11:32
W. GARNETT L. A. HENKINS
CLERK

LAW OFFICES
MCKEEVER
FITZPATRICK & CANADA
444 HUNTERFORD COURT
ROCKVILLE, MD. 20850
(202) 785-1600

1300

LIBER 3219 PAGE 361

NOW, THEREFORE, the Declarant hereby declares that all of the property described on "EXHIBIT A-5" attached to the Declaration, together with all of the improvements heretofore or hereafter constructed thereon, and all appurtenances thereto, shall be held, conveyed, divided or subdivided, leased, rented and occupied, improved, hypothecated and encumbered subject to the covenants, restrictions, uses, limitations, obligations, easements, equitable servitudes, charges and liens (hereinafter collectively sometimes referred to as the "covenants and restrictions") set forth in the Declaration, including, without limitation, the provisions of the By-Laws of the Council of Unit Owners of the Condominium attached to said Declaration as "EXHIBIT B" and by this reference incorporated herein, all of which are declared and agreed to be in aid of a plan for the improvement of said property and the division thereof into condominium units and common elements, and shall be deemed to run with and bind the land, and shall inure to the benefit of and be enforceable by the Declarant, its successors and assigns, and any person acquiring or owning an interest in said property and improvements, including, without limitation, any person, group of persons, corporation, partnership, trust or other legal entity, or any combination thereof, who holds such interest solely as security for the performance of an obligation.

The Declarant hereby submits the real property described on "EXHIBIT A-5" attached to the Declaration and incorporated herein by this reference as if set forth in full, to each and every of the provisions of the Declaration made by the Declarant on the 26th day of August, 1977, and recorded on the 28th day of September, 1977 in Liber 3007 at page 126 among the Land Records for Anne Arundel County, Maryland, and to the provisions of the Condominium Act.

Upon the recordation of this Amendment to the Declaration, each unit owner in the condominium known as "SPRING MEADOWS CONDOMINIUM", by operation of law and the provisions of Article VI of the Declaration, shall have the undivided percentage interest in the common elements, common expenses and common profits of the condominium, and shall have the number of votes in the Council of Unit Owners provided for in the Declaration and, upon the recordation of this Amendment, the percentage interests and voting rights heretofore established and provided for in the Declaration shall be reallocated, automatically and pro tanto, as set forth in the Declaration.

IN WITNESS WHEREOF, the said NCHP DEVELOPMENT CORP., a District of Columbia corporation, has caused these presents to be executed in its corporate name by DAVID B. ADLER, its Executive Vice President, attested by JOHN E. TALBOTT, its Assistant Secretary, and its corporate seal to be hereunto affixed; and does hereby appoint the said DAVID B. ADLER as its true and lawful attorney-in-fact to acknowledge and deliver these presents as the act and deed of the said NCHP DEVELOPMENT CORP., all as of the year and day first above written.

ATTEST:

NCHP DEVELOPMENT CORP.

LAW OFFICES
MCKEEVER
FITZPATRICK & CANADA
818 HUNTINGFORD COURT
ROCKVILLE, MD. 20850
(301) 764-1800

JOHN E. TALBOTT, Assistant Secretary

By: David B. Adler, Executive Vice President

LIBER 3219 PAGE 362

UNITED STATES OF AMERICA
DISTRICT OF COLUMBIA

I HEREBY CERTIFY that on the 6th day of July, 1979, before me, the subscriber, a Notary Public in and for the jurisdiction aforesaid, personally appeared in said jurisdiction DAVID B. ADLER, personally well known to me to be the person named as attorney-in-fact in the foregoing instrument bearing date on the 6th day of July, 1979, and by virtue of the authority vested in him by said instrument, acknowledge the same to be the act and deed of NCHP DEVELOPMENT CORP., and that the same was executed for the purposes therein contained.

WITNESS my hand and Notarial Seal the year and day first above written.

My Commission expires: 2/28/82

Maria Penny Ahearn
Notary Public

GEORGE M. BRADY, individually, joins in this Amendment for purposes of exercising the irrevocable power-of-attorney reserved unto the said GEORGE M. BRADY in the Declaration dated the 26th day of August, 1977 and recorded the 28th day of September, 1977 in Liber 3007 at page 126 among the Land Records for Anne Arundel County, Maryland, for the purpose of reallocating the percentage interests in the common elements, common expenses and common profits of "SPRING MEADOWS CONDOMINIUM" and for the additional purpose of reallocating the voting rights appurtenant to each condominium unit in "SPRING MEADOWS CONDOMINIUM", all in accordance with the provisions of the aforesaid Declaration and this Amendment, and the said GEORGE M. BRADY, by the execution and acknowledgment of these presents, does hereby reallocate such percentage interests and voting rights, pro tanto, in accordance with the provisions of the aforesaid Declaration and this Amendment, all as of the year and day first above written in this instrument.

George M. Brady (SEAL)

UNITED STATES OF AMERICA
DISTRICT OF COLUMBIA

I HEREBY CERTIFY that on the 6th day of July, 1979, before me, the subscriber, a Notary Public in and for the jurisdiction aforesaid, personally appeared in said jurisdiction GEORGE M. BRADY, personally well known to me (or satisfactorily proven) to be the person who executed the foregoing instrument bearing date on the 6th day of July, 1979, and acknowledged that he executed the same for the purposes therein contained, having authority so to do, and that he delivered the same as such.

WITNESS my hand and Notarial Seal the year and day first above written.

My Commission expires: 2/28/82

Maria Penny Ahearn
Notary Public

LAW OFFICES
MCKEEVEN
FITZPATRICK & CANADA
318 HUNTERFORD COURT
ROCKVILLE, MD. 20850
(301) 742-1800

LIBER 3219 PAGE 363

The undersigned, a member in good standing of the Bar of the Court of Appeals of Maryland, hereby certifies that the within instrument was prepared by him or under his immediate supervision.

Barry M. Fitzpatrick
Barry M. Fitzpatrick

LAW OFFICES
McKEEVER,
FITZPATRICK & CANADA
548 HUNGERFORD COURT
ROCKVILLE, MD. 20850
(301) 762-1600

Mailed to: _____

SIXTH AMENDMENT TO DECLARATION

(For purposes of adding Phase 6 to the Condominium)

THIS AMENDMENT, made and entered into this 24th day of September, 1979, by NCHP DEVELOPMENT CORP., a corporation organized and existing under the laws of the District of Columbia, hereinafter sometimes called the "Declarant":

WHEREAS, prior to the recordation hereof, namely, on the 28th day of September, 1977, the Declarant filed for record in the Office of the Clerk of Court for the Circuit Court for Anne Arundel County, Maryland a certain Declaration, with Exhibits, which Declaration is recorded among the aforesaid Land Records in Liber 3007 at page 126, et seq., and is hereinafter referred to as the "Declaration"; and

WHEREAS, prior to the recordation hereof, the Declarant has filed for record in the Office of the Clerk of Court for the Circuit Court for Anne Arundel County, Maryland, the following documents, hereinafter collectively referred to as the "Condominium Plat":

(a) A certain Condominium Plat, consisting of seven (7) sheets, showing Phase 1 (and showing in general terms the outlines of the land, buildings and common elements of the remaining phases of "SPRING MEADOWS CONDOMINIUM", which Condominium Plat is recorded in Condominium Plat Book 10 beginning at page 8 among the aforesaid Land Records; and

(b) A certain Condominium Plat, consisting of four (4) sheets, showing Phase 4 of "SPRING MEADOWS CONDOMINIUM", which Condominium Plat is recorded in Condominium Plat Book 11 beginning at page 10 among the aforesaid Land Records; and

(c) A certain Condominium Plat, consisting of four (4) sheets, showing Phase 2 of "SPRING MEADOWS CONDOMINIUM", which Condominium Plat is recorded in Condominium Plat Book 11, beginning at page 6 among the aforesaid Land Records; and

(d) A certain Condominium Plat, consisting of four (4) sheets, showing Phase 3 of "SPRING MEADOWS CONDOMINIUM", which Condominium Plat is recorded in Condominium Plat Book 11, beginning at page 31 among the aforesaid Land Records; and

(e) A certain Condominium Plat, consisting of four (4) sheets, showing Phase 5 of "SPRING MEADOWS CONDOMINIUM", which Condominium Plat is recorded in Condominium Plat Book 16, beginning at page 12 among the aforesaid Land Records; and

(f) A certain Condominium Plat, consisting of four (4) sheets, showing Phase 6 of "SPRING MEADOWS CONDOMINIUM", which Condominium Plat is recorded in Condominium Plat Book 17, beginning at page 4 among the aforesaid Land Records.

WHEREAS, the Declarant retained in the aforesaid Declaration the absolute right, to be exercised prior to the 1st day of December, 1985, to annex to the land and improvements described on "EXHIBIT A-1" attached to the Declaration, and thereby to submit to each and every of the provisions of the Declaration and of the Condominium Act, the land described on "EXHIBIT A-6" attached to the Declaration, together with the improvements theretofore or thereafter constructed upon any of such land, and the Declarant intends by the execution and recordation hereof,

WITNESSETH
NCHP DEVELOPMENT CORP.
BY: _____
VICE PRESIDENT & GENERAL
MANAGER
10000 WILLOW CREEK
DUBLIN, CALIF. 94568

NOW, THEREFORE, the Declarant hereby declares that all of the property described on "EXHIBIT A-6" attached to the Declaration together with all of the improvements heretofore or hereafter constructed thereon, and all appurtenances thereto, shall be held, conveyed, divided or subdivided, leased, rented and occupied improved, hypothecated and encumbered subject to the covenants, restrictions, uses, limitations, obligations, easements, equitable servitudes, charges and liens (hereinafter collectively sometimes referred to as the "covenants and restrictions") set forth in the Declaration, including, without limitation, the provisions of the By-Laws of the Council of Unit Owners of the Condominium attached to said Declaration as "EXHIBIT B" and by this reference incorporated herein, all of which are declared and agreed to be in aid of a plan for the improvement of said property and the division thereof into condominium units and common elements, and shall be deemed to run with and bind the land, and shall inure to the benefit of and be enforceable by the Declarant; its successors and assigns, and any person acquiring or owning an interest in said property and improvements, including, without limitation, any person, group of persons, corporation, partnership, trust or other legal entity, or any combination thereof, who holds such interest solely as security for the performance of an obligation.

The Declarant hereby submits the real property described on "EXHIBIT A-6" attached to the Declaration and incorporated herein by this reference as if set forth in full, to each and every of the provisions of the Declaration made by the Declarant on the 26th day of August, 1977, and recorded on the 28th day of September, 1977 in Liber 3007 at page 126 among the Land Records for Anne Arundel County, Maryland, and to the provisions of the Condominium Act.

Upon the recordation of this Amendment to the Declaration, each unit owner in the condominium known as "SPRING MEADOWS CONDOMINIUM", by operation of law and the provisions of Article VI of the Declaration, shall have the undivided percentage interest in the common elements, common expenses and common profits of the condominium, and shall have the number of votes in the Council of Unit Owners provided for in the Declaration and, upon the recordation of this Amendment, the percentage interests and voting rights heretofore established and provided for in the Declaration shall be reallocated, automatically and pro rata, as set forth in the Declaration.

IN WITNESS WHEREOF, the said NCHP DEVELOPMENT CORP., a District of Columbia corporation, has caused these presents to be executed in its corporate name by DAVID B. ADLER, its Executive Vice President, attested by JOHN C. HALBOTT, its Assistant Secretary, and its corporate seal to be hereunto affixed; and does hereby appoint the said DAVID B. ADLER as its true and lawful attorney-in-fact to acknowledge and deliver these presents as the act and deed of the said NCHP DEVELOPMENT CORP., all as of the year and day first above written.

NOTARIAL OFFICE
NOTARY PUBLIC
ANNAPOLIS, MARYLAND
1000 700-1000

ATTEST:

JOHN C. HALBOTT, Assistant Secretary

NCHP DEVELOPMENT CORP.

By:

DAVID B. ADLER, Executive Vice President

UNITED STATES OF AMERICA
DISTRICT OF COLUMBIA

I HEREBY CERTIFY that on the 13th day of September, 1979, before me, the subscriber, a Notary Public in and for the jurisdiction aforesaid, personally appeared in said jurisdiction DAVID B. ADLER, personally well known to me to be the person named as attorney-in-fact in the foregoing instrument bearing date on the 5th day of September, 1979, and by virtue of the authority vested in him by said instrument, acknowledge the same to be the act and deed of NCHP DEVELOPMENT CORP., and that the same was executed for the purposes therein contained.

WITNESS my hand and Notarial Seal the year and day first above written.

Virginia L. Grant
Notary Public
My Commission expires: 2/14/84

GEORGE M. BRADY, individually, joins in this Amendment for purposes of exercising the irrevocable power-of-attorney reserved unto the said GEORGE M. BRADY in the Declaration dated the 26th day of August, 1977 and recorded the 28th day of September, 1977 in Liber 3007 at page 126 among the Land Records for Anne Arundel County, Maryland, for the purpose of reallocating the percentage interests in the common elements, common expenses and common profits of "SPRING MEADOWS CONDOMINIUM" and for the additional purpose of reallocating the voting rights appurtenant to each condominium unit in "SPRING MEADOWS CONDOMINIUM", all in accordance with the provisions of the aforesaid Declaration and this Amendment, and the said GEORGE M. BRADY, by the execution and acknowledgment of these presents, does hereby reallocate such percentage interests and voting rights, pro tanto, in accordance with the provisions of the aforesaid Declaration and this Amendment all as of the year and day first above written in this instrument.

George M. Brady (SEAL)
George M. Brady

UNITED STATES OF AMERICA
DISTRICT OF COLUMBIA

I HEREBY CERTIFY that on the 13th day of September, 1979, before me, the subscriber, a Notary Public in and for the jurisdiction aforesaid, personally appeared in said jurisdiction GEORGE M. BRADY, personally well known to me (or satisfactorily proven) to be the person who executed the foregoing instrument bearing date on the 5th day of September, 1979, and acknowledged that he executed the same for the purposes therein contained, having authority so to do, and that he delivered the same as such.

WITNESS my hand and Notarial Seal the year and day first above written.

Virginia L. Grant
Notary Public

My Commission expires: 2/14/84

LAW OFFICES
WILKINSON
ATTORNEYS & CANADA
242 WASHINGTON COURT
BETHESDA, MD. 20814
(301) 713-1470

SIXTH AMENDMENT TO DECLARATION
(Revised)

(For purposes of adding Phase 9 to the Condominium)

THIS AMENDMENT, made and entered into this 19th day of September, 1979, by NCHP DEVELOPMENT CORP., a corporation organized and existing under the laws of the District of Columbia, hereinafter sometimes called the "Declarant":

WHEREAS, prior to the recordation hereof, namely, on the 28th day of September, 1977, the Declarant filed for record in the Office of the Clerk of Court for the Circuit Court for Anne Arundel County, Maryland a certain Declaration, with Exhibits, which Declaration is recorded among the aforesaid Land Records in Liber 3007 at page 116, et seq., and is hereinafter referred to as the "Declaration"; and

WHEREAS, prior to the recordation hereof, the Declarant has filed for record in the Office of the Clerk of Court for the Circuit Court for Anne Arundel County, Maryland, the following documents, hereinafter collectively referred to as the "Condominium Plat":

(a) A certain Condominium Plat, consisting of seven (7) sheets, showing Phase 1 (and showing in general terms the outlines of the land, buildings and common elements of the remaining phases of "SPRING MEADOWS CONDOMINIUM", which Condominium Plat is recorded in Condominium Plat Book 10 beginning at page 3 among the aforesaid Land Records; and

(b) A certain Condominium Plat, consisting of four (4) sheets, showing Phase 2 of "SPRING MEADOWS CONDOMINIUM", which Condominium Plat is recorded in Condominium Plat Book 11, beginning at page 10 among the aforesaid Land Records; and

(c) A certain Condominium Plat, consisting of four (4) sheets, showing Phase 3 of "SPRING MEADOWS CONDOMINIUM", which Condominium Plat is recorded in Condominium Plat Book 11, beginning at page 6 among the aforesaid Land Records; and

(d) A certain Condominium Plat, consisting of four (4) sheets, showing Phase 4 of "SPRING MEADOWS CONDOMINIUM", which Condominium Plat is recorded in Condominium Plat Book 11, beginning at page 11 among the aforesaid Land Records;

(e) A certain Condominium Plat, consisting of four (4) sheets, showing Phase 5 of "SPRING MEADOWS CONDOMINIUM", which Condominium Plat is recorded in Condominium Plat Book 16, beginning at page 12 among the aforesaid Land Records; and

(f) A certain Condominium Plat, consisting of four (4) sheets, erroneously showing Phase 6 of "SPRING MEADOWS CONDOMINIUM", which Condominium Plat is recorded in Condominium Plat Book 17, beginning at page 4, among the aforesaid Land Records, and which Condominium Plat has been corrected and superseded in its entirety by that certain Condominium Plat, consisting of four (4) sheets, showing Phase 9 of "SPRING MEADOWS CONDOMINIUM", which corrected Condominium Plat is recorded in Condominium Plat Book 17, beginning at page 3 among the aforesaid Land Records.

WHEREAS, the Declarant retained in the aforesaid Declaration the absolute right, to be exercised prior to the 31st day of December, 1985, to annex to the land and improvements described on "EXHIBIT A-1" attached to the Declaration, and thereby to submit to each and every of the provisions of the Declaration

ALL OFFICES
MONROVIA
FIDELITY & CARRON
302 W. BROADWAY COURT
MONROVIA, MD 20600
12211 121-1220

"EXHIBIT A-4"
(FALCON COURT)

LIBER 3007 PAGE 142

Beginning for the same at a point, said point of beginning being point numbered 3 on "Plat One - Reed Bird Townhouses" as recorded in Plat Book 60 at page 11 among the Land Records for Anne Arundel County, Maryland, thence running and referring the courses of this description to the Maryland State Grid Meridian,

- (1) South 70 degrees 34 minutes 42 seconds East 76.20 feet, thence
- (2) South 36 degrees 30 minutes 58 seconds West 342.32 feet, thence
- (3) along a curve to the right 349.80 feet, said curve having a radius of 560.70 feet and being subtended by a chord of North 25 degrees 44 minutes 28 seconds West 344.16 feet, thence
- (4) North 78 degrees 08 minutes 56 seconds East 244.51 feet, thence
- (5) South 81 degrees 22 minutes 45 seconds East 50.49 feet, thence
- (6) South 08 degrees 37 minutes 19 seconds West 52.80 feet to the point and place of beginning, and containing 1.633 acres of land more or less, per description prepared by John E. Harris, Jr. & Associates, Inc., Consulting Engineers and Land Surveyors, Pasadena, Maryland.

and of the Condominium Act, the land described on "EXHIBIT A-9" attached to the Declaration, together with the improvements thereto or thereafter constructed upon any of such land, and the Declarant intends by the execution and recordation hereof, together with the execution and recordation of the additions to the Condominium Plat aforementioned, to exercise that right;

NOW, THEREFORE, the Declarant hereby declares that all of the property described on "EXHIBIT A-9" attached to the Declaration together with all of the improvements heretofore or hereafter constructed thereon, and all appurtenances thereto, shall be held, conveyed, divided or subdivided, leased, rented and occupied, improved, hypothecated and encumbered subject to the covenants, restrictions, uses, limitations, obligations, easements, equitable servitudes, charges and liens (hereinafter collectively sometimes referred to as the "covenants and restrictions") set forth in the Declaration, including, without limitation, the provisions of the By-Laws of the Council of Unit Owners of the Condominium attached to said Declaration as "EXHIBIT B" and by this reference incorporated herein, all of which are declared and agreed to be in aid of a plan for the improvement of said property and the division thereof into condominium units and common elements, and shall be deemed to run with and bind the land, and shall inure to the benefit of and be enforceable by the Declarant, its successors and assigns, and any person acquiring or owning an interest in said property and improvements, including, without limitation, any person, group of persons, corporation, partnership, trust or other legal entity, or any combination thereof, who holds such interest solely as security for the performance of an obligation.

The Declarant hereby submits the real property described on "EXHIBIT A-9" attached to the Declaration and incorporated herein by this reference as if set forth in full, to each and every of the provisions of the Declaration made by the Declarant on the 26th day of August, 1977, and recorded on the 28th day of September, 1977 in Liber 3007 at page 126 among the Land Records for Anne Arundel County, Maryland, and to the provisions of the Condominium Act.

Upon the recordation of this Amendment to the Declaration, each unit owner in the condominium known as "SPRING MEADOWS CONDOMINIUM", by operation of law and the provisions of Article VI of the Declaration, shall have the undivided percentage interest in the common elements, common expenses and common profits of the condominium, and shall have the number of votes in the Council of Unit Owners provided for in the Declaration and, upon the recordation of this Amendment, the percentage interests and voting rights heretofore established and provided for in the Declaration shall be reallocated, automatically and pro tanto, as set forth in the Declaration.

IN WITNESS WHEREOF, the said NCHP DEVELOPMENT CORP., a District of Columbia corporation, has caused these presents to be executed in its corporate name by DAVID B. ADLER, its Executive Vice President, attested by JOHN C. TALBOTT, its Assistant Secretary, and its corporate seal to be hereunto affixed; and does hereby appoint the said DAVID B. ADLER as its true and lawful attorney-in-fact to acknowledge and deliver these presents as the act and deed of the said NCHP DEVELOPMENT CORP., all as of the year and day first above written.

NOT OFFICER
NCHP DEVELOPMENT CORP.
"SPRING MEADOWS & DANADA"
342 ANN ARUNDEL COUNTY
RECORDS - 4th FLOOR
J211 762-1100

ATTEST:

John C. Talbott, Assistant
Secretary

NCHP DEVELOPMENT CORP.

By: David B. Adler
David B. Adler, Executive
Vice President

UNITED STATES OF AMERICA

DISTRICT OF COLUMBIA

I HEREBY CERTIFY that on the 14th day of September, 1979, before me, the subscriber, a Notary Public in and for the jurisdiction aforesaid, personally appeared in said jurisdiction DAVID B. ADLER, personally well known to me to be the person named as attorney-in-fact in the foregoing instrument bearing date on the day of September, 1978, and by virtue of the authority vested in him by said instrument, acknowledge the same to be the act and deed of NCHP DEVELOPMENT CORP., and that the same was executed for the purposes therein contained.

WITNESS my hand and Notarial Seal the year and day first above written.

Luzenia R. Grant
Notary Public

My Commission expires: 2/14/84

GEORGE M. BRADY, individually, joins in this Amendment for purposes of exercising the irrevocable power-of-attorney reserved unto the said GEORGE M. BRADY in the Declaration dated the 26th day of August, 1977 and recorded the 28th day of September, 1977 in Liber 3007 at page 126 among the Land Records for Anne Arundel County, Maryland, for the purpose of reallocating the percentage interests in the common elements, common expenses and common profits of "SPRING MEADOWS CONDOMINIUM" and for the additional purpose of reallocating the voting rights appurtenant to each condominium unit in "SPRING MEADOWS CONDOMINIUM", all in accordance with the provisions of the aforesaid Declaration and this Amendment, and the said GEORGE M. BRADY, by the execution and acknowledgment of these presents, does hereby reallocate such percentage interests and voting rights, pro tanto, in accordance with the provisions of the aforesaid Declaration and this Amendment all as of the year and day first above written in this instrument.

George M. Brady (SEAL)
George M. Brady

UNITED STATES OF AMERICA

DISTRICT OF COLUMBIA

I HEREBY CERTIFY that on the 14th day of September, 1979, before me, the subscriber, a Notary Public in and for the jurisdiction aforesaid, personally appeared in said jurisdiction GEORGE M. BRADY, personally well known to me (or satisfactorily proven) to be the person who executed the foregoing instrument bearing date on the day of September, 1978, and acknowledge that he executed the same for the purposes therein contained, having authority so to do, and that he delivered the same as such.

WITNESS my hand and Notarial Seal the year and day first above written.

Luzenia R. Grant
Notary Public

My Commission expires: 2/14/84

LAW OFFICES
WASHINGTON, D.C.
20004
20004
20004
20004

SEVENTH AMENDMENT TO DECLARATION

THIS AMENDMENT, made and entered into this 14th day of November, 1979, by NCHP DEVELOPMENT CORP., a corporation organized and existing under the laws of the District of Columbia, hereinafter sometimes called the "Declarant":

WHEREAS, prior to the recording hereof, the Declarant has filed for record in the Office of the Clerk of Court for the Circuit Court for Anne Arundel County, Maryland, the following documents, hereinafter collectively referred to as the "Condominium Plat":

(b) A certain Condominium Plat, consisting of four (4) sheets, showing Phase 4 of "SPRING MEADOWS CONDOMINIUM", which Condominium Plat is recorded in Condominium Plat Book 11, beginning at page 20 among the aforesaid land records; and

(C) A certain Condominium Plan consisting of four (4) sheets, and other pages of "SPRING MEADOWS CONDOMINIUM", which Condominium plan is recorded in Condominium Flat Book 11, beginning at page 17 among the aforesaid Land Records;

(E) A ~~separate~~ Condominium Plat, consisting of four (4) sheets, ~~electronically showing~~ Phase 9 of "SPRING MEADOWS CONDOMINIUM", which Condominium Plat is recorded in Condominium Plat Book 17, beginning at page 8, among the aforesaid Land Records, and which Condominium Plat has been collected and superseded in its entirety by that certain Condominium Plat, consisting of four (4) sheets, showing Phase 9 of "SPRING MEADOWS CONDOMINIUM" which connected Condominium Plat is recorded in Condominium Plat Book 17, beginning at page 8 among the aforesaid Land Records; and

1. 2. 3. 4. 5. 6. 7. 8. 9. 10. 11. 12. 13. 14. 15. 16. 17. 18. 19. 20. 21. 22. 23. 24. 25. 26. 27. 28. 29. 30. 31. 32. 33. 34. 35. 36. 37. 38. 39. 40. 41. 42. 43. 44. 45. 46. 47. 48. 49. 50. 51. 52. 53. 54. 55. 56. 57. 58. 59. 60. 61. 62. 63. 64. 65. 66. 67. 68. 69. 70. 71. 72. 73. 74. 75. 76. 77. 78. 79. 80. 81. 82. 83. 84. 85. 86. 87. 88. 89. 90. 91. 92. 93. 94. 95. 96. 97. 98. 99. 100. 101. 102. 103. 104. 105. 106. 107. 108. 109. 110. 111. 112. 113. 114. 115. 116. 117. 118. 119. 120. 121. 122. 123. 124. 125. 126. 127. 128. 129. 130. 131. 132. 133. 134. 135. 136. 137. 138. 139. 140. 141. 142. 143. 144. 145. 146. 147. 148. 149. 150. 151. 152. 153. 154. 155. 156. 157. 158. 159. 160. 161. 162. 163. 164. 165. 166. 167. 168. 169. 170. 171. 172. 173. 174. 175. 176. 177. 178. 179. 180. 181. 182. 183. 184. 185. 186. 187. 188. 189. 190. 191. 192. 193. 194. 195. 196. 197. 198. 199. 200. 201. 202. 203. 204. 205. 206. 207. 208. 209. 210. 211. 212. 213. 214. 215. 216. 217. 218. 219. 220. 221. 222. 223. 224. 225. 226. 227. 228. 229. 230. 231. 232. 233. 234. 235. 236. 237. 238. 239. 240. 241. 242. 243. 244. 245. 246. 247. 248. 249. 250. 251. 252. 253. 254. 255. 256. 257. 258. 259. 260. 261. 262. 263. 264. 265. 266. 267. 268. 269. 270. 271. 272. 273. 274. 275. 276. 277. 278. 279. 280. 281. 282. 283. 284. 285. 286. 287. 288. 289. 290. 291. 292. 293. 294. 295. 296. 297. 298. 299. 300. 301. 302. 303. 304. 305. 306. 307. 308. 309. 310. 311. 312. 313. 314. 315. 316. 317. 318. 319. 320. 321. 322. 323. 324. 325. 326. 327. 328. 329. 330. 331. 332. 333. 334. 335. 336. 337. 338. 339. 340. 341. 342. 343. 344. 345. 346. 347. 348. 349. 350. 351. 352. 353. 354. 355. 356. 357. 358. 359. 360. 361. 362. 363. 364. 365. 366. 367. 368. 369. 370. 371. 372. 373. 374. 375. 376. 377. 378. 379. 380. 381. 382. 383. 384. 385. 386. 387. 388. 389. 390. 391. 392. 393. 394. 395. 396. 397. 398. 399. 400. 401. 402. 403. 404. 405. 406. 407. 408. 409. 410. 411. 412. 413. 414. 415. 416. 417. 418. 419. 420. 421. 422. 423. 424. 425. 426. 427. 428. 429. 430. 431. 432. 433. 434. 435. 436. 437. 438. 439. 440. 441. 442. 443. 444. 445. 446. 447. 448. 449. 450. 451. 452. 453. 454. 455. 456. 457. 458. 459. 460. 461. 462. 463. 464. 465. 466. 467. 468. 469. 470. 471. 472. 473. 474. 475. 476. 477. 478. 479. 480. 481. 482. 483. 484. 485. 486. 487. 488. 489. 490. 491. 492. 493. 494. 495. 496. 497. 498. 499. 500. 501. 502. 503. 504. 505. 506. 507. 508. 509. 510. 511. 512. 513. 514. 515. 516. 517. 518. 519. 520. 521. 522. 523. 524. 525. 526. 527. 528. 529. 530. 531. 532. 533. 534. 535. 536. 537. 538. 539. 540. 541. 542. 543. 544. 545. 546. 547. 548. 549. 550. 551. 552. 553. 554. 555. 556. 557. 558. 559. 560. 561. 562. 563. 564. 565. 566. 567. 568. 569. 570. 571. 572. 573. 574. 575. 576. 577. 578. 579. 580. 581. 582. 583. 584. 585. 586. 587. 588. 589. 590. 591. 592. 593. 594. 595. 596. 597. 598. 599. 600. 601. 602. 603. 604. 605. 606. 607. 608. 609. 610. 611. 612. 613. 614. 615. 616. 617. 618. 619. 620. 621. 622. 623. 624. 625. 626. 627. 628. 629. 630. 631. 632. 633. 634. 635. 636. 637. 638. 639. 640. 641. 642. 643. 644. 645. 646. 647. 648. 649. 650. 651. 652. 653. 654. 655. 656. 657. 658. 659. 660. 661. 662. 663. 664. 665. 666. 667. 668. 669. 670. 671. 672. 673. 674. 675. 676. 677. 678. 679. 680. 681. 682. 683. 684. 685. 686. 687. 688. 689. 690. 691. 692. 693. 694. 695. 696. 697. 698. 699. 700. 701. 702. 703. 704. 705. 706. 707. 708. 709. 710. 711. 712. 713. 714. 715. 716. 717. 718. 719. 720. 721. 722. 723. 724. 725. 726. 727. 728. 729. 730. 731. 732. 733. 734. 735. 736. 737. 738. 739. 740. 741. 742. 743. 744. 745. 746. 747. 748. 749. 750. 751. 752. 753. 754. 755. 756. 757. 758. 759. 760. 761. 762. 763. 764. 765. 766. 767. 768. 769. 770. 771. 772. 773. 774. 775. 776. 777. 778. 779. 780. 781. 782. 783. 784. 785. 786. 787. 788. 789. 790. 791. 792. 793. 794. 795. 796. 797. 798. 799. 800. 801. 802. 803. 804. 805. 806. 807. 808. 809. 810. 811. 812. 813. 814. 815. 816. 817. 818. 819. 820. 821. 822. 823. 824. 825. 826. 827. 828. 829. 830. 831. 832. 833. 834. 835. 836. 837. 838. 839. 840.

(g) A certain Condominium Plat, consisting of four (4) sheets, showing Phase 6 of "SPRING MEADOWS CONDOMINIUM", which Condominium Plat is recorded in Condominium Plat Book 17, beginning at page 14 among the aforesaid Land Records.

WHEREAS, the Declarant retained in the aforesaid Declaration the absolute right, to be exercised prior to the 31st day of December, 1985, to annex to the land and improvements described on "EXHIBIT A-1" attached to the Declaration, and thereby to submit to each and every of the provisions of the Declaration, and of the Condominium Act, the land described on "EXHIBIT A-6" attached to the Declaration, together with the improvements thereto or thereafter constructed upon any of such land, and the Declarant intends by the execution and recordation hereof, together with the execution and recordation of the additions to the Condominium Plat aforementioned, to exercise that right:

NOW, THEREFORE, the Declarant hereby declares that all of the property described on "EXHIBIT A-6" attached to the Declaration, together with all of the improvements heretofore or hereafter constructed thereon, and all appurtenances thereto, shall be held, conveyed, divided or subdivided, leased, rented and occupied, improved, hypothecated and encumbered subject to the covenants, restrictions, uses, limitations, obligations, easements, equitable servitudes, charges and liens (hereinafter collectively sometimes referred to as the "covenants and restrictions") set forth in the Declaration, including, without limitation, the provisions of the By-Laws of the Council of Unit Owners of the Condominium attached to said Declaration as "EXHIBIT B" and by this reference incorporated herein, all of which are declared and agreed to be in aid of a plan for the improvement of said property and the division thereof into condominium units and common elements, and shall be deemed to run with and bind the land, and shall inure to the benefit of and be enforceable by the Declarant, its successors and assigns, and any person acquiring or owning an interest in said property and improvements, including, without limitation, any person, group of persons, corporation, partnership, trust or other legal entity, or any combination thereof, who holds such interest solely as security for the performance of an obligation.

The Declarant hereby submits the real property described on "EXHIBIT A-6" attached to the Declaration and incorporated herein by this reference as if set forth in full, to each and every of the provisions of the Declaration made by the Declarant on the 26th day of August, 1977, and recorded on the 28th day of September, 1977 in Liber 3007 at page 116 among the Land Records for Anne Arundel County, Maryland, and to the provisions of the Condominium Act.

Upon the recordation of this Amendment to the Declaration, each unit owner in the condominium known as "SPRING MEADOWS CONDOMINIUM", by operation of law and the provisions of Article VI of the Declaration, shall have the undivided percentage interest in the common elements, common expenses and common profits of the condominium, and shall have the number of votes in the Council of Unit Owners provided for in the Declaration and, upon the recordation of this Amendment, the percentage interests and voting rights heretofore established and provided for in the Declaration shall be reallocated, automatically and pro tanto, as set forth in the Declaration.

WITNESSETH
THAT I, JAMES H. HARRIS, JR.,
COUNTY CLERK OF ANNE ARUNDEL COUNTY,
MARYLAND, DO HEREBY CERTIFY THAT
THE FOREGOING IS A TRUE AND CORRECT
COPY OF THE ORIGINAL AS FILED IN
LIBER 3007 AT PAGE 116.

QUEST:

NGHF DEVELOPMENT CORP.

John C. Talmott, Assistant
Secretary

By: David S. Adler, Executive
Vice President

UNITED STATES OF AMERICA
DISTRICT OF COLUMBIA

I HEREBY CERTIFY that on the 14th day of November, 1979, before me, the subscriber, a Notary Public in and for the jurisdiction aforesaid, personally appeared in said jurisdiction DAVID E. ADLER, personally well known to me to be the person named as attorney-in-fact in the foregoing instrument bearing date on the 14th day of November, 1978, and by virtue of the authority vested in him by said instrument, acknowledged the same to be the act and deed of NCHP DEVELOPMENT CORP., and that the same was executed for the purposes therein contained.

WITNESS my hand and Notarial Seal the year and day first above written.

Lucas S. Short
Notary Public

My commission expires: 2/14/54

GEORGE M. ERADY, individually, joins in this Amendment for purposes of exercising the irrevocable power-of-attorney reserved unto the said GEORGE M. ERADY in the Declaration dated the 26th day of August, 1977 and recorded the 28th day of September, 1977 in Liber 3007 at page 125 among the Land Records for Anne Arundel County, Maryland; for the purpose reallocation the percentage interests in the common elements, common expenses and common utilities of "STERLING MEADOWS CONDOMINIUM" and for the additional purpose of reallocating the voting rights appurtenant to each condominium unit in "STERLING MEADOWS CONDOMINIUM", all in accordance with the provisions of the aforesaid Declaration and this Amendment, and the said GEORGE M. ERADY, by the execution and acknowledgment of these presents, does hereby reallocate such percentage interests and voting rights, and herein, in accordance with the provisions of the aforesaid Declaration and this Amendment all as of the year and day first above written in this instrument.

[illegible]

 (SEAL)
 G. V. R. S. S.

UNITED STATES OF AMERICA

DISTRICT OF COLUMBIA

I HEREBY CERTIFY that on the 14th day of November, 1979, before me, the subscriber, a Notary Public in and for the jurisdiction aforesaid, personally appeared in said jurisdiction GEORGE M. BRADY, personally well known to me (or satisfactorily proven) to be the person who executed the foregoing instrument bearing date on the 14th day of November, 1979, and acknowledged that he executed the same for the purposes therein contained, having authority so to do, and that he delivered the same as such.

WITNESS my hand and Notarial Seal the year and day first above written.

[Signature]
Notary Public

My commission expires 7/1/84

U.S. OFFICE
WASHINGTON, D.C.
NOTARY PUBLIC
DISTRICT OF COLUMBIA
NOTARY PUBLIC
DISTRICT OF COLUMBIA
NOTARY PUBLIC
DISTRICT OF COLUMBIA

1573273 141400

EIGHTH AMENDMENT TO DECLARATION

(For purposes of adding Phase 8 to the Condominium)

THIS AMENDMENT, made and entered into this 12th day of December, 1979, by NCHP DEVELOPMENT CORP., a corporation organized and existing under the laws of the District of Columbia, hereinafter sometimes called the "Declarant":

WHEREAS, prior to the recordation hereof, namely, on the 28th day of September, 1977, the Declarant filed for record in the Office of the Clerk of Court for the Circuit Court for Anne Arundel County, Maryland, a certain Declaration, with Exhibits, which Declaration is recorded among the aforesaid Land Records in Liber 3007 at page 126, et seq., and is hereinafter referred to as the "Declaration"; and

WHEREAS, prior to the recordation hereof, the Declarant has filed for record in the Office of the Clerk of Court for the Circuit Court for Anne Arundel County, Maryland, the following documents, hereinafter collectively referred to as the "Condominium Plat":

(a) A certain Condominium Plat, consisting of seven (7) sheets, showing Phase 1 (and showing in general terms the outlines of the land, buildings and common elements of the remaining phases of "SPRING MEADOWS CONDOMINIUM") which Condominium Plat is recorded in Condominium Plat Book 10 beginning at page 8 among the aforesaid Land Records; and

(b) A certain Condominium Plat, consisting of four (4) sheets, showing Phase 4 of "SPRING MEADOWS CONDOMINIUM", which Condominium Plat is recorded in Condominium Plat Book 11, beginning at page 10 among the aforesaid Land Records; and

(c) A certain Condominium Plat, consisting of four (4) sheets, showing Phase 2 of "SPRING MEADOWS CONDOMINIUM", which Condominium Plat is recorded in Condominium Plat Book 11, beginning at page 6 among the aforesaid Land Records; and

(d) A certain Condominium Plat, consisting of four (4) sheets, showing Phase 3 of "SPRING MEADOWS CONDOMINIUM", which Condominium Plat is recorded in Condominium Plat Book 11, beginning at page 11 among the aforesaid Land Records; and

(e) A certain Condominium Plat, consisting of four (4) sheets, showing Phase 5 of "SPRING MEADOWS CONDOMINIUM", which Condominium Plat is recorded in Condominium Plat Book 16, beginning at page 12 among the aforesaid Land Records; and

(f) A certain Condominium Plat, consisting of four (4) sheets, erroneously showing Phase 6 of "SPRING MEADOWS CONDOMINIUM", which Condominium Plat is recorded in Condominium Plat Book 17, beginning at page 4, among the aforesaid Land Records, and which Condominium Plat has been corrected and superseded in its entirety by that certain Condominium Plat, consisting of four (4) sheets, showing Phase 9 of "SPRING MEADOWS CONDOMINIUM", which corrected Condominium Plat is recorded in Condominium Plat Book 17, beginning at page 8 among the aforesaid Land Records; and

LAW OFFICES
MENZIEBER
THOMPSON & CANADA
1000 EIGHTH STREET
BETHESDA, MD. 20814
202-338-1000

RECORDED & INDEXED
CIRCUIT CLERK'S OFFICE

1979 DEC 14 PM 1:30

W. GARNETT LAMORE
CLERK

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(g) A certain Condominium Plat, consisting of four (4) sheets, showing Phase 6 of "SPRING MEADOWS CONDOMINIUM", which Condominium Plat is recorded in Condominium Plat Book 17, beginning at page 19 among the aforesaid Land Records; and

(h) A certain Condominium Plat, consisting of four (4) sheets, showing Phase 8 of "SPRING MEADOWS CONDOMINIUM", which Condominium Plat is recorded in Condominium Plat Book 17, beginning at page 23 among the aforesaid Land Records.

WHEREAS, the Declarant retained in the aforesaid Declaration the absolute right, to be exercised prior to the 31st day of December, 1985, to annex to the land and improvements described on "EXHIBIT A-1" attached to the Declaration, and thereby to submit to each and every of the provisions of the Declaration and of the Condominium Act, the land described on "EXHIBIT A-8" attached to the Declaration, together with the improvements theretofore or hereafter constructed upon any of such land, and the Declarant intends by the execution and recordation hereof, together with the execution and recordation of the additions to the Condominium Plat aforementioned, to exercise that right;

NOW, THEREFORE, the Declarant hereby declares that all of the property described on "EXHIBIT A-8" attached to the Declaration, together with all of the improvements heretofore or hereafter constructed thereon, and all appurtenances thereto, shall be held, conveyed, divided or subdivided, leased, rented and occupied, improved, hypothecated and encumbered subject to the covenants, restrictions, uses, limitations, obligations, easements, equitable servitudes, charges and liens (hereinafter collectively sometimes referred to as the "covenants and restrictions") set forth in the Declaration, including, without limitation, the provisions of the By-Laws of the Council of Unit Owners of the Condominium attached to said Declaration as "EXHIBIT B" and by this reference incorporated herein, all of which are declared and agreed to be in aid of a plan for the improvement of said property and the division thereof into condominium units and common elements, and shall be deemed to run with and bind the land, and shall inure to the benefit of and be enforceable by the Declarant, its successors and assigns, and any person acquiring or owning an interest in said property and improvements, including, without limitation, any person, group of persons, corporation, partnership, trust or other legal entity, or any combination thereof, who holds such interest solely as security for the performance of an obligation.

The Declarant hereby submits the real property described on "EXHIBIT A-8" attached to the Declaration and incorporated herein by this reference as if set forth in full, to each and every of the provisions of the Declaration made by the Declarant on the 26th day of August, 1977, and recorded on the 28th day of September, 1977 in Liber 3007 at page 126 among the Land Records for Anne Arundel County, Maryland, and to the provisions of the Condominium Act.

Upon the recordation of this Amendment to the Declaration, each unit owner in the condominium known as "SPRING MEADOWS CONDOMINIUM", by operation of law and the provisions of Article VI of the Declaration, shall have the undivided percentage interest in the common elements, common expenses and common profits of the condominium, and shall have the number of votes in the Council of Unit Owners provided for in the Declaration and, upon the recordation of this Amendment, the percentage interests and voting rights heretofore established and provided for in the Declaration shall be reallocated, automatically and pro tanto, as set forth in the Declaration.

LAW OFFICES
W. SHEPHERD
ATTORNEYS AT LAW
J. W. DEVEREUX COURT
FREDERICK, MD. 21702
TEL. 273-1400

100-3273 MC 402

IN WITNESS WHEREOF, the said NCHP DEVELOPMENT CORP., a District of Columbia corporation, has caused these presents to be executed in its corporate name by JOSEPH E. LINK, its Executive Vice President, attested by SEEC S. FRIEDMAN, its Assistant Secretary, and its corporate seal to be hereunto affixed; and does hereby appoint the said JOSEPH E. LINK as its true and lawful attorney-in-fact to acknowledge and deliver these presents as the act and deed of the said NCHP DEVELOPMENT CORP., all as of the year and day first above written.

ATTEST:

NCHP DEVELOPMENT CORP.

SEEC S. FRIEDMAN
Assistant
Secretary

By: Joseph E. Link
Executive
Vice President

UNITED STATES OF AMERICA

STATE OF MARYLAND
DISTRICT OF COLUMBIA

I HEREBY CERTIFY that on the 15th day of December, 1979, before me, the subscriber, a Notary Public in and for the jurisdiction aforesaid, personally appeared in said jurisdiction JOSEPH E. LINK, personally well known to me to be the person named as attorney-in-fact in the foregoing instrument bearing date on the 12th day of December, 1979, and by virtue of the authority vested in him by said instrument, acknowledged the same to be the act and deed of NCHP DEVELOPMENT CORP., and that the same was executed for the purposes therein contained.

WITNESS my hand and Notarial Seal the year and day first above written.

John C. [Signature]
Notary Public

My commission expires: 7/1/82

BROOKS R. PALMER, individually, joins in this Amendment for purposes of exercising the irrevocable power-of-attorney reserved unto the said BROOKS R. PALMER in the Declaration dated the 26th day of August, 1977 and recorded the 28th day of September, 1977 in Liber 3007 at page 126 among the Land Records for Anne Arundel County, Maryland, for the purpose of reallocating the percentage interests in the common elements, common expenses and common profits of "SPRING MEADOWS CONDOMINIUM" and for the additional purpose of reallocating the voting rights appurtenant to each condominium unit in "SPRING MEADOWS CONDOMINIUM", all in accordance with the provisions of the aforesaid Declaration and this Amendment, and the said BROOKS R. PALMER, by the execution and acknowledgment of these presents, does hereby reallocate such percentage interests and voting rights, pro tanto, in accordance with the provisions of the aforesaid Declaration and this Amendment all as of the year and day first above written in this instrument.

BROOKS R. PALMER (SEAL)
BROOKS R. PALMER

LAW OFFICES
MCKEEVER
PATRICK & CANADA
FEDERAL COURT
BETHESDA, MD. 20814
(301) 723-1100

15113273 121403

UNITED STATES OF AMERICA

STATE OF MARYLAND
DISTRICT OF MONTGOMERY

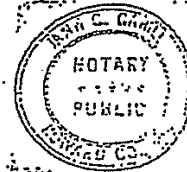
I HEREBY CERTIFY that on the 13th day of December, 1979, before me, the subscriber, a Notary Public in and for the jurisdiction aforesaid, personally appeared in said jurisdiction BROOKS R. PALMER, personally well known to me (or satisfactorily proven) to be the person who executed the foregoing instrument bearing date on the 12th day of December, 1979, and acknowledged that he executed the same for the purposes therein contained, having authority so to do, and that he delivered the same as such.

WITNESS my hand and Notarial Seal the year and day first above written.

James E. Palmer
Notary Public

My commission expires: 7/1/82

In Witness Whereof: Atlantic Title Co.



STATE OF MARYLAND, ANNE ARUNDEL COUNTY, SCT:

I HEREBY CERTIFY that the foregoing Amendment is truly taken and copied from Liber 11/16 No. 3273 folio 400 one of the Lease Record Books for Anne Arundel County.

IN TESTIMONY WHEREOF, I hereby set my hand and affix the Seal of the Circuit Court for Anne Arundel County this 14th day of December A.D. 1979.

W. Stewart Lewis
Clerk of the Circuit Court for Anne Arundel County

Liber 2290
Page 157

NINTH AMENDMENT TO DECLARATION

(For purposes of adding Phase 7 to the Condominium)

THIS AMENDMENT, made and entered into this 12th day of February, 1980, by NCHP DEVELOPMENT CORP., a corporation organized and existing under the laws of the District of Columbia, hereinafter sometimes called the "Declarant":

WHEREAS, prior to the recordation hereof, namely, on the 28th day of September, 1977, the Declarant filed for record in the Office of the Clerk of Court for the Circuit Court for Anne Arundel County, Maryland, a certain Declaration, with Exhibits, which Declaration is recorded among the aforesaid Land Records in Liber 3007 at page 126, et seq., and is hereinafter referred to as the "Declaration"; and

WHEREAS, prior to the recordation hereof, the Declarant has filed for record in the Office of the Clerk of Court for the Circuit Court for Anne Arundel County, Maryland, the following documents, hereinafter collectively referred to as the "Condominium Plat":

(a) A certain Condominium Plat, consisting of seven (7) sheets, showing Phase 1 (and showing in general terms the outlines of the land, buildings and common elements of the remaining phases of "SPRING MEADOWS CONDOMINIUM") which Condominium Plat is recorded in Condominium Plat Book 10 beginning at page 8 among the aforesaid Land Records; and

(b) A certain Condominium Plat, consisting of four (4) sheets, showing Phase 4 of "SPRING MEADOWS CONDOMINIUM", which Condominium Plat is recorded in Condominium Plat Book 11, beginning at page 10 among the aforesaid Land Records; and

(c) A certain Condominium Plat, consisting of four (4) sheets, showing Phase 2 of "SPRING MEADOWS CONDOMINIUM", which Condominium Plat is recorded in Condominium Plat Book 11, beginning at page 6 among the aforesaid Land Records; and

(d) A certain Condominium Plat, consisting of four (4) sheets, showing Phase 3 of "SPRING MEADOWS CONDOMINIUM", which Condominium Plat is recorded in Condominium Plat Book 11, beginning at page 11 among the aforesaid Land Records; and

(e) A certain Condominium Plat, consisting of four (4) sheets, showing Phase 5 of "SPRING MEADOWS CONDOMINIUM", which Condominium Plat is recorded in Condominium Plat Book 10, beginning at page 12 among the aforesaid Land Records; and

(f) A certain Condominium Plat, consisting of four (4) sheets, erroneously showing Phase 6 of "SPRING MEADOWS CONDOMINIUM", which Condominium Plat is recorded in Condominium Plat Book 17, beginning at page 4, among the aforesaid Land Records, and which Condominium Plat has been corrected and superseded in its entirety by that certain Condominium Plat, consisting of four (4) sheets, showing Phase 9 of "SPRING MEADOWS CONDOMINIUM", which corrected Condominium Plat is recorded in Condominium Plat Book 17, beginning at page 8 among the aforesaid Land Records; and

LAW OFFICES
MCKEEVER,
FITCH & CANADA
242 WASHINGTON COURT
BETHESDA, M.D. 20814
(301) 752-1100

4. (A)

(g) A certain Condominium Plat, consisting of four (4) sheets, showing Phase 6 of "SPRING MEADOWS CONDOMINIUM", which Condominium Plat is recorded in Condominium Plat Book 17, beginning at page 19 among the aforesaid Land Records; and

(h) A certain Condominium Plat, consisting of four (4) sheets, showing Phase 8 of "SPRING MEADOWS CONDOMINIUM", which Condominium Plat is recorded in Condominium Plat Book 17, beginning at page 23 among the aforesaid Land Records; and

(i) A certain Condominium Plat, consisting of four (4) sheets, showing Phase 7 of "SPRING MEADOWS CONDOMINIUM", which Condominium Plat is recorded in Condominium Plat Book 17, beginning at page 45 among the aforesaid Land Records.

WHEREAS, the Declarant retained in the aforesaid Declaration, the absolute right, to be exercised prior to the 31st day of December, 1985, to annex to the land and improvements described on "EXHIBIT A-1" attached to the Declaration, and thereby to submit to each and every of the provisions of the Declaration and of the Condominium Act, the land described on "EXHIBIT A-7" attached to the Declaration, together with the improvements thereto or thereafter constructed upon any of such land, and the Declarant intends by the execution and recordation hereof, together with the execution and recordation of the additions to the Condominium Plat aforementioned, to exercise that right;

NOW, THEREFORE, the Declarant hereby declares that all of the property described on "EXHIBIT A-7" attached to the Declaration, together with all of the improvements heretofore or hereafter constructed thereon, and all appurtenances thereto, shall be held, conveyed, divided or subdivided, leased, rented and occupied, improved, hypothecated and encumbered subject to the covenants, restrictions, uses, limitations, obligations, easements, equitable servitudes, charges and liens (hereinafter collectively sometimes referred to as the "covenants and restrictions") set forth in the Declaration, including, without limitation, the provisions of the By-Laws of the Council of Unit Owners of the Condominium attached to said Declaration as "EXHIBIT B" and by this reference incorporated herein, all of which are declared and agreed to be in aid of a plan for the improvement of said property and the division thereof into condominium units and common elements, and shall be deemed to run with and bind the land, and shall inure to the benefit of and be enforceable by the Declarant, its successors and assigns, and any person acquiring or owning an interest in said property and improvements, including, without limitation, any person, group of persons, corporation, partnership, trust or other legal entity, or any combination thereof, who holds such interest solely as security for the performance of an obligation.

The Declarant hereby submits the real property described on "EXHIBIT A-7" attached to the Declaration and incorporated herein by this reference as is set forth in full, to each and every of the provisions of the Declaration made by the Declarant on the 26th day of August, 1977, and recorded on the 28th day of September, 1977 in Liber 3007 at page 126 among the Land Records for Anne Arundel County, Maryland, and to the provisions of the Condominium Act.

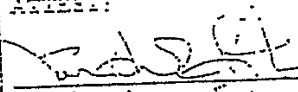
JOHN OFFICER
WILLIAM
FREDERICK & COMPANY
345 WASHINGTON COURT
BETHESDA, MD. 20814
(301) 352-1800

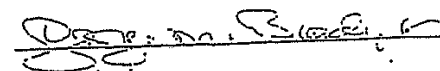
Upon the recordation of this Amendment to the Declaration, each unit owner in the condominium known as "SPRING MEADOWS CONDOMINIUM", by operation of law and the provisions of Article VI of the Declaration, shall have the undivided percentage interest in the common elements, common expenses and common profits of the condominium, and shall have the number of votes in the Council of Unit Owners provided for in the Declaration and, upon the recordation of this Amendment, the percentage interests and voting rights heretofore established and provided for in the Declaration shall be reallocated, automatically and pro tanto, as set forth in the Declaration.

IN WITNESS WHEREOF, the said NCHP DEVELOPMENT CORP., a District of Columbia corporation, has caused these presents to be executed in its corporate name by George K. Brady, Jr., its Vice Chairman, attested by Joseph E. Link, its Vice President, and its corporate seal to be hereunto affixed; and does hereby appoint the said George M. Brady, Jr. as its true and lawful attorney-in-fact to acknowledge and deliver these presents as the act and deed of the said NCHP DEVELOPMENT CORP., all as of the year and day first above written.

ATTEST:

NCHP DEVELOPMENT CORP.

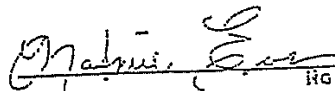

Vice Chairman

By: 
Vice President

UNITED STATES OF AMERICA
DISTRICT OF COLUMBIA

I HEREBY CERTIFY that on the 12th day of February, 1980, before me, the subscriber, a Notary Public in and for the jurisdiction aforesaid, personally appeared in said jurisdiction GEORGE M. BRADY, JR., personally well known to me to be the person named as attorney-in-fact in the foregoing instrument bearing date on the 12th day of February, 1980, and by virtue of the authority vested in him by said instrument, acknowledged the same to be the act and deed of NCHP DEVELOPMENT CORP., and that the same was executed for the purposes therein contained.

WITNESS my hand and Notarial Seal the year and day first above written.


Notary Public

My commission expires:

Oct. 31, 1984

LAW OFFICES
MCKEIVIN
VINTATRICK & CANADA
342 WASHINGTON COURT
BETHESDA, MD. 20814
(301) 762-1800

GEORGE M. BRADY, individually, joins in this Amendment for purposes of exercising the irrevocable power-of-attorney reserved unto the said GEORGE M. BRADY in the Declaration dated the 16th day of August, 1977 and recorded the 28th day of September, 1977 in Liber 0007 at page 126 among the Land Records for Anne Arundel County, Maryland, for the purpose of reallocating the percentage interests in the common elements, common expenses and common profits of "SPRING MEADOWS CONDOMINIUM" and for the additional purpose of reallocating the voting rights appurtenant to each condominium unit in "SPRING MEADOWS CONDOMINIUM", all in accordance with the provisions of the aforesaid Declaration and this Amendment, and the said GEORGE M. BRADY, by the execution and acknowledgment of these presents, does hereby reallocate such percentage interests and voting rights, pro tanto, in accordance with the provisions of the aforesaid Declaration and this Amendment all as of the year and day first above written in this instrument.

George M. Brady (SEAL)
George M. Brady

UNITED STATES OF AMERICA
DISTRICT OF COLUMBIA

I HEREBY CERTIFY that on the 13th day of February, 1980, before me, the subscriber, a Notary Public in and for the jurisdiction aforesaid, personally appeared in said jurisdiction GEORGE M. BRADY, personally well known to me (or satisfactorily proven) to be the person who executed the foregoing instrument bearing date on the 12th day of February, 1980, and acknowledged that he executed the same for the purposes therein contained, having authority so to do, and that he delivered the same as such.

WITNESS my hand and Notarial Seal the year and day first above written.

Notary Public
Notary Public

My commission expires:
Oct. 31, 1984

4th OFFICE
MCKEEVER
FIDELITY & CARROLL
1-2 WASHINGTON COURT
BETHESDA, MD. 20814
301 742-1900

LIB 3245 MAR 53
CONFIRMATION AND RATIFICATION

KNOW ALL MEN BY THESE PRESENTS:

THAT,

WHEREAS, a certain Condominium plat (hereinafter called the "Condominium Plat") consisting of four (4) sheets showing Phase 9 of "SPRING MEADOWS CONDOMINIUM", was recorded in the Office of the Clerk of the Court for the Circuit Court of Anne Arundel County, Maryland, in Condominium Plat Book 17 in Pages 8 through 11 as Plat 808, 809; 810 and 811; and

WHEREAS, NCHP Development Corp., a corporation, Owner of the property described in the Condominium Plat wishes to confirm and ratify execution of Condominium Plat and particularly the Owner's Dedication and Owner's Certificate appearing thereon..

NOW, THEREFORE, NCHP Development Corp. does hereby confirm and ratify its execution of Owner's Dedication and Owner's Certificate... appearing on that certain Condominium Plat of Phase 9 of "SPRING MEADOWS CONDOMINIUM" above-described.

IN WITNESS WHEREOF, the said NCHP Development Corp. has caused these presents to be executed in its corporate name by O. T. Noakes, its President, attested by Patricia Ernest, its Assistant Secretary, and its Corporate Seal

STATE OF MARYLAND, ANNE ARUNDEL COUNTY, SCT:

I HEREBY CERTIFY that the foregoing CONFIRMATION AND RATIFICATION is truly taken and copied from Liber W 64 No. 2245 folio 53 one of the 1 and 2 Record Books for Anne Arundel County.

IN TESTIMONY WHEREOF, I hereby set my hand and affix the Seal of the Circuit Court for Anne Arundel County this 25 day of SEP.

A. D. 1979

E. ELIZABETH WATSON Clerk
Clerk of the Circuit Court for Anne Arundel County

The Council of Unit Owners of Spring Meadows Condominium, Inc.

Current Unaudited Financial Documents





Income Statement - Operating

Hopewell Pointe Community Association, Inc.-REC

From 04/01/2026 to 04/30/2026

| Description | Current Period | | | Year-to-date | | | Annual Budget |
|---------------------------------------|----------------|-------------|-------------|--------------|--------------|--------------|---------------|
| | Actual | Budget | Variance | Actual | Budget | Variance | |
| OPERATING INCOME | | | | | | | |
| Income | | | | | | | |
| 41000-00 Association Fees | \$ 20,496.00 | \$20,496.00 | \$ - | \$ 81,984.00 | \$ 81,984.00 | \$ - | \$ 245,952.00 |
| 44200-00 Legal Fee Income | 90.00 | - | 90.00 | 190.99 | - | 190.99 | - |
| 45200-00 NSF Fees | - | - | - | 50.00 | - | 50.00 | - |
| Total Income | \$ 20,586.00 | \$20,496.00 | \$ 90.00 | \$ 82,224.99 | \$ 81,984.00 | \$240.99 | \$ 245,952.00 |
| Total OPERATING INCOME | \$ 20,586.00 | \$20,496.00 | \$ 90.00 | \$ 82,224.99 | \$ 81,984.00 | \$ 240.99 | \$ 245,952.00 |
| OPERATING EXPENSE | | | | | | | |
| Administrative | | | | | | | |
| 50300-00 Legal | - | 63.00 | 63.00 | 246.53 | 252.00 | 5.47 | 750.00 |
| 50355-00 Audit & Accounting Fees | - | - | - | - | 2,300.00 | 2,300.00 | 2,300.00 |
| 50721-00 Tax & License | - | 17.00 | 17.00 | - | 68.00 | 68.00 | 200.00 |
| 51050-00 Management Fee | 2,918.00 | 2,918.00 | - | 11,672.00 | 11,672.00 | - | 35,016.00 |
| 51150-00 Office Expense | 79.31 | 183.00 | 103.69 | 475.45 | 732.00 | 256.55 | 2,200.00 |
| 51350-00 Contingency | - | 363.00 | 363.00 | - | 1,452.00 | 1,452.00 | 4,360.00 |
| 51400-00 Website | - | - | - | - | 500.00 | 500.00 | 500.00 |
| 52904-00 Community Events | - | - | - | - | - | - | 1,200.00 |
| 53310-00 Insurance | - | 3,900.00 | 3,900.00 | - | 3,900.00 | 3,900.00 | 3,900.00 |
| 53315-00 Insurance - Fidelity Bond | - | - | - | - | - | - | 1,000.00 |
| 53402-00 Dues and Contributions | - | - | - | - | - | - | 150.00 |
| Total Administrative | \$ 2,997.31 | \$ 7,444.00 | \$ 4,446.69 | \$ 12,393.98 | \$ 20,876.00 | \$8,482.02 | \$ 51,576.00 |
| Grounds | | | | | | | |
| 50190-00 Fountain Electric | - | 611.00 | 611.00 | 59.00 | 611.00 | 552.00 | 5,500.00 |
| 60409-00 Lawn Contract | - | 1,481.00 | 1,481.00 | - | 1,481.00 | 1,481.00 | 13,333.00 |
| 60430-00 Tree Maintenance | - | - | - | - | - | - | 3,000.00 |
| 60442-00 Walking Path & Pier | 646.80 | 722.00 | 75.20 | 646.80 | 722.00 | 75.20 | 6,500.00 |
| 60443-00 Invasive Species Maintenance | - | - | - | - | - | - | 3,570.00 |
| 60445-00 Mulch | 1,660.00 | - | (1,660.00) | 1,660.00 | - | (1,660.00) | 2,500.00 |
| 60600-00 Fertilization | - | - | - | - | - | - | 2,800.00 |
| 61250-00 Fountain Service Contract | - | 1,552.00 | 1,552.00 | 1,746.00 | 1,552.00 | (194.00) | 13,968.00 |
| 61252-00 Fountain Maintenance | - | 278.00 | 278.00 | - | 278.00 | 278.00 | 2,500.00 |
| 61350-00 Pond Maintenance | 2,018.00 | 444.00 | (1,574.00) | 2,018.00 | 444.00 | (1,574.00) | 4,000.00 |
| 62850-00 Snow Removal | 300.00 | - | (300.00) | 3,800.00 | 2,500.00 | (1,300.00) | 5,000.00 |
| 64040-00 Beautification | - | - | - | - | - | - | 3,000.00 |
| Total Grounds | \$ 4,624.80 | \$ 5,088.00 | \$ 463.20 | \$ 9,929.80 | \$ 7,588.00 | (\$2,341.80) | \$ 65,671.00 |



Income Statement - Operating

Hopewell Pointe Community Association, Inc.-REC

From 04/01/2026 to 04/30/2026

| Description | Current Period | | | Year-to-date | | | Annual Budget |
|------------------------------------|--------------------------|--------------------------|--------------------------|---------------------------|---------------------------|--------------------------|----------------------|
| | Actual | Budget | Variance | Actual | Budget | Variance | |
| Amenities | | | | | | | |
| 50150-00 Pool Electric | \$- | \$- | \$- | \$- | \$- | \$- | \$7,700.00 |
| 50170-00 Pool Parking Lot Electric | 150.39 | 92.00 | (58.39) | 301.91 | 368.00 | 66.09 | 1,100.00 |
| 50400-00 Pool Water and Sewer | 108.00 | - | (108.00) | 159.23 | 1,400.00 | 1,240.77 | 2,800.00 |
| 63500-00 Pool Telephone | - | - | - | - | - | - | 2,000.00 |
| 72500-00 Pool Mgmt Contract | 980.50 | - | (980.50) | 10,541.50 | 9,561.00 | (980.50) | 43,495.00 |
| 72506-00 Pool Furniture | - | - | - | - | - | - | 500.00 |
| 72550-00 Pool R & M | - | - | - | - | - | - | 5,000.00 |
| 72600-00 Pool Supplies | - | - | - | - | - | - | 1,000.00 |
| 72705-00 Pool Passes | - | - | - | - | - | - | 2,000.00 |
| 72722-00 Pool Permits | - | - | - | - | - | - | 600.00 |
| 72723-00 Pool Filters | - | - | - | - | - | - | 1,210.00 |
| Total Amenities | <u>\$1,238.89</u> | <u>\$92.00</u> | <u>(\$1,146.89)</u> | <u>\$11,002.64</u> | <u>\$11,329.00</u> | <u>\$326.36</u> | <u>\$67,405.00</u> |
| Reserve Contributions | | | | | | | |
| 97000-00 Reserve Contribution | <u>5,108.33</u> | <u>5,108.00</u> | <u>(0.33)</u> | <u>20,433.32</u> | <u>20,432.00</u> | <u>(1.32)</u> | <u>61,300.00</u> |
| Total Reserve Contributions | <u>\$5,108.33</u> | <u>\$5,108.00</u> | <u>(\$0.33)</u> | <u>\$20,433.32</u> | <u>\$20,432.00</u> | <u>(\$1.32)</u> | <u>\$61,300.00</u> |
| Total OPERATING EXPENSE | \$13,969.33 | \$17,732.00 | \$3,762.67 | \$53,759.74 | \$60,225.00 | \$6,465.26 | \$245,952.00 |
| Net Income: | <u><u>\$6,616.67</u></u> | <u><u>\$2,764.00</u></u> | <u><u>\$3,852.67</u></u> | <u><u>\$28,465.25</u></u> | <u><u>\$21,759.00</u></u> | <u><u>\$6,706.25</u></u> | <u><u>\$0.00</u></u> |



Balance Sheet - Operating

Hopewell Pointe Community Association, Inc.-REC

End Date: 04/30/2026

Assets

Operating Bank Accounts

| | | |
|-------------|-------------------------|--------------|
| 10-11000-00 | Columbia-Operating-1138 | \$111,806.01 |
|-------------|-------------------------|--------------|

| | |
|--------------------------------|---------------------|
| Total Operating Bank Accounts: | <u>\$111,806.01</u> |
|--------------------------------|---------------------|

Reserve Bank Accounts - Other

| | | |
|-------------|-----------------------|-----------|
| 13-13000-00 | Columbia-Reserve-1146 | 83,402.49 |
|-------------|-----------------------|-----------|

| | | |
|-------------|------------------------|-----------|
| 13-13010-00 | CFG Bank-Reserve- 8495 | 41,747.17 |
|-------------|------------------------|-----------|

| | | |
|-------------|---|------------|
| 13-13040-00 | Harford Bank 18M CD 6082 3.505% 11/5/2026 | 160,000.00 |
|-------------|---|------------|

| | | |
|-------------|--|------------|
| 13-13045-00 | Columbia Bank CD3730 3.00% 18M 4/23/2027 | 132,018.50 |
|-------------|--|------------|

| | |
|--------------------------------------|---------------------|
| Total Reserve Bank Accounts - Other: | <u>\$417,168.16</u> |
|--------------------------------------|---------------------|

Other Current Assets

| | | |
|-------------|------------------|----------|
| 15-15000-00 | Owner Receivable | 7,861.45 |
|-------------|------------------|----------|

| | |
|-----------------------------|-------------------|
| Total Other Current Assets: | <u>\$7,861.45</u> |
|-----------------------------|-------------------|

| | |
|----------------------|-----------------------------------|
| Total Assets: | <u><u>\$536,835.62</u></u> |
|----------------------|-----------------------------------|

Liabilities & Equity

Current Liabilities

| | | |
|-------------|---------------------------|-----------|
| 20-22500-00 | Prepaid Owner Assessments | 32,876.29 |
|-------------|---------------------------|-----------|

| | |
|----------------------------|--------------------|
| Total Current Liabilities: | <u>\$32,876.29</u> |
|----------------------------|--------------------|

Reserve Equity

| | | |
|-------------|-------------------|------------|
| 30-33300-00 | Reserve - General | 422,327.94 |
|-------------|-------------------|------------|

| | | |
|-------------|--------------------|----------|
| 30-33320-00 | Reserve - Interest | 3,798.86 |
|-------------|--------------------|----------|

| | | |
|-------------|------------------------|------------|
| 30-34024-00 | Reserve Expense - Pool | (8,958.64) |
|-------------|------------------------|------------|

| | |
|-----------------------|---------------------|
| Total Reserve Equity: | <u>\$417,168.16</u> |
|-----------------------|---------------------|

Other Equity

| | | |
|-------------|-------------------|-----------|
| 35-35000-00 | Retained Earnings | 58,325.92 |
|-------------|-------------------|-----------|

| | |
|---------------------|--------------------|
| Total Other Equity: | <u>\$58,325.92</u> |
|---------------------|--------------------|

| | | |
|------------------------|------------------|--------------------|
| Net Income Gain / Loss | <u>28,465.25</u> | <u>\$28,465.25</u> |
|------------------------|------------------|--------------------|

| | |
|--|-----------------------------------|
| Total Liabilities & Equity: | <u><u>\$536,835.62</u></u> |
|--|-----------------------------------|

The Council of Unit Owners of Spring Meadows Condominium, Inc.

Insurance Dec Page



McGowan Program Administrators Umbrella Program

Evidence of Insurance and Purchasing Group Membership

NAMED INSURED:

Spring Meadows Condominium
c/o Tidewater Property Management
3600 Crondall Ln, Ste 100
Owings Mills, MD, 21117

PURCHASING GROUP NAME:

Community Associations PG, Inc.
Reference Number: 79978384

PROGRAM ADMINISTRATOR:

McGowan Program Administrators
[A division of McGowan and Company, Inc.]
Home Office - Old Forge Center
20595 Lorain Road
Fairview Park, OH 44126
T: 440.333.6300 / F: 440.333.3214
www.mcgowanprograms.com
Date of Issue: 02/02/2026

ITEM 1. COVERAGE PERIOD: 01/01/2026 to 01/01/2027

This insurance shall not apply to any claim, suit, or loss involving an occurrence that takes place outside of these dates.

ITEM 2. INSURER:

| EVIDENCE NUMBER: | INSURER: | LIMIT: |
|---------------------|---------------------------|---------------------------|
| G75147582-G75270756 | Federal Insurance Company | \$5,000,000 / \$5,000,000 |

ITEM 3. LIMITS OF INSURANCE:

| | |
|-------------|--|
| \$5,000,000 | Each Occurrence |
| \$5,000,000 | General Aggregate |
| \$5,000,000 | Products/Completed Operations Aggregate (When Provided by Underlying Policy) |
| \$0 | Insured's Retained Limit |

Members do not share limits within this Purchasing Group.

ITEM 4. TERRORISM RISK INSURANCE ACT:

☒ Included ☐ Excluded

Coverage is only excluded if rejected by the Named Insured.

ITEM 5.**SCHEDULED UNDERLYING INSURANCE:**

| | |
|-------------------------------------|--|
| ☒ | General Liability |
| ☒ | Hired and Non-Owned Liability |
| ☐ | Automobile Liability |
| ☒ | Directors and Officers Liability |
| ☐ | Employers Liability |
| ☐ | Employee Benefits Liability |
| ☐ | Garagekeepers Legal Liability |
| ☐ | Liquor Liability |
| ☐ | Uninsured/Underinsured Motorists Liability |

This policy shall not apply to any claim, suit, or loss if such claim, suit, or loss is not covered by a scheduled underlying insurance policy marked with an "X" above. Limits must conform to minimum attachment points as dictated by the Schedule of Primary/Underlying Insurance within the policy form.

Carriers: Per Information On File With McGowan

Premiums: Per Information On File With McGowan

Limits: Per Information On File With McGowan

Eff. Dates: Per Information On File With McGowan

ITEM 6.**COVERAGE MODIFICATIONS TO TERMS, CONDITIONS, AND EXCLUSIONS:**

This Item Supersedes Any Provision In The Policy, Endorsements, "Schedule Of Named Insureds - Endorsement," "Schedule Of Insured Locations - Endorsement," Or This "Evidence Of Insurance and Purchasing Group Membership" Granting Or Restricting Coverage To The Contrary.

The only coverage modifications to the terms, conditions, and exclusions that apply are those marked with an "X" below.

☐ Other:

ITEM 7.**IMPORTANT COVERAGE NOTES AND ADDITIONAL TERMS, CONDITIONS, AND EXCLUSIONS:**

1. This insurance does not apply to any entity that does not appear on the attached "Schedule of Named Insureds - Endorsement."
2. This insurance does not apply to any location that does not appear on the attached "Schedule of Insured Locations - Endorsement."
3. You must notify us if you add named insureds or insured locations. This policy does not provide automatic coverage to newly acquired premises.
4. You must notify us if there are changes to the scheduled underlying insurance policies.
5. You must notify us if you have a change in operations or exposures which increases the insurance company's risk of loss.
6. Any term, condition, or exclusion contained within the "Evidence of Insurance and Purchasing Group Membership" Agreement supersedes any provision in the policy, endorsements, "Schedule of Named Insureds - Endorsement," or "Schedule of Insured Locations - Endorsement," granting or restricting coverage to the contrary.

ITEM 8.**SCHEDULE OF CHARGES:**

| | | |
|--|------------|--------------------------------------|
| Total Premium, Fees, Surcharges, and Taxes (As Applicable): | | \$6,975.00 |
| Premium: | \$6,152.00 | Charged by the Insurance Company |
| Purchasing Group Fee: | \$823.00 | Charged by the Purchasing Group |
| Surplus Lines Tax: | \$0.00 | Charged by the State |
| Stamping Tax: | \$0.00 | Charged by the State |
| Other State or Municipal Surcharge: | \$0.00 | Charged by the State or Municipality |
| Loss Control Inspection Fee: | \$0.00 | Charged by the Program Administrator |

Purpose and Effect Of "Application For Insurance and Purchasing Group Membership."

By Signing An "Application For Insurance And Purchasing Group Membership" (Hereinafter "Application"), Applicant Agreed: (1) To Become A Member Of Community Associations PG, Inc. (Hereinafter "PG"); (2) To Participate In A Program Of Insurance Designed Exclusively For The Members Of PG; (3) To Accept, Abide By, And Be Bound By The "Terms And Conditions Of Insurance" Posted At www.purchasinggroups.com; (4) To Accept, Abide By, And Be Bound By The "Membership Agreement - Terms And Conditions Of Membership" Posted At www.purchasinggroups.com; (5) To Pay All Premiums (Including Audit And Additional Premiums, If Applicable), Fees (Including Broker And Purchasing Group Membership Fees), And State And Federal Taxes and Surcharges When Due (If Applicable); (6) That Any Additional Material Supplied By Applicant Or Applicant's Insurance Broker To The Managing General Underwriter For A Given Program Of Insurance Becomes A Material Part Of The Application For Insurance; (7) That The Application Which It Signed Was The Basis Of The Contract [Policy And/Or "Evidence Of Insurance" (Hereinafter "EOI")], Whether Or Not Said Application Was/Is Attached To The Policy And/Or EOI; And, (8) That The Application Is A Material Part Of The Policy And/Or EOI, Whether Or Not It Is Attached To The Policy And/Or EOI.

Disclosure Pursuant To Federal Law Regarding Purchasing Groups [U.S.C. 15 3901, Et Seq.]

PG Is A "Purchasing Group," As Defined Under Federal Law, Formed To Purchase Liability Insurance On A Group Basis For Its Members To Cover The Similar Or Related Liability Exposure(s) To Which The Members Of PG Are Exposed By Virtue Of Their Related, Similar, Or Common Business Or Service. Members Do Not Share Limits And Each Member Is Provided With Its Own Policy And/Or EOI.

Disclosure Pursuant to Terrorism Risk Insurance Act of 2002 (And Any Subsequent Continuations or Revisions Thereof).

By Signing Below, Applicant Agrees That It Has Read And Understands The Most Recent Disclosure Pursuant To The Terrorism Risk Insurance Act Which Appears At www.purchasinggroups.com.

To Learn More.

Please Visit www.purchasinggroups.com, Which Contains More Information About Your Purchasing Group And Purchasing Groups, In General, As Well As Your Insurance Coverage, Premiums, Fees, Taxes, The MGUs' Income, And Your Insurance Broker's Income.

McGowan Program Administrators Umbrella Program

Schedule of Named Insureds - Endorsement

Evidence Number: G75270756

Effective Date: 1/1/2026

This "Schedule of Named Insureds - Endorsement" forms a part of the policy and the "Evidence of Insurance & Purchasing Group Membership." No coverage is provided by this policy to any insured not listed below. This endorsement supersedes any terms in the policy or any endorsement granting coverage to the contrary.

Spring Meadows Condominium

McGowan Program Administrators Umbrella Program

Schedule of Insured Locations - Endorsement

Evidence Number: G75270756

Effective Date: 1/1/2026

This "Schedule of Insured Locations - Endorsement" forms a part of the policy and the "Evidence of Insurance and Purchasing Group Membership." This policy shall not apply to any location which is not listed below. This insurance only applies to losses, claims, suits, or other proceedings which allege "bodily injury," "property damage," "personal injury," or "advertising injury" arising out of the use, ownership, maintenance, or operation of the locations that are listed below. This endorsement supersedes any terms in the policy or any endorsement granting coverage to the contrary.

1 1818 - 1828 Blue Jay Court

Severn, MD 21144



IMPORTANT NOTICE TO POLICYHOLDERS TERRORISM RISK INSURANCE ACT

This Important Notice is being provided with your policy to further satisfy the disclosure requirements of the Terrorism Risk Insurance Act.

At the time you received the written offer for this policy, we provided you with an Important Notice to Policyholders indicating that the insurance provided in your policy for losses caused by certain acts of terrorism (as defined in the Terrorism Risk Insurance Act) would be partially reimbursed by the United States of America, pursuant to the formula set forth in the Terrorism Risk Insurance Act. In addition, as required by the Terrorism Risk Insurance Act, we:

- indicated that we would make available insurance for such losses in the same manner as we provide insurance for other types of losses;
- specified the premium we would charge, if any, for providing such insurance; and
- except to the extent prohibited by law, gave you the opportunity to reject such insurance and have a terrorism exclusion, sublimit or other limitation included in your policy.

This Important Notice refers back to that Important Notice and provides information about your decision and the manner in which your policy has been subsequently modified.

If:

- You rejected terrorism insurance under the Terrorism Risk Insurance Act, your policy includes the appropriate amendatory endorsement(s).
- You did not reject terrorism insurance under the Terrorism Risk Insurance Act, the premium charged for your policy, including that portion applicable to terrorism insurance under the Terrorism Risk Insurance Act, is shown in your policy. To the extent your policy includes a limitation on terrorism insurance, it has been modified so that such limitation does not apply to terrorism insurance under the Terrorism Risk Insurance Act.

Please carefully review your policy and the Important Notice previously provided to you for further details. Please remember that only the terms of your policy establish the scope of your insurance protection.

Please note that if your policy:

- ***provides commercial property insurance in a jurisdiction that has a statutory standard fire policy, the premium we charge for terrorism insurance under the Terrorism Risk Insurance Act, includes an amount attributable to the insurance provided pursuant to that standard fire policy. Rejection of such statutory insurance is legally prohibited.***
- ***is a workers compensation policy, rejection of insurance for terrorism is legally prohibited.***

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year, the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.



IMPORTANT NOTICE TO POLICYHOLDERS

This Important Notice is not your policy. Please read your policy carefully to determine your rights, duties, and what is and what is not covered. Only the provisions of your policy determine the scope of your insurance protection.

THIS IMPORTANT NOTICE PROVIDES INFORMATION CONCERNING POSSIBLE IMPACT ON YOUR INSURANCE COVERAGE DUE TO COMPLIANCE WITH APPLICABLE TRADE SANCTION LAWS.

PLEASE READ THIS NOTICE CAREFULLY.

Various trade or economic sanctions and other laws or regulations prohibit us from providing insurance in certain circumstances. For example, the United States Treasury Department's Office of Foreign Asset Control (OFAC) administers and enforces economic and trade sanctions and places restrictions on transactions with foreign agents, front organizations, terrorists, terrorists organizations, and narcotic traffickers. OFAC acts pursuant to Executive Orders of the President of the United States and specific legislation, to impose controls on transactions and freeze foreign assets under United States jurisdiction. (To learn more about OFAC, please refer to the United States Treasury's web site at <http://www.treas.gov/ofac>.)

To the extent that you or any other insured, or any person or entity claiming the benefits of this insurance has violated any applicable sanction laws, this insurance will not apply.

We have added a condition or section that applies to the entire policy called Compliance With Applicable Trade Sanctions, which stipulates that your insurance policy does not apply to the extent that trade or economic sanctions or other laws or regulations prohibit us from providing insurance.



IL QUESTIONS ABOUT INSURANCE

Answers to questions about your insurance, coverage information, or assistance in resolving complaints can be obtained by contacting:

Chubb Customer Support Services Department:
436 Walnut Street
Philadelphia, Pennsylvania 19106-3703
Telephone Number: 1-800-352-4462
Email: ChubbUSCustomerServices@chubb.com

The **Illinois Department of Insurance** may also be contacted for assistance. Insurance analysts are available to answer general questions by phone at our toll-free Consumer Assistance Hotline (866) 445-5364. **However, complaints must be submitted in writing.**

How to file a complaint with the Insurance Department:

Complaints may be submitted in the following ways:

- On-line at
<https://idoi.illinois.gov/consumers/file-a-complaint.html>
and by following the instructions posted.
- By fax: (217) 558-2083
- By TTD: 866-323-5321
- By mail: 115 S. LaSalle St, 13th Floor Chicago, Illinois 60603



POLICYHOLDER NOTICE

All of the members of the Chubb Group of Insurance companies doing business in the United States (hereinafter "Chubb") distribute their products through licensed insurance brokers and agents ("producers"). Detailed information regarding the types of compensation paid by Chubb to producers on US insurance transactions is available under the Producer Compensation link located at the bottom of the page at www.chubb.com, or by calling 1-866-588-9478. Additional information may be available from your producer.

Thank you for choosing Chubb.

CHUBB® Chubb Commercial Excess And Umbrella Insurance

Declarations

Named Insured and Mailing Address

See Evidence

Chubb Group of Insurance Companies
202B Hall's Mill Road
Whitehouse Station, NJ 08889

Policy Number See Evidence

Issued by the stock insurance company
indicated below, herein called the company.

FEDERAL INSURANCE COMPANY

Incorporated under the laws of INDIANA

Policy Period

From: See Evidence To: See Evidence
12:01 A.M. standard time at the Named Insured's mailing address shown above.

Premium

See Evidence

Limits Of Insurance

| | |
|--|--------------|
| Excess Coverage Other Aggregate Limit (as applicable) | See Evidence |
| Umbrella Coverages Aggregate Limit | See Evidence |
| Products Completed Operations Aggregate Limit | See Evidence |
| Advertising Injury and Personal Injury Aggregate Limit | See Evidence |
| Each Occurrence Limit | See Evidence |

Authorization

In Witness Whereof, the company issuing this policy has caused this policy to be signed by its authorized officers, but this policy shall not be valid unless also signed by a duly authorized representative of the company.

FEDERAL INSURANCE COMPANY


Secretary


President

Authorized Representative

Date September 24, 2025



Chubb. Insured.™

CHUBB® Chubb Commercial Excess And Umbrella Insurance

Schedule Of Underlying Insurance

Effective Date: See Evidence

Policy Number: See Evidence

This page reflects the minimum attachment points required for coverage

Insured: See Evidence

Description

Limits

Employers Liability

Insurer: RISK PURCHASING GROUP (SEE CERTIFICATE OF INSURANCE)

Policy No.: INDIVIDUAL MEMBERS

Coverage B - Employer's Liability

Policy Period: 10/01/2025

Bodily Injury By Accident

to: 10/01/2027

\$100,000 Each Accident

Bodily Injury By Disease

\$500,000 Policy Limit

\$100,000 Each Employee

Commercial General Liability

Insurer: RISK PURCHASING GROUP (SEE CERTIFICATE OF INSURANCE)

Policy No.: INDIVIDUAL MEMBERS

\$1,000,000 Each Occurrence

Policy Period: 10/01/2025

\$2,000,000 General Aggregate

to: 10/01/2027

\$1,000,000 Products/Completed Operations Aggregate

Occurrence

\$1,000,000 Personal and Advertising Injury (aggregate when applicable)

Automobile Liability

Insurer: RISK PURCHASING GROUP (SEE CERTIFICATE OF INSURANCE)

Policy No.: INDIVIDUAL MEMBERS

\$1,000,000 Each Accident

Policy Period: 10/01/2025

to: 10/01/2027

CHUBB® Chubb Commercial Excess And Umbrella Insurance

Schedule Of Underlying Insurance

Effective Date: See Evidence

Policy Number: See Evidence

This page reflects the minimum
attachment points required for coverage

Insured: See Evidence

Description

Limits

Directors & Officer's Liability

Insurer: RISK PURCHASING GROUP (SEE CERTIFICATE OF INSURANCE)

Policy No.: INDIVIDUAL MEMBERS \$1,000,000 Each Occurrence

Policy Period: 10/01/2025

to: 10/01/2027 \$1,000,000 Aggregate

Occurrence

Employee Benefits Liability

Insurer: RISK PURCHASING GROUP (SEE CERTIFICATE OF INSURANCE)

Policy No.: INDIVIDUAL MEMBERS \$1,000,000 Each Claim

Policy Period: 10/01/2025

to: 10/01/2027 \$1,000,000 Aggregate

Occurrence

Garage Liability

Insurer: RISK PURCHASING GROUP (SEE CERTIFICATE OF INSURANCE)

Policy No.: INDIVIDUAL MEMBERS \$1,000,000 Each Occurrence

Policy Period: 10/01/2025

to: 10/01/2027 \$1,000,000 Aggregate

Occurrence

CHUBB® Chubb Commercial Excess And Umbrella Insurance

Schedule Of Underlying Insurance

Effective Date: See Evidence

Policy Number: See Evidence

Insured: See Evidence

This page reflects the minimum attachment points required for coverage

Description

Limits

Liquor Law Legal Liability

Insurer: RISK PURCHASING GROUP (SEE CERTIFICATE OF INSURANCE)

Policy No.: INDIVIDUAL MEMBERS \$1,000,000 Each Occurrence

Policy Period: 10/01/2025

to: 10/01/2027 \$1,000,000 Aggregate

Occurrence

Authorization

All other terms and conditions remain unchanged.

Authorized Representative

September 24, 2025



CHUBB® Chubb Commercial Excess And Umbrella Insurance

Schedule Of Forms

Policy Period *See Evidence* *To* *See Evidence*
Effective Date *See Evidence*
Policy Number *See Evidence*
Insured *See Evidence*

Name of Company FEDERAL INSURANCE COMPANY
Date Issued *See Evidence*

Form Number

As of the effective date printed above, this is the Schedule Of Forms applicable to this policy:

| | | |
|--|------------|---------|
| IMPORTANT NOTICE TO POLICYHOLDERS-TRIA 2002 | 99-10-0732 | (01/15) |
| IMPORTANT NOTICE - OFAC | 99-10-0792 | (09/04) |
| ILLINOIS QUESTIONS ABOUT INSURANCE | 99-10-0838 | (02/25) |
| AOD IMPORTANT POLICYHOLDER NOTICE | 99-10-0872 | (06/07) |
| COMMERCIAL EXCESS AND UMBRELLA DECLARATIONS | 07-02-2267 | (02/09) |
| SCHEDULE OF UNDERLYING INSURANCE | 07-02-0922 | (07/01) |
| CHUBB COMMERCIAL EXCESS & UMBRELLA INSURANCE | 07-02-0815 | (07/01) |
| CONDITIONS ILLINOIS - CANCELLATION | 07-02-0997 | (09/13) |
| COMPLIANCE WITH APPLICABLE TRADE SANCTIONS | 07-02-1988 | (02/04) |
| COND - CIVIL UNIONS OR DOMESTIC PARTNERSHIPS | 07-02-2483 | (03/12) |
| AIRCRAFT EXCLUSION | 07-02-0826 | (07/01) |
| SUPPLEMENTARY PAYMENTS | 07-02-0845 | (07/01) |
| PROFESSIONAL SERVICES EXCL | 07-02-0864 | (07/01) |
| EXCL/UMBRELLA COV B - ALCOHOLIC BEVERAGES | 07-02-0871 | (01/14) |
| PERSONAL INJURY EXCLUSION - COV. B | 07-02-0884 | (07/01) |
| PRODUCTS COMPLETED - COV. B EXCLUSION | 07-02-0890 | (07/01) |
| INTELLECTUAL PROPERTY LAWS OR RIGHTS | 07-02-1146 | (05/10) |
| LEAD EXCLUSION | 07-02-1153 | (07/01) |
| EXCLUSION OF CERTIFIED ACTS OF TERRORISM | 07-02-1958 | (01/15) |
| CAP ON CERTIFIED TERRORISM LOSSES | 07-02-1961 | (01/15) |
| POLICY EXCLUSION BACTERIA OR FUNGI | 07-02-1982 | (10/03) |
| COVG/EXCESS FOLLOW FORM COVG A - ILLI.-C/M | 07-02-2029 | (03/15) |
| DECLARATIONS MINIMUM PREMIUM ILLINOIS | 07-02-2032 | (09/02) |
| COV. B EXCLUSION - SUBSIDENCE | 07-02-2149 | (11/05) |
| EXCLUSIONS - CONSTRUCTION OR DEVELOPMENT | 07-02-2244 | (01/08) |

| | | |
|--|------------|---------|
| CRISIS ASSISTANCE SERVICE PROVIDERS | 07-02-2455 | (12/10) |
| COVERAGE - CRISIS ASSISTANCE FOR EX AND UMB | 07-02-2458 | (12/10) |
| POL EXCL-SCHED DISEASES, EXCEPT INCL DISEASES | 07-02-2492 | (03/12) |
| EXCL/COV B-ABUSE OR MOLEST-ACT,ALLGD THREAT | 07-02-2519 | (06/12) |
| EXCL - UMB COVERAGE B-ASSAULT OR BATTERY | 07-02-2557 | (05/15) |
| POLICY EXCLUSION - WAR | 07-02-2741 | (03/17) |
| POLICY EXCLUSION – VIOLATION OF LAWS ADDRESSING DATA PRIVACY | 07-02-2978 | (04/23) |
| EXCLUSION/UMBRELLA COVERAGE B – CYBER INCIDENT | 07-02-2997 | (11/23) |
| CONDITION - ADDITIONAL BENEFITS | 07-02-3008 | (03/24) |
| POLICY EXCLUSION - RECORDING AND DISTRIBUTION OF MATERIAL OR INFORMATION IN VIOLATION OF LAW | 07-02-2172 | (06/23) |
| COV A EXCL – ACCESS TO OR DISCLOSURE OF CONFIDENTIAL OR PERSONAL MATERIAL OR INFO & ELECTRONIC DATA-RELATED LIABILITY WITH EXCEPTIONS; COV B EXCL – ACCESS TO OR DISCLOSURE OF CONFIDENTIAL OR PERSONAL MATERIAL OR INFO & ELECTRONIC DATA-RELATED LIABILITY | 07-02-2853 | (04/23) |
| ANIMALS EXCLUSION (MS 283308) | 99-02-02 | (07/01) |
| BIOLOGICAL AGENTS ABSOLUTE (07-02-1692) | 99-02-02 | (07/01) |
| CARE, CUSTODY OR CONTROL GARAGE KEEPERS LEGAL LIABILITY | 99-02-02 | (07/01) |
| COVERAGE B EXCLUSION - HABITABILITY (MS394231) | 99-02-02 | (07/01) |
| COVERAGE B EXCLUSION – WEAPONS (MS402089.2) | 99-02-02 | (07/01) |
| UMBRELLA COVERAGE B – UNDERLYING INSURANCE RESTRICTION (MS400731) | 99-02-02 | (07/01) |
| CROSS SUITS (MS 283309) | 99-02-02 | (07/01) |
| PUNITIVE EXCLUSION (MS 214660) | 99-02-02 | (07/01) |
| RISK PURCHASING GROUPS PROGRAM MANAGER FOR MCGOWAN (MS 330910) | 99-02-02 | (07/01) |
| SUBLIMITED PRIMARY COVERAGE EXCLUSION (MS403806) | 99-02-02 | (07/01) |
| DECLARATIONS (MS 288848) | 99-02-02 | (07/01) |
| EMPLOYMENT RELATED PRACTICES AMENDED | 99-02-02 | (07/01) |
| POLLUTION EXCLUSION AMENDED COV A (MS 263848) | 99-02-02 | (07/01) |
| PRIMARY NON CONTRIBUTORY (MS 263865) | 99-02-02 | (07/01) |

CHUBB® Chubb Commercial Excess And Umbrella Insurance

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Chubb Commercial Excess And Umbrella Insurance

Contract

Please read the entire policy carefully. The terms and conditions of this insurance include the various sections of this contract: Coverages; Investigation, Defense And Settlements; Supplementary Payments; Coverage Territory; Who Is An Insured; Limits Of Insurance; When Excess Follow-Form Coverage A Applies (Drop Down); Exclusions; Conditions and Definitions, as well as the Declarations and any Endorsements and Schedules made a part of this insurance.

Throughout this contract the words "you" and "your" refer to the Named **Insured** shown in the Declarations and other persons or organizations qualifying as a Named **Insured** under this contract. The words "we," "us" and "our" refer to the Company providing this insurance.

In addition to the Named **Insured**, other persons or organizations may qualify as **insureds**. Those persons or organizations and the conditions under which they qualify are identified in the Who Is An Insured section of this contract.

Words and phrases that appear in **bold** print have special meanings and are defined in the Definitions section of this contract.

Coverage/ Excess Follow-Form Coverage A

Subject to all of the terms and conditions applicable to Excess Follow-Form Coverage A, we will pay, on behalf of the **insured**, that part of **loss** to which this coverage applies, which exceeds the applicable **underlying limits**.

This coverage applies only if the triggering event that must happen during the policy period of the applicable **underlying insurance** happens during the policy period of this insurance.

This coverage will follow the terms and conditions of **underlying insurance** described in the Schedule Of Underlying Insurance, unless a term or condition contained in this coverage:

- differs from any term or condition contained in the applicable **underlying insurance**; or
- is not contained in the applicable **underlying insurance**.

With respect to such exceptions described above, the terms and conditions contained in this coverage will apply, to the extent that such terms and conditions provide less coverage than the terms and conditions of the applicable **underlying insurance**.

This coverage does not apply to any part of **loss** within **underlying limits**, or any related costs or expenses.

We have no obligation under this insurance with respect to any claim or **suit** settled without our consent.

Other than as provided under the Investigation, Defense And Settlements and Supplementary Payments sections of this contract, we have no other obligation or liability to pay sums or perform acts or services under this coverage.

Coverages/ Umbrella Coverage B

Bodily Injury And Property Damage Liability Coverage

Subject to all of the terms and conditions applicable to Umbrella Coverage B, we will pay, on behalf of the **insured**, **loss** by reason of liability:

- imposed by law; or
- assumed in an **insured contract**;

**Coverages/
Umbrella Coverage B**

***Bodily Injury And
Property Damage
Liability Coverage
(continued)***

for **bodily injury** or **property damage** caused by an **occurrence** to which this coverage applies.

This coverage applies only to such **bodily injury** or **property damage** that occurs during the policy period.

Damages for **bodily injury** include damages claimed by a person or organization for care or loss of services resulting at any time from the **bodily injury**.

This coverage does not apply to any part of:

- A. **loss** to which **underlying insurance** would apply, regardless of whether or not:
 - 1. **underlying insurance** is available; and
 - 2. the applicable **underlying limits** have been exhausted;
- B. **loss** to which **underlying limits** apply; or
- C. any costs or expenses related to **loss** as described in paragraphs A. or B. above.

We have no obligation under this insurance with respect to any claim or **suit** settled without our consent.

Other than as provided under the Investigation, Defense And Settlements and Supplementary Payments sections of this contract, we have no other obligation or liability to pay sums or perform acts or services under this coverage.

***Advertising Injury And
Personal Injury
Liability Coverage***

Subject to all of the terms and conditions applicable to Umbrella Coverage B, we will pay, on behalf of the **insured, loss** because of liability:

- imposed by law; or
- assumed in an **insured contract**;

for **advertising injury** or **personal injury** to which this coverage applies.

This coverage applies only to such **advertising injury** or **personal injury** caused by an offense that is first committed during the policy period.

This coverage does not apply to any part of:

- A. **loss** to which **underlying insurance** would apply, regardless of whether or not:
 - 1. **underlying insurance** is available; and
 - 2. the applicable **underlying limits** have been exhausted;
- B. **loss** to which **underlying limits** apply; or
- C. any costs or expenses related to **loss** as described in paragraphs A. or B. above.

We have no obligation under this insurance with respect to any claim or **suit** settled without our consent.

Other than as provided under the Investigation, Defense And Settlements and Supplementary Payments sections of this contract, we have no other obligation or liability to pay sums or perform acts or services under this coverage.

CHUBB® Chubb Commercial Excess And Umbrella Insurance

Investigation, Defense And Settlements

Subject to all of the terms and conditions of this insurance, we will have the right and duty to defend the **insured**:

- under Excess Follow-Form Coverage A, against a **suit** in connection with **loss** to which such coverage applies, if the applicable **underlying limits** have been exhausted by payment of judgments, settlements or related costs or expenses (if such costs or expenses reduce such limits); or
- under Umbrella Coverage B, against a **suit** to which such coverage applies, even if such **suit** is false, fraudulent or groundless.

We have no duty to defend any person or organization against any claim or **suit**:

- to which this insurance does not apply; or
- if any other insurer has a duty to defend.

When we have the duty to defend, we may, at our discretion, investigate any occurrence or offense and settle any claim or **suit**. In all other cases, we may, at our discretion, participate in the investigation, defense and settlement of any occurrence, offense, claim or **suit**.

Our duty to defend any person or organization ends when we have used up the applicable Limit Of Insurance.

Supplementary Payments

Subject to all of the terms and conditions of this insurance, under Excess Follow-Form Coverage A or Umbrella Coverage B:

- A. we will pay, with respect to a claim we investigate or settle, or a **suit** against an **insured** we defend:
1. the expenses we incur.
 2. the cost of:
 - a. bail bonds; or
 - b. bonds required to:
 - (1) appeal judgments; or
 - (2) release attachments;but only for bond amounts within the available Limit Of Insurance. We do not have to furnish these bonds.
 3. reasonable expenses incurred by the **insured** at our request to assist us in the investigation or defense of such claim or **suit**, including actual loss of earnings up to \$1000 a day because of time off from work.
 4. costs taxed against the **insured** in the **suit**, except any:
 - a. attorney fees or litigation expenses; or
 - b. other loss, cost or expense;in connection with any injunction or other equitable relief.
 5. prejudgment interest awarded against the **insured** on that part of a judgment we pay. If we make an offer to pay the applicable Limit Of Insurance, we will not pay any prejudgment interest based on that period of time after the offer.

**Supplementary
Payments**
(continued)

6. interest on the full amount of a judgment that accrues after entry of the judgment and before we have paid, offered to pay or deposited in court the part of the judgment that is within the applicable Limit Of Insurance.

B. Supplementary Payments does not include any fine or other penalty.

C. Supplementary Payments will not reduce the Limits Of Insurance.

Our obligation to make these payments ends when we have used up the applicable Limit Of Insurance.

Coverage Territory

**Excess Follow-Form
Coverage A**

With respect to Excess Follow-Form Coverage A, this insurance applies anywhere that the applicable **underlying insurance** applies.

Umbrella Coverage B

With respect to Umbrella Coverage B, this insurance applies anywhere.

**Who Is An Insured/
Excess Follow-Form
Coverage A**

With respect to Excess Follow-Form Coverage A, the following persons and organizations qualify as **insureds**:

- the Named **Insured** shown in the Declarations; and
- other persons or organizations qualifying as an insured in **underlying insurance**, but not beyond the extent of any limitation imposed under any contract or agreement.

**Who Is An Insured/
Umbrella Coverage B**

With respect to Umbrella Coverage B, the following persons and organizations qualify as **insureds**.

Sole Proprietorships

If you are an individual, you and your spouse are **insureds**; but you and your spouse are **insureds** only with respect to the conduct of a business of which you are the sole owner.

If you die:

- persons or organizations having proper temporary custody of your property are **insureds**; but they are **insureds** only with respect to the maintenance or use of such property and only for acts until your legal representative has been appointed; and
- your legal representatives are **insureds**; but they are **insureds** only with respect to their duties as your legal representatives. Such legal representatives will assume your rights and duties under this insurance.

**Partnerships Or Joint
Ventures**

If you are a partnership (including a limited liability partnership) or a joint venture, you are an **insured**. Your members, your partners and their spouses are **insureds**; but they are **insureds** only with respect to the conduct of your business.

CHUBB® Chubb Commercial Excess And Umbrella Insurance

Who Is An Insured/ Umbrella Coverage B (continued)

Limited Liability Companies If you are a limited liability company, you are an **insured**. Your members and their spouses are **insureds**; but they are **insureds** only with respect to the conduct of your business. Your managers are **insureds**; but they are **insureds** only with respect to their duties as your managers.

Other Organizations If you are an organization (including a professional corporation) other than a partnership, joint venture or limited liability company, you are an **insured**. Your directors and **officers** are **insureds**; but they are **insureds** only with respect to their duties as your directors or **officers**. Your stockholders and their spouses are **insureds**; but they are **insureds** only with respect to their liability as your stockholders.

Employees Your **employees** are **insureds**; but they are **insureds** only for acts within the scope of their employment by you or while performing duties related to the conduct of your business.

Volunteers Persons who are volunteer workers for you are **insureds**; but they are **insureds** only for acts within the scope of their activities for you and at your direction.

Real Estate Managers Persons (other than your **employees**) or organizations while acting as your real estate managers are **insureds**; but they are **insureds** only with respect to their duties as your real estate managers.

Lessors Of Equipment Persons or organizations from whom you lease equipment are **insureds**; but they are **insureds** only with respect to the maintenance or use by you of such equipment and only if you are contractually obligated to provide them such insurance as is afforded by this contract.

However, no such person or organization is an **insured** with respect to any:

- damages arising out of their sole negligence; or
- **occurrence** that occurs, or offense that is committed, after the equipment lease ends.

Lessors Of Premises Persons or organizations from whom you lease premises are **insureds**; but they are **insureds** only with respect to the ownership, maintenance or use of that particular part of such premises leased to you and only if you are contractually obligated to provide them with such insurance as is afforded by this contract.

However, no such person or organization is an **insured** with respect to any:

- damages arising out of their sole negligence;
- **occurrence** that occurs, or offense that is committed, after you cease to be a tenant in the premises; or
- structural alteration, new construction or demolition operations performed by or on behalf of them.

**Who Is An Insured/
Umbrella Coverage B**
(continued)

**Subsidiary Or Newly
Acquired Or Formed
Organizations**

If there is no other insurance available, the following organizations will qualify as named **insureds**:

- a subsidiary organization of the first named **insured** shown in the Declarations of which, at the beginning of the policy period and at the time of loss, such first named **insured** controls, either directly or indirectly, more than fifty (50) percent of the interests entitled to vote generally in the election of the governing body of such organization; or
- a subsidiary organization of the first named **insured** shown in the Declarations that such first named **insured** acquires or forms during the policy period, if at the time of loss such first named **insured** controls, either directly or indirectly, more than fifty (50) percent of the interests entitled to vote generally in the election of the governing body of such organization.

**Limitations On Who Is An
Insured**

With respect to Umbrella Coverage B, the following limitations apply to Who Is An Insured.

- A. Except to the extent provided under the Subsidiary Or Newly Acquired Or Formed Organizations provision, no person or organization is an **insured** with respect to the conduct of any person or organization that is not shown as a named **insured** in the Declarations.
- B. No person or organization is an **insured** with respect to the:
 - 1. ownership, maintenance or use of any assets; or
 - 2. conduct of any person or organization whose assets, business or organization; you acquire, either directly or indirectly, for any:
 - **bodily injury** or **property damage** that occurred; or
 - **advertising injury** or **personal injury** arising out of an offense first committed; in whole or in part, before you, directly or indirectly, acquired such assets, business or organization.
- C. No person or organization is an **insured** with respect to the conduct of any partnership (including any limited liability partnership), joint venture or limited liability company that is not shown as a named **insured** in the Declarations.

Limits Of Insurance

With respect to all coverages under this contract, the Limits Of Insurance shown in the Declarations and the rules below fix the most we will pay, regardless of the number of:

- **insureds**;
- claims made or **suits** brought;
- persons or organizations making claims or bringing **suits**;
- vehicles involved; or
- coverages provided in this contract.



Chubb Commercial Excess And Umbrella Insurance

Limits Of Insurance

(continued)

The aggregate limits apply separately to each consecutive annual period and to any remaining period of less than twelve (12) months (starting with the beginning of the policy period shown in the Declarations), provided the applicable aggregate limits in **underlying insurance** apply in such manner. If the aggregate limits in **underlying insurance** do not so apply, the applicable aggregate limits of this insurance will apply to the entire policy period and not separately to any portion (whether annual or otherwise) thereof.

If the policy period is extended after issuance, the additional period will be deemed part of the last preceding period for purposes of determining the Limits Of Insurance.

Excess Coverage Other Aggregate Limit

Subject to the Each Occurrence Limit, the Excess Coverage Other Aggregate Limit is the most we will pay for the sum of **loss** under Excess Follow-Form Coverage A, except **loss**:

- included in the products-completed operations hazard;
- arising out of advertising injury or personal injury; or
- otherwise covered by **underlying insurance**, but to which no aggregate limit in such **underlying insurance** applies.

The Excess Coverages Other Aggregate Limit will apply separately to **loss** in the same manner as each aggregate limit so applies in each coverage or policy described in the Schedule Of Underlying Insurance.

Umbrella Coverages Aggregate Limit

Subject to the Each Occurrence Limit, the Umbrella Coverages Aggregate Limit is the most we will pay for the sum of **loss** under Umbrella Coverages, except **loss**:

- included in the **products-completed operations hazard**; or
- arising out of **advertising injury** or **personal injury**.

Products-Completed Operations Aggregate Limit

Subject to the Each Occurrence Limit, the Products-Completed Operations Aggregate Limit is the most we will pay for the sum of **loss** included in the products-completed operations hazard, even if such **loss** is or otherwise would be covered in whole or in part under more than one coverage.

Advertising Injury And Personal Injury Aggregate Limit

The Advertising Injury And Personal Injury Aggregate Limit is the most we will pay for the sum of **loss** for advertising injury and personal injury, even if such **loss** is or otherwise would be covered in whole or in part under more than one coverage.

Each Occurrence Limit

The Each Occurrence Limit is the most we will pay for the sum of **loss** arising out of any one occurrence, even if such **loss** is or otherwise would be covered in whole or in part under more than one coverage.

Any amount paid for **loss** will reduce the amount of the applicable aggregate limit available for any other payment.

If the applicable aggregate limit has been reduced to an amount that is less than the Each Occurrence Limit, the remaining amount of such aggregate limit is the most that will be available for any other payment.

**When Excess
Follow-Form
Coverage A Applies
(Drop Down)**

Subject to all of the terms and conditions of this insurance, with respect to Excess Follow-Form Coverage A, if the applicable **underlying limits** are:

- reduced by payment of judgments, settlements or related costs or expenses (if such costs or expenses reduce such limits), Excess Follow-Form Coverage A will drop down to apply in excess of the remaining amount of the applicable **underlying limits**; or
- exhausted by payment of judgments, settlements or related costs or expenses (if such costs or expenses reduce such limits), Excess Follow-Form Coverage A will apply in the same manner as the applicable **underlying insurance** would have applied but for such exhaustion.

**Exclusions/
Excess Follow-Form
Coverage A**

With respect to Excess Follow-Form Coverage A, the following exclusions apply.

Pollution

- A. This insurance does not apply to any liability or loss, cost or expense arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of **pollutants**, other than as described in paragraph C. below.
- B. Paragraph A. above does not apply to:
1. bodily injury or property damage included in the products-completed operations hazard;
 2. bodily injury or property damage:
 - a. caused by the escape of operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of mobile equipment or its parts;
 - b. if sustained within a building and caused by the release of gaseous irritants or contaminants from materials brought into that building, in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
 - c. resulting from your other ongoing contracting operations;
 3. bodily injury if sustained within a building and caused by the escape of gaseous irritants or contaminants from equipment used to heat that building;
 4. bodily injury or property damage caused by heat, smoke or fumes from a **hostile fire**; or
 5. bodily injury or property damage resulting from the ownership, maintenance or use of an auto.
- C. This insurance does not apply to any liability or loss, cost or expense arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of **pollutants**:
1. which are or were at any time transported, handled, stored, disposed of, processed or treated as waste by or for any:
 - a. **insured**; or
 - b. person or organization for whom any **insured** may be legally responsible.
 2. at or from any premises, site or location:
 - a. which is or was at any time used by or for any **insured** or others for the handling, storage, disposal, processing or treatment of waste; or

CHUBB® Chubb Commercial Excess And Umbrella Insurance

Exclusions/ Excess Follow-Form Coverage A

Pollution (continued)

- b. on which any **insured** or any contractor or subcontractor working directly or indirectly on any **insured's** behalf is performing operations, if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of **pollutants**.

D. This insurance does not apply to any loss, cost or expense arising out of any:

1. request, demand, order, or regulatory or statutory requirement that any **insured** or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of **pollutants**; or
2. claim or proceeding by or on behalf of any governmental authority or others for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of **pollutants**.

Paragraph D. above does not apply to the liability for damages, for property damage, that the **insured** would have in the absence of such request, demand, order or regulatory or statutory requirement, or such claim or proceeding by or on behalf of a governmental authority.

This exclusion applies regardless of whether or not the pollution was accidental, expected, gradual, intended, preventable or sudden.

Obligations Of Underlying Insurance

This insurance does not apply to any liability or loss, cost or expense for which the liability or obligation under **underlying insurance** is by law unlimited.

Underlying Insurance Exclusions

Notwithstanding anything to the contrary set forth in any other provision of this contract, this insurance does not apply to any liability or loss, cost or expense to which the terms and conditions of **underlying insurance** do not apply.

Exclusions/ Umbrella Coverage B Bodily Injury/ Property Damage

With respect to Umbrella Coverage B, Bodily Injury And Property Damage Liability Coverage, the following exclusions apply.

Aircraft: Owned Or Rented Without Crew

This insurance does not apply to **bodily injury** or **property damage** arising out of the ownership, maintenance, use (use includes operation and **loading or unloading**) or entrustment to others of any aircraft owned or operated by or loaned or rented to any **insured**.

This exclusion does not apply to an aircraft that is:

- loaned or rented to you with a paid, trained crew; and
- not owned, in whole or in part, by any **insured**.

**Exclusions/
Umbrella Coverage B
Bodily Injury/
Property Damage**
(continued)

***Autos: U.S.A., Canada Or
Puerto Rico***

This insurance does not apply to **bodily injury** or **property damage** arising out of the ownership, maintenance, use (use includes operation and **loading or unloading**) or entrustment to others of any **auto** owned or operated by or loaned or rented to any **insured**.

This exclusion does not apply to **bodily injury** or **property damage** caused by an **occurrence** that takes place outside of the United States of America (including its possessions or territories), Canada and Puerto Rico.

***Damage To Impaired
Property Or Property Not
Physically Injured***

This insurance does not apply to **property damage** to:

- **impaired property**; or
- property that has not been physically injured;

arising out of any:

- defect, deficiency, inadequacy or dangerous condition in **your product** or **your work**; or
- delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms and conditions.

This exclusion does not apply to the loss of use of other tangible property resulting from sudden and accidental physical injury to **your product** or **your work** after it has been put to its intended use.

***Damage To Insureds
Property***

This insurance does not apply to **property damage** to any property:

- owned by you; or
- of any **insured**, that is in the care, control or custody of any other **insured**.

Damage To Your Product

This insurance does not apply to **property damage** to **your product** arising out of it or any part of it.

***Damage To Your Work Or
Related Property***

This insurance does not apply to **property damage** to:

- **your work** arising out of it or any part of it;
 - that particular part of real property on which you or any contractor or subcontractor working directly or indirectly on your behalf is performing operations, if the **property damage** arises out of those operations; or
 - that particular part of any property that must be restored, repaired or replaced because your **work** was incorrectly performed on it.
-

CHUBB® Chubb Commercial Excess And Umbrella Insurance

Exclusions/ Umbrella Coverage B Bodily Injury/ Property Damage (continued)

Expected Or Intended Injury

This insurance does not apply to **bodily injury** or **property damage** arising out of an act that:

- is intended by the **insured**; or
- would be expected from the standpoint of a reasonable person in the circumstances of the **insured**;

to cause **bodily injury** or **property damage**, even if the actual **bodily injury** or **property damage** is of a different degree or type than intended or expected.

This exclusion does not apply to **bodily injury** or **property damage** resulting from the use of reasonable force to protect persons or tangible property.

Loss In Progress

This insurance does not apply to **bodily injury** or **property damage** that is a change, continuation or resumption of any **bodily injury** or **property damage** known by you, prior to the beginning of the policy period, to have occurred.

Bodily injury or **property damage** will be deemed to be known by you:

- A. if such injury or damage is known by, or should have been known from the standpoint of a reasonable person in the circumstances of:
 - 1. you;
 - 2. any of your directors, managers, members, **officers** (or their designees) or partners (whether or not an **employee**); and
- B. when any person described in paragraph A. above:
 - 1. reports all, or any part, of any such injury or damage to us or any other insurer;
 - 2. receives a claim or a demand for damages because of any such injury or damage; or
 - 3. becomes aware that any such injury or damage has occurred or has begun to occur.

Watercraft: Owned

This insurance does not apply to **bodily injury** or **property damage** arising out of the ownership, maintenance, use (use includes operation and **loading or unloading**) or entrustment to others of any watercraft owned or operated by or loaned or rented to any **insured**.

This exclusion does not apply to a watercraft:

- while ashore on premises owned by or rented to you; or
 - that is not owned, in whole or in part, by any **insured**.
-

**Exclusions/
Umbrella Coverage B
Advertising Injury/
Personal Injury**

With respect to Umbrella Coverage B, Advertising Injury And Personal Injury Liability Coverage, the following exclusions apply.

Breach Of Contract

This insurance does not apply to **advertising injury** or **personal injury** arising out of breach of contract.

Continuing Offenses

This insurance does not apply to **advertising injury** or **personal injury** that arises out of that part of an offense that continues or resumes after the later of the end of the policy period of:

- A. this insurance; or
- B. a subsequent, continuous renewal or replacement of this insurance, that:
 - 1. is issued to you by us or by an affiliate of ours;
 - 2. remains in force while the offense continues; and
 - 3. would otherwise apply to **advertising injury** and **personal injury**.

Crime Or Fraud

This insurance does not apply to **advertising injury** or **personal injury** arising out of any criminal or fraudulent conduct committed by or with the consent or knowledge of the **insured**.

**Expected Or Intended
Injury**

This insurance does not apply to **advertising injury** or **personal injury** arising out of an offense, committed by or behalf of the **insured**, that:

- is intended by such **insured**; or
- would be expected from the standpoint of a reasonable person in the circumstances of such **insured**;
to cause injury.

**Failure To Conform To
Representations Or
Warranties**

This insurance does not apply to **advertising injury** or **personal injury** arising out of the failure of goods, products or services to conform with any electronic, oral, written or other representation or warranty of durability, fitness, performance, quality or use.

Internet Activities

This insurance does not apply to **advertising injury** or **personal injury** arising out of:

- controlling, creating, designing or developing of another's Internet site;
- controlling, creating, designing, developing, determining or providing the content or material of another's Internet site;
- controlling, facilitating or providing, or failing to control, facilitate or provide, access to the Internet or another's Internet site; or
- publication of content or material on or from the Internet, other than material developed by you or at your direction.

Prior Offenses

This insurance does not apply to **advertising injury** or **personal injury** arising out of any offense first committed before the beginning of the policy period.

CHUBB® Chubb Commercial Excess And Umbrella Insurance

Exclusions/ Umbrella Coverage B Advertising Injury/ Personal Injury (continued)

Publications With Knowledge Of Falsity

This insurance does not apply to **advertising injury** or **personal injury** arising out of any electronic, oral, written or other publication of material by or with the consent of the **insured**:

- with knowledge of its falsity; or
- if a reasonable person in the circumstances of such **insured** would have known such material to be false.

Wrong Description Of Prices

This insurance does not apply to **advertising injury** or **personal injury** arising out of the wrong description of the price of goods, products or services.

Exclusions/ Umbrella Coverage B Bodily Injury/ Property Damage/ Advertising Injury/ Personal Injury

With respect to Umbrella Coverage B, Bodily Injury And Property Damage Liability Coverage and Advertising Injury And Personal Injury Liability Coverage, the following exclusions apply.

Employee Or Worker Injury

A. This insurance does not apply to **bodily injury, property damage, advertising injury** or **personal injury** sustained by an **employee** or **temporary worker** of the **insured** arising out of and in the course of:

1. employment by the **insured**; or
2. performing duties related to the conduct of the **insured's** business.

B. This insurance does not apply to **bodily injury, property damage, personal injury** or **advertising injury** sustained by the brother, child, parent, sister or spouse of such injured person, as a consequence of any injury or damage described in paragraph A. above.

This exclusion applies:

- whether the **insured** may be liable as an employer or in any other capacity; and
- to any obligation to share damages with or repay someone else who must pay damages because of any injury or damage described in paragraphs A. or B. above.

Enhancement, Maintenance Or Prevention Expenses

This insurance does not apply to any loss, cost or expense incurred by you or others for any:

- A. enhancement or maintenance of any property; or
- B. prevention of any injury or damage to any:
 1. person or organization; or
 2. property you own, rent or occupy.

**Exclusions/
Umbrella Coverage B
Bodily Injury/
Property Damage/
Advertising Injury/
Personal Injury**
(continued)

**Intellectual Property Laws
Or Rights**

This insurance does not apply to any actual or alleged **bodily injury, property damage, advertising injury** or **personal injury** arising out of, giving rise to or in any way related to any actual or alleged:

- assertion; or
- infringement or violation;

by any person or organization (including any **insured**) of any **intellectual property law or right**, regardless of whether this insurance would otherwise apply to all or part of any such actual or alleged injury or damage in the absence of any such actual or alleged assertion, infringement or violation.

This exclusion applies, unless such injury:

- is caused by an offense described in the definition of **advertising injury**; and
- does not arise out of, give rise to or in any way relate to any actual or alleged assertion, infringement or violation of any **intellectual property law or right**, other than one described in the definition of **advertising injury**.

Pollution

- A. This insurance does not apply to **bodily injury, property damage, advertising injury** or **personal injury** arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of **pollutants**.
- B. This insurance does not apply to any loss, cost or expense arising out of any:
1. request, demand, order or regulatory or statutory requirement that any **insured** or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of **pollutants**; or
 2. claim or proceeding by or on behalf of a governmental authority or others for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of **pollutants**.

This exclusion applies regardless of whether or not the pollution was accidental, expected, gradual, intended, preventable or sudden.

**Recall Of Products, Work
Or Impaired Property**

This insurance does not apply to damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- **your product;**
- **your work;** or
- **impaired property;**

CHUBB® Chubb Commercial Excess And Umbrella Insurance

**Exclusions/
Umbrella Coverage B
Bodily Injury/
Property Damage/
Advertising Injury/
Personal Injury**

**Recall Of Products, Work
Or Impaired Property
(continued)**

if such product, work or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

Policy Exclusions

With respect to all coverages under this contract, the following exclusions apply.

Asbestos

- A. This insurance does not apply to any liability or loss, cost or expense arising out of the actual, alleged or threatened contaminative, pathogenic, toxic or other hazardous properties of **asbestos**.
- B. This insurance does not apply to any loss, cost or expense arising out of any:
1. request, demand, order or regulatory or statutory requirement that any **insured** or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of **asbestos**; or
 2. claim or proceeding by or on behalf of a governmental authority or others for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of **asbestos**.

Coverages/ Laws, Various

This insurance does not apply to any liability or loss, cost or expense or obligation of any **insured** under any:

- medical expenses or payments coverage;
- no-fault law;
- personal injury protection coverage;
- underinsured or uninsured financial responsibility law;
- workers' compensation, disability benefits or unemployment compensation law; or
- similar coverage or law.

Employee Retirement Income Security Laws

This insurance does not apply to any liability or loss, cost or expense or obligation of any **insured** under the United States of America Employees' Retirement Income Security Act (E.R.I.S.A.) of 1974 or any similar law, as now constituted or hereafter amended.

Employment-Related Practices

- A. This insurance does not apply to any liability or loss, cost or expense in connection with any damages sustained at any time by any person, whether or not sustained in the course of employment by any **insured**, arising out of any employment-related act, omission, policy, practice or representation directed at such person, occurring in whole or in part at any time, including any:
1. arrest, detention or imprisonment;

Policy Exclusions

Employment-Related Practices (continued)

2. breach of any express or implied covenant;
 3. coercion, criticism, humiliation, prosecution or retaliation;
 4. defamation or disparagement;
 5. demotion, discipline, evaluation or reassignment;
 6. discrimination, harassment or segregation;
 7.
 - a. eviction; or
 - b. invasion or other violation of any right of occupancy;
 8. failure or refusal to advance, compensate, employ or promote;
 9. invasion or other violation of any right of privacy or publicity;
 10. termination of employment; or
 11. other employment-related act, omission, policy, practice, representation or relationship in connection with any **insured** at any time.
- B. This insurance does not apply to any liability or loss, cost or expense in connection with any damages sustained at any time by the brother, child, parent, sister or spouse of such person at whom any employment-related act, omission, policy, practice or representation is directed, as described in paragraph A. above, as a consequence thereof.

This exclusion applies:

- whether the **insured** may be liable as an employer or in any other capacity; and
- to any obligation to share damages with or repay someone else who must pay damages because of any of the foregoing.

Nuclear Energy

- A. This insurance does not apply to any liability or loss, cost or expense:
1. with respect to which any **insured** under this policy also has status as an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would have had status as an insured under any such policy but for its termination upon exhaustion of its limit of insurance; or
 2. arising out of the **nuclear hazardous properties of nuclear material** and with respect to which:
 - a. any person or organization is required to maintain financial protection pursuant to the United States of America Atomic Energy Act of 1954, or any law amendatory thereof; or
 - b. the **insured** is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
- B. This insurance does not apply to any liability or loss, cost or expense arising out of the **nuclear hazardous properties of nuclear material**:
1. if the **nuclear material**:
 - a. is at any **nuclear facility** owned by, or operated by or on behalf of, any **insured**;

CHUBB® Chubb Commercial Excess And Umbrella Insurance

Policy Exclusions

Nuclear Energy (continued)

- b. has been discharged or dispersed therefrom; or is contained in **nuclear spent fuel or nuclear waste** at any time transported, handled, stored, disposed of, processed, treated, possessed or used by or on behalf of any **insured**; or
2. in any way related to the furnishing by any **insured** of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any **nuclear facility**. But if such facility is located within the United States of America (including its possessions or territories) or Canada, this subparagraph 2. applies only to **nuclear property damage** to such **nuclear facility** and any property thereat.

Conditions

With respect to all coverages under this contract, the following conditions apply.

Appeals

We may, at our discretion, initiate or participate in an appeal of a judgment, if such judgment may result in a payment under this insurance.

If we initiate or participate in an appeal, we will pay our costs of the appeal. But in no case will the amount we pay for **loss** exceed the Limits Of Insurance.

Audit Of Books And Records

We may audit your books and records as they relate to this insurance at any time during the term of this policy and up to three years afterwards.

Bankruptcy

Bankruptcy or insolvency of the **insured** or of the **insured's** estate will not relieve us of our obligations under this insurance.

Cancellation

The first named **insured** may cancel this policy or any of its individual coverages at any time by sending us a written request or by returning the policy and stating when thereafter cancellation is to take effect.

We may cancel this policy or any of its individual coverages at any time by sending to the first named **insured** a notice sixty (60) days, or twenty (20) days in the event of non-payment of premium, in advance of the cancellation date. Our notice of cancellation will be mailed to the first named **insured's** last known address and will indicate the date on which coverage is terminated. If notice of cancellation is mailed, proof of mailing will be sufficient proof of notice.

The earned premium will be computed on a pro rata basis. Any unearned premium will be returned as soon as practicable.

Changes

This policy can only be changed by a written endorsement that becomes part of this policy. The endorsement must be signed by one of our authorized representatives.

Compliance By Insureds

We have no duty to provide coverage under this policy unless you and any other involved **insured** have fully complied with all of the terms and conditions of the policy.

Conditions
(continued)

Conformance

Any terms of this insurance which are in conflict with the applicable statutes of the State in which this policy is issued are amended to conform to such statutes.

Disclosures And Representations

We have issued this insurance:

- Based upon representations you made to us; and
- in reliance upon your representatives.

Unintentional failure of an employee of the **insured** to disclose a hazard or other material information will not violate this condition, unless an officer (whether or not an employee) of any **insured** or an officer's designee knows about such hazard or other material information.

Duties In The Event Of Occurrence, Offense, Claim Or Suit

A. You must see to it that we and any insurers of **underlying insurance** are notified as soon as practicable of any occurrence or offense that may result in a claim, if the claim may involve us or other insurers. To the extent possible, notice should include:

1. how, when and where the occurrence or offense happened;
2. the names and addresses of any injured persons and witnesses; and
3. the nature and location of any injury or damage arising out of the occurrence or offense.

Notice of an occurrence or offense is not notice of a claim.

B. If a claim is made or **suit** is brought against any **insured**, you must:

1. immediately record the specifics of the claim or **suit** and the date received;
2. notify us and any other insurers as soon as practicable; and
3. see to it that we receive written notice of the claim or **suit** as soon as practicable.

C. You and any other involved **insured** must:

1. immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or **suit**;
2. authorize us to obtain records and other information;
3. cooperate with us and any other insurers in the:
 - a. investigation or settlement of the claim; or
 - b. defense against the **suit**; and
4. assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the **insured** because of loss to which this insurance may also apply.

D. No **insureds** will, except at that **insured's** own cost, make any payment, assume any obligation or incur any expense without our consent.

E. Notice given by or on behalf of:

1. the **insured**;

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Conditions

Duties In The Event Of Occurrence, Offense, Claim Or Suit (continued)

2. the injured person; or
 3. any other claimant;
- to a licensed agent of ours with particulars sufficient to identify the **insured** shall be deemed notice to us.
- F. Knowledge of an occurrence or offense by an agent or employee of the **insured** will not constitute knowledge by the **insured**, unless an officer (whether or not an employee) of any **insured** or an officer's designee knows about such occurrence or offense.
- G. Failure of an agent or employee of the **insured**, other than an officer (whether or not an employee) of any **insured** or an officer's designee, to notify us of an occurrence or offense which such person knows about will not affect the insurance afforded to you.
- H. If a claim or loss does not reasonably appear to involve either this insurance or any **underlying insurance**, but it later develops into a claim or loss to which this insurance applies, the failure to report it to us will not violate this condition, provided the **insured** gives us immediate notice as soon as the **insured** is aware that this insurance may apply to such claim or loss.

First Named Insured

The person or organization first named in the Declarations is primarily responsible for payment of all premiums. The first named **insured** will act on behalf of all other named **insureds** for the giving and receiving of notice of cancellation or nonrenewal and the receiving of any return premiums that become payable under this policy.

Inspections And Surveys

We may:

- make inspections and surveys at any time;
- give you reports on the conditions we find; and
- recommend changes.

Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:

- are safe or healthful; or
- comply with laws, regulations, codes or standards.

This condition applies not only to us, but also to any rating, advisory, rate service or similar organization, which makes insurance inspections, surveys, reports or recommendations for us.

Joint Duties In Non-Admitted Jurisdictions

With respect to an occurrence, offense, claim or **suit**, to which this insurance applies, that arises in a **non-admitted jurisdiction**:

- A. we have no duty to defend any person or organization against any claim or **suit**; but we may, at our discretion, assume control of or participate in any investigation, defense, settlement or recovery proceedings.
- B. you and any other **insured** must:

Conditions

Joint Duties In Non-Admitted Jurisdictions (continued)

1. make such investigation, defense or settlement as we deem reasonable;
 2. obtain our approval for any payment; and
 3. effect approved payments to others, in accordance with the terms and conditions of this insurance.
- C. we will reimburse funds to the **insured** for payments approved by us for:
1. **loss**; and
 2. expenses and other payments; to which this insurance applies.
- D. we will make those reimbursements:
1. in a jurisdiction that is mutually acceptable; and
 2. until we have used up the applicable Limits Of Insurance.

Legal Action Against Us

No person or organization has a right under this insurance to:

- join us as a party or otherwise bring us into a **suit** seeking damages from an **insured**; or
- sue us on this insurance unless all of the terms and conditions of this insurance have been fully complied with.

A person or organization may sue us to recover on an **agreed settlement** or on a final judgment against an **insured** obtained after an actual:

- trial in a civil proceeding; or
- arbitration or other alternative dispute resolution proceeding;

but we will not be liable for damages that are not payable under the terms and conditions of this insurance or that are in excess of the applicable Limits Of Insurance.

Maintenance Of Underlying Insurance And Underlying Limits

We have issued this insurance in reliance upon representations made by you about **underlying insurance** and **underlying limits**. You must see to it that:

- **underlying insurance** is and remains valid and in full force and effect.
- **underlying insurance** will not be cancelled, non-renewed or rescinded without replacement by coverage to which we agree.
- the terms and conditions of **underlying insurance** will not materially change, unless we agree otherwise.
- the terms and conditions of renewals or replacements of **underlying insurance**, shown in the Schedule Of Underlying Insurance, will be materially the same as the prior coverage, unless we agree otherwise.
- the **underlying limits** are and remain available, regardless of any bankruptcy, insolvency or other financial impairment of any insurer or any other person or organization.
- the **underlying limits**, shown in the Schedule Of Underlying Insurance, will not be reduced or exhausted, except for the reduction or exhaustion by payment of judgments, settlements or related costs or expenses (if such costs or expenses reduce such limits).

CHUBB® Chubb Commercial Excess And Umbrella Insurance

Conditions

Maintenance Of Underlying Insurance And Underlying Limits (continued)

Failure to comply with this condition will not invalidate this insurance. But in the case of any such failure, our obligation or liability will not exceed that which would have applied absent any failure to comply with this condition.

You must notify us as soon as practicable if any **underlying insurance** is no longer valid or in full force or effect.

Other Insurance

If other valid and collectable insurance is available to the **insured** for loss we would otherwise cover under this insurance, our obligations are limited as follows.

This insurance is excess over any **other insurance**, whether primary, excess, contingent or on any other basis.

We will have no duty to defend the **insured** against any **suit** if any provider of any other insurance has a duty to defend such **insured** against such **suit**.

We will pay only our share of the amount of **loss**, if any, that exceeds the sum of the total:

- amount that all **other insurance** would pay for loss in the absence of this insurance; and
- of all deductible and self-insured amounts under all **other insurance**.

This insurance is not subject to the terms or conditions of any **other insurance**.

Separation Of Insureds

Except with respect to the Limits Of Insurance, and any rights or duties specifically assigned in this insurance to the first named **insured**, this insurance applies:

- as if each named **insured** were the only named **insured**; and
- separately to each **insured** against whom claim is made or **suit** is brought.

Titles Of Paragraphs

The titles of the various paragraphs of this policy and endorsements, if any, attached to this policy are inserted solely for convenience or reference and are not to be deemed in any way to limit or affect the provisions to which they relate.

Transfer Of Rights And Duties

Your rights and duties under this insurance may not be transferred without our written consent. However, if you die, then your rights and duties will be transferred to your legal representative, but only while acting within the scope of duties as your legal representative, or to anyone having temporary custody of your property until your legal representative has been appointed.

Transfer Or Waiver Of Rights Of Recovery Against Others

We will waive the right of recovery we would otherwise have had against another person or organization for loss to which this insurance applies, provided the **insured** has waived their rights of recovery against such person or organization in a contract or agreement that is executed before loss.

To the extent that the **insured's** rights to recover all or part of any payment made under this insurance have not been waived, those rights are transferred to us. The **insured** must do nothing after loss to impair them. At our request, the **insured** will bring **suit** or transfer those rights to us and help us enforce them.

Conditions

Transfer Or Waiver Of Rights Of Recovery Against Others (continued)

Any amount recovered will be apportioned as follows:

- first, we shall receive all amounts recovered until we have been fully reimbursed for all amounts we have incurred, including costs or expenses of such recovery proceedings.
- Then, you are entitled to claim for any further amount recovered.

When We Do Not Renew

If we decide not to renew this policy, we will mail or deliver to the first named **insured** stated in the Declarations written notice of the nonrenewal not less than sixty (60) days before the expiration date. If notice of nonrenewal is mailed, proof of mailing will be sufficient proof of notice.

CHUBB® **Chubb Commercial Excess And Umbrella Insurance**

Definitions/ Umbrella Coverage B

WITH RESPECT TO UMBRELLA COVERAGE B, WHEN USED WITH RESPECT TO INSURANCE UNDER THIS CONTRACT, WORDS AND PHRASES THAT APPEAR IN BOLD PRINT HAVE THE SPECIAL MEANINGS DESCRIBED BELOW.

Advertisement

Advertisement means an electronic, oral, written or other notice, about goods, products or services, designed for the specific purpose of attracting the general public or a specific market segment to use such goods, products or services.

Advertisement does not include any e-mail address, Internet domain name or other electronic address or metalanguage.

Advertising Injury

Advertising injury means injury, other than **bodily injury, property damage or personal injury**, sustained by a person or organization and caused by an offense of infringing, in that particular part of your **advertisement** about your goods, products or services, upon their:

- copyrighted **advertisement**; or
- registered collective mark, registered service mark or other registered trademarked name, slogan, symbol or title.

Auto

Auto means a land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any attached machinery or equipment. But **auto** does not include mobile equipment.

Bodily Injury

Bodily injury means physical:

- injury;
- sickness; or
- disease;

sustained by a person, including resulting death, humiliation, mental anguish, mental injury or shock at any time. All such loss shall be deemed to occur at the time of the physical injury, sickness or disease that caused it.

Employee

Employee includes a **leased worker**. **Employee** does not include a **temporary worker**.

Impaired Property

Impaired property means tangible property, other than **your product or your work**, that cannot be used or is less useful because:

- it incorporates **your product or your work** that is known or thought to be defective, deficient, inadequate or dangerous; or
- you have failed to fulfill the terms or conditions of a contract or agreement;

if such property can be restored to use by:

- the repair, replacement, adjustment or removal of **your product or your work**; or
- your fulfilling the terms or conditions of the contract or agreement.

**Definitions/
Umbrella Coverage B**
(continued)

WITH RESPECT TO UMBRELLA COVERAGE B, WHEN USED WITH RESPECT TO INSURANCE UNDER THIS CONTRACT, WORDS AND PHRASES THAT APPEAR IN BOLD PRINT HAVE THE SPECIAL MEANINGS DESCRIBED BELOW.

Insured Contract

Insured contract means an oral or written contract or agreement pertaining to your business, in which you assume the tort liability of another person or organization to pay damages, to which this insurance applies, sustained by a third person or organization, provided the injury or damage occurs, or is caused by an offense that is first committed, after the execution of such contract or agreement.

Intellectual Property Law Or Right

Intellectual property law or right means any:

- certification mark, copyright, patent or trademark (including collective or service marks);
- right to, or judicial or statutory law recognizing an interest in, any trade secret or confidential or proprietary non-personal information;
- other right to, or judicial or statutory law recognizing an interest in, any expression, idea, likeness, name, slogan, style of doing business, symbol, title, trade dress or other intellectual property; or
- other judicial or statutory law concerning piracy, unfair competition or other similar practices.

Leased Worker

Leased worker means a person leased to a party by a labor leasing firm, in a contract or agreement between such party and the labor leasing firm, to perform duties related to the conduct of the party's business. **Leased worker** does not include a **temporary worker**.

Loading Or Unloading

Loading or unloading:

- A. means the handling of property:
 - 1. after it is moved from the place where it is accepted for movement into or onto an aircraft, **auto** or watercraft;
 - 2. while it is in or on an aircraft, **auto** or watercraft; or
 - 3. while it is being moved from an aircraft, **auto** or watercraft to the place where it is finally delivered.
- B. does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, **auto** or watercraft.

Occurrence

Occurrence means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

Officer

Officer means a person holding any of the officer positions created by an organization's charter, constitution, by-laws or any other similar governing document.

Definitions/ Umbrella Coverage B (continued)

WITH RESPECT TO UMBRELLA COVERAGE B, WHEN USED WITH RESPECT TO INSURANCE UNDER THIS CONTRACT, WORDS AND PHRASES THAT APPEAR IN BOLD PRINT HAVE THE SPECIAL MEANINGS DESCRIBED BELOW.

Personal Injury

Personal injury means injury, other than **bodily injury**, **property damage** or **advertising injury**, caused by an offense of:

- A. false arrest, false detention or other false imprisonment;
- B. malicious prosecution;
- C. wrongful entry into, wrongful eviction of a person from or other violation of a person's right of private occupancy of a dwelling, premises or room that such person occupies, if committed by or on behalf of its landlord, lessor or owner;
- D. electronic, oral, written or other publication of material that:
 - 1. libels or slanders a person or organization (which does not include disparagement of goods, products, property or services); or
 - 2. violates a person's right of privacy;
- E. discrimination, harrasment or segregation based on a person's protected human characteristics as established by law.

Products-Completed Operations Hazard

Products-completed operations hazard:

- A. includes all **bodily injury** and **property damage** taking place away from premises owned or occupied by or loaned or rented to you and arising out of **your product** or **your work**, except:
 - 1. products that are still in your physical possession; or
 - 2. work that has not yet been completed or abandoned.

Your work will be deemed completed when:

 - all of the work called for in your contract or agreement has been completed.
 - all of the work to be performed at the site has been completed, if your contract or agreement calls for work at more than one site.
 - that part of the work completed at a site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.
- B. does not include **bodily injury** or **property damage** arising out of:
 - 1. the transportation of property, unless the injury or damage results from a condition in or on a vehicle not owned or operated by or loaned or rented to you and that condition was created by the **loading or unloading** of that vehicle by any **insured**;
 - 2. the existence of tools, uninstalled equipment or abandoned or unused materials; or

**Definitions/
Umbrella Coverage B**

WITH RESPECT TO UMBRELLA COVERAGE B, WHEN USED WITH RESPECT TO INSURANCE UNDER THIS CONTRACT, WORDS AND PHRASES THAT APPEAR IN BOLD PRINT HAVE THE SPECIAL MEANINGS DESCRIBED BELOW.

*Products-Completed
Operations Hazard
(continued)*

3. products or operations for which the classification in our rules indicates that such products or operations are not subject to the Products-Completed Operations Aggregate Limits Of Insurance.

Property Damage

Property damage means:

- physical injury to tangible property, including resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the **occurrence** that caused it.

Tangible property does not include any software, data or other information that is in electronic form.

Temporary Worker

Temporary worker means a person who is furnished to a party to substitute for a permanent **employee** on leave or to meet seasonal or short-term workload conditions.

Your Product

Your product:

A. means any:

1. goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - a. you;
 - b. others trading under your name; or
 - c. a person or organization whose assets or business you have acquired; and
2. containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

B. includes:

1. representations or warranties made at any time with respect to the durability, fitness, performance, quality or use of **your product**; and
2. the providing of or failure to provide instructions or warnings.

C. does not include vending machines or other property loaned or rented to or located for the use of others but not sold.

Your Work

Your work:

A. means any:

1. work or operations performed by:
 - a. you or on your behalf; or
 - b. a person or organization whose assets or business you have acquired; and



Chubb Commercial Excess And Umbrella Insurance

Definitions/ Umbrella Coverage B

WITH RESPECT TO UMBRELLA COVERAGE B, WHEN USED WITH RESPECT TO INSURANCE UNDER THIS CONTRACT, WORDS AND PHRASES THAT APPEAR IN BOLD PRINT HAVE THE SPECIAL MEANINGS DESCRIBED BELOW.

Your Work (continued)

2. materials, parts or equipment furnished in connection with such work or operations.
- B. includes:
 1. representations or warranties made at any time with respect to the durability, fitness, performance, quality or use of **your work**; and
 2. the providing of or failure to provide instructions or warnings.

Policy Definitions

WITH RESPECT TO ALL COVERAGES UNDER THIS CONTRACT, WHEN USED WITH RESPECT TO INSURANCE UNDER THIS CONTRACT, WORDS AND PHRASES THAT APPEAR IN BOLD PRINT HAVE THE SPECIAL MEANINGS DESCRIBED BELOW.

Agreed Settlement

Agreed settlement means a settlement and release of liability signed by us, the **insured** and the claimant or the claimant's legal representative.

Asbestos

Asbestos means asbestos in any form, including its presence or use in any alloy, by-product or other material or waste. Waste includes material to be recycled, reconditioned or reclaimed.

Hostile Fire

Hostile fire means one, which becomes uncontrollable or breaks out from where it was intended to be.

Insured

Insured means a person or an organization qualifying as an **insured** in the Who Is An Insured sections of this contract.

Loss

Loss:

- means damages that the **insured** becomes legally obligated to pay because of injury or damage.
- does not include sums properly deducted for recoveries or salvage.

Non-Admitted Jurisdiction

Non-admitted jurisdiction means any jurisdiction where we are:

- not licensed or permitted by law to issue insurance; or
 - prevented by law or otherwise from investigating, defending or settling an occurrence, offense, claim or **suit**.
-

Policy Definitions
(continued)

WITH RESPECT TO ALL COVERAGES UNDER THIS CONTRACT, WHEN USED WITH RESPECT TO INSURANCE UNDER THIS CONTRACT, WORDS AND PHRASES THAT APPEAR IN BOLD PRINT HAVE THE SPECIAL MEANINGS DESCRIBED BELOW.

Nuclear Facility

Nuclear facility means any:

- A. **nuclear reactor**;
- B. equipment or device designed or used for:
 - 1. separating the isotopes of plutonium or uranium;
 - 2. processing or utilizing **nuclear spent fuel**; or
 - 3. handling, processing or packaging **nuclear waste**;
- C. equipment or device used for the processing, fabricating or alloying of **nuclear material** if at any time the total amount of such material in the custody of the **insured** at the premises where such equipment or device is located consists of or contains more than:
 - 1. twenty-five (25) grams of plutonium or uranium 233, or any combination thereof; or
 - 2. two-hundred-fifty (250) grams of uranium 235; or
- D. structure, basin, excavation, premises or place prepared or used for the storage or disposal of **nuclear waste**;

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

Nuclear Hazardous Properties

Nuclear hazardous properties include radioactive, toxic or explosive properties.

Nuclear Material

Nuclear material means **by-product material**, **source material** or **special nuclear material**.

By-product material, **source material** and **special nuclear material** have the meanings given them in the United States of America Atomic Energy Act of 1954 or in any law amendatory thereof.

Nuclear Property Damage **Nuclear property damage** includes all forms of radioactive contamination of property.

Nuclear Reactor

Nuclear reactor means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

Nuclear Spent Fuel

Nuclear spent fuel means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a **nuclear reactor**.



Chubb Commercial Excess And Umbrella Insurance

Policy Definitions

(continued)

WITH RESPECT TO ALL COVERAGES UNDER THIS CONTRACT, WHEN USED WITH RESPECT TO INSURANCE UNDER THIS CONTRACT, WORDS AND PHRASES THAT APPEAR IN BOLD PRINT HAVE THE SPECIAL MEANINGS DESCRIBED BELOW.

Nuclear Waste

Nuclear waste means any waste material:

- containing **nuclear material**, other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its **source material** content; and
- resulting from the operation by any person or organization of any **nuclear facility** described in subparagraphs A. or B. of the definition of **nuclear facility**.

Other Insurance

Other insurance means any insurance affording coverage that this insurance would also afford. **Other insurance** includes any type of self-insurance or other mechanism arranged for funding of **loss**.

Other insurance does not include **underlying insurance** or insurance negotiated specifically to apply in excess of this insurance.

Pollutants

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

Suit

Suit means a civil proceeding in which damages, to which this insurance applies, are sought. **Suit** includes an arbitration or other dispute resolution proceeding in which such damages are sought and to which the **insured** must submit or does submit with our consent.

Underlying Insurance

Underlying insurance means the coverages for the hazards described in the Schedule Of Underlying Insurance and the next renewal or replacement insurance thereof.

Underlying Limits

Underlying limits means the sum of amounts:

- A. shown for the hazards described in the Schedule Of Underlying Insurance, consisting of amounts:
 1. available under applicable **underlying insurance**; and
 2. any **insured** must pay because **underlying insurance**, as represented by you, is not available, regardless of the reason;
- B. available under any applicable antecedent, renewal or replacement of **underlying insurance**;
- C. of any allocation, deductible, participation, retention or other self-insurance applicable to the insurance described in paragraphs A. and B. above; and
- D. any reinstatement of limits or supplemental or other limits available under the insurance described in paragraphs A. and B. above.

Policy Definitions

WITH RESPECT TO ALL COVERAGES UNDER THIS CONTRACT, WHEN USED WITH RESPECT TO INSURANCE UNDER THIS CONTRACT, WORDS AND PHRASES THAT APPEAR IN BOLD PRINT HAVE THE SPECIAL MEANINGS DESCRIBED BELOW.

Underlying Limits
(continued)

If amounts available under the applicable **underlying insurance**, described in the Schedule Of Underlying Insurance, are greater or less than the amount, shown in such Schedule, then the greater of such amounts shall apply in the computation of **underlying limits**.

CHUBB® Chubb Commercial Excess And Umbrella Insurance

Endorsement

| | | | |
|------------------------|---------------------------------|----|-----------------|
| <i>Policy Period</i> | OCTOBER 1, 2025 | To | OCTOBER 1, 2027 |
| <i>Effective Date</i> | OCTOBER 1, 2025 | | |
| <i>Policy Number</i> | 7997-83-84 | | |
| <i>Insured</i> | COMMUNITY ASSOCIATIONS PG, INC. | | |
| <i>Name of Company</i> | FEDERAL INSURANCE COMPANY | | |
| <i>Date Issued</i> | September 24, 2025 | | |

The following changes are made as respects exposures in the state of Illinois.

Under Conditions, the provisions titled Cancellation and When We Do Not Renew are deleted and replaced by the following:

Conditions

Cancellation

The first named **insured** shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.

Cancellation By Us Of Policies In Effect For Fewer Than 60 Days

If this policy is a new policy and has been in effect for fewer than 60 days, we may cancel this for any reason by first class mailing of a written notice of cancellation to the first named **insured** and any agent at least:

- 10 days before the effective date of cancellation, if we cancel for nonpayment of premium; or
- 30 days before the effective date of cancellation, if we cancel for any other reason.

Cancellation By Us Of Policies In Effect For 60 Days Or More

If this policy has been in effect for 60 days or more, or is a renewal or continuation of a policy issued by us, we may cancel this policy only for one or more of the following reasons:

1. nonpayment of premium;
2. material misrepresentation of fact which, if known to us, would have caused us not to issue the policy;
3. substantial change in the risk assumed, except to the extent that we should reasonably have foreseen the change or contemplated the risk in writing the policy;
4. substantial breach of contractual duties, conditions or warranties; or
5. certification of the Director of Insurance of the loss of our reinsurance covering all or a significant portion of the particular policy **insured**, or determination by the Director of Insurance that continuation of the policy would imperil our solvency or place us in violation of the insurance laws of Illinois.

Conditions

Cancellation (continued)

A written notice of cancellation to the first named **insured** and any agent will be mailed at least:

- 10 days before the effective date of cancellation, if we cancel for nonpayment of premium; or
- 60 days before the effective date of cancellation, if we cancel for any reason stated in 1. through 5. above.

Notice of cancellation to the first named **insured** will state the effective date and reasons for cancellation. The policy period will end on that date.

A post office certificate of mailing to the first named **insured** or agent at the last known mailing address will be conclusive proof of receipt of notice.

Earned Premium

If we cancel the policy the earned premium will be computed on a pro rata basis. Any unearned premium will be returned as soon as practicable. If the first named **insured** cancels, the refund will be less than pro rata. The cancellation will be effective even if we have not offered a refund.

When We Do Not Renew

- A. If we decide not to renew this policy, we will mail written notice of nonrenewal to the named **insured** and agent, if any, at least 60 days before the expiration date of this policy.
- B. Even if we do not comply with these terms, this policy will terminate:
 - 1. on the expiration date, if:
 - a. you fail to perform any of your obligations in connection with the payment of the premium for the policy, or any installment payment, whether payable directly to us or our agents or indirectly under any premium finance plan or extension of credit; or
 - b. we have indicated our willingness to renew this policy to you or your representative; or
 - c. you have notified us or our agent that you do not want to renew this policy; or
 - 2. on the effective date of any other insurance replacing this policy.
- C. Any notice of nonrenewal will state the precise reason for nonrenewal.
- D. Any notice of nonrenewal will be mailed or delivered to the first named **insured's** and agent's last known addressees. If notice is mailed, proof of mailing will be sufficient proof of notice.

All other terms and conditions remain unchanged.

Authorized Representative

September 24, 2025



CHUBB® **Chubb Commercial Excess And Umbrella Insurance**

Endorsement

Policy Period OCTOBER 1, 2025 To OCTOBER 1, 2027
Effective Date OCTOBER 1, 2025
Policy Number 7997-83-84
Insured COMMUNITY ASSOCIATIONS PG, INC.

Name of Company FEDERAL INSURANCE COMPANY
Date Issued September 24, 2025

Under Conditions, the following condition is added to the policy:

Conditions

Compliance With Applicable Trade Sanctions

This insurance does not apply to the extent that trade or economic sanctions or other laws or regulations prohibit us from providing insurance.

All other terms and conditions remain unchanged.

Authorized Representative

September 24, 2025



CHUBB® Chubb Commercial Excess And Umbrella Insurance

Endorsement

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Name of Company FEDERAL INSURANCE COMPANY
Date Issued September 24, 2025

Under Conditions, the following condition is added.

Conditions

Civil Unions Or Domestic Partnerships All references in the policy to "spouse" include a party to a civil union or domestic partnership recognized under the applicable law of the jurisdiction having authority.

All other terms and conditions remain unchanged.

Authorized Representative

September 24, 2025



CHUBB® Chubb Commercial Excess And Umbrella Insurance

Endorsement

Policy Period OCTOBER 1, 2025 To OCTOBER 1, 2027
Effective Date OCTOBER 1, 2025
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Date Issued September 24, 2025

Exclusions/ Umbrella Coverage B Bodily Injury/ Property Damage

Under Exclusions/Umbrella Coverage B Bodily Injury/Property Damage, the following exclusion titled Aircraft: Owned Or Rented Without Crew is deleted.

*Aircraft: Owned Or
Rented Without Crew*

Definitions/ Umbrella Coverage B

Under Definitions/Umbrella Coverage B, the definitions titled Auto and Loading Or Unloading are deleted.

Auto

Loading or Unloading

Policy Exclusions

Under Policy Exclusions, the following exclusion is added:

Aircraft

This insurance does not apply to any liability or loss, cost or expense arising out of the ownership, maintenance, use (use includes operation and **loading or unloading**) or entrustment to others of any aircraft owned or operated by or loaned or rented to any **insured**.

Under Policy Definitions, the following definitions are added:

Policy Definitions

Auto

Auto means a land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any attached machinery or equipment. But **auto** does not include mobile equipment.

Loading or Unloading

Loading or unloading:

- A. means the handling of property:
 - 1. after it is moved from the place where it is accepted for movement into or onto an aircraft, **auto** or watercraft;
 - 2. while it is in or on an aircraft, **auto** or watercraft; or
 - 3. while it is being moved from an aircraft, **auto** or watercraft to the place where it is finally delivered.
- B. does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, **auto** or watercraft.

All other terms and conditions remain unchanged.

Authorized Representative

September 24, 2025



CHUBB® Chubb Commercial Excess And Umbrella Insurance

Endorsement

Policy Period OCTOBER 1, 2025 To OCTOBER 1, 2027
Effective Date OCTOBER 1, 2025
Policy Number 7997-83-84
Insured COMMUNITY ASSOCIATIONS PG, INC.

Name of Company FEDERAL INSURANCE COMPANY
Date Issued September 24, 2025

Supplementary Payments

Supplementary Payments is deleted in its entirety and replaced by the following:

Subject to all of the terms and conditions of this insurance, under Excess Follow-Form Coverage A or Umbrella Coverage B:

- A. we will pay, with respect to a claim we investigate or settle, or a **suit** against an **insured** we defend:
1. the expenses we incur.
 2. the cost of:
 - a. bail bonds; or
 - b. bonds required to:
 - (1) appeal judgments; or
 - (2) release attachments;but only for bond amounts within the available Limit Of Insurance. We do not have to furnish these bonds.
 3. reasonable expenses incurred by the **insured** at our request to assist us in the investigation or defense of such claim or **suit**, including actual loss of earnings up to \$1000 a day because of time off from work.
 4. costs taxed against the **insured** in the **suit**, except any:
 - a. attorney fees or litigation expenses; or
 - b. other loss, cost or expense;in connection with any injunction or other equitable relief.
 5. prejudgment interest awarded against the **insured** on that part of a judgment we pay. If we make an offer to pay the applicable Limit Of Insurance, we will not pay any prejudgment interest based on that period of time after the offer.

**Supplementary
Payments**
(continued)

- 6. interest on the full amount of a judgment that accrues after entry of the judgment and before we have paid, offered to pay or deposited in court the part of the judgment that is within the applicable Limit Of Insurance.
- B. Supplementary Payments does not include any fine or other penalty
- C. under Excess Follow-Form Coverage A, if supplementary payments of the applicable **underlying insurance**:
 - reduce the limits of **underlying insurance**, then Supplementary Payments made under this coverage will reduce the Limits Of Insurance of this insurance.
 - do not reduce the limits of **underlying insurance**, then Supplementary Payments made under this coverage will not reduce the Limits Of Insurance of this insurance.
- D. under Umbrella Coverage B, Supplementary Payments will not reduce the Limits Of Insurance.

Our obligation to make these payments ends when we have used up the applicable Limit Of Insurance.

All other terms and conditions remain unchanged.

Authorized Representative

September 24, 2025



CHUBB® Chubb Commercial Excess And Umbrella Insurance

Endorsement

Policy Period OCTOBER 1, 2025 To OCTOBER 1, 2027
Effective Date OCTOBER 1, 2025
Policy Number 7997-83-84
Insured COMMUNITY ASSOCIATIONS PG, INC.

Name of Company FEDERAL INSURANCE COMPANY
Date Issued September 24, 2025

Under Policy Exclusions, the following exclusion is added:

Policy Exclusions

Professional Services

This insurance does not apply to any liability or loss, cost or expense arising out of the rendering or failing to render professional service or advice, whether or not that service or advice is ordinary to the **insured's** profession, regardless of whether a claim or **suit** is brought by a client or any other person or organization.

All other terms and conditions remain unchanged.

Authorized Representative

September 24, 2025



CHUBB® Chubb Commercial Excess And Umbrella Insurance

Endorsement

Policy Period OCTOBER 1, 2025 To OCTOBER 1, 2027
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Name of Company FEDERAL INSURANCE COMPANY
Date Issued September 24, 2025

Under Exclusions/Umbrella Coverage B Bodily Injury/Property Damage, the following exclusion is added:

Exclusions/ Umbrella Coverage B Bodily Injury/ Property Damage

Alcoholic Beverages

This insurance does not apply to **bodily injury** or **property damage**:

- A. arising out of any causing or contributing to the intoxication of any person, including causing or contributing to the intoxication of any person because alcoholic beverages were brought on your premises;
- B. arising out of any furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol;
- C. for which any person or organization may be held liable by reason of any ordinance, regulation or statute relating to the distribution, gift, sale or use of alcoholic beverages;
- D. arising out of any providing or failing to provide transportation with respect to any person that may be under the influence of alcohol; or
- E. for which any person or organization may be held liable as an owner or lessor of premises in connection with any circumstances described in subparagraphs A., B., C. or D. above.

This exclusion applies whether or not:

- any charge is made for furnishing or serving alcoholic beverages;
- the purpose of furnishing or serving alcoholic beverages is for financial gain or livelihood; or

**Exclusions/
Umbrella Coverage B
Bodily Injury/
Property Damage**

Alcoholic Beverages
(continued)

- any license is required for furnishing or serving alcoholic beverages.

All other terms and conditions remain unchanged.

Authorized Representative
September 24, 2025



CHUBB® Chubb Commercial Excess And Umbrella Insurance

Endorsement

Policy Period OCTOBER 1, 2025 To OCTOBER 1, 2027
Effective Date OCTOBER 1, 2025
Policy Number 7997-83-84
Insured COMMUNITY ASSOCIATIONS PG, INC.

Name of Company FEDERAL INSURANCE COMPANY
Date Issued September 24, 2025

Under Exclusions/Umbrella Coverage B Advertising Injury/Personal Injury, the following exclusion is added:

Exclusions/ Umbrella Coverage B Advertising Injury/ Personal Injury

Personal Injury

This insurance does not apply to **personal injury**.

It is agreed that, with respect to Coverages/Umbrella Coverage B, all references in the policy to **personal injury** are deleted and no coverage is provided.

All other terms and conditions remain unchanged.

Authorized Representative

September 24, 2025



CHUBB® Chubb Commercial Excess And Umbrella Insurance

Endorsement

Policy Period OCTOBER 1, 2025 To OCTOBER 1, 2027
Effective Date OCTOBER 1, 2025
Policy Number 7997-83-84
Insured COMMUNITY ASSOCIATIONS PG, INC.

Name of Company FEDERAL INSURANCE COMPANY
Date Issued September 24, 2025

Under Exclusions/Umbrella Coverage B Bodily Injury/Property Damage, the following exclusion is added:

Exclusions/ Umbrella Coverage B Bodily Injury/ Property Damage

Products Completed Operations

This insurance does not apply to **bodily injury** or **property damage** arising out of the **products-completed operations hazard**.

All other terms and conditions remain unchanged.

Authorized Representative
September 24, 2025



CHUBB® Chubb Commercial Excess And Umbrella Insurance

Endorsement

Policy Period OCTOBER 1, 2025 To OCTOBER 1, 2027
Effective Date OCTOBER 1, 2025
Policy Number 7997-83-84
Insured COMMUNITY ASSOCIATIONS PG, INC.

Name of Company FEDERAL INSURANCE COMPANY
Date Issued September 24, 2025

Under Exclusions/Umbrella Coverage B Bodily Injury/Property Damage/Advertising Injury/Personal Injury, the exclusion titled Intellectual Property Laws Or Rights is deleted.

Exclusions/Umbrella Coverage B Bodily Injury/ Property Damage/ Advertising Injury/ Personal Injury

Intellectual Property Laws Or Rights

Under Policy Exclusions, the following exclusion is added.

Policy Exclusions

Intellectual Property Laws Or Rights

- A. This insurance does not apply to any liability, loss, cost or expense arising out of, giving rise to or in any way related to any actual, alleged or threatened:
1. assertion; or
 2. infringement or violation;
- by any person or organization (including any **insured**) of any **intellectual property law or right**.
- B. Further, this insurance does not apply to the entirety of all allegations in any claim or **suit**, if such claim or **suit** includes an allegation of or a reference to an infringement or violation of any **intellectual property law or right**, even if this insurance would otherwise apply to any part of the allegations in the claim or **suit**.
- C. This exclusion applies unless the only infringement or violation of an **intellectual property law or right** is an offense described in the definition of **advertising injury** to which this insurance applies.

Under Definitions/Umbrella Coverage B, the following definitions are deleted.

Definitions/Umbrella Coverage B

Advertisement

Advertising Injury

*Intellectual Property Law
Or Rights*

Under Policy Definitions, the following definitions are added.

Policy Definitions

Advertisement

Advertisement means an electronic, oral, written or other notice, about goods, products or services, designed for the specific purpose of attracting the general public or a specific market segment to use such goods, products or services.

Advertisement does not include any e-mail address, Internet domain name or other electronic address or metalanguage.

Advertising Injury

Advertising injury means injury, other than **bodily injury, property damage or personal injury**, sustained by a person or organization and caused by an offense of infringing, in that particular part of your **advertisement** about your goods, products or services, upon their:

- copyrighted **advertisement**; or
- **registered** collective mark, registered service mark or other registered trademarked name, slogan, symbol or title.

*Intellectual Property Law
Or Right*

Intellectual property law or right means any:

- certification mark, copyright, patent or trademark (including collective or service marks);
- right to, or judicial or statutory law recognizing an interest in, any trade secret or confidential or proprietary non-personal information;
- other right to, or judicial or statutory law recognizing an interest in, any expression, idea, likeness, name, slogan, style of doing business, symbol, title, trade dress or other intellectual property; or

CHUBB® Chubb Commercial Excess And Umbrella Insurance

Endorsement

Effective Date OCTOBER 1, 2025

Policy Number 7997-83-84

Policy Definitions

Intellectual Property Law Or Right • other judicial or statutory law concerning piracy, passing off or similar practices.
(continued)

All other terms and conditions remain unchanged.

Authorized Representative

September 24, 2025



CHUBB® Chubb Commercial Excess And Umbrella Insurance

Endorsement

Policy Period OCTOBER 1, 2025 To OCTOBER 1, 2027
Effective Date OCTOBER 1, 2025
Policy Number 7997-83-84
Insured COMMUNITY ASSOCIATIONS PG, INC.

Name of Company FEDERAL INSURANCE COMPANY
Date Issued September 24, 2025

Under Policy Exclusions, the following exclusion is added:

Policy Exclusions

Lead

This insurance does not apply to any liability or loss, cost or expense arising out of:

- A. the actual, alleged or threatened contaminative, pathogenic, toxic or other hazardous properties of **Lead**; or
- B.
 - 1. any request, demand, order or regulatory or statutory requirement that any **insured** or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of **Lead**; or
 - 2. any claim or proceeding by or on behalf of a governmental authority or others for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of **Lead**.

Under Policy Definitions, the following Definition is added:

Policy Definitions

Lead

Lead means the element lead in any form, including its use or presence in any alloy, compound, by-product, or other material or waste. Waste includes materials to be disposed of, recycled, reconditioned or reclaimed.

All other terms and conditions remain unchanged.

Authorized Representative

September 24, 2025



CHUBB® Chubb Commercial Excess And Umbrella Insurance

Endorsement

Policy Period OCTOBER 1, 2025 To OCTOBER 1, 2027

Effective Date OCTOBER 1, 2025

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A new section titled Terrorism Provisions is added to the end of this contract.

Terrorism Provisions

Certified Act Of Terrorism Exclusion This insurance does not apply to any loss, cost or expense arising, directly or indirectly, out of a **certified act of terrorism**.

Application Of Other Exclusions The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this policy, such as losses excluded by the Nuclear Energy exclusion.

A new section titled Terrorism Definitions is added.

Terrorism Definitions

Certified Act Of Terrorism **Certified act of terrorism** means any act that is certified by the Secretary of the Treasury of the United States to be an act:

A. of terrorism, a violent act or an act that is dangerous to human life, property or infrastructure; and

B. that results in damage:

1. within the **United States**; or

2. outside of the **United States** in the case of:

 a. an air carrier or vessel as described in the **terrorism law**; or

 b. the premises of a mission of the United States of America,

which was committed by an individual or individuals as part of an effort to:

- coerce the civilian population; or
- influence the policy or affect the conduct of the Government,

of the **United States**.

Terrorism Definitions

Certified Act Of Terrorism (continued)

Certified act of terrorism does not include an act that:

- is committed as part of the course of a war declared by the Congress of the **United States**; or
- does not result in property and casualty insurance losses that exceed \$5 million in the aggregate and are attributable to all types of insurance subject to the **terrorism law**.

State

State means any state of the United States of America, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, American Samoa, Guam, each of the United States Virgin Islands, and any territory or possession of the United States of America.

Terrorism Law

Terrorism law means the Terrorism Risk Insurance Act of 2002 as amended.

United States

United States means:

- a **state**; and
- the territorial sea and the continental shelf of the United States of America, as described in the **terrorism law**.

All other terms and conditions remain unchanged.

Authorized Representative

September 24, 2025



CHUBB® Chubb Commercial Excess And Umbrella Insurance

Endorsement

Policy Period OCTOBER 1, 2025 To OCTOBER 1, 2027

Effective Date OCTOBER 1, 2025

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Insured COMMUNITY ASSOCIATIONS PG, INC.

Name of Company FEDERAL INSURANCE COMPANY

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A new section titled Terrorism Provisions is added to the end of this contract.

Terrorism Provisions

Cap On Certified Terrorism Losses

If:

- aggregate insured losses attributable to one or more **certified acts of terrorism** under the **terrorism law** exceed \$100 billion in a calendar year; and
- we have met our insurer deductible under the **terrorism law**,

we will not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

A new section titled Terrorism Definitions is added.

Terrorism Definitions

Certified Act Of Terrorism

Certified act of terrorism means any act that is certified by the Secretary of the Treasury of the United States to be an act:

- A. of terrorism, a violent act or an act that is dangerous to human life, property or infrastructure; and
 - B. that results in damage:
 - 1. within the **United States**; or
 - 2. outside of the **United States** in the case of:
 - a. an air carrier or vessel as described in the **terrorism law**; or
 - b. the premises of a mission of the United States of America, which was committed by an individual or individuals as part of an effort to:
 - coerce the civilian population; or
 - influence the policy or affect the conduct of the Government,
- of the **United States**.

Terrorism Definitions

Certified Act Of Terrorism (continued)

Certified act of terrorism does not include an act that:

- is committed as part of the course of a war declared by the Congress of the **United States**; or
- does not result in property and casualty insurance losses that exceed \$5 million in the aggregate and are attributable to all types of insurance subject to the **terrorism law**.

State

State means any state of the United States of America, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, American Samoa, Guam, each of the United States Virgin Islands, and any territory or possession of the United States of America.

Terrorism Law

Terrorism law means the Terrorism Risk Insurance Act of 2002 as amended.

United States

United States means:

- a **state**; and
- the territorial sea and the continental shelf of the United States of America, as described in the **terrorism law**.

All other terms and conditions remain unchanged.

Authorized Representative

September 24, 2025



CHUBB® Chubb Commercial Excess And Umbrella Insurance

Endorsement

Policy Period OCTOBER 1, 2025 To OCTOBER 1, 2027
Effective Date OCTOBER 1, 2025
Policy Number 7997-83-84
Insured COMMUNITY ASSOCIATIONS PG, INC.

Name of Company FEDERAL INSURANCE COMPANY
Date Issued September 24, 2025

Under Policy Exclusions, the following exclusion is added:

Policy Exclusions

Bacteria Or Fungi

- A. This insurance does not apply to any liability or loss, cost or expense arising out of the actual, alleged, or threatened contaminative, pathogenic, toxic or other hazardous properties of **bacteria or fungi**.
- B. This insurance does not apply to any loss, cost or expense arising out of any:
1. request, demand, order or regulatory or statutory requirement that any **insured** or others test for, monitor, clean up, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of any **bacteria or fungi**; or
 2. claim or proceeding by or on behalf of a governmental authority or others for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of any **bacteria or fungi**.
-

Under Policy Definitions, the following definition is added:

Policy Definitions

Bacteria Or Fungi

Bacteria or fungi means any:

- A. 1. bacteria;
2. mildew, mold or other fungi;

Policy Definitions

Bacteria Or Fungi
(continued)

- 3. mycotoxins, spores or other by-products of any of the foregoing;
- B. colony or group of any of the foregoing.

All other terms and conditions remain unchanged.

Authorized Representative
September 24, 2025

A handwritten signature in black ink, appearing to be "P. M. 2025", written over a horizontal line.

CHUBB® Chubb Commercial Excess And Umbrella Insurance

Endorsement

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Under Coverage/Excess Follow-Form Coverage A, the following provisions are added:

Coverage/ Excess Follow-Form Coverage A Illinois

Claims-Made Insurance And Extended Reporting Periods

Provided the applicable **underlying insurance**, described in this Endorsement, is **claims-made insurance**, this coverage applies only if:

- the injury or damage did not occur, or the offense that causes the injury was not first committed, (as applicable) before the Retroactive Date shown in this Endorsement or after the end of the policy period of this insurance; and
- a claim, with respect to such injury or damage, is first made during the policy period of this insurance or any Extended Reporting Period we provide.

When Extended Reporting Periods Apply

Provided the applicable **underlying insurance** provides extended reporting periods, we will provide Extended Reporting Periods as described below.

We will automatically provide a Basic Extended Reporting Period and, if you purchase it, a Supplemental Extended Reporting Period, if:

- A. this insurance is canceled or not renewed; or
- B. we renew or replace this insurance with other insurance that:
 - 1. has a retroactive date later than the Retroactive Date shown in this Endorsement;
or
 - 2. is not **claims-made insurance**.

How Extended Reporting Periods Apply

Extended Reporting Periods:

- A. apply only to claims with respect to:
 - 1. injury or damage that did not occur; or

2. injury caused by an offense that was not first committed;
before the Retroactive Date shown in this Endorsement or after the end of the policy period of this insurance.

- B. do not extend the policy period or change the scope of coverage provided.
- C. may not be canceled once in effect.

**Basic Extended
Reporting Period**

A Basic Extended Reporting Period is automatically provided. This period starts with the end of the policy period of this insurance and lasts for a period no longer than the applicable extended reporting period of the **underlying insurance**:

- for claims made with respect to injury or damage caused by an occurrence or offense reported to us, not later than sixty (60) days after the end of the policy period of this insurance, in accordance with paragraphs A. and B. of the condition titled Duties In the Event Of Occurrence, Offense, Claim Or Suit.
- yet no longer than sixty (60) days with respect to claims resulting from occurrences or offenses not previously reported to us.

Such claims will be deemed to have been made during the policy period of this insurance.

The Basic Extended Reporting Period does not apply to claims that are covered under any subsequent insurance you purchase, or that would be so covered, but for exhaustion of the amount of insurance otherwise applicable to such claims.

The Basic Extended Reporting Period does not reinstate or increase the Limits Of Insurance.

**Supplemental Extended
Reporting Period**

A Supplemental Extended Reporting Period is available, but only by an endorsement and for an additional premium, subject to the following provisions.

- A. If purchased, this period starts at the later of the end of the policy period of this insurance or the end of the applicable Basic Extended Reporting Period of this insurance and lasts for a period no longer than the applicable extended reporting period of the **underlying insurance**. Claims first made during this Supplemental Extended Reporting Period will be deemed to have been made during the policy period of this insurance.
- B. You must give us a written request to purchase a Supplemental Extended Reporting Period within sixty (60) days after the end of the policy period. The Supplemental Extended Reporting Period will not go into effect unless you pay the additional premium promptly when due.
- C. If you comply with paragraph B. above, we will issue the Supplemental Extended Reporting Period Endorsement, and we will provide the separate aggregate limits of insurance described below, but only for claims first received and recorded during the Supplemental Extended Reporting Period. The separate aggregate Limits Of Insurance will be equal to the dollar amount shown in the Declarations in effect at the end of the policy period for the:
1. Excess Coverage Other Aggregate Limit;
 2. Umbrella Coverages Aggregate Limit;
 3. Products-Completed Operations Aggregate Limit; and
 4. Advertising Injury And Personal Injury Aggregate Limit.

The Excess Coverage Other Aggregate Limit, Umbrella Coverages Aggregate Limit, Products-Completed Operations Aggregate Limit and Advertising Injury And Personal Injury Aggregate Limit as shown in the Limits Of Insurance section will be amended accordingly. The Each Occurrence Limit described in the Declarations will continue to

CHUBB® Chubb Commercial Excess And Umbrella Insurance

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Effective Date OCTOBER 1, 2025

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apply, as set forth in the Limits Of Insurance section.

- D. The separate aggregate limits of insurance described in paragraph C. above will not apply to any **loss**, claim, **suit** or other circumstance:
1. known by you before the beginning of the Supplemental Extended Reporting Period, that could reasonably be expected to result in any payment under this insurance; or
 2. reported, in whole or in part, to us or any other insurer before the beginning of the Supplemental Extended Reporting Period.

A circumstance will be deemed known by you:

1. if such circumstances is known by, or should have been known from the standpoint of a reasonable person in the circumstances of:
 - a. you; or
 - b. any of your directors, managers, members, officers (or their designees) or partners (whether or not an employee); and
 2. when any person described in subparagraph 1. above:
 - a. reports all, or any part, of such circumstance to us or any other insurer;
 - b. receives a claim or demand for damages in connection with any such circumstance; or
 - c. becomes aware of any actual, alleged or threatened injury or damage in connection with such circumstance.
- E. We will determine the additional premium for the Supplemental Extended Reporting Period Endorsement by applying a percentage to the expiring annual premium. The additional premium will not exceed 200% of the annualized premium for this insurance. The additional premium will be deemed fully earned at the inception of the Supplemental Extended Reporting Period.
- F. The Supplemental Extended Reporting Period Endorsement will set forth the terms and conditions, not inconsistent with this section, applicable to the Supplemental Extended Reporting Period, including a provision to the effect that the insurance afforded under the Supplemental Extended Reporting Period is excess over any **underlying limits** and **other insurance**.

Under Coverages/Umbrella Coverage B Bodily Injury And Property Damage Liability Coverage, the following provision is added.

Coverages/ Umbrella Coverage B Bodily Injury And Property Damage Liability Coverage

This coverage does not apply to any part of:

- A. **loss** to which **underlying insurance** would have applied but for a limitation in such coverage with respect to the timing of a triggering event; or
- B. any costs or expenses related to **loss** described in subparagraph A. above.

Under Coverages/Umbrella Coverage B Advertising Injury And Personal Injury Liability Coverage, the following provision is added.

**Coverages/
Umbrella Coverage B
Advertising Injury And
Personal Injury
Liability Coverage**

This coverage does not apply to any part of:

- A. **loss** to which **underlying insurance** would have applied but for a limitation in such coverage with respect to the timing of a triggering event; or
- B. any costs or expenses related to **loss** described in subparagraph A. above.

Under Policy Definitions, the following definition is added.

Policy Definitions

Claims-Made

Claims-made insurance means such insurance coverage, the triggering event of which is based on the timing of a claim first made during the policy period or any extended reporting period.

All other terms and conditions remain unchanged.

Authorized Representative

Date September 24, 2025



CHUBB® Chubb Commercial Excess And Umbrella Insurance

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Policy Period OCTOBER 1, 2025 To OCTOBER 1, 2027
Effective Date OCTOBER 1, 2025
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In the Declarations, Premium is deleted and replaced by the following:

Declarations

Premium – Premium \$0
Minimum Premium Minimum Premium \$0

Under Conditions, the condition titled Cancellation is deleted and replaced by the following:

Conditions Illinois Mandatory

Cancellation

The first named **insured** may cancel this policy at any time by sending us a written request or by returning the policy stating the date of cancellation.

We may cancel this policy during the first 60 days of coverage by sending to the first named **insured** a notice of 30 days (10 days in the event of non-payment of premium) in advance of the cancellation date. We may cancel or non-renew this policy after the policy has been in effect for 61 days or more by sending to the first named **insured** a notice of 60 days (20 days in the event of non-payment of premium) in advance of the cancellation or non-renewal date. However, after the policy has been in effect for 60 days, it may be cancelled only for one of the following reasons:

- a. non-payment of premium;
- b. the policy was obtained through a material misrepresentation;
- c. the **insured** violated any of the terms and conditions of the policy;
- d. the risk originally accepted has measurably increased;
- e. certification to the Director of the loss or reinsurance by the insurer which provided coverage to the insurer for all or a substantial part of the underlying risk insured; or
- f. a determination by the Director that the continuation of the policy could place the insurer in violation of the law of Illinois.

Conditions
Illinois Mandatory

Cancellation
(continued)

Our notice will be mailed to the first named **insured's** last known address and will indicate the date on which coverage is terminated.

Our notice of cancellation will not be less than 30 days (10 days in the event of non-payment of premium) if the policy is cancelled during the first 60 days of coverage or less than 60 days (20 days in the event of non-payment of premium) if the policy has been in effect for more than 60 days.

If cancellation is at the request of the first named **insured**, return premium will be computed at 90% of pro-rata. If we cancel, return premium will be computed pro-rata. If this policy insures more than one **insured**, cancellation may be effected by the first named **insured** for the account of all **insureds**. Notice of cancellation by us to such first named **insured** will be deemed notice to all **insureds**, and payment of any return premium to such first named **insured** will be for the account of all interests.

Subject to the Minimum Premium shown in the Declarations. Any unearned premium will be returned as soon as practicable. The minimum premium does not apply if we cancel the policy.

All other terms and conditions remain unchanged.

Authorized Representative

September 24, 2025



CHUBB® Chubb Commercial Excess And Umbrella Insurance

Endorsement

| | | | |
|------------------------|---------------------------------|----|-----------------|
| <i>Policy Period</i> | OCTOBER 1, 2025 | To | OCTOBER 1, 2027 |
| <i>Effective Date</i> | OCTOBER 1, 2025 | | |
| <i>Policy Number</i> | 7997-83-84 | | |
| <i>Insured</i> | COMMUNITY ASSOCIATIONS PG, INC. | | |
| <i>Name of Company</i> | FEDERAL INSURANCE COMPANY | | |
| <i>Date Issued</i> | September 24, 2025 | | |

Under Exclusions/Umbrella Coverage B Bodily Injury/Property Damage/Advertising Injury/Personal Injury, the following exclusion is added.

Exclusions/ Umbrella Coverage B Bodily Injury/ Property Damage/ Advertising Injury/ Personal Injury

Subsidence

This insurance does not apply to **bodily injury, property damage, advertising injury or personal injury** arising directly or indirectly out of, caused by, resulting from, contributing to or aggravated by:

- subsidence;
- settling;
- sinking;
- slipping;
- falling away;
- caving in;
- shifting;
- eroding;
- mudflow;
- rising;
- tilting; or

**Exclusions/
Umbrella Coverage B
Bodily Injury/
Property Damage/
Advertising Injury/
Personal Injury**

*Subsidence
(continued)*

- any other movement;
of land or earth.

All other terms and conditions remain unchanged.

Authorized Representative
September 24, 2025



CHUBB® Chubb Commercial Excess And Umbrella Insurance

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Under Policy Exclusions, the following exclusion is added.

Policy Exclusions

Construction Or Development Or Maintenance Or Renovation

This insurance does not apply to any liability or loss, cost or expense arising out of any **construction or development or maintenance or renovation**.

This exclusion applies regardless of:

A. whether such operations or work are or were performed or completed:

1. by you or on your behalf;
2. for you;
3. by or for others; or
4. for sale to others; and

B. when or where such operations or work are or were performed or completed.

With respect to Coverage/Excess Follow-Form Coverage A, this exclusion does not apply to **maintenance or renovations** operations.

Under Policy Definitions, the following definitions are added.

Policy Definitions

Construction Or Development

Construction or development means any:

- addition to any building or other structure;
 - complete or partial construction or demolition or erection of any building or other structure; or
 - planning, site preparation, surveying or other construction or development of real property.
-

Policy Definitions

(continued)

**Maintenance Or
Renovation****Maintenance or renovation:**

- A. means:
1. alteration or renovation operations; or
 2. maintenance or repair operations.
- B. does not include any structural alteration that involves changing the size of, or any demolishing or moving of any building or other structure.

All other terms and conditions remain unchanged.

Authorized Representative

September 24, 2025



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Under Coverage Crisis Assistance For Excess And Umbrella, Policy Definitions, **Crisis Assistance Service Provider** is amended to include the following firm(s).

Policy Definitions

Crisis Assistance Service Provider

A crisis management firm or, at the insured's discretion, another services provider with crisis management capabilities.

We do not provide or make any representations or warranties in connection with the services provided by the firm(s) listed above.

All other terms and conditions remain unchanged.

Authorized Representative

September 24, 2025



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SCHEDULE A

Limits Of Insurance

Crisis Assistance For Excess And Umbrella Aggregate Limit:

The lesser of:

- 3% of the Each Occurrence Limit shown in the Certificate Of Insurance; or
- \$300,000.

Coverage/Crisis Assistance For Excess And Umbrella

A section titled Coverage/Crisis Assistance For Excess And Umbrella is added to this contract.

Subject to all of the terms and conditions of this insurance, we will pay on behalf of the **insured crisis assistance expenses** up to the amount of the Crisis Assistance For Excess And Umbrella Aggregate Limit, shown in Schedule A, arising out of a **crisis event** that first commences during the policy period of this **insurance**.

A **crisis event** will be deemed to first commence at the time during the policy period of this insurance when you notify us in accordance with the Special Duties In The Event Of A Crisis Event provision of this Endorsement.

A **crisis event** will be deemed to end one hundred and eighty (180) days after the date of notice of the **crisis event** was given to us by you or when the Crisis Assistance For Excess And Umbrella Aggregate Limit shown in this Endorsement is exhausted, whichever occurs first.

Any payment of **crisis assistance expenses** that we make under the coverage provided by this Endorsement will not be an acknowledgement of coverage under this insurance.

Under Limits Of Insurance, the following provision is added.

Limits Of Insurance

Crisis Assistance For Excess And Umbrella Aggregate Limit

The Crisis Assistance For Excess And Umbrella Aggregate Limit shown in Schedule A is the most we will pay for **crisis assistance expenses**.

The Crisis Assistance For Excess And Umbrella Aggregate Limit:

- applies to the entire policy period shown in the **certificate of insurance** and not separately to any portion (whether annual or otherwise) thereof;
- will not be reinstated or increased; and
- will not reduce any other limits under this policy.

Under Conditions, the following conditions are added.

Conditions

Special Duties In the Event Of A Crisis Event

You must see to it that within twenty-four (24) hours of a **crisis event**:

- A. one of the **crisis assistance service providers** is notified by telephone; and
- B. we are notified. To the extent possible, notice should include:
 1. how, when and where the **crisis event** took place;
 2. the names and addresses of any injured persons and witnesses;
 3. the nature and location of any injury or damage arising out of the **crisis event**; and
 4. the reason why the event is likely to involve injury or damage covered by this policy and involve significant adverse regional or national media coverage.

Other Crisis Assistance Insurance

If you have **other insurance** that provides coverage for crisis assistance also covered by this insurance, then this insurance will be considered excess insurance over and above the amount payable by such **other insurance**.

Under Policy Definitions, the following definitions are added.

Policy Definitions

Crisis Assistance Expenses

Crisis assistance expenses means the following expenses incurred by the **insured** during a **crisis event** to which this insurance applies which are reasonable, necessary and directly attributable to that **crisis event**:

- expenses to secure the scene of a **crisis event**;
- fees charged by a crisis **assistance service provider** shown in Schedule B for professional service or advice;
- funeral or related service expenses;
- psychological or grief counseling expenses;
- temporary living expenses;

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Policy Definitions

Crisis Assistance Expenses *(continued)*

- travel expenses; and
- any other expenses approved by us.

Crisis Assistance Service provider

Crisis assistance service provider means any firm:

- A. shown in Schedule B; or
 - B. for which we, at our sole discretion, have provided written approval prior to the **crisis event** as evidenced in an endorsement to this policy,
- and which is hired by you.

We reserve the right to modify the list of firms shown in Schedule B without notice.

Crisis Event

Crisis event means an event that you reasonably believe has resulted, or may result, in:

- A. damages covered by this policy that are in excess of any applicable:
 - 1. **underlying limits** listed on the Schedule Of Underlying Limits;
 - 2. retained limits; and/or
 - 3. **other insurance**; and
- B. significant adverse regional or national media coverage.

Schedule B

Crisis Assistance Service Providers:

Any crisis management firm or, at your discretion, other services provider with crisis management capabilities.

Please note that you are responsible for identifying, selecting, hiring, and arranging for the services of, the firm(s) listed above. Chubb does not identify, select, hire or arrange for the services of, such firm(s) for you.

We do not provide or make any representations or warranties in connection with the services provided by the firm(s) listed above.

All other terms and conditions remain unchanged.

Authorized Representative

September 24, 2025

A handwritten signature in black ink, appearing to be "P. M. S.", written over a horizontal line.

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Effective Date OCTOBER 1, 2025
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Under Policy Exclusions, the following exclusion is added.

Policy Exclusions

Scheduled Diseases, Except Included Diseases

This insurance does not apply to any liability or loss, cost or expense arising out of any:

- A. condition, disease or sickness shown in the Schedule Of Excluded Diseases, including any similar or other condition, disease, injury or sickness related thereto, by whatever name known;
- B. causative agent of any condition, disease, injury or sickness described in subparagraph A. above, regardless of whether such agent gives rise to any such condition, disease, injury or sickness or any other condition, disease, injury or sickness, by whatever name known; or
- C. actual or attempted counseling or testing for, or containing, detoxifying, mitigating, monitoring or neutralizing of, or responding to, or assessing the effects of any:
 - 1. condition, disease, injury or sickness described in subparagraphs A. or B. above, including any:
 - a. actual or attempted cure, diagnosis, prevention or treatment of any such condition, disease, injury or sickness;
 - b. actual or attempted cleaning up, disposing, handling or removing of any such causative agent; or
 - c. failure to perform any of the foregoing.
 - 2. causative agent described in subparagraphs A. or B. above, including any:
 - a. actual or attempted cure, diagnosis, prevention or treatment of any such condition, disease, injury or sickness;
 - b. actual or attempted cleaning up, disposing, handling or removing of any such causative agent; or
 - c. failure to perform any of the foregoing.

Subparagraphs A., B., C.1.a and C.2.a. above do not apply to a condition, disease or sickness described in the Schedule Of Included Diseases.

Under Policy Definitions, the following definitions are added.

Policy Definitions

Human Clinical Trial Contractor

Human clinical trial contractor means a person or organization engaged to provide service, advice or instruction in connection with:

- A. 1. clinical;
 2. laboratory; or
 3. research;

testing activities, within the scope of and in accordance with the applicable written protocol; or

- B. the planning, monitoring or review;
of a **human clinical trial**.

Life Science Product Service Contractor

Life science product service contractor means a person or organization engaged to provide **life science product service**, other than in connection with a **human clinical trial**.

Life Science Product Service

Life science product service means:

- clinical;
- design or development review;
- laboratory; or
- research;

service, advice or instruction in connection with a **life science product**.

Schedule Of Excluded Diseases

Any communicable or Infectious diseases

Schedule Of Included Diseases

If this schedule is not filled in, then no exception to the exclusion will apply.

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All other terms and conditions remain unchanged.

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Under Exclusions/Umbrella Coverage B Bodily Injury/Property Damage/Advertising Injury/Personal Injury, the following exclusion is added.

Exclusions/ Umbrella Coverage B Bodily Injury/ Property Damage/ Advertising Injury/ Personal Injury

Abuse Or Molestation - Actual, Alleged Or Threatened

This insurance does not apply to **bodily injury, property damage, advertising injury, or personal injury** arising out of any:

- A. actual, alleged or threatened abuse or molestation by anyone of any person; or
- B.
 - 1. employment, investigation, retention or supervision; or
 - 2. reporting to or failure to report to the proper authorities;of any person for whom any **insured** is or ever was legally responsible and whose conduct would be excluded by subparagraph A. above.

All other terms and conditions remain unchanged.

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Under Exclusions/Umbrella Coverage B Bodily Injury/Property Damage/Advertising Injury/Personal Injury, the following exclusion is added:

Exclusions/Umbrella Coverage B Bodily Injury/Property Damage/ Advertising Injury/ Personal Injury

Assault Or Battery

This insurance does not apply to **bodily injury, property damage, advertising injury or personal injury** arising out of, giving rise to or in any way related to any:

- A. actual, alleged or threatened **assault or battery** by anyone of any person;
- B. act, error or omission in connection with the prevention or suppression of such **assault or battery**;
- C. employment, investigation, retention or supervision of any person for whom any **insured** is or ever was legally responsible and whose conduct would be excluded by subparagraphs A. or B. above; or
- D. reporting to or failure to report to the proper authorities any person in connection with any conduct described in subparagraphs A., B. or C. above.

Under Definitions/Umbrella Coverage B, the following definitions are added:

Definitions/ Umbrella Coverage B

Assault

Assault means an intentional placing of another person in fear of imminent harmful or offensive physical contact.

**Definitions/
Umbrella Coverage B**
(continued)

Battery

Battery means an intentional wrongful physical contact with another person without such person's consent.

All other terms and conditions remain unchanged.

Authorized Representative
September 24, 2025

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Under Policy Exclusions, the following exclusion is added.

Policy Exclusions

War

This insurance does not apply to any liability or loss, cost or expense arising, directly or indirectly, out of:

- war, including undeclared or civil war;
- warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of the foregoing.

All other terms and conditions remain unchanged.

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Date September 24, 2025



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Under Policy Exclusions, the following exclusion is added.

Policy Exclusions

Violation Of Laws Addressing Data Privacy

This insurance does not apply to any liability or loss, cost or expense arising out of any actual, alleged or threatened violation of:

- A. the Illinois Biometric Information Privacy Act (BIPA), including any amendment of or addition to such law;
- B. the California Consumer Privacy Act (CCPA), including any amendment of or addition to such law;
- C. the Children's Online Privacy Protection Act (COPPA), including any amendment of or addition to such law;
- D. any federal, state or local statute, ordinance, regulation or law other than subparagraphs A., B. or C. above that addresses, prohibits, or limits access to, use of or the printing, dissemination, disposal, obtaining, collecting, storing, safeguarding, recording, retention, sending, transmitting, communicating, sharing, selling or distribution of any person's or organization's:
 - 1. personal material or information;
 - 2. financial material or information;
 - 3. credit card information;
 - 4. health or medical material or information;
 - 5. **biometric material or information**; or
 - 6. other material or information subject to protection under any law addressing data privacy or protection; or

Policy Exclusions

Violation Of Laws Addressing Data Privacy (continued)

- E. the European Union's General Data Protection Regulation or any law of a jurisdiction other than the United States of America (including its territories and possessions) or Puerto Rico that is similar to any statute, ordinance, regulation or other law described in subparagraphs A., B., C. or D. above.

Under Policy Definitions, the following definition is added.

Policy Definitions

Biometric Material Or Information

Biometric material or information:

- A. means any information, anatomical scan, biological measurements, chemical measurements, chemical composition, physical or behavioral characteristic or pattern, or any other data, used to identify or authenticate an individual person or household identity.
- B. includes any identifiers such as a retina or iris scan, fingerprint, voiceprint, hand or face geometry, or any other anatomical, biological, chemical, physical or behavioral information, algorithm or measurement.

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Under Exclusions/Umbrella Coverage B Bodily Injury/Property Damage/Advertising Injury/Personal Injury, the following exclusion is added.

Exclusions/Umbrella Coverage B Bodily Injury/Property Damage/Advertising Injury/Personal Injury

Cyber Incident

This insurance does not apply to **bodily injury, property damage, advertising injury or personal injury** arising out of a **cyber incident**.

This exclusion applies regardless of whether damages are claimed for any fines, penalties, costs, assessments, rewards, payments or expenses, including for notification, crypto-jacking, credit or identity monitoring, forensics, experts, media or public relations, data recovery or restoration, reputational harm, network recovery or restoration, business interruption, customer attrition, theft, extortion, breach of contract or agreement, or any damages, loss, cost or expense similar to any of the foregoing paid or incurred by or on behalf of any **insured** or others arising out of a **cyber incident**.

Under Definitions/Umbrella Coverage B, the following definitions are added.

Definitions/Umbrella Coverage B

Computer System

Computer system:

A. means any:

1. computer hardware, software or firmware;
2. electronic device, electronic data storage device or electronic data backup facility;
3. telecommunications system or device, mobile phone, tablet or networking device;
or
4. Industrial Control System or any components thereof.

**Definitions/Umbrella
Coverage B**

Computer System
(continued)

- B. includes any:
1. blockchain technology;
 2. associated input or output devices;
 3. network storage equipment or storage area network including:
 - a. those that have the capability to be linked together through the internet or an internal network; or
 - b. those that are connected through data storage or other devices; or
 4. data;
- in connection with that which is described in paragraph A. above.

Cyber Incident

Cyber incident means any:

- A. unauthorized access to or use of any **computer system**;
- B. malicious code, virus or any other harmful code that is directed at, enacted upon or introduced into any **computer system** and is designed to access, alter, corrupt, damage, delete, destroy, disrupt, encrypt, exploit, use or prevent or restrict access to or the use of any part of any **computer system** or otherwise disrupt such **computer system**'s normal functioning or operation; or
- C. denial of service attack which disrupts, prevents or restricts access to or use of any **computer system**, or otherwise disrupts such **computer system**'s normal functioning or operation.

All other terms and conditions remain unchanged.

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Under Conditions, the following condition is added:

Conditions

Additional Benefits

We may offer or provide or allow others to offer or provide you or any other **insured** under this policy with:

- goods, products and services;
- access to discounted goods, products and services; and
- other program benefits or other items of value that could assist your business with managing risk, servicing your policy or staying informed about loss control and mitigation of risk.

These additional benefits may be provided in any form. You or another **insured** under this policy may be eligible to receive additional benefits. You are under no obligation to pursue any of these additional benefits.

While we may arrange for these additional benefits, the provider is liable to you or any other **insured** for the provision of the goods, products and services. We do not warrant the merchantability, fitness or quality of any goods, products or services provided or assume any additional obligation related to any additional benefits provided.

We have the right to modify or discontinue any additional benefits provided by us, or other providers authorized by us, without notice to you or any other **insured**.

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Under Policy Exclusions, the following exclusion is added:

Policy Exclusions

Recording And Distribution Of Material Or Information In Violation Of Law

This insurance does not apply to any liability or loss, cost or expense arising out of any actual, alleged or threatened violation of:

- the United States of America CAN-SPAM Act of 2003 (or any law amendatory thereof) or any similar regulatory or statutory law in any other jurisdiction;
- the United States of America Telephone Consumer Protection Act (TCPA) of 1991 (or any law amendatory thereof) or any similar regulatory or statutory law in any other jurisdiction;
- the United States of America Fair Credit Reporting Act (FCRA) (or any law amendatory thereof including the Fair and Accurate Credit Transactions Act (FACTA)) or any similar regulatory or statutory law in any other jurisdiction; or
- any other regulatory or statutory law in any jurisdiction that addresses, limits or prohibits the collecting, communicating, disposal, dissemination, distribution, monitoring, printing, publication, recording, sending or transmitting of content, information or material.

All other terms and conditions remain unchanged.

Authorized Representative

Date September 24, 2025



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Under Exclusions/Excess Follow-Form Coverage A, the following exclusion is added.

Exclusions/Excess Follow-Form Coverage A

Access To Or Disclosure Of Confidential Or Personal Material Or Information And Electronic Data-Related Liability With Exceptions

This insurance does not apply to any liability or loss, cost or expense arising out of:

- A. any access to, collection of, release of, or disclosure of, any person's or organization's confidential or personal material or information, including any:
1. patents;
 2. trade secrets;
 3. processing methods;
 4. customer lists;
 5. financial material or information;
 6. credit card information;
 7. health or medical material or information;
 8. **biometric material or information;** or
 9. other type of non-public material or information; or
- B. any loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

This exclusion applies even if damages are claimed for notification costs, credit or identity monitoring expenses, forensic expenses, public relations expenses, data restoration expenses, extortion expenses or any other loss, cost or expense incurred by you or others arising out of that which is described in paragraph A. or B. above.

**Exclusions/Excess
Follow-Form
Coverage A**

*Access To Or Disclosure
Of Confidential Or
Personal Material Or
Information And
Electronic Data-Related
Liability With Exceptions
(continued)*

This exclusion does not apply to:

A. physical:

1. injury;
2. sickness; or
3. disease;

sustained by a person, including resulting death, humiliation, mental anguish, mental injury or shock at any time. All such loss shall be deemed to occur at the time of the physical injury, sickness or disease that caused it.

B. physical injury to tangible property, including resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it.

Tangible property does not include any software, data or other information that is in electronic form.

Under Exclusions/Umbrella Coverage B Bodily Injury/Property Damage/Advertising Injury/Personal Injury, the following exclusion is added.

**Exclusions/Umbrella
Coverage B Bodily
Injury/Property
Damage/Advertising
Injury/Personal Injury**

*Access To Or Disclosure
Of Confidential Or
Personal Material Or
Information And
Electronic Data-Related
Liability*

This insurance does not apply to **bodily injury, property damage, advertising injury or personal injury** arising out of:

A. any access to, collection of, release of, or disclosure of, any person's or organization's confidential or personal material or information, including any:

1. patents;
2. trade secrets;
3. processing methods;
4. customer lists;
5. financial material or information;
6. credit card information;
7. health or medical material or information;
8. **biometric material or information;** or
9. other type of non-public material or information; or

B. any loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.



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Exclusions/Umbrella Coverage B Bodily Injury/Property Damage/Advertising Injury/Personal Injury

**Access To Or Disclosure
Of Confidential Or
Personal Material Or
Information And
Electronic Data-Related
Liability
(continued)**

This exclusion applies even if damages are claimed for notification costs, credit or identity monitoring expenses, forensic expenses, public relations expenses, data restoration expenses, extortion expenses or any other loss, cost or expense incurred by you or others arising out of that which is described in paragraph A. or B. above.

Policy Definitions

**Biometric Material Or
Information**

Under Policy Definitions, the following definition is added.

Biometric material or information:

- A. means any information, anatomical scan, biological measurements, chemical measurements, chemical composition, physical or behavioral characteristic or pattern, or any other data, used to identify or authenticate an individual person or household identity.
- B. includes any identifiers such as a retina or iris scan, fingerprint, voiceprint, hand or face geometry, or any other anatomical, biological, chemical, physical or behavioral information, algorithm or measurement.

All other terms and conditions remain unchanged.

Authorized Representative

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ANIMALS EXCLUSION (MS 283308)

*Exclusions/Umbrella
Coverage B Bodily
Injury/Property
Damage/Advertising
Injury/Personal Injury*

Under Exclusions/ Umbrella Coverage B/ Bodily Injury/ Property Damage/ Advertising Injury/Personal Injury, the following exclusion is added.

Animals

This insurance does not apply to **bodily injury, property damage, personal injury** or **advertising injury** arising out of, caused by, or any way involving an animal, regardless of whether owned by you, in your care, or on your premises.

This exclusion applies even if the claims against any **insured** allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the occurrence which caused the **bodily injury** or **property damage**, or the offense which caused the **personal injury** or **advertising injury**, in any way involved animals.

All other terms and conditions remain unchanged

Authorized Representative

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BIOLOGICAL AGENTS ABSOLUTE (07-02- 1692)

Policy Exclusions

Under Policy Exclusions, the following exclusion is added:

Biological Agents

- A. This insurance does not apply to any liability or loss, cost or expense arising out of the actual, alleged, or threatened contaminative, pathogenic, toxic or other hazardous properties of biological agents.
- B. This insurance does not apply to any loss, cost or expense arising out of any:
1. request, demand, order or regulatory or statutory requirement that any insured or others test for, monitor, clean up, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of any biological agents; or
 2. claim or proceeding by or on behalf of a governmental authority or others for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of any biological agents.

Policy Definitions

Under Policy Definitions, the following definition is added:

Biological Agents

Biological Agents means any:

- A. 1. Bacteria;
2. mildew, mold or other fungi;
3. other microorganisms; or
4. mycotoxins, spores or other by-products of any of the foregoing;
- B. Viruses or other pathogens (whether or not a microorganism); or
- C. Colony or group of any of the foregoing.

All other terms and conditions remain unchanged

Authorized Representative

September 24, 2025

A handwritten signature in black ink, appearing to be "P. M. S.", written over a horizontal line.

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CARE, CUSTODY OR CONTROL GARAGE KEEPERS LEGAL LIABILITY

Under Policy Exclusions, the following exclusion is added:

Care, Control or Custody

Care, Control or Custody

This insurance does not apply to damage to real or personal property of others if the property is in the care, control or custody of the **insured**.

Policy Exclusions

This exclusion does not apply under Excess Follow-Form Coverage A to physical damage to an auto left in the **insured** care for attendance, repair, service, storage or parking if Garage Keeper Legal Liability is shown on the Schedule of Underlying Insurance.

All other terms and conditions remain unchanged

Authorized Representative

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COVERAGE B EXCLUSION - HABITABILITY (MS394231)

*Exclusions/ Umbrella
Coverage B Bodily
Injury/ Property Damage/
Advertising Injury/
Personal Injury*

Under Exclusions/Umbrella Coverage B Bodily Injury/Property Damage/Advertising Injury/Personal Injury, the following exclusion is added:

Habitability

This insurance does not apply to any bodily injury, property damage, advertising injury or personal injury arising, in whole or in part, out of or resulting from the alleged or actual:

1. violations of any law involving any failure to maintain any room, dwelling or premises in a habitable or tenantable condition, including but not limited to any violation of any of the following:
 - a. any civil code or other statutory provision;
 - b. any health and safety code;
 - c. any Housing and Urban Development laws, ordinances or statutes or other local ordinance, regulation or code;
 - d. any rent stabilization laws, measures, ordinances or statutes;
 - e. any federal, state or local Section 8 (government subsidized housing) program;
 - f. Americans with Disabilities Act; or
 - g. any administrative rules, regulations, ordinances, codes, or orders pertaining to any of the foregoing, including but not limited to those promulgated by local municipalities;
2. breach of any lease, rental agreement, contract, warranty, or covenant, whether written, oral or implied, involving any failure to maintain any room, dwelling or premises in a habitable or tenantable condition;
3. failure to respond to or comply with any federal, state, municipal or local order or directive to correct conditions at or near the property in violation of any federal, state, municipal or local statute, ordinance, rule, order, or regulation; or

4. wrongful eviction from, wrongful entry into, or invasion of private right of occupancy of any room, dwelling or premises, either actual or constructive, arising, in whole or in part, out of subparagraphs 1., 2. or 3. above.

This exclusion applies:

- whether the insured may be liable as an owner, landlord, tenant, operator or property manager, or in any other capacity;
- to any claims, proceedings, or suits that also contain any allegations described in subparagraphs 1. through 4. above;
- to any obligation to share damages with, indemnify or repay someone else who must pay damages because of property damage or injury arising from any matter to which this exclusion applies; or
- to claims against any insured alleging negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured.

We shall have no duty to defend any claims, proceedings, or suits in any way arising, in whole or in part, from allegations pertaining to this exclusion.

We shall have no duty to pay any attorneys' fees or costs for which any insured is liable in connection with any matter to which this exclusion applies.

Notwithstanding the above, subparagraph 1.e. shall not apply in connection with any premises located in New York.

*Definitions/ Umbrella
Coverage B*

*Habitable or Tenantable
Condition*

Under Definitions/Umbrella Coverage B, the following definition is added.

Habitable or tenantable condition means that a room, dwelling, or premises is designed, constructed, owned, controlled, managed, operated or maintained by any person or organization in such a manner as to allow occupants access, use, or enjoyment of any such room, dwelling, or premises, including with respect to health, safety and sanitation.

All other terms and conditions remain unchanged

Authorized Representative

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COVERAGE B EXCLUSION – WEAPONS (MS402089.2)

*Exclusions/
Umbrella Coverage B
Bodily Injury/
Property Damage/
Advertising Injury/
Personal Injury*

Weapons

Under Exclusions/Umbrella Coverage B Bodily Injury/Property Damage/Advertising Injury/Personal Injury, the following exclusion is added.

This insurance does not apply to **bodily injury, property damage, advertising injury** or **personal injury** arising out of or in any way related to any:

- A. actual, alleged or threatened use of a **weapon** by any person(s) or organization(s);
- B. act, error or omission in connection with the prevention, suppression, mitigation or control of any person(s) or organization(s) whose conduct would be excluded by paragraph A. above;
- C. employment, investigation, retention, training or supervision of any person for whom any insured is or ever was legally responsible and whose conduct would be excluded by paragraphs A. or B. above;
- D. reporting to, delay in reporting to or failure to report to the proper authorities any person in connection with any conduct described in paragraphs A., B. or C. above; or
- E. failure to provide safe premises with respect to or in connection with any conduct described in A. or B. above.

This exclusion does not apply to **bodily injury** or **property damage** resulting from the **insured's** use of reasonable force to protect persons or property.

Solely with respect to **property damage**, this exclusion will not apply to deny payment to an innocent co-insured who did not cooperate in or contribute to the creation of the **property damage**, if:

- 1. the **property damage** arose out of a pattern of criminal domestic violence; and
- 2. the perpetrator of the **property damage** is criminally prosecuted for the act causing the **property damage**.

*Definitions/
Umbrella Coverage B*

Weapon(s)

Under Definitions/Umbrella Coverage B, the following definition is added.

Weapon(s) means any:

- firearm, knife or hand-held implement;
- explosive or incendiary device; or
- object(s) if listed or described in the Schedule.

Schedule

Object(s):

All other terms and conditions remain unchanged

Authorized Representative

September 24, 2025



CHUBB® Chubb Commercial Excess And Umbrella Insurance

Endorsement

Policy Period OCTOBER 1, 2025 To OCTOBER 1, 2027
Effective Date OCTOBER 1, 2025
Policy Number 7997-83-84
Insured COMMUNITY ASSOCIATIONS PG, INC.

Name of Company FEDERAL INSURANCE COMPANY
Date Issued September 24, 2025

UMBRELLA COVERAGE B – UNDERLYING INSURANCE RESTRICTION (MS400731)

Coverages/ Umbrella Coverage B

Bodily Injury And Property Damage Liability Coverage

Under Coverages/Umbrella Coverage B, the Bodily Injury And Property Damage Liability Coverage section is deleted and replaced with the following.

Subject to all of the terms and conditions applicable to Umbrella Coverage B, we will pay, on behalf of the **insured, loss** by reason of liability:

- imposed by law; or
- assumed in an **insured contract**;

for **bodily injury** or **property damage** caused by an **occurrence** to which this coverage applies.

This coverage applies only to such **bodily injury** or **property damage** that occurs during the policy period.

Damages for **bodily injury** include damages claimed by a person or organization for care or loss of services resulting at any time from the **bodily injury**.

This coverage does not apply to any part of:

A. **loss** to which **underlying insurance** would apply, regardless of whether or not:

1. **underlying insurance** is available; and
2. the applicable **underlying limits** have been exhausted;

B. **loss** to which **underlying limits** apply;

C. **loss** to which **underlying insurance** would have applied, but for the attachment of an endorsement, either at policy inception or during the policy period, which restricts or excludes coverage; or

D. any costs or expenses related to **loss** as described in paragraphs A., B. or C. above.

We have no obligation under this insurance with respect to any claim or **suit** settled without our consent.

Other than as provided under the Investigation, Defense And Settlements and Supplementary Payments sections of this contract, we have no other obligation or liability to pay sums or perform acts or services under this coverage

**Coverages/
Umbrella Coverage B**

Under Coverages/Umbrella Coverage B, the Advertising Injury And Personal Injury Liability Coverage section is deleted and replaced with the following.

**Advertising Injury And
Personal Injury Liability
Coverage**

Subject to all of the terms and conditions applicable to Umbrella Coverage B, we will pay, on behalf of the **insured, loss** because of liability:

- imposed by law; or
- assumed in an **insured contract**;

for **advertising injury** or **personal injury** to which this coverage applies.

This coverage applies only to such **advertising injury** or **personal injury** caused by an offense that is first committed during the policy period.

This coverage does not apply to any part of:

A. **loss** to which **underlying insurance** would apply, regardless of whether or not:

1. **underlying insurance** is available; and
2. the applicable **underlying limits** have been exhausted;

B. **loss** to which **underlying limits** apply;

C. **loss** to which **underlying insurance** would have applied, but for the attachment of an endorsement, either at policy inception or during the policy period, which restricts or excludes coverage; or

D. any costs or expenses related to **loss** as described in paragraphs A., B. or C. above.

We have no obligation under this insurance with respect to any claim or suit settled without our consent.

Other than as provided under the Investigation, Defense And Settlements and Supplementary Payments sections of this contract, we have no other obligation or liability to pay sums or perform acts or services under this coverage

CHUBB® Chubb Commercial Excess And Umbrella Insurance

Endorsement

Effective Date OCTOBER 1, 2025

Policy Number 7997-83-84

All other terms and conditions remain unchanged

Authorized Representative

September 24, 2025



CHUBB® Chubb Commercial Excess And Umbrella Insurance

Endorsement

Policy Period OCTOBER 1, 2025 To OCTOBER 1, 2027
Effective Date OCTOBER 1, 2025
Policy Number 7997-83-84
Insured COMMUNITY ASSOCIATIONS PG, INC.

Name of Company FEDERAL INSURANCE COMPANY

Date Issued September 24, 2025

CROSS SUITS (MS 283309)

*Exclusions/Umbrella
Coverage B Bodily
Injury/Property
Damage/Advertising
Injury/Personal Injury*

Cross Suits

Under Exclusions/Umbrella Coverage B Bodily Injury/Property Damage/Advertising Injury/Personal Injury, the following exclusion is added.

This insurance does not apply to **bodily injury, property damage, advertising injury or personal injury** arising out of a claim or suit by one insured against another **insured**.

All other terms and conditions remain unchanged

Authorized Representative

September 24, 2025



CHUBB® Chubb Commercial Excess And Umbrella Insurance

Endorsement

Policy Period OCTOBER 1, 2025 To OCTOBER 1, 2027
Effective Date OCTOBER 1, 2025
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Insured COMMUNITY ASSOCIATIONS PG, INC.

Name of Company FEDERAL INSURANCE COMPANY

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PUNITIVE EXCLUSION (MS 214660)

**Exclusions/Umbrella
Coverage B Bodily
Injury/Property
Damage/Advertising
Injury/Personal Injury**

Punitive Damages

Under Exclusions/Umbrella Coverage B/ Bodily Injury/ Property Damage/ Advertising Injury/Personal Injury, the following exclusion is added.

This insurance does not apply to any punitive or exemplary damages, fines, or Penalties.

All other terms and conditions remain unchanged

Authorized Representative

September 24, 2025



CHUBB® Chubb Commercial Excess And Umbrella Insurance

Endorsement

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Effective Date OCTOBER 1, 2025
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Insured COMMUNITY ASSOCIATIONS PG, INC.

Name of Company FEDERAL INSURANCE COMPANY

Date Issued September 24, 2025

RISK PURCHASING GROUPS PROGRAM MANAGER FOR MCGOWAN (MS 330910)

SCHEDULE

Coverage/Excess Follow-Form Coverage B

Number Of Days Notice Of Cancellation: 120

Coverage/Umbrella Coverage B

Under Coverage/Excess Follow-Form Coverage A and Coverage/Umbrella Coverage B, the following is added:

Certificates Of Coverage

Coverage/Excess Follow-Form Coverage A and Coverage/Umbrella Coverage B only apply to liability arising out of the operation(s) of the location(s) added or deleted on the Schedule of Locations of an individual Certificate of Coverage issued by the risk purchasing group shown in the Declarations as the first named insured during the policy period.

Under Who Is An Insured/Umbrella Coverage B, Subsidiary Or Newly Acquired Or Formed Organizations is deleted and replaced by the following:

Who Is An Insured/Umbrella Coverage B

If there is no other insurance available, the following organizations will qualify as named insureds:

Subsidiary Or Newly Acquired Or Formed Organizations

- a subsidiary organization of a named insured listed on a Certificate of Coverage of which, at the beginning of the policy period and at the time of loss, such named insured controls, either directly or indirectly, more than fifty (50) percent of the interests entitled to vote generally in the election of the governing body of such organization; or

- a subsidiary organization of a named insured listed on a Certificate of Coverage that such named insured acquires or forms during the policy period, if at the time of loss, such named insured controls, either directly or indirectly, more than fifty (50) percent of the interests entitled to vote generally in the election of the governing body of such organization.

| | |
|--|---|
| | Under Who Is An Insured/Excess Follow-Form Coverage A and Who Is An Insured/Umbrella Coverage B, the following is added: |
| <i>Who Is An Insured/Excess Follow-Form Coverage A</i> | It is hereby agreed that those entities or group of related entities designated as members of the risk purchasing group that is the first named insured in this policy on the individual member's Certificate of Coverage are included as named insureds under this policy. |
| <i>Who Is An Insured/Umbrella Coverage B</i> | Coverage/Excess Follow-Form Coverage A and Coverage/Umbrella Coverage B only apply to liability arising out of the operation(s) at the specified locations scheduled on the individual member's Certificate of Coverage, but only as respects: |
| <i>Risk Purchasing Group Members</i> | <ul style="list-style-type: none"> · the specific named insureds listed on that Certificate of Coverage and designated as the owner(s), manager(s), or lessee(s) of those specified locations; and · the coverages shown on that Certificate of Coverage, subject to the terms and conditions of this insurance. |
| <i>Limits Of Insurance</i> | <p>Under Limits Of Insurance, and with respect to individual certificate holders only, the second and third paragraphs are deleted and replaced by the following:</p> <p>The aggregate limits apply separately to each consecutive annual period and to any remaining period of less than twelve (12) months (starting with the beginning of the time period specified in an individual Certificate of Coverage), provided the applicable aggregate limits in underlying insurance apply in such manner. If the aggregate limits in underlying insurance do not so apply, the applicable aggregate limits of this insurance will apply to the entire policy period and not separately to any portion (whether annual or otherwise) thereof.</p> <p>The Limits Of Insurance shown in an individual Certificate of Coverage apply separately to the time period specified in such individual Certificate of Coverage. The only Limits Of Insurance available to a member of the Risk Purchasing Group are the Limits Of Insurance shown in the individual certificate of insurance. If the time period specified in an individual Certificate of Coverage is extended after issuance, the additional period will be deemed part of the last preceding period for purposes of determining the Limits Of Insurance.</p> |
| <i>Conditions</i> | Under Conditions, Cancellation and Separation Of Insureds are deleted and replaced by the following: |
| <i>Cancellation</i> | <p>The first named insured may cancel this policy or any of its individual coverages at any time by sending us a written request or by returning the policy and stating when thereafter cancellation is to take effect.</p> <p>We may cancel this policy or any of its individual coverages at any time by sending to the first named insured a notice:</p> <ul style="list-style-type: none"> · sixty (60) days, unless a greater number of days is shown in the Schedule above; or · twenty (20) days in the event of non-payment of premium, in advance of the cancellation date. Our notice of cancellation will be mailed to the first named insured's last known address and will indicate the date on which coverage is terminated. If notice of cancellation is mailed, proof of mailing will be sufficient proof of notice. Notice to individual members of the risk purchasing group shall be provided in |

CHUBB® **Chubb Commercial Excess And Umbrella Insurance**

Endorsement

Effective Date OCTOBER 1, 2025

Policy Number 7997-83-84

accordance with the laws of the member's state of domicile as shown in the Certificates of Coverage.

Unless prevented by law, this Cancellation condition limits our right to cancel this insurance. In addition, if other cancellation provisions contained in this policy, including any endorsements attached to it, further restrict our right to cancel, such more restrictive provisions will supersede any conflicting provisions of this condition.

The earned premium will be computed on a pro rata basis. Any unearned premium will be returned as soon as practicable.

Conditions

Except with respect to any rights or duties specifically assigned in this insurance to the first named insured, this insurance applies as if all named insureds listed on each individual member's Certificate of Coverage submitted during the policy period were the only named insureds under the policy.

Separation Of Insureds

However, regarding the Limits of Insurance afforded by this policy, separate Limits of Insurance shown in each individual member's Certificate of Coverage:

- apply to all the named insureds listed on such Certificate of Coverage; and
- are the most we will pay regardless of the number of named insureds listed on such Certificate of Coverage.

Under Conditions, the following is added:

Conditions

It is agreed that those named insureds listed in an individual Certificate of Coverage issued by the risk purchasing group during the policy period are provided coverage for the time period specified in such Certificate of Coverage, not to exceed 18 months.

Coverage Term

All additions and deletions made for a named insured will be subject to the expiration date designated in the Individual Certificate of Coverage for that named insured.

All other terms and conditions remain unchanged

Authorized Representative

September 24, 2025



CHUBB® Chubb Commercial Excess And Umbrella Insurance

Endorsement

Policy Period OCTOBER 1, 2025 To OCTOBER 1, 2027
Effective Date OCTOBER 1, 2025
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Name of Company FEDERAL INSURANCE COMPANY
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SUBLIMITED PRIMARY COVERAGE EXCLUSION (MS403806)

Policy Exclusions

Under Policy Exclusions, the following exclusion is added.

Sub-Limited Coverages

This insurance does not apply to any liability or loss, cost or expense arising out of any coverage for which a **sub-limit** applies or is imposed under or by any **underlying insurance**.

Notwithstanding anything to the contrary contained in this policy, the provision titled When Excess Follow Form Coverage A Applies (Drop Down) does not apply to any coverage for which a **sub-limit** applies or is imposed under or by any **underlying insurance**.

As used in this exclusion, **sub-limit** means any limit of insurance applicable to a specific hazard, peril, cause of injury or damage, or category of **loss in underlying insurance** which is less than the amount of the Limit of Insurance applicable in general to such hazard, peril, cause of injury or damage, or category of loss.

All other terms and conditions remain unchanged

Authorized Representative

September 24, 2025



CHUBB® Chubb Commercial Excess And Umbrella Insurance

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Policy Period OCTOBER 1, 2025 To OCTOBER 1, 2027
Effective Date OCTOBER 1, 2025
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Insured COMMUNITY ASSOCIATIONS PG, INC.

Name of Company FEDERAL INSURANCE COMPANY
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DECLARATIONS (MS 288848)

Declarations

The following provision is added to the Declarations:

It is hereby agreed and understood that the policy number for this policy is G23539226-001 for processing purposes, and the policy number shown on the Declarations and Endorsements, 7997-83-84, is the Chubb Reference Number.

All other terms and conditions remain unchanged

Authorized Representative

September 24, 2025



CHUBB® **Chubb Commercial Excess And Umbrella Insurance**

Endorsement

| | |
|------------------------|------------------------------------|
| <i>Policy Period</i> | OCTOBER 1, 2025 To OCTOBER 1, 2027 |
| <i>Effective Date</i> | OCTOBER 1, 2025 |
| <i>Policy Number</i> | 7997-83-84 |
| <i>Insured</i> | COMMUNITY ASSOCIATIONS PG, INC. |
| <i>Name of Company</i> | FEDERAL INSURANCE COMPANY |
| <i>Date Issued</i> | September 24, 2025 |

EMPLOYMENT RELATED PRACTICES AMENDED

The Employment – Related Practices exclusion is deleted and replaced by the following:

Employment-Related Practices

A. This insurance does not apply to any liability or loss, cost or expense in connection with any damages sustained at any time by any person, whether or not sustained in the course of employment by any insured arising out of any employment related act, omission, policy, practice or representative directed at such person, occurring in whole or part at any time, including any:

1. arrest, detention or imprisonment;
2. breach of any express or implied covenant;
3. coercion, criticism, humiliation, prosecution or retaliation;
4. defamation or disparagement;
5. demotion. Discipline, evaluation or reassignment;
6. discrimination, harassment or segregation;
7. a. eviction; or
b. invasion or other violation of any right of occupancy;
8. failure or refusal to advance, compensate, employ or promote;
9. invasion or other violation of any right of privacy or publicity;
10. termination of employment; or
11. other employment – related act, omission, policy, practice, representation or relationship in connection with any insured at any time.

B. This insurance does not apply to any liability or loss, cost or expense in connection with any damages sustained at any time by the brother, child, parent, sister or spouse of such person at whom any employment-related act, omission, policy, practice or representation is directed, as described in paragraph A. above, as a consequence thereof.

This exclusion does not apply to Excess Follow-Form Coverage A to the extent that insurance is provided under a Directors & Officers Liability Policy shown in the Schedule of Underlying Insurance, except;

This exclusion applies;

- whether the insured may be liable as an employer or in any other capacity;
- and
- to any obligation to share damages with or repay someone else who must pay damages because of any foregoing.

All other terms and conditions remain unchanged

Authorized Representative

September 24, 2025

A handwritten signature in black ink, appearing to be "R. M. 22", written over a horizontal line.

CHUBB® Chubb Commercial Excess And Umbrella Insurance

Endorsement

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POLLUTION EXCLUSION AMENDED COV A (MS 263848)

Exclusions/Excess Follow-Form Coverage A Pollution

This Endorsement applies to the following forms:

Under Exclusions/Excess Follow-Form Coverage A, the Pollution exclusion is amended by adding the following:

Paragraph D. does not apply to a **covered pollution** cost or **expense** to which Coverage A applies.

This exclusion does not apply to:

1. MOBILE EQUIPMENT FULES - Bodily injury or property damage arising out of the escape of fuels, lubricants, or other operating fluids, which are needed to perform the normal electrical, hydraulic, or mechanical functions necessary for the operation of mobile equipment or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them.

However, this exception does apply if:

- a. The fuels, lubricants or other operating fluids are intentionally discharged, dispersed or released; or
- b. Such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged or released as part of the operations being performed by such insured, contractor or subcontractor

2. AUTO FUELS - Fuels, lubricants, fluids, exhaust gasses or other similar **pollutants** that are needed for or result from the normal electrical, hydraulic or mechanical functioning of any auto or its parts, covered **by underlying insurance** if the pollutants escape, seep, migrate, or are discharged, dispersed or released directly from an auto part designed by its manufacturer to hold, store, receive or dispose of such **pollutants**, and the bodily injury, **property damage** or **covered pollution cost or expense** does not arise out of the operation of cherry pickers or similar devices mounted on vehicle

chassis or aircompressors, pumps and generators.

3. AUTO UPSET/OVERTURN/DAMAGE - Occurrences that occur away from premises owned by or rented to any insured with respect to pollutants not in or upon any auto covered by underlying insurance if:

1. The **pollutants** or any property in which the pollutants are contained are upset, overturned or damaged as a result of the maintenance or use of any auto covered by **underlying insurance**; and
2. The discharge, dispersal, seepage, migration, release or escape of the pollutants is caused directly by such upset, overturn or damage.

4. PRODUCTS/COMPLETED OPERATIONS - Bodily injury or property damage included within the products-completed operations hazard provided that your product or your work has not at any time been:

- a. Discarded, dumped, abandoned, thrown away; or
- b. Treated or handled as waste; by anyone.

5. PESTICIDE OR HERBICIDE APPLICATOR - With respect to pesticide or herbicide application by any insured, if the operations meet all standards of any statute, ordinance, regulation or license requirement of any federal, state or local government which apply to those

6. CONTRACTORS – Bodily injury or property damage for which you may be held liable if:

- a. You are a contractor; or
- b. The owner or lessee of such premises, site or location has been added to this policy as an additional **insured** with respect to your ongoing operations performed for that additional **insured** at that premises, site or location; and
- c. Such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any **insured**, other than the owner or lessee of that premises who has been added to the policy as an additional insured.

7. BODILY INJURY directly caused by any of the below that occur within a building or upon a premises any **insured** owns, rents, occupies or manages:

- a. Chlorine, bromine, sodium hydroxide, sodium, bicarbonate, soda ash, diatomaceous earth, muriatic acid or other chemicals, compounds or materials used for the maintenance of a swimming pool, whirlpool or spa.

As used in this endorsement, a **covered pollution cost or expense** means any cost or expense arising out of any:

1. Request, demand, order or statutory or regulatory requirement; or
2. Claim or suit by or on behalf of a governmental authority, demanding that Insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of pollutants. With respect to the insurance afforded under this endorsement, the definition of loss is amended to include a **covered pollution cost or expense**.

CHUBB® **Chubb Commercial Excess And Umbrella Insurance**

Endorsement

Effective Date OCTOBER 1, 2025

Policy Number 7997-83-84

All other terms and conditions remain unchanged

Authorized Representative

September 24, 2025



CHUBB® Chubb Commercial Excess And Umbrella Insurance

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PRIMARY NON CONTRIBUTORY (MS 263865)

Conditions

Other Insurance

Under Conditions, the following provision is added to the condition titled Other Insurance:

Notwithstanding anything to the contrary above, at your option, this policy will apply before **other insurance**, when you have agreed in a written **insured contract** prior to the time of an occurrence that such insurance as is afforded by this policy will apply in that manner, provided the applicable **underlying insurance** also applies before **other insurance**.

Insured contract as used herein means a written contract or agreement pertaining to your business, in which you assume the tort liability of another person or organization to pay damages, to which this insurance applies, sustained by a third person or organization, provided the injury or damage occurs, or is caused by an occurrence that first occurs after the execution of such contract or agreement.

All other terms and conditions remain unchanged

Authorized Representative

September 24, 2025





IMPORTANT INFORMATION

NOTICE - OFFER OF TERRORISM COVERAGE; DISCLOSURE OF PREMIUM

THIS NOTICE DOES NOT FORM A PART OF THE POLICY, GRANT ANY COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF ANY COVERAGE UNDER THE POLICY.

As used herein, 1) "we" means the insurer listed on the Declarations or the Certificate of Insurance, as applicable; and 2) "you" means the first person or entity named on the Declarations or the Certificate of Insurance, as applicable.

You are hereby notified that under the Terrorism Risk Insurance Act, as extended and reauthorized ("Act"), you have a right to purchase insurance coverage of losses arising out of acts of terrorism, as defined in Section 102(1) of the Act, subject to all applicable policy provisions. The Terrorism Risk Insurance Act established a federal program within the Department of the Treasury, under which the federal government shares, with the insurance industry, the risk of loss from future terrorist attacks.

This Notice is designed to alert you to coverage restrictions and to certain terrorism provisions in the policy. If there is any conflict between this Notice and the policy (including its endorsements), the provisions of the policy (including its endorsements) apply.

CHANGE IN THE DEFINITION OF A CERTIFIED ACT OF TERRORISM

The Act applies when the Secretary of the Treasury certifies that an event meets the definition of an act of terrorism. Originally, the Act provided that to be certified, an act of terrorism must cause losses of at least five million dollars and must have been committed by an individual or individuals acting on behalf of any foreign person or foreign interest to coerce the government or population of the United States. However, the 2007 reauthorization of the Act removed the requirement that the act of terrorism must be committed by or on behalf of a foreign interest, and now certified acts of terrorism may encompass, for example, a terrorist act committed against the United States government by a United States citizen, when the act is determined by the federal government to be "a certified act of terrorism."

In accordance with the Act, we are required to offer you the ability to purchase coverage for losses resulting from an act of terrorism that is certified under the federal program. The other provisions of this policy, including nuclear, war or military action exclusions, will still apply to such an act.

DISCLOSURE OF FEDERAL PARTICIPATION IN PAYMENT OF TERRORISM LOSSES

The Department of the Treasury will pay a share of terrorism losses insured under the federal program. Beginning in 2020, the federal share equals 80% of that portion of the amount of such insured losses that exceeds the applicable insurer retention.

LIMITATION ON PAYMENT OF TERRORISM LOSSES

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year (January 1 through December 31), the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.

Further, this coverage is subject to a limit on our liability pursuant to the federal law where, if aggregate insured losses attributable to terrorist acts certified under the Act exceed \$100 billion in a calendar year (January 1 through December 31) and we have met our insurer deductible under the Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion. In such case, insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

CONFIRMATION OF ACCEPTANCE OF COVERAGE

In accordance with the Act, we offered you coverage for losses resulting from an act of terrorism that is certified under the federal program. This notice confirms that you have chosen to accept our offer of coverage for certified acts of terrorism. The policy's other provisions, including nuclear, war or military action exclusions, will still apply to such an act. The premium charge for terrorism coverage, if any, is shown separately on the Declarations or the Certificate of Insurance, as applicable.



**COMMUNITY ASSOCIATION POLICY
DECLARATIONS**

NOTICE:

THE LIABILITY COVERAGE PARTS PROVIDE CLAIMS MADE COVERAGE, WHICH APPLIES ONLY TO CLAIMS FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD. THE LIMIT OF LIABILITY TO PAY JUDGMENTS OR SETTLEMENT AMOUNTS SHALL BE REDUCED AND MAY BE EXHAUSTED BY PAYMENT OF DEFENSE COSTS. PLEASE READ THIS POLICY CAREFULLY.

| NAMED INSURED AND ADDRESS | NAMED ENTITY
AND PHYSICAL ADDRESS |
|---|---|
| Item 1. Spring Meadows Condominium
c/o QUIZA MANAGEMENT, LLC
2127 Espey Court, Suite 102
Crofton, MD 21114 | Blue Jay Ct, Sparrow Ct, Dove Ct, Eagle Ct, Falcon Ct,
Graybird Ct, Jaybird Ct, Oriole Ct, Robin Ct.
SEVERN, MD 21144 |
| POLICY NUMBER | INSURER |
| 618941873 | Continental Casualty Company
CNA Center, 151 North Franklin Street
Chicago, IL 60606 |
| Policy Premium: | |
| Association Liability: \$4,479.00 | |
| Crime: \$623.00 | |
| Total Premium: \$5,102.00 | |
| Surcharge/Tax/Assessment: \$0.00 | |
| Total Amount Due: \$5,102.00 | |

Item 2. **Policy period:** 01/01/2026 to 01/01/2027 12:01 a.m. local time per address Item 1.

Item 3. **Notices:**

Claims or Circumstance:
CNA – Claims Reporting
P.O. Box 8317
Chicago, IL 60680-8317
Email: nfpnewloss@cna.com
Fax Number: 866-773-7504

All other notices:

Ian H. Graham Insurance
P.O. Box 19640
Irvine, CA 92623

Item 4. **Extended reporting period**

- | | | |
|------------|------------|---------------------------------|
| a. Period: | One Year | Premium: 100% of Policy Premium |
| b. Period: | Two Year | Premium: 175% of Policy Premium |
| c. Period: | Three Year | Premium: 225% of Policy Premium |

Item 5. **Liability coverage parts:** Association Liability Coverage Part

Non-liability coverage parts: Commercial Crime Coverage Part



**COMMUNITY ASSOCIATION POLICY
DECLARATIONS**

Item 6. COVERAGE PARTS – Limits of Liability Retentions and Sublimits

Association Liability Coverage Part

| | |
|---|--|
| Maximum Aggregate Limit of Liability: | \$1,000,000 |
| Retention: | per claim : \$1,000 |
| Pending or Prior Litigation Date: | 01/01/2021 |
| Wage and Hour Defense Costs Sublimit of Liability (part of Aggregate Limit of Liability): | \$100,000 |
| Immigration Claims Defense Costs of Sublimit of Liability (part of Aggregate Limit of Liability): | \$100,000 |
| Additional Defense Costs Aggregate Limit of Liability: | Defense Costs Outside the Limit of Liability |

Commercial Crime Coverage Part

| | Limit of Liability | Retention |
|---|--------------------|-----------|
| A. Fidelity Coverage | | |
| 1. Employee Theft | \$500,000 | \$5,000 |
| 2. Client | \$25,000 | \$1,000 |
| 3. ERISA Plan | \$500,000 | \$0 |
| B. Forgery or Alteration Coverage | \$25,000 | \$250 |
| C. Inside and Outside Premises Coverage | | |
| 1. Money or Securities | \$25,000 | \$0 |
| 2. Property | \$25,000 | \$0 |
| 3. Damage | \$25,000 | \$0 |
| D. Transfer Coverage | | |
| 1. Computer | \$500,000 | \$5,000 |
| 2. Funds | \$500,000 | \$5,000 |
| 3. Social Engineering Fraud | \$100,000 | \$5,000 |
| E. Counterfeit Coverage | \$250,000 | \$0 |

| Commercial Crime Coverage Part Coverage Extensions | Sublimit of Liability | |
|--|-----------------------|--|
| 1 Proof of Loss Costs Sublimit | \$5,000 | |
| 2 Computer Restoration Costs Sublimit | \$25,000 | |
| 3 Record Recovery Costs Sublimit | \$25,000 | |



**COMMUNITY ASSOCIATION POLICY
DECLARATIONS**

Item 7. ENDORSEMENTS:

| | |
|-----------------------|--|
| CNA-81758-XX (1/21) | Notice - Offer of Terrorism Coverage Disclosure of Premium |
| CNA-103300-XX (10/22) | Community Association Policy General Terms and Conditions |
| CNA-103302-XX (10/22) | Community Association Policy Association Liability Coverage Part |
| CNA-103304-XX (10/22) | Privacy Event Expense Endorsement |
| CNA-103305-XX (10/22) | Network Security and Privacy Regulation Proceeding Endorsement |
| CNA-103420-XX (10/22) | Defense Costs Outside the Limits Endorsement |
| CNA-103432-XX (10/22) | Public Relations Event Expenses Endorsement |
| CNA-81751-XX (3/15) | Cap on Losses from Certified Acts of Terrorism Endorsement |
| CNA-103435-XX (10/22) | Workplace Violence Act Expenses Sublimited Coverage Endorsement |
| CNA-103440-XX (10/22) | Sublimited Breach of Contract Defense Costs Endorsement |
| CNA-103303-XX (10/22) | Community Association Policy Commercial Crime Coverage Part |
| CNA-103441-XX (10/22) | Telephone Toll Fraud Endorsement |
| CNA-103505-MD (10/22) | Amendatory Endorsement - Maryland |
| CNA-88892-MD (6/17) | Conditional Renewal Endorsement - Maryland |

These Declarations, along with the completed and signed **application**, the policy, and any written endorsements attached shall constitute the contract between the **insureds** and the Insurer.

Authorized Representative: 

Date: 10/23/2025



COMMUNITY ASSOCIATION POLICY GENERAL TERMS AND CONDITIONS

In consideration of the premium, and in reliance upon the **application**, we agree to provide you with the following coverage subject to the terms and conditions of this policy:

I. PREFACE

A Coverage Part is included within this policy and affords coverage only if the Coverage Part is purchased as indicated by a corresponding limit of liability in the Declarations.

The terms and conditions in each Coverage Part apply only to such Coverage Part and will not apply to any other Coverage Part.

If any provision in the General Terms and Conditions is inconsistent with the terms and conditions of any applicable Coverage Part, the terms and conditions of such Coverage Part will control.

Bolded terms in the policy will have the special meaning set forth in the definitions. The terms “we”, “us”, and “our” mean the Insurer named on the Declarations; the terms “you”, “your”, and “yours” mean any **insured**.

II. SUPPLEMENTARY BENEFITS

A. Mediation Retention Reduction

If, prior to, or within sixty (60) days of the service of suit or the institution of arbitration proceedings, we and the **named insured** agree to use a non-binding alternative dispute resolution process to resolve any **claim** reported to us, and such **claim** is entirely resolved through such process, then we will reduce the Retention applicable to such **claim** by the lesser amount of fifty percent (50%) of such Retention or ten thousand (\$10,000) dollars.

B. Proceeding Expenses Reimbursement

If we request an **insured person's** presence at a trial, hearing, deposition, mediation, or arbitration, we will pay up to \$250.00 per day, per **insured person** for reimbursement of costs and expenses incurred in connection with such presence, subject to a maximum of \$2,500 per **claim**, per **policy period**. Such payment will be in addition to the applicable limit of liability and no Retention will apply.

C. Pre-Claim Expenses

In the event a **noticed matter** later gives rise to a covered **claim**, then we will credit the **pre-claim expenses** that you have paid up to ten percent (10%) of the applicable Retention for such **claim**.

III. DEFINITIONS

Any defined word not defined in the General Terms and Conditions will have the meaning assigned to it in the applicable Coverage Part.

Application means any signed application, including its warranty and attachments together with any other materials and representations provided to us in connection with the underwriting and negotiating of the terms and conditions of this policy or any other policy of which this policy is an indirect or direct renewal.

Bodily injury means any actual or alleged bodily injury, sickness, disease, death, emotional distress or mental anguish of any natural person.

Change of control means when: (i) the **named insured** merges into another entity and is no longer the surviving entity; (ii) another person(s) or entity(ies) acquires such an ownership interest in the **named insured** to exercise **management control**; or (iii) the **named insured** emerges from bankruptcy.

Clean-up costs mean any fees, costs, or expenses, including legal and professional fees, incurred in testing for, monitoring, cleaning up, removing, containing, treating, neutralizing, detoxifying, or assessing the effects of **pollutants**.

Extended reporting period means the additional period of reporting time purchased by an **insured** after termination, cancellation, or non-renewal of this policy within which to report a **claim** subject to the provisions of Section V, Extended Reporting Period for Liability Coverage Parts Only.



COMMUNITY ASSOCIATION POLICY GENERAL TERMS AND CONDITIONS

Financial insolvency means: (i) the appointment by a federal, state or local agency or court of a receiver, conservator, liquidator, trustee, rehabilitator, or similar official, to take control of, supervise, manage, or liquidate an **insured entity** or **outside entity**; (ii) an **insured entity** becoming a debtor in possession under United States bankruptcy law or any equivalent foreign bankruptcy law; or (iii) when an **insured entity** can establish affirmatively it is unable at the present time, or in the future, to pay its debts in the ordinary course of business.

Independent contractor means any natural person working for an **insured entity** in the ordinary course of such **insured entity's** business, and in the capacity of an independent contractor, pursuant to a written agreement for services between such **insured entity** and either (i) such natural person; or (ii) any other entity acting on behalf of such natural person.

Insured entity means the **named insured** or any **subsidiary**, including any such entity as a debtor in possession under United States bankruptcy law.

Insured person will have the meaning designated in the respective Coverage Part.

With respect to any **liability coverage part**, **insured person** will also include: (i) assigns, estates, heirs, legal representatives, or assigns of any **insured person** in their capacity as such, provided such **insured person** is deceased or legally incompetent; or (ii) a spouse or domestic partner of an **insured person** in their capacity as such, or due to legal ownership of property identified as potential recovery relief. There will be no coverage afforded under this policy for any act, error or omission of an estate, heir, legal representative, assign, spouse or domestic partner.

Liability coverage part means those Coverage Parts set forth in Item 5 of the Declarations.

Management control means:

- (i) owning or controlling more than fifty-percent (50%) of the outstanding securities, shares or equity ownership representing the right to control an entity as evidenced by the present power to elect, designate or appoint the majority of the board of directors, management committee members or management board members; or
- (ii) having the present right, pursuant to written contract or an organizational document, to elect, designate or appoint the majority of the board of directors, management committee members or management board members of an entity.

Named insured means the entity set forth in Item 1 of the Declarations.

Non-liability coverage part means those Coverage Parts set forth in Item 5 of the Declarations.

Noticed matter means any written notice of circumstance which we have accepted under a **liability coverage part**.

Policy period means the time period from the inception date to the expiration date of this policy set forth in Item 2 of the Declarations, or any such earlier termination or cancellation date. **Policy period** will also include the **extended reporting period**, if purchased.

Pollution means any actual, or threat of, discharge, emission, release, dispersal, escape of, or treatment, removal or disposal of any **pollutants**. **Pollution** also includes any regulation, order, direction, or request to test, monitor, clean up, remove contain, treat or detoxify or neutralize any **pollutants**.

Pre-claim expenses mean the reasonable and necessary fees, costs, and expenses incurred by an **insured** in responding to or defending a **noticed matter**, on or after the date we accepted the notice of circumstances and prior to the date the **noticed matter** became a **claim**. **Pre-claim expenses** will not include **overhead expenses** or any fees, costs, or expenses incurred by an **insured** as a result of any **routine examination**. We have the right to determine the reasonableness, necessity, and allocation of the **pre-claim expenses** (including the right to apply any applicable **claim** exclusions to the **pre-claim expenses**).

Property damage means any actual or alleged: (i) damage to, or destruction or deterioration of, any tangible property; (ii) loss of use, loss of view, or diminution of value to, any tangible property; or (iii) failure to supervise, repair or maintain any tangible property.

Related claims mean all **claims** that are based upon, arising from, or are logically or causally connected by the same, or any related or common, or a series of related or common, facts, circumstances, transactions, or **wrongful acts**.



COMMUNITY ASSOCIATION POLICY GENERAL TERMS AND CONDITIONS

Responsible person means the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, the General Counsel, the Risk Manager or such functionally equivalent positions of the **named insured**.

Routine examination means any routine examination, routine inspection, sweep examination, general requests for information, or any other similar reviews, inquiries, or investigations.

Subsidiary means any not-for-profit: (i) entity while under the **management control** of an **insured entity**; or (ii) charitable trust, political action committee or foundation while such entity is controlled by the **named insured**.

IV. LIMIT OF LIABILITY, SUBLIMITS AND RETENTIONS

The maximum aggregate amount we will pay for all **loss** regardless of the number of **claims**, **insureds**, losses, parties or requests for coverage under each respective Coverage Part is set forth in Item 6 of the Declarations.

Subject to any additional limits of liability for **defense costs** set forth in a Coverage Part, **defense costs** are part of and not in addition to the limit of liability set forth in Item 6 of the Declarations. Our payment of any **defense costs** will erode and may exhaust the applicable limit of liability. Unless indicated otherwise in a Coverage Part, **defense costs** or any sublimited coverage will be part of, and not in addition to, the aggregate limit of liability of such Coverage Part.

Item 6 of the Declarations sets forth any applicable Retention. Any Retention will be uninsured and the responsibility of the **named insured** to pay regardless of the nature or form of the **claim**. We will be liable to pay only that amount of **loss** in excess of any applicable Retention. If there are two Retentions that apply to the same **claim**, we will only apply the higher Retention.

All premiums, limits, Retentions, **loss** and other amounts under this policy are expressed and payable in United States of America currency unless the parties agree in writing otherwise.

V. EXTENDED REPORTING PERIOD FOR LIABILITY COVERAGE PARTS ONLY

If this policy is terminated, cancelled or non-renewed for any reason other than non-payment of premium or a **change of control**:

- (i) you have the right to elect an **extended reporting period for liability coverage parts** for the additional period(s) and additional premium set forth in Item 4 of the Declarations.
You must notify us in writing of this election within sixty (60) days after the non-renewal, cancellation, or termination. If you do not elect within this time frame, you will have waived your right to purchase the **extended reporting period**;
- (ii) solely with respect to an **executive** who is a past director or officer at the time of such cancellation or non-renewal, an automatic **extended reporting period for liability coverage parts** will apply at no additional charge for an unlimited period; provided such automatic **extended reporting period** will not apply:
 - (a) to any **claim** arising out of an **employment wrongful act** made against such **executive** if such **executive** was not a director or officer at the time of such **employment wrongful act**; or
 - (b) if any other policy of insurance which is a renewal, replacement or extension (including run-off) of this Policy, covering such **executive** is in effect at the time the **claim** is made, whether or not such policy affords coverage for such **claim**.

A purchased or automatic **extended reporting period** will extend to selected Coverage Parts coverage for a period of time but only to **claims** that are:

- (i) first made during the **extended reporting period**;
- (ii) reported to us according to this policy's notice and reporting requirements; and
- (iii) for **wrongful acts** that occurred prior to the date of such termination, cancellation or non-renewal.

Any premium for an **extended reporting period** will be deemed fully earned at the beginning of the **extended reporting period**. There will be no additional limit of liability for any **extended reporting period**.



COMMUNITY ASSOCIATION POLICY
GENERAL TERMS AND CONDITIONS

VI. NOTICE AND REPORTING

A. Reporting a Claim in any Liability Coverage Part

As a condition precedent to our policy obligations, you must provide written notice of a **claim** as soon as reasonably practicable after a **responsible person** first becomes aware of such **claim** but no later than:

- (i) sixty (60) days after the **policy period** expires or terminates, if there is no extended reporting period; or
- (ii) the expiration date of the purchased **extended reporting period**.

B. Reporting a Notice of Circumstances in any Liability Coverage Part

- (i) If during the **policy period** (excluding any **extended reporting period**) you first become aware of circumstances that may give rise to a **claim**, you may elect to submit a written notice of circumstance to us. Such written notice must contain a description of the circumstances, the nature of the **wrongful act**, persons involved and the nature of the relief sought.
- (ii) Any subsequent **claim** that is based upon or arises out of a **noticed matter** will be deemed to have first been made in the **policy period** in which we accepted the notice of circumstances.

C. **Non-liability coverage parts** will have their own reporting provisions.

D. Except with respect to any applicable **pre-claim expenses** described in Section II Supplementary Benefits paragraph C we will not provide coverage for fees, costs, or expenses incurred prior to the time a **claim** is noticed, even if such fees, costs, or expenses benefit the defense of a covered **claim**.

E. Notice Mailing

Written notices of a **claim** or circumstance should be directed to us at the mailing address or email address indicated in Item 3 of the Declarations. A notice on one Coverage Part will be deemed notice to all Coverage Parts. All other notices should be sent to the address(es) or emails set forth in Item 3 of the Declarations.

We will send all correspondence to you at the address set forth in Item 1 of the Declarations.

We will consider the effective date of notice to be the date of mailing with sufficient proof of mailing.

VII. RELATED CLAIMS

All **related claims** will be treated as one **claim** first made on the date the first of such **related claims** was first made or deemed made according to the provisions of the applicable Coverage Part of this policy.

VIII. COOPERATION AND CONSENT

You agree:

- (i) to provide us full cooperation, assistance, and any information we may reasonably request when seeking coverage under this policy;
- (ii) to do nothing that may increase our liabilities or prejudice our potential or actual rights of recovery or subrogation;
- (iii) not to incur any **loss**, or any other costs or expenses for which you are seeking coverage under this policy, or admit any liability or assume any contractual obligation, without our prior written consent; and
- (iv) not to accept or consent to any settlement, or make any offer of settlement, or stipulate to any judgment, without our prior written consent; however, our consent will not be required if you can settle the **claim**, including all **related claims** and **loss** (including **defense costs**) for an aggregate amount that does not exceed the Retention.

We will:

- (a) make any settlement of any **claim** that we deem reasonable, provided such settlement is made with your written consent (such consent not be unreasonably withheld);
- (b) have the right to make any reasonable investigation into any **claim** or **noticed matter** that we deem necessary or appropriate;
- (c) not withhold written consent unreasonably; and
- (d) not be liable for any **loss**, or any other costs or expenses for which you are seeking coverage under this policy, or admission of liability, or any contractual obligation unless we have provided prior written consent.



COMMUNITY ASSOCIATION POLICY GENERAL TERMS AND CONDITIONS

IX. APPLICATION

In issuing this policy we have relied upon the truthfulness and accuracy of the statements, representations, and information in the **application**, which is incorporated into this policy. The **insureds** represent and acknowledge that the statements contained in the **application** are true, are the basis of this policy, and are deemed material to the acceptance of this risk or the hazard assumed by us under this policy.

If the **application's** statements, representations, and information contain any actual or knowing misrepresentations or omissions which materially affect our acceptance of the risk or the hazard assumed by us under this policy, then the coverage afforded by this policy will be void and of no effect but only with respect to any:

- (i) **insured person** who had actual knowledge of such misrepresentations or omissions;
- (ii) **insured entity** to the extent it provided indemnification, or owed indemnification to any such **insured person** in (i) above; and
- (iii) **insured entity** if such **insured person** referenced in (i) signed the application.

X. CHANGE OF CONTROL

With respect to any **liability coverage part**:

In the event of a **change of control**, the premium will become fully earned as of the effective date. We will not be liable for any **wrongful act** committed, attempted, or allegedly committed or attempted by any **insured** after the effective date of a **change of control**. We will however, continue to provide coverage until the policy is otherwise cancelled, terminated, or expires, but only for **wrongful acts** by any **insureds** prior to the date of a **change of control**. The extended reporting provision in Section V will not apply to a **change of control** event.

If you notify us in writing at least sixty (60) days prior to the **change of control**, we will provide you with proposed additional terms and conditions for run-off coverage subject to an additional premium and payment by you.

Non-liability coverage parts will have specific change of control provisions applicable to such Coverage Part.

XI. SUBSIDIARY

With respect to any **liability coverage part**:

A **subsidiary** and its **insureds** acquired or created before or during the **policy period** will be afforded coverage for a **claim** arising from **wrongful acts** which occur while that **subsidiary** is under the **management control** of an **insured entity**. There will be no acquisition threshold with respect to any **subsidiary**.

If an **insured entity** ceases **management control** of a **subsidiary** during the **policy period**, coverage will continue until the policy is otherwise terminated or cancelled, but coverage will apply to such **subsidiary** and its **insureds** only for **claims** for **wrongful acts** which occurred prior to such cessation.

XII. CANCELLATION OR TERMINATION

This policy may only be cancelled or terminated by one of the following events:

- (i) by us, for nonpayment of premium, in which event we will send you a written notice twenty (20) days prior to the effective date of such cancellation;
- (ii) by the **named insured** for any reason if we receive written notice twenty (20) days prior to the date the policy should be cancelled; or
- (iii) the expiration of the **policy period**.

Any returned premium will be computed on a pro rata basis.

XIII. SUBROGATION AND RECOUPMENT

If we pay any **loss** or other similar cost or expense under this policy, we reserve all rights to subrogation. We will not subrogate against you. You agree that we have the right to recoup any amount paid to you, or on your behalf, if such amount was not owed under this policy.

Any amounts recovered by subrogation or recoupment, less costs expended for the recovery, will be applied to the limit of liability of the applicable Coverage Part.



**COMMUNITY ASSOCIATION POLICY
GENERAL TERMS AND CONDITIONS**

XIV. GENERAL POLICY PROVISIONS

The **named insured** agrees to act on behalf of all **insureds** with respect to:

- (i) providing or receiving any notice, other than on behalf of an **insured** for a covered **claim** brought by or on behalf of the **named insured** against such other **insured**;
- (ii) the payment of any premiums;
- (iii) receiving any applicable return premiums; and
- (iv) agreeing to and acceptance of any endorsements.

This policy, including the **application**, constitutes the entire contract existing between you and us or any of our agents relating to this insurance.

The provisions of this policy cannot be waived or changed except by written endorsement issued to form a part of this policy. We will not be bound by any assignment of interest under this policy unless this assignment is specifically endorsed to the policy.

XV. REFERENCE TO LAW

Any reference to United States law will also include United States federal, state and local statutory law, and any rules, regulations and amendments of such law or any such equivalent foreign law.

XVI. FINANCIAL INSOLVENCY

Financial insolvency will not impact our obligations, rights or defenses under this policy. We will not object to your efforts to obtain relief or stay from any injunction issued as a result of **financial insolvency**.

XVII. ACTION AGAINST THE COMPANY

No action may be taken against us unless, as a condition precedent, there has been full compliance with all the terms and conditions of this policy. Further, no person or entity will have any right under this policy to join us as a party to any action against any **insured** to determine such **insured's** liability, nor can we be impleaded by the **insured** or legal representatives of such **insured**.

XVIII. STATE AMENDATORY INCONSISTENCY STATEMENT

In the event that there is an inconsistency between the terms and conditions of this policy and any state amendatory endorsement, where permitted by law, we will apply the terms and conditions that are most favorable for you.

XIX. TERRITORY

Coverage will apply worldwide. This policy does not provide coverage for any **insured**, transaction, that part of **loss**, or other similar cost or expense that is uninsurable under the laws or regulations of the United States concerning trade or economic sanctions.

IN WITNESS WHEREOF, we have caused this policy to be executed by our Chairman and Secretary, but this policy shall not be binding upon us unless completed by the attachment of the Declarations.

Chairman

Secretary



**COMMUNITY ASSOCIATION POLICY
ASSOCIATION LIABILITY COVERAGE PART**

In consideration of the premium and subject to the Declarations and the General Terms and Conditions, the parties agree as follows:

I. INSURING AGREEMENTS

We will pay **loss** on behalf of an **insured** arising from a **claim** against such **insured** first made during the **policy period**.

II. COVERAGE EXTENSIONS

The following coverage extensions, if subject to a sublimit, are part of, and not in addition to, the aggregate limit of liability set forth in Item 6 of this Coverage Part Declarations.

Settlement Retention Credit

Solely with respect to the settlement of a **claim**, if you and the claimant consent to the initial settlement offer, as recommended by us, within thirty (30) days of being made aware of such offer by us, we will reduce the applicable Retention for such **claim** by the lesser amount of ten percent (10%) of the Retention or ten thousand dollars (\$10,000) provided the settlement exceeds the Retention and such Retention has been met by the **named insured**

In the event that one **claim** is eligible for both this Settlement Retention Credit and the Mediation Retention Reduction found in Section II A Supplementary Benefits of the General Terms and Conditions, then the **insured entity** will receive only one such benefit.

III. DEFINITIONS

Any defined word not defined in this Coverage Part will have the meaning assigned to it in the General Terms and Conditions.

Applicant means any applicant or prospective applicant for employment with an **insured entity**.

Assessments mean any fees, costs, expenses, dues, funds or other amounts imposed upon, charged to or collected from a resident, property owner or member of an **insured entity** pursuant to either: (i) the governing documents of an **insured entity**; or (ii) any decision by a board, committee or other governing body of an **insured entity**.

Breach means an intentional unauthorized access, intrusion, or control over an **insured's** computer system or network by a third party for some illicit purpose.

Claim means any:

- (i) written demand (excluding a subpoena) for monetary, non-monetary, injunctive, or declaratory relief including a request for alternative dispute resolution or request to toll or waive a statute of limitations;
- (ii) civil or criminal proceeding commenced by the earlier of: (a) the return of service of a complaint or indictment upon an **insured**; (b) the filing of an indictment or information with respect to an **insured**; or (c) the arrest or detention of an **insured**; or
- (iii) a formal administrative or regulatory proceeding (excluding an audit), including an **EEOC proceeding** or proceeding by the Office of Federal Contract Compliance Programs, evidenced by a formal notice of charges or a formal notice of investigation, against an **insured** for a **wrongful act**, committed, attempted, or allegedly committed or attempted, by such **insured** before or during the **policy period** including any appeal therefrom; provided, that a **claim** for an **employment wrongful act** will not include any criminal proceeding, criminal administrative or regulatory proceeding, criminal investigation, or labor or grievance arbitration or proceeding pursuant to a collective bargaining agreement or similar agreement.

Claim will also include an **immigration claim**.

Unless specifically stated elsewhere in this Coverage Part, a **claim** will be deemed first made on the earliest of the date on which the **claim** is served upon, or first received by, any **insured**.



**COMMUNITY ASSOCIATION POLICY
ASSOCIATION LIABILITY COVERAGE PART**

Conduct means an **insured's**: (i) gaining of profit or other advantage to which the **insured** was not legally entitled; or (ii) commission of a crime, fraud, or a dishonest act or omission, or willful violation of any law or regulation, provided such conduct was committed with actual knowledge of its wrongful nature or with intent to cause damage and such conduct is established by a final non-appealable adjudication.

Construction defect means any actual or alleged defective, faulty or delayed construction or any other matter recognized as a construction defect under common or statutory law, whether or not as a result of: (i) faulty or incorrect design or architectural plans; (ii) improper soil testing; (iii) inadequate or insufficient protection from subsoil, ground water or earth movement or subsidence; (iv) construction, manufacture or assembly of any tangible property; (v) the failure to provide construction related goods or services as represented or to pay for such goods or services; or (vi) the supervision of such activities.

Contractual liability means actual or alleged liability voluntarily undertaken by an **insured** in any contract or agreement. **Contractual liability** does not include liability that would be imposed upon an **insured**: (i) in the absence of such contract or agreement; or (ii) pursuant to the **named insured's** declarations, by-laws or similar governing documents, except for any provision in such governing documents providing for an award of attorneys' fees.

Cyber event means any actual or alleged:

- (i) **exploit**;
- (ii) **unauthorized access or use**; or
- (iii) **network impairment**.

Defense costs mean the reasonable and necessary fees, costs, and expenses, charged by attorneys designated by us, or incurred by an **insured** with our consent in the investigation, defense, or appeal of any covered **claim**, including the premium for appeal, attachment, or similar bonds arising out of a covered judgment. In no event will we be obligated to supply, underwrite or provide collateral for any such bond. **Defense costs** do not include **overhead expenses**.

Discrimination means any alleged or actual violation of any United States law or common law which prohibits discrimination.

EEOC proceeding means any investigative proceeding before the Equal Employment Opportunity Commission, or an adjudicatory or investigative proceeding before any similar federal, state, or local government body whose purpose is to address any **wrongful employment practice**.

Employee means any natural person, who is a past, present, or future full-time, part-time, seasonal or temporary worker, employees leased by, or loaned to, an **insured entity**. **Employee** does not include any **executive**, **independent contractor** or **property manager employee**.

Employment related benefits mean perquisites, fringe benefits, deferred compensation, or payments (including insurance premiums and benefit claim payments) in connection with an employee benefit plan, **stock benefits** (or the equivalent value thereof), and any other payment to or for the benefit of an **employee** arising out of the employment relationship. **Employment related benefits** will not include salary, wages, commissions, or non-deferred cash incentive compensation.

Employment wrongful act means: (i) any **wrongful employment practice** but only with respect to any **employee** or any **applicant**; (ii) any **wrongful employment practice** but only with respect to any **property manager employee** but solely against an **insured entity**; or (iii) any **third party wrongful act** but only with respect to any **third party**. A **wrongful act** includes any actual or alleged conduct that takes place via electronic communication, including social media and internet websites. **Employment wrongful act** does not include: (a) any **wrongful employment practice** of a **property manager**; or (b) an **immigration wrongful act**.

ERISA means any actual or alleged violation of the Employee Retirement Income Security Act of 1974, (including the Consolidated Omnibus Budget Reconciliation Act of 1985) (COBRA).

Executive means any:

- (i) past, present, or future duly elected or appointed director or officer, member of the: board of directors, board of managers, board of regents, board of trustees, board of governors trustee, or such functionally equivalent position of the **insured entity**; or



**COMMUNITY ASSOCIATION POLICY
ASSOCIATION LIABILITY COVERAGE PART**

- (ii) holder of such functionally equivalent position to those included in paragraph (i) above in an **outside entity** while serving at the **insured entity's** specific request or direction.

Executive does not include any **employee**.

Exploit means the **breach** of, or unauthorized or unlawful access to, any **network**, resulting in denial of service, delay to a **network**, or infection of a **network** through malware, spyware, virus or any such similar unauthorized code, application or software.

Fungi means any form of fungus, including but not limited to yeast, mold, mildew, rust, smut or mushroom, and any spores, mycotoxins, odors or any other substances, products, or by products produced by, released by, or arising out of the current or past presence of such substances.

Harassment means any actual or alleged sexual harassment or other unlawful harassment, including bullying, quid pro quo sexual harassment, or hostile work environment.

Immigration claim means any criminal proceeding or criminal investigation against an **insured person**, alleging an **immigration wrongful act**, provided such criminal proceeding or criminal investigation is based upon or arising out of an actual or alleged violation of the Federal Immigration and Nationality Act of 1965.

Immigration wrongful act means any actual or alleged hiring, harboring, employment or attempted employment of illegal aliens or alleged illegal aliens committed, attempted, or allegedly committed or attempted by an **insured** in such capacity.

Insurance benefits mean medical or insurance benefits to which the claimant allegedly was entitled or would have been entitled had an **insured entity** provided the claimant with a continuation or conversion of insurance.

Insured means any **insured person** or any **insured entity**. **Insured** also includes **property manager** entity but solely in the course and scope of their provision of **property management services** to the **named insured** or a **subsidiary**. The status of any **insured** will be determined as of the time or date of the alleged **wrongful act**.

Insured person means any duly constituted committee member or volunteer of an **insured entity**, **employee**, **executive**, natural person **property manager**, or **property manager employee** but solely in the course and scope of their provision of **property management services** to the **named insured** or a **subsidiary**. **Insured person** will not include any in-house, or contracted, legal counsel.

Invasion of privacy means any actual or alleged failure by an **insured** to secure an **employee's personal information** from unauthorized use or disclosure resulting in injury to such **employee**; provided **invasion of privacy** does not include unauthorized use or disclosure caused by a **cyber event**.

Loss means the amount you are legally obligated to pay as a result of a **claim** including compensatory damages, settlements, judgments, pre-judgment and post-judgment interest, and **defense costs**.

Loss will also include:

- (i) punitive, exemplary, or multiplied damages if such damages are insurable under the law in the jurisdiction which is most favorable to the **insured** provided that such jurisdiction has a substantial relationship to us, the **insured**, or to the **claim** giving rise to such **loss**;
- (ii) civil fines or penalties assessed against an **insured person** for an unintentional and non-willful violation of law that are insurable under the law to which this policy is construed; and
- (iii) liquidated damages awarded pursuant to the Age Discrimination in Employment Act, the Family Medical Leave Act, or the Equal Pay Act.

Loss does not include:

- (a) costs to comply with any order or agreement to provide non-monetary or injunctive relief costs to provide any accommodation under any United States law or common law which prohibits discrimination based on disability; provided this will not apply to **defense costs**;
- (b) any amount representing the return, restitution, or reimbursement of **assessments** or of any other fees, costs, expenses or other amounts paid to or charged by an **insured**, no matter whether claimed as restitution of specific funds, forfeiture, financial loss, set-off or otherwise;
- (c) taxes, fines, or penalties (other than those referenced in (i) or (ii) above);



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- (d) **clean-up costs**;
- (e) compensation earned by the claimant in the course of employment but unpaid by the **insured**, including but not limited to salary, wages, commissions, severance, bonus, carried interest, or incentive compensation;
- (f) amounts not insurable under the law to which this policy is construed;
- (g) attorneys' fees or costs sought or awarded pursuant to any declarations, by-laws or other governing documents of an **insured entity**;
- (h) any amount for which an **insured** is absolved from payment by reason of any covenant, agreement, or court order;
- (i) future salary, wages, or commissions of a claimant who is hired, promoted, or reinstated to employment pursuant to a settlement of, order in, or other resolution of any **claim**;
- (j) amounts incurred or required to remedy, repair or compensate for any damage to tangible property, including loss of use thereof, actually or allegedly caused by any owner's modification, addition or architectural change, regardless if such modifications, additions or changes were made with the approval of any **insured**;
- (k) amounts as a result of an **immigration claim**; provided this will not apply to **defense costs**; or
- (l) **employment related benefits**.

Microbe means any non-fungal microorganism or non-fungal colony-form organism that causes infection or disease including but not limited to any spores, mycotoxins, odors or any other substances, products, or by products produced by, released by, or arising out of the current or past presence of microbes.

Network means any computer, program, database, server, mainframe, software, hardware, mobile device, applications, storage or back-up devices, or such similar components of a digital telecommunication network that is owned or operated by, or on behalf of, or for the benefit of the **insured entity**. **Network** does not include the internet, telephone company networks, electrical grids, or other public infrastructure network.

Network impairment means the disruption, theft, modification, destruction or damage to any **network**, that results in the impairment of the **network** to such an extent that the **insured entity** is substantially unable to conduct normal and customary business operations.

Non-indemnifiable loss means any **loss** incurred by an **insured person** that an **insured entity** fails or refuses to pay, advance, or indemnify:

- (i) due to **financial insolvency**; or
- (ii) because such indemnification is not permitted pursuant to law.

NLRA means any actual or alleged violation of the National Labor Relations Act, or similar law governing employees' rights and employers' duties with respect to unions, bargaining, strikes, boycotts, picketing, lockouts, or collective activities.

OSHA means any actual or alleged violation of the Occupational Safety and Health Act of 1970, or similar law governing workplace safety and health.

Outside entity means any entity exempt from federal income tax pursuant to Sections 501(c)(3),(4),(6),(7), and (10) of the Internal Revenue Code, provided such entity: (i) is not an **insured entity**; and (ii) is a community association, joint council, master association or sub-association.

Overhead expenses mean the salaries, wages, fees, overhead, or benefit expenses, associated with any **insured**.

Pending or prior litigation means any matter, fact, circumstance, situation, transaction, event, action, proceeding, investigation, inquiry, or written demand, commenced against you pending on or prior to the date set forth in Item 6 of the Declarations or any related, same, or essentially related or same matter, fact, circumstance, situation, transaction, event, action, proceeding, investigation, inquiry, or written demand.

Personal injury means any:

- (i) wrongful entry or eviction, or other invasion of the right of private occupancy;
- (ii) false arrest or false imprisonment; or
- (iii) malicious prosecution or abuse of process.



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Personal information means any nonpublic personal information relating to an identified or identifiable natural person.

Prior notice means any matter, fact, circumstance, situation, transaction, event, or **wrongful act** that has been the subject of any notice accepted under any not-for-profit directors and officers liability policy, employment practices liability policy, or comparable policy, coverage section or coverage part of which this Coverage Part is a direct or indirect renewal or replacement, or any related, same, or essentially related or same matter, fact, circumstance, situation, transaction, event, or **wrongful act**.

Pollutants mean any substance exhibiting hazardous characteristics as is or may be defined or identified on any list of hazardous substances issued by the United States Environmental Protection Agency or any state or local or foreign counterpart. **Pollutants** also mean, without limitation, any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals or waste (including materials to be recycled, reconditioned or reclaimed), as well as any air emission, odor, waste water, oil or oil products, infectious or medical waste, asbestos, or asbestos products.

Property manager means the entity or natural person providing **property management services** to the **named insured** or any **subsidiary**, including any such entity as a debtor in possession under United States bankruptcy law.

Property manager employee means any natural person (including any part-time, seasonal, leased or temporary employee, or any duly elected or appointed director or officer, member of the board of directors or board of managers) in the regular service of a **property manager** in the ordinary course of such **property manager's** business, provided such **property manager** governs and directs in the performance of such service.

Property management services mean the following property and community association management services provided for a fee pursuant to a written contract in connection with the management of property under the ownership, management or control of the **named insured** or a **subsidiary**:

- (i) development of management plans and budget;
- (ii) oversight of physical maintenance of property;
- (iii) solicitation, evaluation and securing of tenants and management of tenant relations, collection of rent and processing evictions;
- (iv) development, implementation and management of loss control and risk management plans for real property;
- (v) solicitation and negotiation of contracts for sale and leasing of real property;
- (vi) development, implementation and management of contracts and subcontracts (excluding property and liability insurance contracts) necessary to the daily functioning of the property;
- (vii) personnel administration; or
- (viii) record keeping.

Protected information means nonpublic proprietary and confidential information of a third-party entity, or any **personal information**.

Publisher injury means libel, slander, defamation, plagiarism, or misappropriation of ideas; or infringement of copyright, title, slogan, logo, trademark, tradename, trade dress, service mark, or service name.

Retaliation means any actual or alleged retaliatory act by an **insured** against an **employee** arising from such **employee's**:

- (i) **whistleblower activity**;
- (ii) participation, assistance, testimony, or cooperation in any internal or external proceeding or investigation regarding violations of law by an **insured**; or
- (iii) exercise of his/her rights, refusal to violate any law, or opposition to any unlawful practice or activity.

Sponsor liability means any actual or alleged: (i) act or omission by an **insured** in their capacity as a sponsor, builder or developer of an **insured entity**; or (ii) misconduct of a sponsor, builder or developer of an **insured entity**, including but not limited to actual or alleged conflicts of interest, self-dealings, or disputes concerning conversion, construction or development.

Third party means any natural person who is not an **employee** or **executive**.



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Third party wrongful act means any **discrimination** or **harassment** of a **third party** or **applicant** committed, attempted, or allegedly committed or attempted by an **insured** in such capacity.

Unauthorized access or use means unauthorized use, theft, collection, disclosure, disruption, modification, deletion or destruction of, or unauthorized access to, any **protected information** or any **network** component.

Wage and hour means any actual or alleged violation of any United States law or common law which regulates or governs employment wage, pay, or labor requirements or standards, including but not limited to:

- (i) the calculation, recordkeeping, timing or manner of payment of minimum wages, prevailing pay rates, overtime pay, or other compensation alleged to be due and owing, including the failure to compensate for any unpaid vacation pay, off the clock or remote work, or for employer sponsored activities;
- (ii) failure to provide or enforce legally required meal or rest break periods;
- (iii) the classification of any entity or person for wage and hour purposes;
- (iv) garnishments, withholdings, or other deductions from wages;
- (v) use of federal or state tip credits or maintenance and distribution of tip pools; or
- (vi) reimbursement of work-related expenses or tools to any person providing services or labor to or on behalf of an **insured entity**,

or any such similar practices, policies, or procedures.

WARN means any actual or alleged violation of the Workers' Adjustment and Retraining Notification Act, or similar law governing employer notice requirements in advance of lay-offs or facility closings.

Whistleblower Activity means the lawful activity of an **insured person**, with respect to any alleged wrongdoing by an **insured**, who causes information to be provided to the attention of, or otherwise assists in an investigation by, a governmental or law enforcement agency, provided such activities are protected by statute with rights and remedies for retaliation recognized under United States law.

Worker benefits mean any actual or alleged violation of any United States law governing workers' compensation, unemployment insurance, social security, or disability benefits.

Workplace tort means any:

- (i) negligent hiring, training, supervision, or evaluation of **employees**;
- (ii) failure to adopt or enforce adequate workplace or employment policies and procedures;
- (iii) false imprisonment, false arrest, detention, or malicious prosecution;
- (iv) libel, slander, defamation, or humiliation;
- (v) **invasion of privacy**; or
- (vi) wrongful infliction of emotional distress.

Wrongful act means any:

- (i) error, misstatement, misleading statement, act, omission, neglect, or breach of duty, (including **personal injury** or **publisher injury**) committed, attempted or allegedly committed, or attempted, by:
 - (a) an **insured person** in his/her capacity as such; or
 - (b) an **insured entity**;
- (ii) matter claimed against an **insured person** solely by reason of his/her status as such; or
- (iii) **employment wrongful act**.

Wrongful employment decision means any:

- (i) actual or constructive wrongful dismissal, discharge, or termination of employment;
- (ii) wrongful deprivation of career opportunity, demotion, failure to grant tenure, failure to train, or failure to employ or promote;
- (iii) employment related misrepresentation, including inducement to become or remain employed based on an erroneous job description; or
- (iv) wrongful discipline of **employees**.

Wrongful employment practice means any employment related:

- (i) breach of any written employment contract or agreement, including any written contract or agreement concerning severance payments or contractual obligation arising out of any employee handbook, personnel manual, policy statement, or other representation;



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- (ii) **discrimination**;
- (iii) **harassment**;
- (iv) **retaliation**;
- (v) **workplace tort**; or
- (vi) **wrongful employment decision**,
committed, attempted, or allegedly committed or attempted by an **insured** in such capacity.

IV. **COVERAGE PART EXCLUSIONS**

We will not cover **loss** in connection with any **claim**:

A. based upon or arising from, or in any way involving:

- (i) **bodily injury**; provided this exclusion (i) will not apply to actual or alleged emotional distress, mental anguish or humiliation from an **employment wrongful act**;
- (ii) **conduct**;
- (iii) **construction defect**;
- (iv) **contractual liability**; provided this exclusion (iv): (a) will not apply to **defense costs** in connection with **contractual liability** for a written contract; and (b) is subject to the employment **contractual liability** exclusion in B(vii) below;
- (v) **cyber event**;
- (vi) **pending or prior litigation**;
- (vii) **pollution**;
- (viii) **prior notice**;
- (ix) **sponsor liability**;
- (x) any **wrongful act** by an **insured person** acting in a capacity as directors, officers, trustees, regents, governors or employees (or solely by reason of their status as such) of any entity other than an **insured entity** or an **outside entity**;
- (xi) failure to maintain or effect insurance; provided this exclusion (xi) will not apply to **defense costs**; or
- (xii) actual, alleged or threatened:
 - (a) inhalation of, ingestion of, contact with, exposure to, existence of, growth or presence of **fungi** or **microbes**; or
 - (b) failure to detect, report, test for, monitor, clean up, remove, contain, treat, detoxify, neutralize, remediate, dispose of or in any way respond to, assess the effects of or advise of the existence of any **fungi** or **microbes**.

B. for:

- (i) **worker benefits**; provided this exclusion (i) will not apply to any **claim** on account of **retaliation**;
- (ii) **ERISA**, provided this exclusion (ii) will not apply to:
 - (a) Section 510 in a **claim** for an **employment wrongful act**;
 - (b) any **claim** on account of **retaliation**;
- (iii) **OSHA**; provided this exclusion (iii) will not apply to any **claim** on account of **retaliation**;
- (iv) **WARN**; provided this exclusion (iv) will not apply to any **claim** on account of **retaliation**;
- (v) **NLRA**; provided this exclusion (v) will not apply to any **claim** on account of **retaliation**;
- (vi) **insurance benefits**; provided this exclusion (vi) will not apply to **defense costs**;
- (vii) any breach of any written employment **contractual liability**, including any severance agreement or golden parachute agreement, or any compensation agreement payable upon the termination of any **employee**; provided, this exclusion (vii) will not apply to **defense costs**; or
- (viii) **wage and hour**; provided this exclusion (viii) will not apply to **defense costs**. Further provided that the most we will pay for all **defense costs** alleging **wage and hour** is the sublimit of liability set forth in item 6 of the Declarations.

C. against a **property manager** or **property manager employee** based upon or arising from or in any way involving any:

- (i) actual or alleged commingling, misappropriation or improper use of, or failure to pay, collect, or safeguard, funds;
- (ii) actual or alleged advice as to property value;



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- (iii) actual or alleged transfer or failure to transfer funds;
- (iv) actual or alleged notarization certification or acknowledgment of a signature;
- (v) cease and desist order; or
- (vi) actual or alleged failure to give timely notice of claim or loss under any insurance policy;

- D. based upon or arising from or in any way involving any **claim** brought by, or on behalf of, the **insured entity** against a **property manager** or **property manager employee**;
- E. based upon or arising from or in any way involving **property damage**; provided this exclusion E will not apply to decisions by a board, committee or other duly elected or appointed governing body of an **insured entity** to:
 - (i) grant or deny permission to a property owner for that owner to make modifications, additions or architectural changes to such owner's property; or
 - (ii) impose, charge or collect **assessments** as a result of **property damage**.

V. SPECIFIC LIMIT OF LIABILITY, SUBLIMITS AND RETENTIONS

A. Limit of Liability and Defense Costs Only Sublimit outside of the Aggregate Limit of Liability

The most we will pay for all **loss** arising from all **claims** is the Maximum Aggregate limit of liability set forth in Item 6 of the Declarations; provided, however, and notwithstanding Section IV, Limit of Liability, Sublimits and Retentions of the General Terms and Conditions, **defense costs** will be in addition to the aggregate limit of liability up to the amount of the additional **defense costs** limit of liability stated in Item 6 of the Declarations. If and when such **defense costs** limit of liability is exhausted by payment of **defense costs**, then any remaining **defense costs** will be applied and erode the Maximum Aggregate limit of liability set forth in Item 6 of the Declarations.

B. Immigration Claims Defense Costs Only Sublimit of Liability

The most we will pay for all **defense costs** from all **immigration claims** is the amount set forth in Item 6 of the Declarations, such sublimited coverage will be part of, and not in addition to, the Maximum Aggregate limit of liability set forth in Item 6 of the Declarations.

Defense costs shall be applied in accordance with Section V A above.

C. Retentions and other Sublimits

A single Retention will apply to each **claim**, such Retention will apply only to **loss** other than **defense costs**. There will be no Retention applicable to liability for **non-indemnifiable loss**.

VI. INDEMNIFICATION

It is agreed that an **insured entity** will indemnify its **insured persons** to the fullest extent permitted by law.

VII. DEFENSE OF CLAIMS

We have the right and duty to defend any **claim** covered by this Coverage Part even if the allegations in the **claim** are groundless, false, or fraudulent. We will have the right to appoint counsel and to make such investigation and defense of a **claim** as it deems necessary. Our duty to defend any **claim** will end, and we will have no further obligation to defend any **claim**, upon the exhaustion of the applicable limit of liability.

VIII. ALLOCATION

If a **claim** incurs covered **loss** and uncovered loss because such **claim** includes covered and uncovered parties, or covered and uncovered matters, then the following will apply:

- (i) one hundred percent (100%) of **defense costs** incurred by such **insured** will be considered covered **loss**; and
- (ii) with respect to any loss other than **defense costs** you and we will use our best efforts to determine an allocation between covered **loss** and uncovered loss based on the relative legal and financial exposures of the parties to such matters.



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IX. OTHER INSURANCE

This Coverage Part will be excess of, and will not contribute with, any other insurance policy, coverage part, or risk transfer or indemnity agreement, including any deductible or retention obligation thereunder, that provides defense or indemnity coverage for any **loss** for which this Coverage Part also provides coverage, unless such other insurance or agreement is written specifically as excess of the limit of liability of this Coverage Part.

This Coverage Part will be specifically excess of any valid and collectible insurance policy: (i) for environmental liability, cyber liability, general liability, professional services liability or employment practices liability; or (ii) written on a duty to defend basis unless such other insurance is written specifically as excess of the limit of liability of this Coverage Part.

With respect to an **executive** serving in his/her capacity as such for an **outside entity**, this Coverage Part will be specifically excess of any insurance or indemnity available to such **insured person** by or on behalf of an **outside entity**.

Notwithstanding the above, this Coverage Part will apply as primary with respect to any personal umbrella or personal directorship liability insurance purchased by an **insured person**.

X. IMPUTATION

We will not impute:

- (i) the conduct of any **insured person** with respect to **conduct** exclusion IV A(ii) of this Coverage Part; or
- (ii) the failure to provide us with full cooperation, assistance, or information as required, to any other **insured person**, nor will the above impair the rights of any other **insured person** under this Coverage Part.

XI. PRIORITY OF PAYMENT

The coverage under this Coverage Part is intended principally to benefit the **insured person**. In the event that **non-indemnifiable loss** and any **loss** or payments under a coverage extension are due simultaneously, then we will first pay **non-indemnifiable loss** on behalf of the **insured person**. In all other instances we will pay **loss** as it becomes due.



PRIVACY EVENT EXPENSE ENDORSEMENT

In consideration of the premium, solely with respect to the Association Liability Coverage Part and the coverage provided by this endorsement, the policy is amended as follows:

- I. The following insuring agreement is added to the Association Liability Coverage Part:

Privacy Event Response

We will pay or reimburse the **insured entity** for **privacy event response costs** resulting directly from a **privacy event** the **insured** first **discovered** during the **policy period**.

- II. Solely with respect to the coverage afforded by this endorsement Section III, Definitions of the Association Liability Coverage Part is amended to add the following definitions:

Crisis management expenses mean the reasonable and necessary fees, costs, and expenses that are incurred by, or on behalf of, an **insured entity** to mitigate negative publicity concerning a **privacy event**. **Crisis management expenses** include fees, costs, and expenses incurred:

- (i) by a **response vendor** law firm, public relations firm, or crisis management firm, to advise the **insured entity**;
- (ii) to manage press coverage, publicity and press relationships, advertising and mailing of materials on behalf of the **insured entity**.

Cyber terrorism means any actual or threatened attack by individuals, or group of individuals, against a **network**, in furtherance of social, ideological, religious, or political objectives, with the intent, design, or purpose, in whole or in part, to: (i) cause harm to a **network**; or (ii) intimidate any person or entity in furtherance of such objectives.

Data breach means any: (i) unauthorized disclosure, modification, use, or access of **protected information**; (ii) loss, destruction or theft of **protected information**; or (iii) violation or failure to comply with any **data privacy law**.

Data privacy law means any law, rule, or regulation in any domestic or international jurisdiction that governs the: (i) use, confidentiality, collection, or control of **protected information**; (ii) implementation of policies or procedures with respect to **protected information**; or (iii) notification of an actual or suspected **data breach** to impacted, or potentially impacted, persons or entities or to the appropriate authorities.

Discovered or discovery means when a **responsible person** acquired knowledge that would lead a reasonable person to believe a covered loss or covered damage has occurred or will occur, whether or not the amount or details of such loss or damage are known.

Interrelated security breaches means all **privacy events** that are based upon, arising from or are logically or causally connected by the same or any related or common, or a series of related or common, facts, circumstances, transactions, or causes.

IT provider means any third party entity which provides:

- (i) hosted computer resources including "cloud computing" to the **insured entity**; or
- (ii) information technology services required by the **insured entity** to operate a **network** under such entity's ownership, operation, or control,

pursuant to a written contract between such entity and such **insured entity**. **IT provider** does not include any **insured entity**, any public utility, internet service provider, or securities exchange.

Network means any computers, all peripheral or integrated storage, communications input or output devices (including mobile devices), or related network or operating systems, application software or website that are:

- (i) owned, operated by, controlled by or leased by an **insured entity**;
- (ii) owned or operated by the **property manager** entity on behalf of, or for the benefit of, an **insured entity** but solely in the course and scope of its provision of **property management services** to such **insured entity**; or
- (iii) under the ownership, operation, or control of an **IT provider**, or operated on behalf of, or for the benefit of, an **insured entity** by an **IT provider**.



Personal information means any private or confidential information in the care, custody, or control of an **insured entity** (or a third party provider acting on behalf of an **insured entity**), provided such information may be used alone or with other information to uniquely identify: (i) a natural person; (ii) any protected health information; or (iii) non-public personally identifiable information as defined in any **data privacy law**.

Privacy event means any **security breach** or **data breach**.

Privacy event response costs mean reasonable and necessary fees, costs, and expenses incurred by an **insured entity** for services rendered by **response vendors** to:

- (i) retain legal counsel to investigate, respond, and negotiate compliance in response to a **privacy event**;
- (ii) retain a computer forensics firm to investigate the cause of a **privacy event** and the extent of any **protected information** disclosure;
- (iii) provide compulsory and/or voluntary notification to impacted or potentially impacted individuals or entities whose **protected information** may have been subject to a **data breach**;
- (iv) provide notification to any other entity as required by law;
- (v) set up a call center to respond to inquiries about the **privacy event**;
- (vi) provide credit monitoring, identity monitoring, identity restoration or protection services, to impacted, or potentially impacted individuals, in response to the **data breach**; or
- (vii) provide such other mitigation or remediation services in response to a **privacy event**, subject to Section VIII Cooperation and Consent of the General Terms and Conditions.

Privacy event response costs also include **crisis management expenses**. **Privacy event response costs** must be incurred within twenty four (24) months of the date you reported the **privacy event** to us, provided that solely with respect to (vi) above, such costs may exceed the twenty four (24) month limit if so required by law.

Protected information means: (i) **personal information**; or (ii) any other third party confidential business information in the care, custody, or control of an **insured entity** or a third party provider acting on behalf of an **insured entity**.

Response vendors mean: (i) the panel of pre-approved vendors provided by us; or (ii) a qualified vendor that has been approved by us prior to retention.

Responsible person also means the Chief Information Officer, Chief Technology Officer, Chief Content Officer, Chief Information Security Officer, Chief Privacy Officer, Data Protection Officer, or such functionally equivalent position of the **named insured**.

Security breach means: (i) access to a **network** by an unauthorized person; (ii) use of any **network** in an unauthorized manner; (iii) transmission of malicious code or virus to a **network**; or (iv) denial of service attack on a **network**.

III. Solely with respect to the coverage afforded by this endorsement, Section IV, of the Association Liability Coverage Part Exclusions is amended as follows:

A. Exclusion (v) cyber event is amended by adding the following:

Provided this **cyber event** exclusion will not apply to the coverage afforded by this endorsement.

B. The following exclusions are added:

We will not cover **privacy event response costs** in connection with any **privacy event** based upon or arising from:

- Defects in Data And Software and Network

any defect of design, implementation, operation, incompatibility or any other fault of data and software or the **insured entity's network**, or any part thereof where such defect or fault is introduced by the **insured entity's**:

- (i) use of a third party product, including but not limited to software and equipment, in a manner inconsistent with the manufacturer's intended use;
- (ii) modification of a third party product or integration of components in violation of the manufacturer's warranty or other license terms;
- (iii) integration of components in a manner inconsistent with any of the components' intended use as established by its manufacturer;



- Deliberate Acts
any:
 - (i) dishonest, fraudulent, criminal, or malicious act or omission;
 - (ii) commingling, misappropriation, or misuse of funds;
 - (iii) intentional wrongdoing; or
 - (iv) knowing violation of any contract, agreement, statute or regulation,by or on behalf of an **insured**, provided such above conduct is established by a final non-appealable adjudication (excluding a declaratory action or proceeding by, or against us) in the underlying action;
- Force Majeure
fire, earthquake, flood, smoke, explosion, volcanic eruption, lightning, wind, water, tidal wave, solar flare, landslide, hail, or act of God, regardless of cause;
- Goodwill
any actual or alleged adverse impact on goodwill or change in value of shares, stock, or securities;
- Governmental Orders
any actual or alleged requisition, nationalization, confiscation, destruction, or damage to property, by order of any federal, state, local, national, or foreign governmental authority or foreign political authority;
- Property Damage
direct physical loss of or damage to property;
- Vendor Acts
unauthorized and deliberate malicious act or omission by a vendor or other third party authorized by the **insured entity** to perform services on the **insured entity's network**;
- War
any war (declared or otherwise), warlike operation, hostilities, invasion, popular or military uprising or activities, insurrection, rebellion, revolution, or terrorism (whether certified or not) by an individual or group or any action taken by governmental authorities in hindering or defending against any of these; provided this exclusion will not apply to **cyber terrorism**.

IV. Section V, Specific Limit of Liability, Sublimits and Retentions of the Association Liability Coverage Part is amended to include the following:

A. The most we will pay for all **privacy event response costs** resulting directly from a **privacy event** the **insured** first **discovered** during the **policy period** is \$100,000; such sublimited coverage will be part of, and not in addition to, the Aggregate Limit of Liability set forth in Item 6 of the Declarations.

B. No Retention will apply to **privacy event response costs**.

V. Section VI, Notice and Reporting of the General Terms and Conditions is amended to add the following:

As a condition precedent to our policy obligations, you must provide written notice of a **privacy event** as soon as practicable after **discovery**.

VI. The following Section is added to the Association Liability Coverage Part:

RELATED SECURITY BREACHES

All **interrelated security breaches** will be treated as one **security breach** first **discovered** on the date the first of such **interrelated security breaches** was first **discovered**.



In the event the **Insured** has also purchased any other first or third party cyber coverage in the same **policy period**, all interrelated Cyber Incidents will be treated as one Cyber Incident first reported or **discovered** on the date the first of such Cyber Incidents was first **discovered**. A Cyber Incident will include a **privacy event**, extortion demand, electronic theft, network impairment, security breach, data breach, improper destruction or release of personal or confidential information.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.



NETWORK SECURITY AND PRIVACY REGULATION PROCEEDING ENDORSEMENT

In consideration of the premium, solely with respect to the Association Liability Coverage Part, and the coverage provided by this endorsement, the policy is amended as follows:

I. The following insuring agreements are added to the Association Liability Coverage Part:

Network Security and Privacy

We will pay **loss** on behalf of an **insured** arising from a **network claim** first made during the **policy period**.

Privacy Regulation Proceeding

We will pay **privacy regulation fines and redress amounts** and **defense costs** on behalf of an **insured** arising from a **privacy regulation proceeding** first made during the **policy period**.

II. Section III, Definitions of the Association Liability Coverage Part is amended as follows:

A. Solely with respect to the coverage afforded by this endorsement:

(i) any reference to **claim** (except with respect to the Insuring Agreements and the definition of **claim** and **immigration claim**) in the Association Liability Coverage Part will mean a **network claim**.

(ii) the definition of **loss** is deleted and replaced with the following:

Loss means the amount you are legally obligated to pay as a result of a **network claim** including compensatory damages, settlements, judgments, pre-judgment and post-judgment interest, and **defense costs**.

Loss will also include:

- (i) punitive, exemplary, or multiplied damages if such damages are insurable under the law in the jurisdiction which is most favorable to the **insured** provided that such jurisdiction has a substantial relationship to us, the **insured**, or to the **network claim** giving rise to such **loss**;
- (ii) civil fines or penalties assessed against an **insured person** for an unintentional and non-willful violation of law that are insurable under the law to which this policy is construed (including **privacy regulation fines and redress amounts**); and

Loss does not include:

- (a) costs to comply with any order or agreement to provide non-monetary or injunctive relief, provided this will not apply to **defense costs**;
- (b) taxes, fines, or penalties (other than those referenced in (i) or (ii) above);
- (c) fees, costs, and expenses paid, incurred, or charged by an **insured**, no matter whether claimed as restitution of specific funds, financial loss, mitigation expenses, set-off amounts or payments in the form of service credits or coupons or other non-cash consideration;
- (d) amounts not insurable under the law to which this policy is construed;
- (e) attorneys' fees or costs sought or awarded pursuant to any declarations, by-laws or other governing documents of an **insured entity**;
- (f) any amount for which an **insured** is absolved from payment by reason of any covenant, agreement, or court order.

(iii) the definition of **prior notice** is deleted and replaced with the following:

Prior notice means any matter, fact, circumstance, situation, transaction, event, or **privacy wrongful act, security wrongful act**, that has been the subject of any notice accepted under any cyber policy or comparable policy, coverage section, or coverage part of which this Coverage Part is a direct or indirect renewal or replacement; or any related, same or essentially related or same matter, fact, circumstance, situation, transaction, event, **privacy wrongful act**, or **security wrongful act**.

B. Solely with respect to the coverage afforded by this endorsement the following definitions are added:

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Continental Casualty Company

Insured Name: Spring Meadows Condominium

Policy No.: 618941873

Endorsement No.: 2

Effective Date: 01/01/2026



Cryptocurrency means any virtual or digital currency in which cryptography or other encryption security techniques are used to regulate the generation of units of currency and/or verify the transfer of funds, operating independently of a central bank.

Cyber terrorism means any actual or threatened attack by individuals, or group of individuals, against a **network**, in furtherance of social, ideological, religious, or political objectives, with the intent, design, or purpose, in whole or in part, to: (i) cause harm to a **network**; or (ii) intimidate any person or entity in furtherance of such objectives.

Data breach means any: (i) unauthorized disclosure, modification, use, or access of **protected information**; (ii) loss, destruction or theft of **protected information**; or (iii) violation or failure to comply with any **data privacy law**.

Data privacy law means any law, rule, or regulation in any domestic or international jurisdiction that governs the: (i) use, confidentiality, collection, or control of **protected information**; (ii) implementation of policies or procedures with respect to **protected information**; or (iii) notification of an actual or suspected **data breach** to impacted, or potentially impacted, persons or entities or to the appropriate authorities.

IT provider means any third party entity which provides:

- (i) hosted computer resources including "cloud computing" to the **insured entity**; or
- (ii) information technology services required by the **insured entity** to operate a **network** under such entity's ownership, operation, or control,

pursuant to a written contract between such entity and such **insured entity**. **IT provider** does not include any **insured entity**, any public utility, internet service provider, or securities exchange.

Network means any computers, all peripheral or integrated storage, communications input or output devices (including mobile devices), or related network or operating systems, application software or website that are:

- (i) owned, operated by, controlled by or leased by an **insured entity**;
- (ii) owned or operated by the **property manager** entity on behalf of, or for the benefit of, an **insured entity** but solely in the course and scope of its provision of **property management services** to such **insured entity**; or
- (iii) under the ownership, operation, or control of an **IT provider**, or operated on behalf of, or for the benefit of, an **insured entity** by an **IT provider**.

Network claim means any:

- (i) written demand (excluding a subpoena) for monetary, non-monetary, injunctive, or declaratory relief including a request for alternative dispute resolution or request to toll or waive a statute of limitations;
- (ii) civil or criminal proceeding commenced by the earlier of: (a) the return of service of a complaint or indictment upon an **insured**; (b) the filing of an indictment or information with respect to an **insured**; or (c) the arrest or detention of an **insured**; or
- (iii) solely with respect to Privacy Regulation Insuring Agreement above, a **privacy regulation proceeding** against an **insured** for a **privacy wrongful act** or **security wrongful act**, committed, attempted, or allegedly committed or attempted, by such **insured** before or during the **policy period** including any appeal therefrom.

Personal information means any private or confidential information in the care, custody, or control of an **insured entity**, provided such information may be used alone or with other information to uniquely identify: (i) a natural person; (ii) any protected health information; or (iii) non-public personally identifiable information as defined in any **data privacy law**.

Privacy regulation fines and redress amounts mean: (i) civil monetary fines or penalties assessed by the arbiter of a **privacy regulation proceeding**; or (ii) equitable amounts you are legally obligated to pay into a fund for the payment of consumer claims as a result of a **privacy regulation proceeding**. **Privacy regulation fines and redress amounts** do not include fines or penalties that are uninsurable under the law to which this policy is construed, or any amount constituting settlement to which we have not consented to in writing.

Privacy regulation proceeding means a civil investigative demand, administrative or regulatory investigation or proceeding, or a written request for information by a federal, state, local, or foreign governmental authority, or self-regulating organization, against an **insured** and pertaining to a **privacy wrongful act**.



Privacy wrongful act means any actual or alleged:

- (i) act, error or omission by an **insured** (or by a **rogue employee** or a third party provider for whose actions the **insured** is legally liable) that results in a **data breach** on a **network**; or
- (ii) failure by an **insured** to destroy **protected information**.

Protected information means: (i) **personal information**; or (ii) any other third party confidential business information in the care, custody, or control of an **insured entity** or a third party provider acting on behalf of an **insured entity**.

Rogue employee means an **employee** or **executive** who intentionally acts outside of his/her capacity as such.

Security breach means: (i) access to a **network** by an unauthorized person; (ii) use of any **network** in an unauthorized manner; (iii) transmission of malicious code or virus to a **network**; or (iv) denial of service attack on a **network**.

Security wrongful act means any actual or alleged:

- (i) act, error, or omission by an **insured** (or by a **rogue employee** or a third party provider for whose actions the **insured** is legally liable) that results in a **security breach**;
- (ii) failure by an **insured** to timely disclose a **security breach**; or
- (iii) act, error, or omission by an **insured** that results in an unscheduled or unplanned inability of an authorized third party user to gain authorized access to a **network**.

Unauthorized reprogramming means the unauthorized reprogramming of software (including firmware) which renders the **network** nonfunctional or useless.

III. Solely with respect to the coverage afforded by this endorsement, Section IV, of the Association Liability Coverage Part Exclusions is amended as follows:

A. Section A is amended as follows:

- 1. exclusion (i) bodily injury is amended to add the following:

Provided this exclusion (i) will not apply to any actual or alleged mental anguish or humiliation made in connection with any **network claim** arising from a **privacy wrongful act**;

- 2. exclusion (v) cyber event is amended by adding the following:

Provided this **cyber event** exclusion will not apply to the coverage afforded by this endorsement.

B. Section E is amended to add the following:

Provided further that this exclusion will not apply to **unauthorized reprogramming** or any transmission of malicious code or virus to a **network**.

C. The following exclusions are added:

We will not cover **loss** in connection with any **network claim** based upon or arising from:

- Critical Infrastructure Failure
actual or alleged failure, interruption, disturbance, or outage of critical infrastructure including, but not limited to electrical, gas, water, telecommunications, internet, or any satellite, which is not under your operational control;
- Cryptocurrency
cryptocurrency;
- Force Majeure
fire, earthquake, flood, smoke, explosion, volcanic eruption, lightning, wind, water, tidal wave, solar flare, landslide, hail, or act of God, regardless of cause;
- Governmental Orders



any actual or alleged requisition, nationalization, confiscation, destruction, or damage to property, by order of any federal, state, local, national, or foreign governmental authority or foreign political authority;

- War

any war (declared or otherwise), warlike operation, hostilities, invasion, popular or military uprising or activities, insurrection, rebellion, revolution, or terrorism (whether certified or not) by an individual or group or any action taken by governmental authorities in hindering or defending against any of these; provided this exclusion will not apply to **cyber terrorism**.

IV. The coverage afforded by this endorsement does not increase the Maximum Aggregate limit of liability set forth in Item 6 of the Declarations.

All other terms and conditions of the Policy remain unchanged.

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| This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy. |
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DEFENSE COSTS OUTSIDE THE LIMITS ENDORSEMENT

In consideration the premium, the policy is amended as follows:

- I. Section IV, Limit of Liability, Sublimits and Retentions of the General Terms and Conditions, is deleted and replaced with the following:

The maximum aggregate amount we will pay for all **loss** (other than **defense costs**) regardless of the number of **claims, insureds**, losses, parties or requests for coverage under each respective Coverage Part is set forth in Item 6 of the Declarations.

Defense costs are in addition to the applicable limits of liability, our payment of any **defense costs** will not erode or exhaust the applicable limit of liability.

Item 6 of the Declarations sets forth any applicable Retention. Any Retention will be uninsured and the responsibility of the **named insured** to pay regardless of the nature or form of the **claim**. We will be liable to pay only that amount of **loss** in excess of any applicable Retention. If there are two Retentions that apply to the same **claim**, we will only apply the higher Retention.

All premiums, limits, Retentions, **loss** and other amounts under this policy are expressed and payable in United States of America currency unless the parties agree in writing otherwise.

- II. Paragraph (a) of Section VIII, Cooperation and Consent of the General Terms and Conditions is amended by adding the following sentence:

If an **insured**, other than any **property manager**, unreasonably refuses to consent to a settlement or compromise recommended by the Insurer, and acceptable to the claimant, then the applicable limit of liability under this policy shall be reduced to the amount for which the **claim** could have been settled.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.



PUBLIC RELATIONS EVENT EXPENSES ENDORSEMENT

In consideration of the premium, the Association Liability Coverage Part is amended as follows:

I. Section II, Coverage Extensions is amended by adding the following:

- Public Relations Event Expenses

We will reimburse the **named insured** up to \$15,000 per **public relations event**, subject to a maximum of \$50,000 per **policy period**, for reasonable **public relations expenses** incurred by the **named insured** for advisory services provided by a public relations firm to the **named insured** as a result of a **public relations event** which occurs during the **policy period**.

II. Section III, Definitions is amended by the addition of the following new Definitions:

- **Public relations event** means:

- (i) the departure, incapacitation, illness or death of an **executive** or association board member of the **named insured**;
- (ii) the **named insured's** dissolution for any reason other than bankruptcy; or
- (iii) any violent act, kidnapping, sexual assault, criminal firearm use or workplace accident resulting in negative local or national media coverage of the **named insured**.

- **Public relations expenses** mean the reasonable and necessary fees and expenses incurred by the **named insured** for public relations firm advisory services provided to the **named insured** to minimize potential economic or reputational harm in response to a **public relations event**.

Public relations expenses do not include **overhead expenses**, expenses incurred prior to any notice submitted to us, or expenses incurred after one hundred and eighty (180) days from the date the **public relations event** was noticed to us.

III. The following new section will be added to this Coverage Part:

Request for Coverage for Public Relations Expenses

If you choose to request coverage for **public relations expenses** you must submit a written notice at the address located in Item 3 of the Declarations. The notice must be sent within sixty (60) days of the **public relations event** and include the date the **public relations event** first occurred, the nature of the **public relations event** and the expenses requested or anticipated.

Should there be a subsequent **claim** that is based upon or arises out of this noticed **public relations event** we will consider that **claim** to have first been made during the **policy period** in which we accepted your first written notice.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.



CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM ENDORSEMENT

SCHEDULE

COMMERCIAL GENERAL LIABILITY COVERAGE PART

Solely with respect to any Coverage Part set forth in the Schedule, it is understood and agreed as follows:

Whenever used in this endorsement, 1) "we" means the insurer listed on the Declarations or the Certificate of Insurance, as applicable; and 2) "you" means the first person or entity named on the Declarations or the Certificate of Insurance, as applicable.

A. Cap on Certified Terrorism Losses

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security and the Attorney General of the United States, to be an act of terrorism pursuant to the Terrorism Risk Insurance Act, as extended and reauthorized (the "Act"). The criteria contained in the Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

If aggregate insured losses attributable to terrorist acts certified under the Act exceed \$100 billion in a calendar year (January 1 through December 31) and we have met our insurer deductible under the Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

B. Application of Exclusions

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Policy, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

All other terms and conditions of the Policy remain unchanged.

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| This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy. |
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WORKPLACE VIOLENCE ACT EXPENSES SUBLIMITED COVERAGE ENDORSEMENT

In consideration of the premium, solely with respect to the Association Liability Coverage Part, the policy is amended as follows:

I. Section I, Insuring Agreement is amended to add the following Insuring Agreement:

Workplace Violence Act Expenses

We will pay **workplace violence act expenses** on behalf of an **insured entity** resulting from any **workplace violence act** first occurring during the **policy period**. The total amount that we will pay for **workplace violence act expenses** will be the sublimit of liability set forth in paragraph IV of this endorsement.

II. Section III, Definitions is amended as follows:

A. The definition of **loss** is amended as follows:

Solely with respect to the coverage provided by this endorsement, **loss** will also include **workplace violence act expenses**.

B. The following definitions are added:

Premises means any buildings, facilities or properties occupied by the **named entity, subsidiary or property manager** and in which such **named entity, subsidiary or property manager** conducts its business operations.

Workplace violence act means any actual, alleged or threatened, intentional or unlawful deadly force or physical violence by use of a lethal weapon which: (i) occurs on or in the **premises**; and (ii) causes, or could cause, bodily injury or death to an **insured person**.

Workplace violence act expenses means the reasonable and necessary fees and expenses (other than **overhead expenses**) incurred by an **named entity, subsidiary or property manager** in connection with a **workplace violence act**. Such **workplace violence act expenses** include:

1. an independent security consultant for the first ninety (90) days after the **workplace violence act** occurred;
2. an independent public relations consultant for the first ninety (90) days after the **workplace violence act** occurred;
3. a counseling seminar for all **employees** of the **named entity, subsidiary or property manager** conducted by an independent consultant within the first ninety (90) after the **workplace violence act** occurred;
4. an independent security guard service for the first fifteen (15) days after the **workplace violence act** occurred; and
5. an independent forensic analyst for the first ninety (90) days after the **workplace violence act** occurred.

III. Section IV, Coverage Part Exclusions is amended to include the following exclusions:

A. We will not cover **loss** in connection with any **claim** based upon or arising from **workplace violence**.

B. We will not be liable to pay any **workplace act expenses** resulting from any **workplace violence act** which:

1. takes place in or at any location other than your workplace;
2. is based upon or arises out of declared or undeclared war, civil war, insurrection, civil commotion, insurrection, rebellion, revolution, military action, invasion, riot, government intervention, expropriation or nationalization; or
3. is based upon or arises out of the use or threat of force or violence occurring for the purpose of demanding money, securities or property.

IV. Section V, Specific Limit of Liability, Sublimits and Retentions is amended to include the following:

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Continental Casualty Company

Insured Name: Spring Meadows Condominium

Policy No.: 618941873

Endorsement No.: 6

Effective Date: 01/01/2026



Workplace Violence Act Expenses Sublimit of Liability

A. The most we will pay for all **workplace violence act expenses** for all **workplace violence acts** is \$100,000, such sublimited coverage will be part of, and not in addition to, the Maximum Aggregate Limit of Liability for the Liability Coverage Part set forth in Item 6 of the Declarations.

B. No Retention will apply to **workplace violence act expense**.

V. The following new section will be added to this Coverage Part:

Request for Coverage for Workplace Violence Act Expenses

If you choose to request coverage for **workplace violence act expense** you must submit a written notice at the address located in Item 3 of the General Terms and Conditions Declarations. The notice must be sent within sixty (60) days of the **workplace violence act** and include the nature and description of the act, and the date the act first occurred, and the expenses requested or anticipated.

Should there be a subsequent **claim** that is based upon or arises out of this noticed **workplace violence act** we will consider that **claim** to have first been made during the **policy period** in which we accepted your first written notice.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.



SUBLIMITED BREACH OF CONTRACT DEFENSE COSTS ENDORSEMENT

In consideration of the premium, this Association Liability Coverage Part is amended as follows:

- I. The most we will pay for all **defenses costs** afforded coverage pursuant to the **contractual liability** exclusion carveback in Exclusion A(iv) in Section IV Coverage Part Exclusions is \$1,000,000 per **claim**. Provided however, in the event the **defense costs** erode the Limits of Liability, then such sublimited coverage will be part of, and not in addition to, the Maximum Aggregate Limit of Liability for the Liability Coverage Part set forth in Item 6 of the Declarations.
- II. Such **defense costs** referenced in paragraph I above will be subject to a Retention of \$1,000 per **claim**.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.



COMMUNITY ASSOCIATION POLICY
COMMERCIAL CRIME COVERAGE PART

I. INSURING AGREEMENTS

Coverage provided under the following Insuring Agreements applies to loss or damage which is **discovered** during the **policy period** or during the period of time provided in Section XIII Discovery Period.

A. Fidelity Coverage

We will pay for loss of or damage to **money**, **securities**, or **property** of:

1. Employee Theft

an **insured entity** committed by an **employee**, whether identified or not, acting alone or in collusion with others, such loss or damage resulting directly from **theft** or **forgery**.

2. Client

a **client** committed by an **employee**, whether identified or not, provided the **employee** was not acting in collusion with the **client** or its employees, such loss or damage resulting directly from **theft** or **forgery**.

3. ERISA Plan

a **plan** committed by a **fiduciary**, whether identified or not, acting alone or in collusion with others, such loss or damage resulting directly from **theft** or **forgery**.

B. Forgery or Alteration Coverage

We will pay for direct loss resulting from **forgery** or **alteration** of any **payment instrument**.

C. Inside and Outside Premises Coverage

1. Money or Securities

We will pay for loss of **money** or **securities**:

(i) inside the **premises**; or

(ii) **outside the premises**,

resulting directly from **theft**, actual destruction, or physical disappearance.

2. Property

We will pay for loss of or damage to **property**:

(i) inside the **premises**; or

(ii) **outside the premises**,

resulting directly from an actual or attempted **robbery** or **safe burglary**.

3. Damage

We will pay for damage to the **premises** or its exterior resulting directly from an actual or attempted **robbery** or **safe burglary** provided you own such **premises** or are liable for damage to the **premises**.

D. Transfer Coverage

1. Computer

We will pay for loss of **money**, **securities**, or **property** resulting directly from **computer transfer fraud**.

2. Funds

We will pay for loss of **money** or **securities** resulting directly from **funds transfer fraud**.

3. Social Engineering Fraud

We will pay for loss of **money** or **securities** resulting directly from **social engineering fraud**.

E. Counterfeit Coverage

We will pay for direct loss resulting from **counterfeit fraud**.



COMMUNITY ASSOCIATION POLICY
COMMERCIAL CRIME COVERAGE PART

II. COVERAGE EXTENSIONS

The following coverage extensions, if subject to a sublimit, are part of and not in addition to, the applicable limit of liability set forth in Item 6 of the Declarations.

A. Sublimited Proof of Loss Costs Extension

We will pay **proof of loss costs** resulting directly from loss covered under any Insuring Agreement if such covered loss is in excess of the Retention applicable to such Insuring Agreement. The total amount that we will pay for **proof of loss costs** will be the sublimit of liability set forth in Item 6 of the Declarations for the Commercial Crime Coverage Part.

B. Sublimited Computer Restoration Costs Extension

We will pay **computer restoration costs** resulting directly from loss covered under the Fidelity Coverage Insuring Agreements A or the Computer Transfer Coverage Insuring Agreement D1 if such covered loss is in excess of the Retention applicable to such Insuring Agreement. The total amount that we will pay for **computer restoration costs** will be the sublimit of liability set forth in Item 6 of the Declarations for the Commercial Crime Coverage Part.

C. Sublimited Record Recovery Costs Extension

We will pay **record recovery costs** resulting directly from loss covered under the Fidelity Coverage Insuring Agreements A or the Inside and Outside Premises Coverage Insuring Agreements C if such covered loss is in excess of the Retention applicable to such Insuring Agreement. The total amount that we will pay for **record recovery costs** will be the sublimit of liability set forth in Item 6 of the Declarations for the Commercial Crime Coverage Part.

D. Legal Expense Costs

In addition to the limit of liability set forth in the Declarations, we will pay **legal expense costs** resulting directly from loss covered under the Forgery or Alteration Insuring Agreement B.

III. DEFINITIONS

Any defined word not defined in this Coverage Part will have the meaning assigned to it in the General Terms and Conditions. When used in this Coverage Part, the terms "you", "your", and "yours" mean any **insured entity**.

Alteration means the material modification of an original document by a person acting without authority and with the intent to deceive.

Client means any unit owner of yours to whom you provide goods or for whom you perform services while under a written contract for a fee; provided such contract does not include the governing documents of an **insured entity** and such fee does not include a standard periodic association membership fee.

Computer breach means the unauthorized and intentional use of **corrupt code** by a **third party** without the knowledge, consent, or intervention of you or your **employees**.

Computer restoration costs mean reasonable expenses incurred by you to recover or restore your **data**, software or other computer programs from a **computer breach**. **Computer restoration costs** will not include any expenses for computer hardware, or expenses that develop, upgrade, or enhance your **data**, software, or other computer programs, or **overhead expenses**.

Computer system means:

- (i) computer hardware,
 - (ii) software; and
 - (iii) all peripheral devices linked through a network,
- that are operated by you and either owned or leased by you and are used to store, collect, transmit, process, maintain, or retrieve your **data**. **Computer system** will include off-line media libraries.



**COMMUNITY ASSOCIATION POLICY
COMMERCIAL CRIME COVERAGE PART**

Computer transfer fraud means the unlawful taking of **money**, **securities**, or **property** resulting directly from a **computer breach**.

Communication means an electronic, telephone or written instruction received by the **insured entity** that directs an **employee** to:

- (i) pay, transfer, or deliver **money** or **securities**, or
 - (ii) establish or change the method, destination, or account for payment or delivery of **money** or **securities**;
- provided such instruction:
- (a) contains a misrepresentation of a material fact; and
 - (b) is relied upon by an **employee** believing it to be true.

Corrupt code means any virus, malware, Trojan horse, worm or other code or software script used for the purpose of: (i) gaining or enabling unauthorized access to a **computer system**; or (ii) entering, deleting, or otherwise changing the instructions, program logic, or **data** of such **computer system**.

Counterfeit Fraud means any:

- (i) money order allegedly issued by a post office, express company or financial institution which has been exchanged by you in good faith for merchandise, **money**, or services and such money order is not honored or paid upon presentation; or
- (ii) official paper currency of any country that is counterfeit.

Cryptocurrency means any virtual or digital currency in which cryptography or other encryption security techniques are used to regulate the generation of units of currency and/or verify the transfer of funds, operating independently of a central bank.

Custodian means any natural person or entity duly authorized by you to have physical custody of **money**, **securities**, or **property**.

Data means information contained, processed, or stored in a **computer system**.

Discovered or **discovery** means when a **responsible person** acquired knowledge that would lead a reasonable person to believe a covered loss has occurred or will occur, whether or not the amount or details of such loss are known. **Discovery** or **discovered** will not include acquired knowledge of an **executive** participating in a **theft** or **forgery**, whether acting alone or in collusion with an **employee**.

Employee means any natural person while in your service (or within the first ninety (90) days immediately following termination of such service):

- (i) on a full-time, part-time, seasonal, leased, or temporary basis, whom you compensate directly by salary, wages, or commissions, and whose service you have the right to direct and control;
- (ii) as an **executive** serving in the scope of the usual duties of an **employee** defined in (i) above; or
- (iii) as a student, intern, or volunteer.

Employee will also include:

- (a) former or retired **employees** defined in (i) or (ii) above retained as a consultant for an **insured entity** (as evidenced by written contract);
- (b) any **employee** defined in (i) or (ii) above while on medical, military leave, or any other business leave granted by you;
- (c) any **independent contractor**; provided with respect to the Fidelity Coverage Employee Theft Insuring Agreement A1 such **independent contract** does not include any **employee** listed in paragraph (d) below; or
- (d) solely with respect to the Fidelity Coverage Employee Theft Insuring Agreement A1: (i) the **property manager**; (ii) a **property manager employee**; or (iii) a natural person or entity appointed in writing by an **insured entity** to act as its agent in the capacity as bookkeeper or accountant, while acting on behalf of such **insured entity** in such capacity.

Employee does not include any agent, broker, factor, commission merchant, consignee, contractor (other than an **independent contractor**), or other such representative of the same general character.



COMMUNITY ASSOCIATION POLICY COMMERCIAL CRIME COVERAGE PART

ERISA means the Employee Retirement Income Security Act of 1974, (including the Consolidated Omnibus Budget Reconciliation Act of 1985)(COBRA).

Executive means your directors, officers, governors, or managing members of a management committee, in-house General Counsel, Risk Manager, or any such functionally equivalent position.

Forgery means the actual signing of another person or organization's name with intent to deceive, but does not mean a signature that includes, in whole or in part, one's own name, signed with or without authority, in any capacity for any purpose. Mechanically or electronically produced or reproduced signatures will be treated the same as hand-written signatures.

Fiduciary means any natural person who is required to be bonded by the Employee Retirement Income Security Act of 1974 (ERISA).

Financial Institution means any bank, savings bank, credit union, or similar depository institution, trust company, stock brokerage firm, or investment firm in which a **transfer account** is maintained.

Funds transfer fraud means an unlawful instruction, other than **forgery**, purportedly issued by you, directing a **financial institution** to transfer, pay, or deliver **money** or **securities** from your **transfer account** without your knowledge or consent.

Insured means any **insured entity** or any **plan**.

Legal expense costs mean reasonable fees, costs, and expenses incurred by you in defending any civil proceeding seeking to enforce payment of any **payment instrument**. **Legal expense costs** do not include **overhead expenses**.

Money means currency, coins, bullion, or bank notes having a face value; or travelers' checks, register checks, or money orders held for sale to the public.

Outside the premises means being conveyed from one person or place to another by you within the custody of a **custodian**. Such conveyance will be deemed to begin immediately upon receipt by such **custodian** and cease immediately upon delivery.

Overhead expenses mean the salaries, wages, fees, overhead, or benefit expenses associated with any **insured**.

Owner means any natural person who has an ownership interest in an **insured entity**.

Partner means any natural person who:

- (i) has an ownership interest of ten percent (10%) or more in any **insured entity**, or
- (ii) is a partner of any **insured entity** formed as a partnership.

Payment instrument means any: (i) checks, drafts, or similar written promises, orders, or directions to pay a sum certain in **money**, that are made or drawn by or drawn upon by you, by anyone acting as your agent or purporting to have been so made or drawn; or (ii) written instrument required in connection with any credit or debit card issued to you or at your request to any **employee**.

Personal information means any nonpublic personal information relating to an identified or identifiable natural person.

Plan means any employee benefit plan, pension benefit plan, or welfare benefit plan, as each is defined under **ERISA**, sponsored solely by an **insured entity** or sponsored jointly by an **insured entity** and a labor organization, for the benefit of your employees. **Plan** does not include any multi-employer plan.

Policy period will not include any **extended reporting period**.

Premises means the interior portion of any: (i) building that you occupy in conducting your business; or (ii) building, including the night depository chute, occupied by a **financial institution**.

Proof of loss costs mean reasonable expenses, other than **overhead expenses**, incurred by you to establish the amount of a covered loss. **Proof of loss costs** do not include fees or expenses related to the filing of, defense of or proposed civil or criminal litigation or actions.



**COMMUNITY ASSOCIATION POLICY
COMMERCIAL CRIME COVERAGE PART**

Property means any tangible property, other than **money** or **securities** that has intrinsic value. **Property** does not include computer programs or **data**.

Property manager means the entity or natural person providing **property management services** to the **named insured** or any **subsidiary**, including any such entity as a debtor in possession under United States bankruptcy law.

Property manager employee means any natural person in the regular service of a **property manager** in the ordinary course of such **property manager's** business, provided such **property manager** governs and directs in the performance of such service. Such natural persons include any part-time, seasonal, leased or temporary employee, or any duly elected or appointed director, officer, member of the board of managers or management committee member while performing **property management services** in such capacity.

Property management services mean the following services provided for a fee pursuant to a written contract in connection with the management of property under the ownership, management or control of the **insured entity**:

- (i) development of management plans and budget;
- (ii) oversight of physical maintenance of property;
- (iii) solicitation, evaluation and securing of tenants and management of tenant relations, collection of rent and processing evictions;
- (iv) development, implementation and management of loss control and risk management plans for real property;
- (v) solicitation and negotiation of contracts for sale and leasing of real property;
- (vi) development, implementation and management of contracts and subcontracts (excluding property and liability insurance contracts) necessary to the daily functioning of the property;
- (vii) personnel administration; or
- (viii) record keeping.

Record recovery costs mean reasonable expenses, other than **overhead expenses**, incurred by you to reproduce information contained in any lost or damaged manuscripts, records, accounts, ledgers, or other similar recordkeeping methods that are lost or damaged for a reason other than a **computer breach**.

Responsible person will also mean the President, Director of Human Resources or such functionally equivalent positions of the **insured**, or the person responsible for the purchase and placement of your insurance.

Robbery means the unlawful taking of **money**, **securities**, or **property** from a **custodian** by a third party who: (i) causes or threatens physical harm to such **custodian**; or (ii) commits an unlawful act in the presence of such **custodian** or any other witness.

Safe burglary means the unlawful taking of **money**, **securities**, or **property** from within a locked safe or vault by a person unlawfully entering the safe or vault as evidenced by marks of forcible entry upon its exterior. **Safe burglary** will also include the unlawful taking of a safe or vault from within the **premises**.

Securities mean negotiable and non-negotiable instruments or contracts representing either **money** or **property**. **Securities** include tokens, tickets, revenue, and other stamps in current use as well as evidences of debt issued in connection with credit or charge cards, which cards are not issued by you. **Securities** do not include **money**.

Social engineering fraud means the intentional misleading of an **employee** through the use of a **communication** by a person or entity who is not, but purports to be, an **owner**, **client**, **employee**, or **vendor**.

Theft means the unlawful taking of **money**, **securities**, or **property** to the deprivation of: (i) an **insured**; or (ii) solely with respect to the Client Fidelity Coverage Insuring Agreement A2, a **client**.

Third party means a natural person other than:

- (i) an **employee**; or
- (ii) a natural person acting in collusion with an **employee**.

Trading means any loss as a result of trading in a genuine or fictitious account.

Transfer account means an account you maintain at a **financial institution** from which you can initiate the transfer, payment, or delivery of **money** or **securities**.



**COMMUNITY ASSOCIATION POLICY
COMMERCIAL CRIME COVERAGE PART**

Vendor means any person or entity that has provided goods or services to you under a genuine, pre-existing arrangement or other written agreement. **Vendor** does not include any **financial institution**, asset manager, armored motor vehicle company, or such similar entity.

War means any: (i) war, including undeclared or civil war; (ii) warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign, or other authority using military personnel or other agents; or (iii) insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

IV. COVERAGE PART EXCLUSIONS

A. Exclusions applicable to all Insuring Agreements

1. This policy does not cover:

- (a) Acts
loss or damage resulting from any fraudulent, dishonest or criminal act committed by:
 - (i) your **partners** whether acting alone or in collusion with others, provided this exclusion (i) will not apply to the ERISA Plan Fidelity Coverage Insuring Agreement A3;
 - (ii) an **employee**, whether acting alone or in collusion with others, except when covered under the Fidelity Coverage Insuring Agreements; or
 - (iii) an **employee** who had committed any criminal, fraudulent or dishonest act prior to his/her employment with the **insured entity** involving any property valued at \$25,000 or more, provided that you, or any of your **executives**, had knowledge of such act prior to the inception of this policy.
- (b) Advantage
loss by any **insured** to the advantage of any other **insured**.
- (c) Authority
loss or damage resulting from seizure or destruction of property by order of governmental authority.
- (d) Confidential Information
loss or unauthorized use of confidential information of any kind including trade secrets, patents, processing methods, or customer lists, whether such confidential information is yours or others.
- (e) Cryptocurrency
loss of or damage to **cryptocurrency**.
- (f) Custody
loss of or damage to **money**, **securities**, or **property** while in the custody of any **custodian**, unless the loss or damage is in excess of the amount you recover under any contract with or insurance carried by such **custodian**.
- (g) Data Security Breach Expenses
loss arising from a data security breach including:
 - (i) forensic audit expenses;
 - (ii) fines, penalties, or expenses to comply with Payment Card Industry Data Security Standard or such similar federal and state laws, statutes, or standards;
 - (iii) notification expenses to individuals whose **personal information** may have been stolen, accessed, downloaded or misappropriated while in the **insured entity's** care, custody or control.
- (h) Exchanges
loss or damage resulting from the giving or surrendering of **money**, **securities**, or **property** in any exchange or purchase with a **third party**, provided that this exclusion (h) will not apply to otherwise covered loss under the Fidelity Coverage Insuring Agreements A, the Counterfeit Coverage Insuring Agreement E, or otherwise covered loss of **property** under the Computer Transfer Coverage Insuring Agreement D1.
- (i) Fire



**COMMUNITY ASSOCIATION POLICY
COMMERCIAL CRIME COVERAGE PART**

loss or damage resulting from fire, except loss of **money** or **securities**, or damage to any safe or vault in a **safe burglary**.

(j) Indirect Loss

loss that is indirect or consequential including:

- (i) loss of income, profits or revenue;
- (ii) fines or penalties;
- (iii) payment of damages for which you are legally liable, except for compensatory damages arising directly from covered loss under this Coverage Part;
- (iv) legal fees, costs or expenses incurred in defending or prosecuting any legal action, except for **legal expense costs**;
- (v) fees, costs or expenses incurred in establishing the amount of a covered loss under this Coverage Part, except for **proof of loss costs**; or
- (vi) costs to reproduce information contained in any lost or damaged property, except for **record recovery costs** or **computer restoration costs**.

(k) Kidnap/Ransom or Extortion

loss or damage as a result of kidnap, ransom or other extortion payment (except in a **robbery**) surrendered under threat of bodily harm, or damage to (including loss of use) property (including a **computer system**).

(l) Known Loss

loss or damage that an **insured discovered** prior to the inception of this policy.

(m) Nuclear

loss or damage resulting from nuclear reaction or radiation, or radioactive contamination, regardless of cause.

(n) Trading

loss resulting from any authorized or unauthorized **trading**, whether or not in your name and whether or not in a genuine or fictitious account, provided this exclusion (n) will not apply to direct losses caused by **theft** or **forgery**, committed by an **employee**, which result in improper financial gain to such **employee**.

(o) War

loss or damage resulting from **war**.

B. Exclusions Applicable to Specific Insuring Agreements

1. This policy does not cover loss or damage under the Inside and Outside Premises Insuring Agreements C:
 - (a) Accounting
resulting from accounting or arithmetical errors or omissions.
 - (b) Mail
while the **money** or **securities** is in the mail.
 - (c) Other Coverages
due to **forgery**, **computer transfer fraud**, **funds transfer fraud**, **social engineering fraud**, or **counterfeit fraud**.
2. This policy does not cover loss under the Forgery or Alteration Coverage Insuring Agreement B caused by or attributable to **computer transfer fraud**, **funds transfer fraud** or **social engineering fraud**.
3. This policy does not cover loss under the Computer Transfer Coverage Insuring Agreement D1 caused by or attributable to **funds transfer fraud** or **social engineering fraud**.
4. This policy does not cover loss under the Funds Transfer Coverage Insuring Agreement D2 caused by or attributable to **computer transfer fraud** or **social engineering fraud**.
5. This policy does not cover loss under the Social Engineering Fraud Transfer Coverage Insuring Agreement D3:



**COMMUNITY ASSOCIATION POLICY
COMMERCIAL CRIME COVERAGE PART**

- (a) Contract
due to the failure of any party to perform under any contract.
- (b) Credit
due to the extension of any loan, credit, or similar promise to pay.
- (c) Defect
due to failure, malfunction, inadequacy, or illegitimacy of any product or service.
- (d) Gambling
due to any gambling, game of chance, lottery, or similar game.
- (e) In Transit
or damage to **money** or **securities** while in the mail or in the custody of any carrier for hire including any armored vehicle company.
- (f) Investment
due to investment in any **securities**, or ownership in any entity or real property or similar investment, whether or not such investment is genuine.
- (g) Other Coverages
caused by or attributable to **computer transfer fraud**, **funds transfer fraud**, or **counterfeit fraud**.
- (h) Payment Card
due to any party's use or acceptance of any credit card, debit card, or similar payment method, whether genuine or not.

V. LIMITS OF LIABILITY, SINGLE LOSS AND RETENTIONS

A. Maximum Limit

Subject to the following Section VI ERISA Plans:

- (i) the most we will pay for each loss or damage regardless of the number of **insureds** or **plans** sustaining the loss or damage is the limit of liability set forth in Item 6 of the Declarations for the Commercial Crime Coverage Part of the Declarations. In the event of more than one **insured** incurring loss or damage, the most we will pay will not exceed the amount we would be liable for if all losses or damages were incurred by one **insured**; and
- (ii) if any loss or damage is covered under more than one Insuring Agreement or Coverage Extension (other than the Legal Expenses Costs Coverage Extension D), the most we will pay will not exceed the largest applicable limit of liability of any applicable Insuring Agreement.
- (iii) if any loss is covered under the Forgery or Alteration Coverage Insuring Agreement B and the Legal Expenses Costs Coverage Extension D, the most we will pay for direct loss resulting from such **forgery** or **alteration** will not exceed the limit of liability set forth in Item 6B of the Declarations for the Commercial Crime Coverage Part.

B. Non-Accumulation of Limit

Our limit of liability will not be cumulative from **policy period** to **policy period** regardless of the number of years this coverage remains in effect or the premiums paid.

C. Single Loss

All loss resulting from any single act, a number of acts, or a series of acts by any **employee(s)** or any other party or parties, and all loss whether such acts occurred before or during the **policy period**, will be treated as a single loss.

D. Retention



**COMMUNITY ASSOCIATION POLICY
COMMERCIAL CRIME COVERAGE PART**

We will only be liable for that part of loss or damage which exceeds the applicable Retention set forth in Item 6 of the Declarations for the Commercial Crime Coverage Part.

In the event an **insured** receives payment for loss or damage, after applying a retention or deductible, under another policy or bond ("other insurance"), for loss or damage also covered under this Coverage Part, then the applicable Retention for such loss or damage under this Coverage Part will be reduced by the amount of such other retention or deductible paid by you under the other insurance.

VI. ERISA PLANS

A. Conditions

Solely with respect to loss incurred by a **plan** that is covered under the ERISA Plan Fidelity Coverage Insuring Agreement A3:

- (i) payment for all covered loss will be to the **plan** incurring such loss;
- (ii) if two or more **plans** are insured under this policy, any payment made by us for loss:
 - (a) sustained by two or more **plans**; or
 - (b) of commingled **money, securities or property** of two or more **plans**, will be shared by each **plan** sustaining the loss in the proportion that the amount of insurance required for each such **plan** under **ERISA** bears to the total of such payments;
- (iii) no Retention will apply to such loss;
- (iv) if such payment is in excess of the amount of coverage required by **ERISA** for such **plan**, such excess will be held for the use and benefit of any other **plan** should such **plan** also discover loss recoverable under this Coverage Part; and
- (v) the definition of **theft** set forth in Section II Definitions above is deleted and replaced with the following:

Theft means any fraudulent or dishonest act, including larceny, theft, embezzlement, misappropriation, wrongful abstraction, wrongful conversion, and willful misapplication.

B. Limit

If the limit of liability set forth in item 6 of the Declarations for the Commercial Crime Coverage Part is less than or equal to the limit of insurance required under **ERISA** then the limit of liability will be deemed increased to the lesser amount to meet such requirement or:

- (i) \$500,000 if the **plan** does not have any qualified employer securities; or
- (ii) \$1,000,000 if the **plan** includes qualified employer securities.

VII. NOTICE AND PROOF OF LOSS IN THE EVENT OF LOSS DISCOVERED

As a condition precedent to any obligation to you under this Coverage Part:

A. Requirements

upon **discovery** the **named insured** as soon as practicable but no later than one hundred and eighty (180) days after **discovery** must:

- (i) provide written notice to us; and
- (ii) provide written proof of loss or damage with full and sufficient details to establish the loss or damage.

B. Conditions

- (i) upon our request the **insured** incurring the loss or damage will:
 - (a) maintain and preserve all records relevant to the loss to allow for verification of and proof;
 - (b) produce records relevant to the loss as reasonably requested by us;
 - (c) submit to an examination under oath;
 - (d) allow us access for examination and inspection of records or relevant other information.
- (ii) you may offer an inventory computation in determining the value of loss claimed, but only where you have established, wholly apart from such computation, that you have sustained a covered loss, caused by an **employee**.



**COMMUNITY ASSOCIATION POLICY
COMMERCIAL CRIME COVERAGE PART**

VIII. OWNERSHIP INTERESTS AND PAYMENT OF LOSS

- A. Covered loss or damage under this Coverage Part is limited to:
- (i) **money, securities, property, or premises** an **insured entity** owns, leases, or holds for others;
 - (ii) **premises** an **insured entity** is legally liable for and was legally liable for prior to the date the loss or damage occurred; or
 - (iii) solely for the purposes of the Client Fidelity Coverage Insuring Agreement A2, **money, securities, or property** owned or held by a **client** for which you or your **client** are legally liable.
- B. Any coverage under this Coverage Part is for the benefit of the **named insured** only and provides no rights or benefits to any other person or organization.
- C. Any payment of loss or damage, other than with respect to a **plan**, under this Coverage Part will be to the **named insured**, or jointly to the **named insured** and any payee as directed by the **named insured**.
- D. In the event of payment of loss or damage by us, you agree to transfer to us all of your rights of recoveries against any person or entity.

IX. CHANGE OF CONTROL

In the event of a **change of control** coverage under this Coverage Part will continue until the expiration of the **policy period** unless otherwise cancelled or terminated as described herein.

X. SUBSIDIARY

A **subsidiary** and its **plans** acquired or created before or during the **policy period** will be afforded coverage for loss **discovered** during the **policy period**, subject to the following Section XI Liability for Prior Losses or Damages. There will be no acquisition threshold with respect to any **subsidiary**.

XI. LIABILITY FOR PRIOR LOSSES OR DAMAGES

Coverage for loss or damages incurred prior to the effective date:

- (i) of this Coverage Part;
- (ii) for any additional **insureds** (pursuant to Section X Subsidiary above); or
- (iii) any coverage added by endorsement;

will be subject to the following:

- (a) if you or any of your predecessor(s) in interest carried a prior bond or policy that afforded coverage for a loss or damage incurred during the period of such prior bond or policy (the "former policy") and the former policy was not issued by us or any of our subsidiaries or affiliates and such loss or damage was first **discovered** before the expiration of the discovery period under the former policy, then no coverage will be available under this Coverage Part, unless the total amount of covered loss or damage exceeds the limit of liability of the former policy. Our limit of liability for any such loss or damage will be in excess of the limit of liability of the former policy and subject to all of the terms and conditions of this Coverage Part.
- (b) if you or any of your predecessor(s) in interest carried a prior bond or policy that afforded coverage for a loss or damage incurred during the period of such prior bond or policy (the "prior policy") and the prior policy was issued by us or any of our subsidiaries or affiliates, then the prior policy will terminate as of the inception of this policy and the prior policy will not cover any loss or damage not **discovered** and noticed to us prior to the inception of this policy. Our limit of liability for such loss or damage will be the applicable limit of liability set forth in Item 6 of the Declarations for the Commercial Crime Coverage Part.
- (c) Section XVI Other Insurance will not apply in the event that paragraphs (a) or (b) directly above apply.



COMMUNITY ASSOCIATION POLICY
COMMERCIAL CRIME COVERAGE PART

XII. TERMINATION OF COVERAGE

A. Employee

Coverage under this Coverage Part will terminate immediately with respect to any **employee** upon **discovery** of any unlawful taking of property or any criminal, fraudulent, or dishonest act, in excess of (\$1,000) one-thousand dollars, committed by such **employee** while employed by the **insured entity**.

B. Cessation of Subsidiary

Coverage under this Coverage Part will terminate immediately with respect to any **insured entity** on the date that such entity ceases to be a **subsidiary** of the **named insured**.

C. Liquidation or Dissolution of the Named Insured

Coverage under this Coverage Part will terminate immediately for any loss or damage occurring after the **named insured's** liquidation or dissolution.

D. Prior Bonds or Policies

Any prior bonds or policies issued by us or any of our subsidiaries or affiliates will terminate, if not already terminated, as of the inception of this policy.

XIII. DISCOVERY PERIOD

If this policy is cancelled or terminated for reason other than non-payment, we will pay:

- (i) loss or damage to an **insured** if such loss or damage is **discovered** within ninety (90) days after the effective date of cancellation or termination;
- (ii) loss to a **plan** if such loss is **discovered** within one (1) year after the effective date of cancellation or termination.

Provided, any discovery period referenced above will terminate immediately at the inception date of any other insurance policy replacing the insurance afforded under this Coverage Part, regardless of whether the replacement insurance policy provides coverage for such loss.

XIV. LEGAL PROCEEDINGS

It is agreed that no action may be taken against us earlier than ninety (90) days after a proof of loss has been provided to us or later than two (2) years after **discovery**.

XV. VALUATION

For purposes of determining valuation for covered loss or damages the following will apply:

- A. **Securities** valuation will be based upon the lesser of the actual market value of the lost, damaged or destroyed **securities** on the day before the loss was **discovered**, or the cost of any lost instrument bond required to issue duplicate **securities**.
- B. **Money** valuation will be based upon the actual face value of the **money** on the date the loss was **discovered**. United States of America currency value of foreign currency will be based on the exchange rate published by the *Wall Street Journal* on the date the loss was **discovered**.
- C. **Property** valuation will be based upon the lesser of the following:
 - (i) actual cash value of the **property** on the date the loss was **discovered**;
 - (ii) cost to repair or replace the **property** (other than precious metals) with that of similar quality and value on the date the proof of loss was submitted;
 - (iii) purchase price paid by you for the **property**.
- D. United States of America currency value of precious metals will be based on the rate published by the *Wall Street Journal* for precious metals on the date the loss was **discovered**.



**COMMUNITY ASSOCIATION POLICY
COMMERCIAL CRIME COVERAGE PART**

XVI. OTHER INSURANCE

This Coverage Part does not apply to loss or damage recoverable or recovered under any other bond, insurance or indemnity. However, if the limit of the other bond, insurance or indemnity is insufficient to cover the entire amount of the loss or damage, this Coverage Part, subject to all of its limits of liability, terms and conditions will apply to that part of the loss or damage in excess of the Retention, and the amount recoverable or received under such other bond, insurance or indemnity.

XVII. RECOVERIES

Notwithstanding Section XIII Subrogation and Recoupment of the General Terms and Conditions, in the event that we make any recovery of loss or damage paid by us, such recovery will be distributed as follows:

- (i) to you, until you are fully reimbursed for any loss or damage that you sustain that exceeds the limit of liability and the Retention, if any;
- (ii) then to us, until we are reimbursed for any loss or damage paid by us; and
- (iii) then to you until you are reimbursed for that part of the loss or damage equal to the Retention, if any.

Any recovery to be distributed will not include amounts from:

- (a) insurance, suretyship, reinsurance, security or indemnity taken for our benefit; or
- (b) original **securities** after duplicates of the **securities** have been issued.



TELEPHONE TOLL FRAUD ENDORSEMENT

In consideration of the premium, the Commercial Crime Coverage Part is amended as follows:

- I. Item 6 of the Commercial Crime Coverage Part Declarations is amended to add the following:

TELEPHONE TOLL FRAUD

- Single Loss Limit of Liability: \$100,000
- Single Loss Retention: \$2,500

- II. Section I, Insuring Agreements is amended to add the following Insuring Agreement

TELEPHONE TOLL FRAUD

We will pay for loss sustained by an **insured** resulting directly from **telephone toll fraud**.

It is a condition precedent to coverage under this Insuring Agreement that the **insured** provide written notice of the loss at the earliest practicable moment to us, but in no event later than sixty (60) days after the receipt of the first telephone service charge bill from the telephone carrier in which **telephone toll fraud** is documented.

- III. Solely with respect to the coverage provided by this endorsement, Section III, Definitions is amended to add the following definitions:

- **Telephone toll fraud** means the fraudulent infiltration and manipulation of the **insured's telephone system** by a person other than an **employee** which results in the **insured entity** being liable for toll and line charges.
- **Telephone system** means a private branch exchange, voice mail processor, automated callback attendants or **computer system**, which operates in the same manner, and which is:
 - (i) owned or leased by an **insured entity**; and
 - (ii) used for the direction or routing of telephone calls in a voice communication **computer system**.

- IV. Solely with respect to the coverage afforded by this endorsement, Section IV, Coverage Part Exclusions is amended to add the following exclusions:

This policy does not cover:

- loss as a result of a threat:
 - (a) to do bodily harm to any person;
 - (b) to do damage to the premises or **property** of an **insured**;
 - (c) to do damage to a **computer system** operations, or
 - (d) to do damage to a **telephone system**;
- resulting directly or indirectly from the use of a telephone credit, debit, charge, identification or similar card;
- resulting directly or indirectly from the input of **data** into a **computer system** terminal device either on the premises of a customer of the **insured** or under the control of such customer by a person who had authorized access to the customer's authentication mechanism;
- more than thirty (30) days after the last day of the billing cycle shown in the first telephone service charge bill from the telephone carrier in which **telephone toll fraud** is documented.

- V. Solely with respect to the coverage provided by this endorsement, Section VII, Notice and Proof of Loss in the Event of Loss Discovered is amended to add of the following:

After the **insured** discovers an incident of **telephone toll fraud**, the **insured** must take all reasonable steps to curtail the unauthorized use of the **telephone system** and otherwise mitigate the loss by notifying the installer of the **telephone system** and the affected telephone carriers.



All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.



AMENDATORY ENDORSEMENT - MARYLAND

In consideration of the premium, solely with respect to the Commercial Crime Coverage Part, the policy is amended as follows:

I. Section XIV, Legal Proceedings is deleted and replaced with the following:

It is agreed that no action may be taken against us earlier than ninety (90) days after a proof of loss has been provided to us or later than three (3) years after **discovery**.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.



CONDITIONAL RENEWAL ENDORSEMENT-MARYLAND

Wherever used in this endorsement: 1) Insurer means "we", "us", "our" or the "Company" as those terms are defined in the policy; and 2) Named Insured means the first person or entity named on the declarations page; and 3) "Insured(s)" means all persons or entities afforded coverage under the policy.

Any cancellation, non-renewal or termination provision(s) in the policy are amended to add the following:

CONDITIONAL RENEWAL

- I. If the policy is subject to a premium increase of more than 15% or a reduction in coverage or limits or an increase in deductible, the Insurer will mail or deliver to the Named Insured, at the last mailing address known to the Insurer, and the Named Insured's agent notice of such premium increase, reduction in coverage or limits or increase in deductible, at least forty-five (45) days in advance.
- II. If notice is mailed, proof of mailing will be sufficient proof of notice.
- III. Notice is not required if the premium increase results from:
 - A. An increase in exposure units;
 - B. The application of an experience rating plan;
 - C. The application of a retrospective rating plan;
 - D. A change made by the Named Insured that increases the Insurer's exposure; or
 - E. An audit of the Named Insured.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.



AMEND DECLARATIONS ENDORSEMENT

In consideration of the premium, the Declarations is amended as follows:

The following item(s) of the Declarations is (are) deleted and replaced by the following:

Item 1: Named Insured and Address and Named Entity and Physical Address

| NAMED INSURED AND ADDRESS | NAMED ENTITY
AND PHYSICAL ADDRESS |
|--|---|
| Item 1. Spring Meadows Condominium
c/o Tidewater Property Management, Inc.
3600 Crondall Lane, Suite 100

Owings Mills, MD 21117 | Blue Jay Ct, Sparrow Ct, Dove Ct, Eagle Ct, Falcon
Ct, Graybird Ct, Jaybird Ct, Oriole Ct, Robin Ct.
SEVERN, MD 21144 |

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

The Council of Unit Owners of Spring Meadows Condominium, Inc.

Reserve Study



LEVEL 1 REPLACEMENT RESERVE REPORT FY 2023 SPRING MEADOWS CONDOMINIUM

LEVEL 1 REPLACEMENT RESERVE REPORT FY 2023

SPRING MEADOWS CONDOMINIUM



Community Management by:

QUIZA MANAGEMENT

Hayat Nasser, CMCA

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Consultant:

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MillerDodson.com

millerdodson
Capital Reserve Consultants

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REPLACEMENT RESERVE REPORT

SPRING MEADOWS CONDOMINIUM

SEVERN, MARYLAND
October 17, 2022



Description. Spring Meadows Condominium is a Residential Condominium located in Severn, Maryland. The community consists of 44 Townhome buildings containing 310 units, and a Pool House. The survey examined the common elements of the property, including:

- Entry Monument, Signage, and Townhouse Roads and Parking
- Sidewalks
- Mailboxes
- Exterior Main Pool, Exterior Wading Pool, Tot Lot, and Multi-Purpose Court
- Building Exteriors, Interiors, and Systems

EXECUTIVE SUMMARY

This Reserve Study has been prepared for the Spring Meadows Condominium for the Fiscal Year 2023 covering the period from January 1, 2023 to December 31, 2023. The Replacement Reserves Starting Balance as of January 1, 2023 are proposed to be \$178,354. The reported Current Annual Funding for Reserves is \$103,000. The Recommended Annual Reserve Funding level for 2023 is \$670,331.

The large increase in funding the reserves for the first five years is due to the necessity of bringing many components, including asphalt, concrete, and the tot lot, up to acceptable standard conditions.

MillerDodson welcomes the opportunity to answer questions or to discuss this Reserve Study in more detail should the Board so desire.

Section A

Replacement Reserve Analysis

Financial Analysis - A1
General Information - A2
Current Funding - A3
Cash Flow Method Funding - A4
Inflation Adjusted Funding - A5

Section B

Replacement Reserve Inventory

Replacement Reserve Inventory
General information - B1
Replacement Reserve Inventory
Comments - B2
Schedule of Projected Replacements
and Exclusions - B3

Section C

Projected Annual Replacements

Projected Annual Replacements
General Information - C1
Calendar of
Projected Annual Replacements - C2

Section D

Condition Assessment

Appendix

Overview, Standard Terms, and Definitions
Video Answers to Frequently Asked Questions

Current Funding. The Starting Balance and Current Annual Reserve Funding figures have been supplied by the managing agent and/or Board of Directors. Confirmation or audit of these figures is beyond the scope of the study. For the purposes of this study, it is assumed that the annual contribution will be deposited at the end of each month.

Level of Service. This study has been performed as a Level 1 Full-Service Reserve Study with Site Visit/On-Site Review as defined by the Community Associations Institute's, National Reserve Study Standards. As such, a complete inventory of components, including their condition and cost for major repair or replacement, was established by the Analyst for the common and limited common elements of this facility based on information provided by the Community Manager and/or Board of Directors, or by those developed from visual assessments, field measurements, takeoffs from to-scale drawings, or review of provided historical data. The analysis, including fund status and funding plan, is developed from the inventory.

To aid in the understanding of this report and its concepts and practices, on our web site, we have developed [videos](#) addressing frequently asked topics. In addition, there are posted [links](#) covering a variety of subjects under the resources page of our web site at mdareserves.com.

Purpose. The purpose of this Replacement Reserve Study is to provide Spring Meadows Condominium (hereinafter called the Association) with an inventory of the common community facilities and infrastructure components that require periodic replacement. The Study includes a general view of the condition of these items and an effective financial plan to fund projected periodic replacements.

- **Inventory of Items Owned by the Association.** Section B lists the Projected Replacements of the commonly owned items that require periodic replacement using funding from Replacement Reserves. The Replacement Reserve Inventory also provides information about excluded items, which are items whose replacements are not scheduled for funding from Replacement Reserves.
- **Condition of Items Owned by the Association.** Section B includes our estimates of the normal economic life and the remaining economic life for the projected replacements. Section C provides a year-by-year listing of the projected replacements. Section D provides additional detail for items that are unique or deserving of attention because of their condition or the manner in which they have been treated in this study.
- **Financial Plan.** The Association has a fiduciary responsibility to protect the appearance, value, and safety of the property and it is therefore essential the Association have a financial plan that provides funding for the projected replacements. In conformance with American Institute of Certified Public Accountant guidelines, Section A, Replacement Reserve Analysis evaluates the current funding of Replacement Reserves as reported by the Association and recommends annual funding of Replacement Reserves by the Cash Flow Method. Section A, Replacement Reserve Analysis includes graphic and tabular presentations of the reported current funding and the recommended funding based on the Cash Flow Method. An Executive Summary of these calculations is provided on Page A1.

Basis. The data contained in this Replacement Reserve Study is based upon the following:

- The Request for Proposal submitted and executed by the Association.
- Miller+Dodson performed a visual evaluation on October 17, 2022 to determine a remaining useful life and replacement cost for the commonly owned elements of this facility.
- This study contains additional recommendations to address inflation for the Cash Flow Method only. For this recommendation, Miller+Dodson uses the Producers Price Index (PPI), which gauges inflation in manufacturing and construction. Please see page A5 for further details.

To-Scale Drawings. Site and building plans were not used in the development of this study. We recommend the Association assemble and maintain a library of site and building plans of the entire facility. Record drawings should be scanned into an electronic format for safe storage and ease of distribution. Upon request for a nominal fee, Miller+Dodson can provide scanning services.

Acknowledgment. Miller+Dodson Associates would like to acknowledge the assistance and input of Hayat M. Nasser, CMCA Property Manager with QUIZA MANAGEMENT, LLC who provided very helpful insight into the current operations of the property.

Analyst's Credentials. Mr. Ronald M. Shapiro holds both a Bachelor of Engineering (BE) Degree and a Masters of Engineering (ME) Degree in Civil Engineering from Stevens Institute of Technology. He has attended many continuing education courses in a variety of specialties within the construction field. Mr. Shapiro is a Registered Professional Engineer in the States of Maryland and Florida. He's managed both large and small construction projects for a variety of private sector, institutional, and government concerns during his 45+ years in the industry. Mr. Shapiro has performed property condition surveys throughout the MD-DC-VA area as well in FL, MS, LA, NC, NY, & OH. He's been an Arbitrator for several construction cases for the American Arbitration Association and an Expert subject matter (construction) witness in Maryland and Florida. Ron is currently a Reserve Analyst for Miller+Dodson.

Respectfully Submitted,



Ron Shapiro, PE

Ron Shapiro
Reserve Analyst

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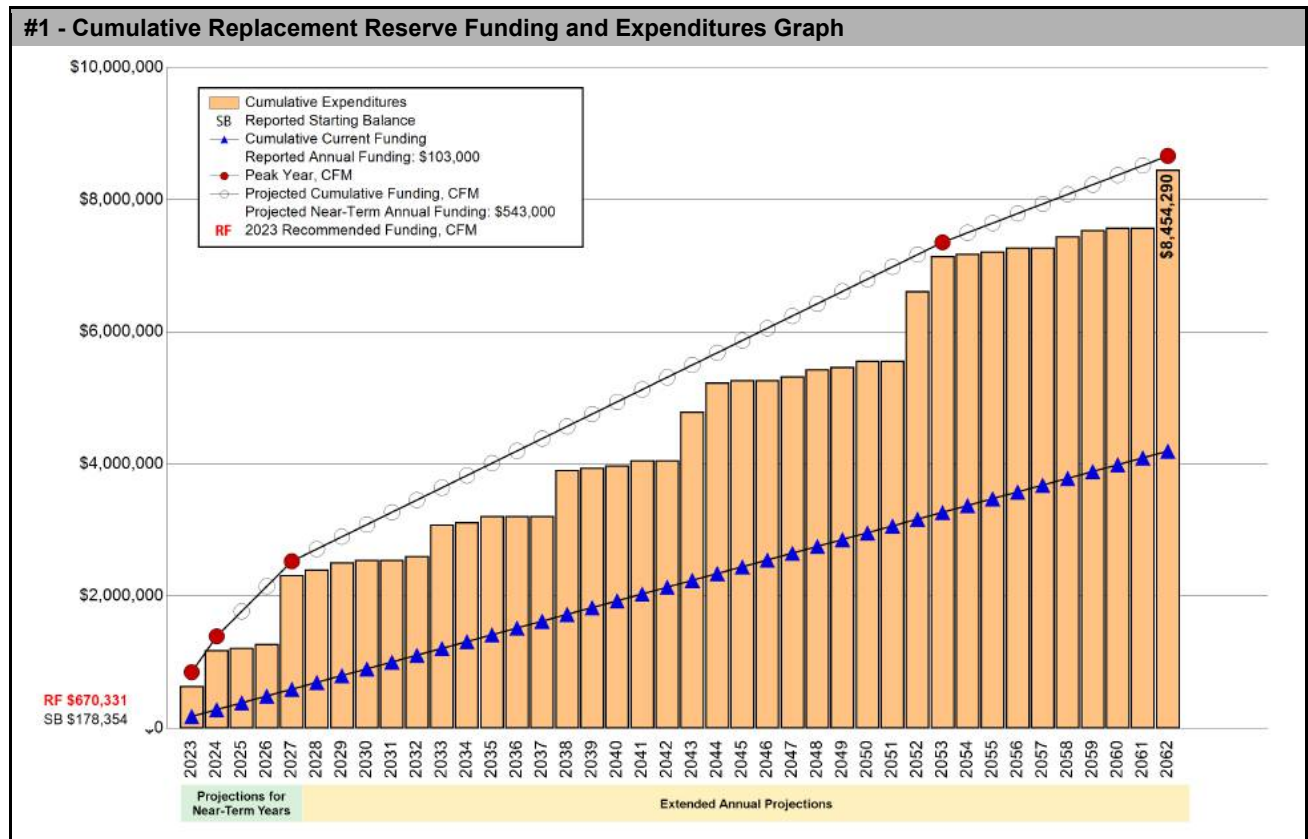
SECTION A - FINANCIAL ANALYSIS

The Spring Meadows Condominium Replacement Reserve Analysis uses the Cash Flow Method (CFM) to calculate Replacement Reserve funding for the periodic replacement of the 52 Projected Replacements identified in the Replacement Reserve Inventory.

\$670,331 **RECOMMENDED REPLACEMENT RESERVE FUNDING FOR THE STUDY YEAR, 2023**
\$180.20 Per unit (average), minimum monthly funding of Replacement Reserves

We recommend the Association adopt a Replacement Reserve Funding Plan based on the annual funding recommendation above. Inflation adjusted funding for subsequent years is shown on Page A.5.

Spring Meadows Condominium reports a Starting Balance of \$178,354 and Annual Funding totaling \$103,000, which is inadequate to fund projected replacements starting in 2023. See Page A.3 for a more detailed evaluation.



The large increase in funding the reserves for the first five years is due to the necessity of bringing many components, including asphalt, concrete, and the tot lot, up to acceptable standard conditions.

REPLACEMENT RESERVE ANALYSIS - GENERAL INFORMATION

The Spring Meadows Condominium Replacement Reserve Analysis calculations of recommended funding of Replacement Reserves by the Cash Flow Method (CFM) and the evaluation of the Current Funding are based upon the same Study Year, Study Period, Beginning Balance, Replacement Reserve Inventory and Level of Service.

2023 | STUDY YEAR

The Association reports that their accounting year begins on January 1, and the Study Year, the first year evaluated by the Replacement Reserve Analysis, begins on January 1, 2023.

40 Years | STUDY PERIOD

The Replacement Reserve Analysis evaluates the funding of Replacement Reserves over a 40-year Study Period

\$178,354 | STARTING BALANCE

The Association reports Replacement Reserves on Deposit totaling \$178,354 at the start of the Study Year.

Level One | LEVEL OF SERVICE

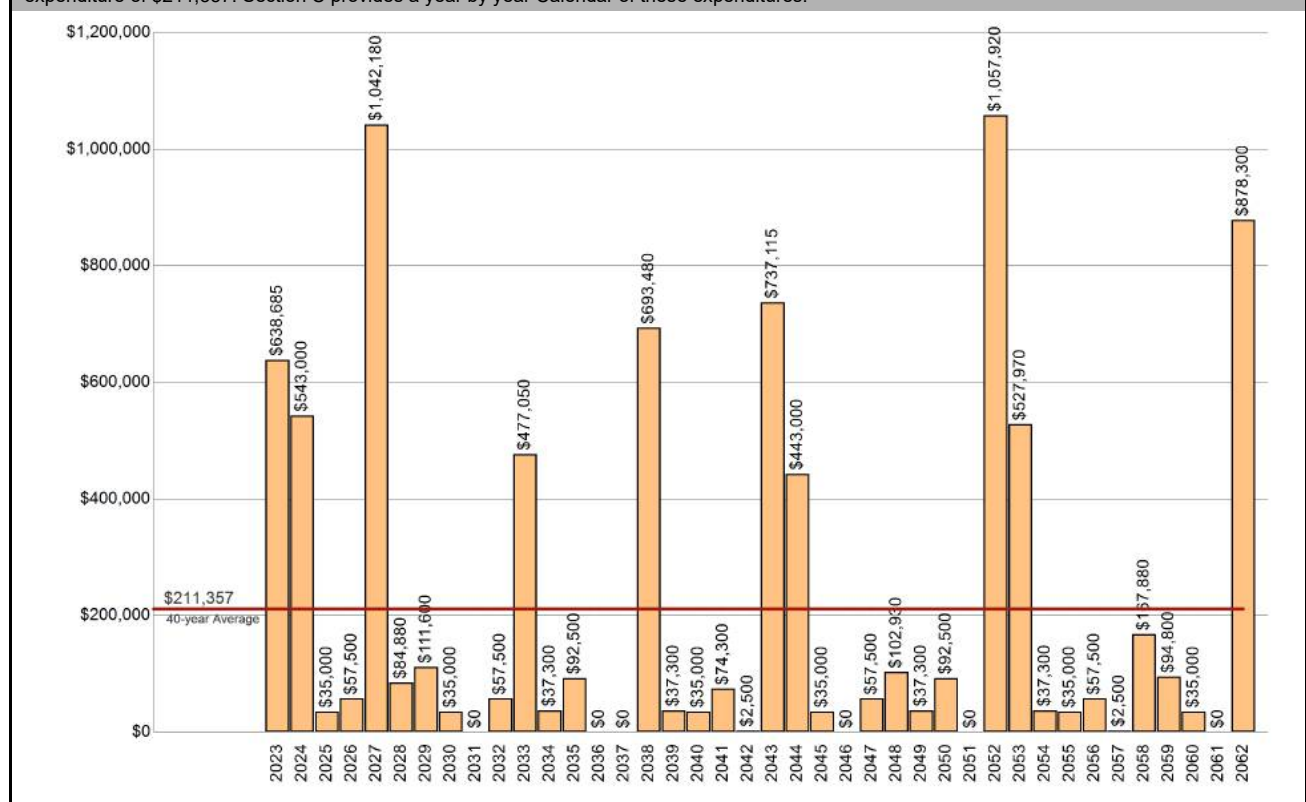
The Replacement Reserve Inventory has been developed in compliance with the National Reserve Study Standards for a Level One Study, as defined by the Community Associations Institute (CAI).

\$8,454,290 | REPLACEMENT RESERVE INVENTORY - PROJECTED REPLACEMENTS

The Spring Meadows Condominium Replacement Reserve Inventory identifies 52 items that will require periodic replacement, that are to be funded from Replacement Reserves. We estimate the cost of these replacements will be \$8,454,290 over the 40-year Study Period. The Projected Replacements are divided into 3 major categories starting on Page B.3. Pages B.1-B.2 provide detailed information on the Replacement Reserve Inventory.

#2 - Annual Expenditures for Projected Replacements Graph

This graph shows annual expenditures for Projected Replacements over the 40-year Study Period. The red line shows the average annual expenditure of \$211,357. Section C provides a year by year Calendar of these expenditures.



UPDATING OF THE FUNDING PLAN

The Association has a responsibility to review the Funding Plan annually. The review should include a comparison and evaluation of actual reserve funding with recommended levels shown on Page A.4 and A.5. The Projected Replacements listed on Page C.2 should be compared with any replacements accomplished and funded from Replacement Reserves. Discrepancies should be evaluated and if necessary, the Reserve Study should be updated or a new study commissioned. We recommend annual increases in replacement reserve funding to account for the impact of inflation. Inflation Adjusted Funding is discussed on Page A.5.

UPDATING OF THE REPLACEMENT RESERVE STUDY

At a minimum, the Replacement Reserve Study should be professionally updated every three to five years or after completion of a major replacement project. Updating should also be considered if during the annual review of the Funding Plan, discrepancies are noted between projected and actual reserve funding or replacement costs. Updating may also be necessary if there is a meaningful discrepancy between the actual inflation rate and the inflation rate used for the Inflation Adjusted Funding of Replacement Reserves on Page A.5.

ANNUAL EXPENDITURES AND CURRENT FUNDING

The annual expenditures that comprise the \$8,454,290 of Projected Expenditures over the 40-year Study Period and the impact of the Association continuing to fund Replacement Reserves at the current level are detailed in Table 3.

| #3 - Table of Annual Expenditures and Current Funding Data - Years 1 through 40 | | | | | | | | | | |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Year | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 |
| Starting Balance | \$178,354 | | | | | | | | | |
| Projected Replacements | (\$638,685) | (\$543,000) | (\$35,000) | (\$57,500) | (\$1,042,180) | (\$84,880) | (\$111,600) | (\$35,000) | | (\$57,500) |
| Annual Deposit | \$103,000 | \$103,000 | \$103,000 | \$103,000 | \$103,000 | \$103,000 | \$103,000 | \$103,000 | \$103,000 | \$103,000 |
| End of Year Balance | (\$357,331) | (\$797,331) | (\$729,331) | (\$683,831) | (\$1,623,011) | (\$1,604,891) | (\$1,613,491) | (\$1,545,491) | (\$1,442,491) | (\$1,396,991) |
| Cumulative Expenditures | (\$638,685) | (\$1,181,685) | (\$1,216,685) | (\$1,274,185) | (\$2,316,365) | (\$2,401,245) | (\$2,512,845) | (\$2,547,845) | (\$2,547,845) | (\$2,605,345) |
| Cumulative Receipts | \$281,354 | \$384,354 | \$487,354 | \$590,354 | \$693,354 | \$796,354 | \$899,354 | \$1,002,354 | \$1,105,354 | \$1,208,354 |
| Year | 2033 | 2034 | 2035 | 2036 | 2037 | 2038 | 2039 | 2040 | 2041 | 2042 |
| Projected Replacements | (\$477,050) | (\$37,300) | (\$92,500) | | | (\$693,480) | (\$37,300) | (\$35,000) | (\$74,300) | (\$2,500) |
| Annual Deposit | \$103,000 | \$103,000 | \$103,000 | \$103,000 | \$103,000 | \$103,000 | \$103,000 | \$103,000 | \$103,000 | \$103,000 |
| End of Year Balance | (\$1,771,041) | (\$1,705,341) | (\$1,694,841) | (\$1,591,841) | (\$1,488,841) | (\$2,079,321) | (\$2,013,621) | (\$1,945,621) | (\$1,916,921) | (\$1,816,421) |
| Cumulative Expenditures | (\$3,082,395) | (\$3,119,695) | (\$3,212,195) | (\$3,212,195) | (\$3,212,195) | (\$3,905,675) | (\$3,942,975) | (\$3,977,975) | (\$4,052,275) | (\$4,054,775) |
| Cumulative Receipts | \$1,311,354 | \$1,414,354 | \$1,517,354 | \$1,620,354 | \$1,723,354 | \$1,826,354 | \$1,929,354 | \$2,032,354 | \$2,135,354 | \$2,238,354 |
| Year | 2043 | 2044 | 2045 | 2046 | 2047 | 2048 | 2049 | 2050 | 2051 | 2052 |
| Projected Replacements | (\$737,115) | (\$443,000) | (\$35,000) | | (\$57,500) | (\$102,930) | (\$37,300) | (\$92,500) | | (\$1,057,920) |
| Annual Deposit | \$103,000 | \$103,000 | \$103,000 | \$103,000 | \$103,000 | \$103,000 | \$103,000 | \$103,000 | \$103,000 | \$103,000 |
| End of Year Balance | (\$2,450,536) | (\$2,790,536) | (\$2,722,536) | (\$2,619,536) | (\$2,574,036) | (\$2,573,966) | (\$2,508,266) | (\$2,497,766) | (\$2,394,766) | (\$3,349,686) |
| Cumulative Expenditures | (\$4,791,890) | (\$5,234,890) | (\$5,269,890) | (\$5,269,890) | (\$5,327,390) | (\$5,430,320) | (\$5,467,620) | (\$5,560,120) | (\$5,560,120) | (\$6,618,040) |
| Cumulative Receipts | \$2,341,354 | \$2,444,354 | \$2,547,354 | \$2,650,354 | \$2,753,354 | \$2,856,354 | \$2,959,354 | \$3,062,354 | \$3,165,354 | \$3,268,354 |
| Year | 2053 | 2054 | 2055 | 2056 | 2057 | 2058 | 2059 | 2060 | 2061 | 2062 |
| Projected Replacements | (\$527,970) | (\$37,300) | (\$35,000) | (\$57,500) | (\$2,500) | (\$167,880) | (\$94,800) | (\$35,000) | | (\$878,300) |
| Annual Deposit | \$103,000 | \$103,000 | \$103,000 | \$103,000 | \$103,000 | \$103,000 | \$103,000 | \$103,000 | \$103,000 | \$103,000 |
| End of Year Balance | (\$3,774,656) | (\$3,708,956) | (\$3,640,956) | (\$3,595,456) | (\$3,494,956) | (\$3,559,836) | (\$3,551,636) | (\$3,483,636) | (\$3,380,636) | (\$4,155,936) |
| Cumulative Expenditures | (\$7,146,010) | (\$7,183,310) | (\$7,218,310) | (\$7,275,810) | (\$7,278,310) | (\$7,446,190) | (\$7,540,990) | (\$7,575,990) | (\$7,575,990) | (\$8,454,290) |
| Cumulative Receipts | \$3,371,354 | \$3,474,354 | \$3,577,354 | \$3,680,354 | \$3,783,354 | \$3,886,354 | \$3,989,354 | \$4,092,354 | \$4,195,354 | \$4,298,354 |

EVALUATION OF CURRENT FUNDING

The evaluation of Current Funding (Starting Balance of \$178,354 & annual funding of \$103,000), is done in today's dollars with no adjustments for inflation or interest earned on Replacement Reserves. The evaluation assumes Replacement Reserves will only be used for the 52 Projected Replacements identified in the Replacement Reserve Inventory and that the Association will continue Annual Funding of \$103,000 throughout the 40-year Study Period.

Annual Funding of \$103,000 is approximately 15 percent of the \$670,331 recommended Annual Funding calculated by the Cash Flow Method for 2023, the Study Year.

See the Executive Summary for the Current Funding Statement.

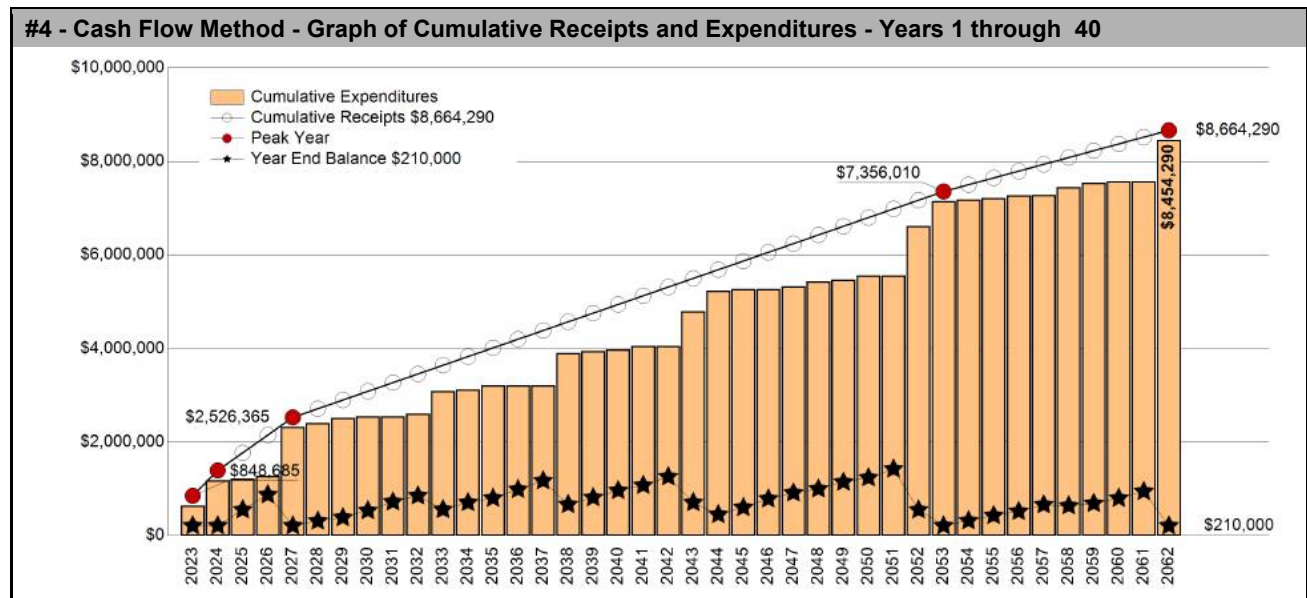
CASH FLOW METHOD FUNDING

\$670,331 RECOMMENDED REPLACEMENT RESERVE FUNDING FOR 2023

\$180.20 Per unit (average), minimum monthly funding of Replacement Reserves

Recommended Replacement Reserve Funding has been calculated using the Cash Flow Method (also called the Straight Line or Threshold Method). This method calculates a constant annual funding between peaks in cumulative expenditures, while maintaining a Minimum Balance (threshold) in the Peak Years.

- **Peak Years.** The First Peak Year occurs in 2023 with Replacement Reserves on Deposit dropping to the Minimum Balance after the completion of \$638,685 of replacements from 2023 to 2023. Recommended funding is projected to decline from \$670,331 in 2023 to \$543,000 in 2024. Peak Years are identified in Chart 4 and Table 5.
- **Threshold (Minimum Balance).** The calculations assume a Minimum Balance of \$210,000 will always be held in reserve, which is calculated by rounding the 12-month 40-year average annual expenditure of \$211,357 as shown on Graph #2.
- **Cash Flow Method Study Period.** Cash Flow Method calculates funding for \$8,454,290 of expenditures over the 40-year Study Period. It does not include funding for any projects beyond 2062 and in 2062, the end of year balance will always be the Minimum Balance.



#5 - Cash Flow Method - Table of Receipts & Expenditures - Years 1 through 40

| Year | 1st Peak - 2023 | 2nd Peak - 2024 | 2025 | 2026 | 3rd Peak - 2027 | 2028 | 2029 | 2030 | 2031 | 2032 |
|-------------------------|-----------------|-----------------|---------------|---------------|-----------------|---------------|---------------|---------------|---------------|-----------------|
| Starting Balance | \$178,354 | | | | | | | | | |
| Projected Replacements | (\$638,685) | (\$543,000) | (\$35,000) | (\$57,500) | (\$1,042,180) | (\$84,880) | (\$111,600) | (\$35,000) | | (\$57,500) |
| Annual Deposit | \$670,331 | \$543,000 | \$378,227 | \$378,227 | \$378,227 | \$185,756 | \$185,756 | \$185,756 | \$185,756 | \$185,756 |
| End of Year Balance | \$210,000 | \$210,000 | \$553,227 | \$873,953 | \$210,000 | \$310,876 | \$385,031 | \$535,787 | \$721,542 | \$849,798 |
| Cumulative Expenditures | (\$638,685) | (\$1,181,685) | (\$1,216,685) | (\$1,274,185) | (\$2,316,365) | (\$2,401,245) | (\$2,512,845) | (\$2,547,845) | (\$2,547,845) | (\$2,605,345) |
| Cumulative Receipts | \$849,685 | \$1,391,685 | \$1,769,912 | \$2,148,138 | \$2,526,365 | \$2,712,121 | \$2,897,676 | \$3,083,632 | \$3,269,387 | \$3,455,143 |
| Year | 2033 | 2034 | 2035 | 2036 | 2037 | 2038 | 2039 | 2040 | 2041 | 2042 |
| Projected Replacements | (\$477,050) | (\$37,300) | (\$92,500) | | | (\$693,480) | (\$37,300) | (\$35,000) | (\$74,300) | (\$2,500) |
| Annual Deposit | \$185,756 | \$185,756 | \$185,756 | \$185,756 | \$185,756 | \$185,756 | \$185,756 | \$185,756 | \$185,756 | \$185,756 |
| End of Year Balance | \$558,503 | \$706,959 | \$800,215 | \$985,970 | \$1,171,726 | \$664,001 | \$812,457 | \$963,212 | \$1,074,668 | \$1,257,924 |
| Cumulative Expenditures | (\$3,082,395) | (\$3,119,695) | (\$3,212,195) | (\$3,212,195) | (\$3,212,195) | (\$3,905,675) | (\$3,942,975) | (\$3,977,975) | (\$4,052,275) | (\$4,054,775) |
| Cumulative Receipts | \$3,640,898 | \$3,826,654 | \$4,012,410 | \$4,198,165 | \$4,383,921 | \$4,569,676 | \$4,755,432 | \$4,941,187 | \$5,126,943 | \$5,312,699 |
| Year | 2043 | 2044 | 2045 | 2046 | 2047 | 2048 | 2049 | 2050 | 2051 | 2052 |
| Projected Replacements | (\$737,115) | (\$443,000) | (\$35,000) | | (\$57,500) | (\$102,930) | (\$37,300) | (\$92,500) | | (\$1,057,920) |
| Annual Deposit | \$185,756 | \$185,756 | \$185,756 | \$185,756 | \$185,756 | \$185,756 | \$185,756 | \$185,756 | \$185,756 | \$185,756 |
| End of Year Balance | \$708,564 | \$449,320 | \$600,075 | \$785,831 | \$914,087 | \$996,912 | \$1,145,368 | \$1,238,623 | \$1,424,379 | \$552,214 |
| Cumulative Expenditures | (\$4,791,890) | (\$5,234,890) | (\$5,269,890) | (\$5,269,890) | (\$5,327,390) | (\$5,430,320) | (\$5,467,620) | (\$5,560,120) | (\$5,560,120) | (\$6,618,040) |
| Cumulative Receipts | \$5,498,454 | \$5,684,210 | \$5,869,965 | \$6,055,721 | \$6,241,477 | \$6,427,232 | \$6,612,988 | \$6,798,743 | \$6,984,499 | \$7,170,254 |
| Year | 4th Peak - 2053 | 2054 | 2055 | 2056 | 2057 | 2058 | 2059 | 2060 | 2061 | 5th Peak - 2062 |
| Projected Replacements | (\$527,970) | (\$37,300) | (\$35,000) | (\$57,500) | (\$2,500) | (\$167,880) | (\$94,800) | (\$35,000) | | (\$878,300) |
| Annual Deposit | \$185,756 | \$145,364 | \$145,364 | \$145,364 | \$145,364 | \$145,364 | \$145,364 | \$145,364 | \$145,364 | \$145,364 |
| End of Year Balance | \$210,000 | \$318,064 | \$428,429 | \$516,293 | \$659,158 | \$636,642 | \$687,207 | \$797,571 | \$942,936 | \$210,000 |
| Cumulative Expenditures | (\$7,146,010) | (\$7,183,310) | (\$7,218,310) | (\$7,275,810) | (\$7,278,310) | (\$7,446,190) | (\$7,540,990) | (\$7,575,990) | (\$7,575,990) | (\$8,454,290) |
| Cumulative Receipts | \$7,356,010 | \$7,501,374 | \$7,646,739 | \$7,792,103 | \$7,937,468 | \$8,082,832 | \$8,228,197 | \$8,373,561 | \$8,518,926 | \$8,664,290 |

INFLATION ADJUSTED FUNDING

The Cash Flow Method calculations on Page A4 have been done in today's dollars with no adjustment for inflation. At Miller+Dodson, we believe that long-term inflation forecasting is effective at demonstrating the power of compounding, not at calculating appropriate funding levels for Replacement Reserves. We have developed this proprietary model to estimate the short-term impact of inflation on Replacement Reserve funding.

\$670,331 2023 - CASH FLOW METHOD RECOMMENDED FUNDING

The 2023 Study Year calculations have been made using current replacement costs (see Page B.2), modified by the Analyst for any project specific conditions.

\$575,580 2024 - INFLATION ADJUSTED FUNDING

A new analysis calculates the 2024 funding based on three assumptions:

- Replacement Reserves on Deposit totaling \$210,000 on January 1, 2024.
- All 2023 Projected Replacements listed on Page C.2 accomplished at a cost to Replacement Reserves less than \$638,685.
- Construction Cost Inflation of 6.00 percent in 2023.

The \$575,580 inflation adjusted funding in 2024 is a 6.00 percent increase over the non-inflation adjusted funding of \$543,000.

\$424,975 2025 - INFLATION ADJUSTED FUNDING

A new analysis calculates the 2025 funding based on three assumptions:

- Replacement Reserves on Deposit totaling \$210,000 on January 1, 2025.
- All 2024 Projected Replacements listed on Page C.2 accomplished at a cost to Replacement Reserves less than \$543,005.
- Construction Cost Inflation of 6.00 percent in 2024.

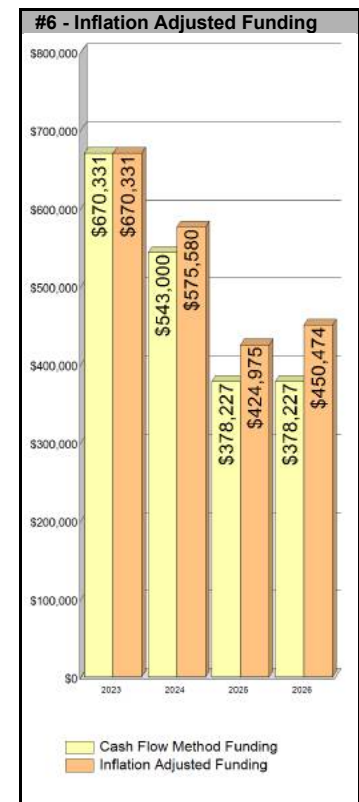
The \$424,975 inflation adjusted funding in 2025 is a 12.36 percent increase over the non-inflation adjusted funding of \$378,227.

\$450,474 2026 - INFLATION ADJUSTED FUNDING

A new analysis calculates the 2026 funding based on three assumptions:

- Replacement Reserves on Deposit totaling \$552,767 on January 1, 2026.
- All 2025 Projected Replacements listed on Page C.2 accomplished at a cost to Replacement Reserves less than \$37,116.
- Construction Cost Inflation of 6.00 percent in 2025.

The \$450,474 inflation adjusted funding in 2026 is a 19.10 percent increase over the non-inflation adjusted funding of \$378,227.



Year Four and Beyond

The inflation-adjusted funding calculations outlined above are not intended to be a substitute for periodic evaluation of common elements by an experienced Reserve Analyst. Industry Standards, lender requirements, and many state and local statutes require a Replacement Reserve Study to be professionally updated every 3 to 5 years.

Inflation Adjustment

Prior to approving a budget based upon the 2024, 2025 and 2026 inflation-adjusted funding calculations above, the 6.00 percent base rate of inflation used in our calculations should be compared to rates published by the Bureau of Labor Statistics. If there is a significant discrepancy (over 1 percentage point), contact Miller+Dodson Associates prior to using the Inflation Adjusted Funding.

Interest on Reserves

The recommended funding calculations do not account for interest earned on Replacement Reserves. In 2023, based on a 1.00 percent interest rate, we estimate the Association may earn \$1,942 on an average balance of \$194,177, \$2,100 on an average balance of \$210,000 in 2024, and \$3,814 on \$381,383 in 2025. The Association may elect to attribute 100 percent of the earned interest to Reserves, resulting in a reduction in the 2023 funding from \$670,331 to \$668,389 (a 0.28 percent reduction), \$575,580 to \$573,480 in 2024 (a 0.36 percent reduction), and \$424,975 to \$421,162 in 2025 (a 0.89 percent reduction).

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SECTION B - REPLACEMENT RESERVE INVENTORY

- **PROJECTED REPLACEMENTS.** Spring Meadows Condominium - Replacement Reserve Inventory identifies 52 items which are Projected Replacements and the periodic replacements of these items are scheduled for funding from Replacement Reserves. The Projected Replacements have an estimated one-time replacement cost of \$4,522,165. Cumulative Replacements totaling \$8,454,290 are scheduled in the Replacement Reserve Inventory over the 40-year Study Period. Cumulative Replacements include those components that are replaced more than once during the period of the study.

Projected Replacements are the replacement of commonly-owned physical assets that require periodic replacement and whose replacement is to be funded from Replacement Reserves.

- **EXCLUDED ITEMS.** Some of the items contained in the Replacement Reserve Inventory are 'Excluded Items'. Multiple categories of items are typically excluded from funding by Replacement Reserves, including but not limited to:

Tax Code. The United States Tax Code grants very favorable tax status to Replacement Reserves, conditioned on expenditures being made within certain guidelines. These guidelines typically exclude maintenance activities, minor repairs, and capital improvements.

Value. Items with a replacement cost of less than \$1000 and/or a normal economic life of less than 3 years are typically excluded from funding from Replacement Reserves. This exclusion should reflect the Association policy on the administration of Replacement Reserves. If the Association has selected an alternative level, it will be noted in the Replacement Reserve Inventory - General Comments on Page B.2.

Long-lived Items. Items are excluded from the Replacement Reserve Inventory when items are properly maintained and are assumed to have a life equal to the property.

Unit improvements. Items owned by a single unit and where the items serve a single unit are generally assumed to be the responsibility of that unit, not the Association.

Other non-common improvements. Items owned by the local government, public and private utility companies, the United States Postal Service, Master Associations, state and local highway authorities, etc., may be installed on property that is owned by the Association. These types of items are generally not the responsibility of the Association and are excluded from the Replacement Reserve Inventory.

- **CATEGORIES.** The 52 items included in the Spring Meadows Condominium Replacement Reserve Inventory are divided into 3 major categories. Each category is printed on a separate page, beginning on page B.3.
- **LEVEL OF SERVICE.** This Replacement Reserve Inventory has been developed in compliance with the standards established for a Level One Study - Full Service, as defined by the National Reserve Study Standards, established in 1998 by Community Associations Institute, which states:

A Level I - Full-Service Reserve Study includes the computation of complete component inventory information regarding commonly owned components provided by the Association, quantities derived from field measurements, and/or quantity takeoffs from to-scale engineering drawings that may be made available. The condition of all components is ascertained from a visual inspection of each component by the analyst. The remaining economic life and the value of the components are provided based on these observations and the funding status and funding plan are then derived from the analysis of this data.

REPLACEMENT RESERVE INVENTORY - GENERAL INFORMATION (CONT'D)

- **INVENTORY DATA.** Each of the 52 Projected Replacements listed in the Replacement Reserve Inventory includes the following data:
 - Item Number.** The Item Number is assigned sequentially and is intended for identification purposes only.
 - Item Description.** We have identified each item included in the Inventory. Additional information may be included in the Comments section at the bottom of each page of the Inventory.
 - Units.** We have used standard abbreviations to identify the number of units including SF-square feet, LF-lineal feet, SY-square yard, LS-lump sum, EA-each, and PR-pair. Non-standard abbreviations are noted in the Comments section at the bottom of the page.
 - Number of Units.** The methods used to develop the quantities are discussed in "Level of Service" above.
 - Unit Replacement Cost.** We use four sources to develop the unit cost data shown in the Inventory; actual replacement cost data provided by the client, information provided by local contractors and suppliers, industry standard estimating manuals, and a cost database we have developed based upon our detailed interviews with contractors and service providers who are specialists in their respective lines of work.
 - Normal Economic Life (Years).** The number of years that a new and properly installed item should be expected to remain in service.
 - Remaining Economic Life (Years).** The estimated number of years before an item will need to be replaced. In "normal" conditions, this could be calculated by subtracting the age of the item from the Normal Economic Life of the item, but only rarely do physical assets age "normally". Some items may have longer or shorter lives depending on many factors such as environment, initial quality of the item, maintenance, etc.
 - Total Replacement Cost.** This is calculated by multiplying the Unit Replacement Cost by the Number of Units.
- **PARTIAL FUNDING.** Items may have been included in the Replacement Reserve Inventory at less than 100 percent of their full quantity and/or replacement cost. This is done on items that will never be replaced in their entirety, but which may require periodic replacements over an extended period of time. The assumptions that provide the basis for any partial funding are noted in the Comments section.
- **REMAINING ECONOMIC LIFE GREATER THAN 40 YEARS.** The calculations do not include funding for initial replacements beyond 40 years. These replacements are included in this Study for tracking and evaluation. They should be included for funding in future Studies, when they enter the 40-year window.
- **ACCURACY OF THE ANALYSIS.** The accuracy of the Replacement Reserve Analysis is dependent upon expenditures from Replacement Reserves being made ONLY for the 52 Projected Replacements specifically listed in the Replacement Reserve Inventory. The inclusion/exclusion of items from the Replacement Reserve Inventory is discussed on Page B.1.

| SITE ITEMS - ASPHALT AND CONCRETE
PROJECTED REPLACEMENTS | | | | | NEL- Normal Economic Life (yrs)
REL- Remaining Economic Life (yrs) | | |
|---|--|------|-----------------|----------------------------|---|------|-----------------------|
| ITEM # | ITEM DESCRIPTION | UNIT | NUMBER OF UNITS | UNIT REPLACEMENT COST (\$) | NEL | REL | REPLACEMENT COST (\$) |
| 1 | Asphalt pavement, mill and overlay 50% phase 1 | sy | 13,000 | \$25.00 | 20 | none | \$325,000 |
| 2 | Asphalt pavement, seal coat 50% phase 1 | sy | 13,000 | \$2.50 | 5 | 1 | \$32,500 |
| 3 | Concrete curb and gutter, 15% phase 1 | ft | 1,500 | \$42.00 | 60 | none | \$63,000 |
| 4 | Concrete flatwork, 15% phase 1 | sf | 6,750 | \$14.00 | 60 | none | \$94,500 |
| 5 | Asphalt pavement, mill and overlay 50% phase 2 | sy | 13,000 | \$25.00 | 20 | 1 | \$325,000 |
| 6 | Asphalt pavement, seal coat 50% phase 2 | sy | 13,000 | \$2.50 | 5 | 2 | \$32,500 |
| 7 | Concrete curb and gutter, 15% phase 2 | ft | 1,500 | \$42.00 | 60 | 1 | \$63,000 |
| 8 | Concrete flatwork, 10% phase 2 | sf | 6,750 | \$14.00 | 60 | 1 | \$94,500 |
| 9 | Concrete curb and gutter, barrier (5%) | ft | 500 | \$42.00 | 3 | 3 | \$21,000 |
| 10 | Concrete flatwork (5%) | sf | 2,250 | \$14.00 | 3 | 3 | \$31,500 |
| | Concrete lead walks and steps | | | | | | EXCLUDED |
| Replacement Costs - Page Subtotal | | | | | | | \$1,082,500 |

COMMENTS

- We have assumed that the Association will replace the asphalt pavement by the installation of a 2-inch-thick overlay. The pavement will need to be milled prior to the installation of the overlay. Milling and the cost of minor repairs (5 to 10 percent of the total area) to the base materials and bearing soils beneath the pavement are included in the cost shown above.
- Seal coating or rejuvenation has been shown to extend service life of asphalt if performed at an early stage, once asphalt has fully cured and then cyclically thereafter. This is the best practice to extend life of the asphalt pavement. The Unit Cost includes crack sealing, and line/curb painting. The Asphalt paving industries recommendation/best practice is to sealcoat approximately one (1) year after the mill and overlay is performed. One (1) year allows the excess oils in the paving mixture to "weather off". Sealing the following year locks in the remaining essential oils that keep the pavement pliable. Cyclical reapplication of the sealcoat, approximately every five (5) years, will keep those oils in expanding its useful life.
- Concrete has a normal economic life expectancy of 60 years. We are modeling 5% of the total requiring replacement every three years. Items showing zero remaining life expectancy are to take care of immediate needs due to tripping hazards.
- Concrete lead walks and steps - [10/28/2022] excluded per board

| SITE ITEMS - OTHER SITE ITEMS
PROJECTED REPLACEMENTS | | | | | NEL- Normal Economic Life (yrs)
REL- Remaining Economic Life (yrs) | | |
|---|---------------------------------------|-------|-----------------|----------------------------|---|------|-----------------------|
| ITEM # | ITEM DESCRIPTION | UNIT | NUMBER OF UNITS | UNIT REPLACEMENT COST (\$) | NEL | REL | REPLACEMENT COST (\$) |
| 11 | Entrance monument, repoint masonry | sf | 85 | \$30.00 | 10 | none | \$2,550 |
| 12 | Entrance monument, carved wood sign | sf | 35 | \$220.00 | 15 | 5 | \$7,700 |
| 13 | Domestic water main (10% allowance) | ls | 1 | \$100,000.00 | 10 | 10 | \$100,000 |
| 14 | Sanitary main (10% allowance) | ls | 1 | \$100,000.00 | 10 | 10 | \$100,000 |
| 15 | Stormwater management (10% allowance) | ls | 1 | \$100,000.00 | 10 | 10 | \$100,000 |
| | Site light, standard single head | | | | | | EXCLUDED |
| 16 | Fence, 4' galvanized chain link | ft | 100 | \$22.00 | 30 | none | \$2,200 |
| 17 | Mailbox, cluster | units | 310 | \$200.00 | 35 | none | \$62,000 |
| 18 | Retaining wall, wood | sf | 100 | \$45.00 | 20 | 5 | \$4,500 |
| 19 | Fire hydrants | ea | 10 | \$250.00 | 5 | 2 | \$2,500 |
| Replacement Costs - Page Subtotal | | | | | | | \$381,450 |

COMMENTS

- Comprehensive drawings detailing the components of the systems listed above were not available for our review. We have included the estimated cost of the systems based upon our experience with other similar communities. We have assumed that 10 percent of the system(s) will require replacement. In the future, this assumption and the estimated costs should be adjusted based upon the community's actual experience as is feasible.
- Site light, standard single head - [10/28/2022] excluded per board
- Item #19: Fire hydrants - Painting and testing

| RECREATION ITEMS - TOT LOT AND BASKETBALL COURT | | | | | NEL- Normal Economic Life (yrs) | | |
|---|------------------------------------|------|-----------------|----------------------------|------------------------------------|------|-----------------------|
| PROJECTED REPLACEMENTS | | | | | REL- Remaining Economic Life (yrs) | | |
| ITEM # | ITEM DESCRIPTION | UNIT | NUMBER OF UNITS | UNIT REPLACEMENT COST (\$) | NEL | REL | REPLACEMENT COST (\$) |
| Tot Lot | | | | | | | |
| 20 | Tot lot, border PVC | ft | 225 | \$17.00 | 20 | none | \$3,825 |
| 21 | Tot lot surfacing, wood mulch (3") | sf | 2,500 | \$2.00 | 3 | none | \$5,000 |
| 22 | Tot lot, Play equipment | ls | 1 | \$35,000.00 | 15 | 5 | \$35,000 |
| Basketball Court | | | | | | | |
| 23 | MP court, asphalt overlay | sf | 4,000 | \$5.80 | 20 | 1 | \$23,200 |
| 24 | MP court, color coat | sf | 4,000 | \$1.20 | 5 | 1 | \$4,800 |
| 25 | Fence, 10' galvanized chain link | ft | 460 | \$40.00 | 30 | 10 | \$18,400 |
| Replacement Costs - Page Subtotal | | | | | | | \$90,225 |

| COMMENTS | |
|--|--|
| <ul style="list-style-type: none"> Tot lots and tot lot equipment should be evaluated annually by a playground safety specialist for compliance with the Consumer Product Safety Commission, Handbook for Public Playground Safety. Defects should be corrected immediately to protect the users of the facilities from potential injury and the Association from potential liability for those injuries. Item #23: MP court, asphalt overlay - To be restored when contractor is done using it as lay-down/storage area | |

| RECREATION ITEMS - SWIMMING POOL AND BATH HOUSE | | | | | NEL- Normal Economic Life (yrs) | | |
|--|--------------------------------------|------|-----------------|----------------------------|------------------------------------|-----|-----------------------|
| PROJECTED REPLACEMENTS | | | | | REL- Remaining Economic Life (yrs) | | |
| ITEM # | ITEM DESCRIPTION | UNIT | NUMBER OF UNITS | UNIT REPLACEMENT COST (\$) | NEL | REL | REPLACEMENT COST (\$) |
| Swimming pools (Not accessible at time of inspection) | | | | | | | |
| 26 | Main Swimming pool, structure | sf | 3,700 | \$120.00 | 60 | 15 | \$444,000 |
| 27 | Main Swimming pool, whitecoat | sf | 3,700 | \$8.00 | 10 | 5 | \$29,600 |
| 28 | Main Swimming pool, waterline tile | ft | 260 | \$12.00 | 10 | 5 | \$3,120 |
| 29 | Main Swimming pool coping | ft | 260 | \$75.00 | 20 | 15 | \$19,500 |
| 30 | Main Pool cover | sf | 3,700 | \$4.00 | 12 | 6 | \$14,800 |
| 31 | Wading Swimming pool, structure | sf | 500 | \$120.00 | 60 | 15 | \$60,000 |
| 32 | Wading Swimming pool, whitecoat | sf | 500 | \$8.00 | 10 | 5 | \$4,000 |
| 33 | Wading Swimming pool, waterline tile | ft | 80 | \$12.00 | 10 | 5 | \$960 |
| 34 | Wading Swimming pool coping | ft | 80 | \$75.00 | 20 | 15 | \$6,000 |
| 35 | Wading Pool cover | sf | 500 | \$4.00 | 12 | 6 | \$2,000 |
| 36 | Pool deck, concrete | sf | 4,300 | \$16.00 | 30 | 15 | \$68,800 |
| 37 | Pool pump and other equipment | ls | 1 | \$4,500.00 | 15 | 10 | \$4,500 |
| 38 | Fence, 6' decorative steel or iron | ft | 400 | \$90.00 | 50 | 25 | \$36,000 |
| Replacement Costs - Page Subtotal | | | | | | | \$693,280 |

| COMMENTS | |
|--|--|
| <ul style="list-style-type: none"> Item #26: Main Swimming pool, structure - RELs for pools are guesses | |

| RECREATION ITEMS - SWIMMING POOL AND BATH HOUSE - (cont.) | | | | | NEL- Normal Economic Life (yrs) | | |
|---|---|------|-----------------|----------------------------|------------------------------------|------|-----------------------|
| PROJECTED REPLACEMENTS | | | | | REL- Remaining Economic Life (yrs) | | |
| ITEM # | ITEM DESCRIPTION | UNIT | NUMBER OF UNITS | UNIT REPLACEMENT COST (\$) | NEL | REL | REPLACEMENT COST (\$) |
| Bathhouse | | | | | | | |
| Exterior | | | | | | | |
| 39 | Roofing, asphalt shingles | sf | 1,150 | \$5.00 | 25 | none | \$5,750 |
| 40 | Roof sheathing, partial replacement | sf | 200 | \$4.50 | 25 | none | \$900 |
| 41 | Roofing, flat | sf | 170 | \$32.00 | 20 | none | \$5,440 |
| 42 | Gutter and downspouts, 5" aluminum | ft | 110 | \$12.00 | 30 | none | \$1,320 |
| 43 | Masonry (10% repointing allowance) | sf | 240 | \$12.00 | 10 | none | \$2,880 |
| 44 | Door, steel, flush (3' X 6'8") | ea | 6 | \$1,600.00 | 25 | none | \$9,600 |
| 45 | Information sign | ea | 1 | \$2,500.00 | 15 | 4 | \$2,500 |
| Interior | | | | | | | |
| 46 | Restroom, renovate | sf | 600 | \$150.00 | 20 | 10 | \$90,000 |
| 47 | Water heater, commercial electric (assumed 80 | ea | 1 | \$4,000.00 | 15 | 10 | \$4,000 |
| Replacement Costs - Page Subtotal | | | | | | | \$122,390 |
| COMMENTS | | | | | | | |
| <ul style="list-style-type: none"> Item #46: Restroom, renovate - Not accessible at time of inspection Item #47: Water heater, commercial electric (assumed 80 gal.) - Not accessible at time of inspection | | | | | | | |

| EXTERIOR ITEMS - TOWNHOUSE BUILDINGS | | | | | NEL- Normal Economic Life (yrs) | | |
|--------------------------------------|------------------------------------|------|-----------------|----------------------------|------------------------------------|------|-----------------------|
| PROJECTED REPLACEMENTS | | | | | REL- Remaining Economic Life (yrs) | | |
| ITEM # | ITEM DESCRIPTION | UNIT | NUMBER OF UNITS | UNIT REPLACEMENT COST (\$) | NEL | REL | REPLACEMENT COST (\$) |
| 48 | Roofing, asphalt shingles | sf | 182,400 | \$5.00 | 30 | 29 | \$912,000 |
| 49 | Gutter and downspouts, 5" aluminum | ft | 12,160 | \$12.00 | 30 | 29 | \$145,920 |
| 50 | Masonry (10% repointing allowance) | sf | 3,040 | \$18.00 | 10 | none | \$54,720 |
| 51 | Siding and trim, vinyl, standard | sf | 91,200 | \$9.00 | 35 | 4 | \$820,800 |
| 52 | Soffit and trim, vinyl | sf | 24,320 | \$9.00 | 50 | 4 | \$218,880 |
| | Windows | | | | | | EXCLUDED |
| | Doors | | | | | | EXCLUDED |
| Replacement Costs - Page Subtotal | | | | | | | \$2,152,320 |

| COMMENTS |
|--|
| <ul style="list-style-type: none"> Item #48: Roofing, asphalt shingles - "Currently replacing roofs" Item #49: Gutter and downspouts, 5" aluminum - "Currently replacing gutters and downspouts" Windows - [10/28/2022] excluded per board Doors - [10/28/2022] excluded per board |

| VALUATION EXCLUSIONS | | | | | | | | |
|----------------------|--------------------------------------|------|-----------------|----------------------------|-----|-----|--|-----------------------|
| Excluded Items | | | | | | | | |
| ITEM # | ITEM DESCRIPTION | UNIT | NUMBER OF UNITS | UNIT REPLACEMENT COST (\$) | NEL | REL | | REPLACEMENT COST (\$) |
| | Site lighting fixtures | | | | | | | EXCLUDED |
| | Property identification signage | | | | | | | EXCLUDED |
| | Miscellaneous signage | | | | | | | EXCLUDED |
| | Bench | | | | | | | EXCLUDED |
| | Picnic table | | | | | | | EXCLUDED |
| | BBQ | | | | | | | EXCLUDED |
| | Handrail | | | | | | | EXCLUDED |
| | Fire extinguisher cabinet | | | | | | | EXCLUDED |
| | Emergency lighting, exit light, etc. | | | | | | | EXCLUDED |
| | Signage | | | | | | | EXCLUDED |
| | Interior doors | | | | | | | EXCLUDED |
| | Electric heaters | | | | | | | EXCLUDED |

| VALUATION EXCLUSIONS | |
|---|--|
| Comments | |
| <ul style="list-style-type: none"> Valuation Exclusions. For ease of administration of the Replacement Reserves and to reflect accurately how Replacement Reserves are administered, items with a dollar value less than \$1000 have not been scheduled for funding from Replacement Reserve. Examples of items excluded by Replacement Reserves by this standard are listed above. The list above exemplifies exclusions by the cited standard(s) and is not intended to be comprehensive. | |

| LONG-LIFE EXCLUSIONS | | | | | | | | |
|----------------------|------------------------------------|------|-----------------|----------------------------|-----|-----|--|-----------------------|
| Excluded Items | | | | | | | | |
| ITEM # | ITEM DESCRIPTION | UNIT | NUMBER OF UNITS | UNIT REPLACEMENT COST (\$) | NEL | REL | | REPLACEMENT COST (\$) |
| | Masonry features | | | | | | | EXCLUDED |
| | Miscellaneous culverts | | | | | | | EXCLUDED |
| | Exterior brick veneer | | | | | | | EXCLUDED |
| | Building foundation(s) | | | | | | | EXCLUDED |
| | Concrete floor slabs (interior) | | | | | | | EXCLUDED |
| | Wall, floor, and roof structure | | | | | | | EXCLUDED |
| | Fire protection/security systems | | | | | | | EXCLUDED |
| | Common element electrical services | | | | | | | EXCLUDED |
| | Electrical wiring | | | | | | | EXCLUDED |
| | Water piping at common facilities | | | | | | | EXCLUDED |
| | Waste piping at common facilities | | | | | | | EXCLUDED |
| | Stainless steel pool fixtures | | | | | | | EXCLUDED |

| LONG-LIFE EXCLUSIONS | |
|---|--|
| Comments | |
| <ul style="list-style-type: none"> Long Life Exclusions. Components that when properly maintained, can be assumed to have a life equal to the property as a whole, are normally excluded from the Replacement Reserve Inventory. Examples of items excluded from funding by Replacement Reserves by this standard are listed above. Exterior masonry is generally assumed to have an unlimited economic life, but periodic repointing is required, and we have included this for funding in the Replacement Reserve Inventory. The list above exemplifies exclusions by the cited standard(s) and is not intended to be comprehensive. | |

| UNIT IMPROVEMENTS EXCLUSIONS | | | | | | | |
|------------------------------|------------------------------|------|-----------------|----------------------------|-----|-----|-----------------------|
| Excluded Items | | | | | | | |
| ITEM # | ITEM DESCRIPTION | UNIT | NUMBER OF UNITS | UNIT REPLACEMENT COST (\$) | NEL | REL | REPLACEMENT COST (\$) |
| | Any feature serving one unit | | | | | | EXCLUDED |

| UNIT IMPROVEMENTS EXCLUSIONS | |
|---|--|
| Comments | |
| <ul style="list-style-type: none"> Unit improvement Exclusions. We understand that the elements of the project that relate to a single unit are the responsibility of that unit owner. Examples of items excluded from funding by Replacement Reserves by this standard are listed above. The list above exemplifies exclusions by the cited standard(s) and is not intended to be comprehensive. | |

| UTILITY EXCLUSIONS | | | | | | | | |
|--------------------|---------------------------------|------|-----------------|----------------------------|-----|-----|-----------------------|--|
| Excluded Items | | | | | | | | |
| ITEM # | ITEM DESCRIPTION | UNIT | NUMBER OF UNITS | UNIT REPLACEMENT COST (\$) | NEL | REL | REPLACEMENT COST (\$) | |
| | Primary electric feeds | | | | | | EXCLUDED | |
| | Electric transformers | | | | | | EXCLUDED | |
| | Cable TV systems and structures | | | | | | EXCLUDED | |
| | Telephone cables and structures | | | | | | EXCLUDED | |
| | Site lighting | | | | | | EXCLUDED | |

| UTILITY EXCLUSIONS | |
|--|--|
| Comments | |
| <ul style="list-style-type: none"> Utility Exclusions. Many improvements owned by utility companies are on property owned by the Association. We have assumed that repair, maintenance, and replacements of these components will be done at the expense of the appropriate utility company. Examples of items excluded from funding Replacement Reserves by this standard are listed above. The list above exemplifies exclusions by the cited standard(s) and is not intended to be comprehensive. | |

MAINTENANCE AND REPAIR EXCLUSIONS

Excluded Items

| ITEM # | ITEM DESCRIPTION | UNIT | NUMBER OF UNITS | UNIT REPLACEMENT COST (\$) | NEL | REL | REPLACEMENT COST (\$) |
|--------|-----------------------------------|------|-----------------|----------------------------|-----|-----|-----------------------|
| | Cleaning of asphalt pavement | | | | | | EXCLUDED |
| | Crack sealing of asphalt pavement | | | | | | EXCLUDED |
| | Painting of curbs | | | | | | EXCLUDED |
| | Striping of parking spaces | | | | | | EXCLUDED |
| | Numbering of parking spaces | | | | | | EXCLUDED |
| | Landscaping and site grading | | | | | | EXCLUDED |
| | Exterior painting | | | | | | EXCLUDED |
| | Interior painting | | | | | | EXCLUDED |
| | Janitorial service | | | | | | EXCLUDED |
| | Repair services | | | | | | EXCLUDED |
| | Partial replacements | | | | | | EXCLUDED |
| | Capital improvements | | | | | | EXCLUDED |

MAINTENANCE AND REPAIR EXCLUSIONS

Comments

- Maintenance activities, one-time-only repairs, and capital improvements. These activities are NOT appropriately funded from Replacement Reserves. The inclusion of such component in the Replacement Reserve Inventory could jeopardize the special tax status of ALL Replacement Reserves, exposing the Association to significant tax liabilities. We recommend that the Board of Directors discuss these exclusions and Revenue Ruling 75-370 with a Certified Public Accountant.
- Examples of items excluded from funding by Replacement Reserves are listed above. The list above exemplifies exclusions by the cited standard(s) and is not intended to be comprehensive.

GOVERNMENT EXCLUSIONS

Excluded Items

| ITEM # | ITEM DESCRIPTION | UNIT | NUMBER OF UNITS | UNIT REPLACEMENT COST (\$) | NEL | REL | REPLACEMENT COST (\$) |
|--------|-----------------------------------|------|-----------------|----------------------------|-----|-----|-----------------------|
| | Government, roadways and parking | | | | | | EXCLUDED |
| | Government, sidewalks and curbs | | | | | | EXCLUDED |
| | Government, lighting | | | | | | EXCLUDED |
| | Government, stormwater management | | | | | | EXCLUDED |
| | Government, ponds | | | | | | EXCLUDED |
| | Government, mailboxes | | | | | | EXCLUDED |

GOVERNMENT EXCLUSIONS

Comments

- Government Exclusions. We have assumed that some of the improvements installed on property owned by the Association will be maintained by the state, county, or local government, or other association or other responsible entity. Examples of items excluded from funding by Replacement Reserves by this standard are listed above.
- Excluded rights-of-way, including adjacent properties and adjacent roadways.
- The list above exemplifies exclusions by the cited standard(s) and is not intended to be comprehensive.

SECTION C - CALENDAR OF PROJECTED ANNUAL REPLACEMENTS

GENERAL STATEMENT. The 52 Projected Replacements in the Spring Meadows Condominium Replacement Reserve Inventory whose replacement is scheduled to be funded from Replacement Reserves are broken down on a year-by-year basis, beginning on Page C.2.

REPLACEMENT RESERVE ANALYSIS AND INVENTORY POLICIES, PROCEDURES, AND ADMINISTRATION

- **REVIEW OF THE REPLACEMENT RESERVE STUDY.** For this study to be effective, it should be reviewed by the Board of Directors, those responsible for the management of the items included in the Replacement Reserve Inventory, and the accounting professionals employed by the Association.
- **REVISIONS.** Revisions will be made to the Replacement Reserve Analysis and Replacement Reserve Inventory in accordance with the written instructions of the Board of Directors. No additional charge is incurred for the first revision if requested in writing within three months of the date of the Replacement Reserve Study. It is our policy to provide revisions in electronic (Adobe PDF) format only. We acknowledge that there are instances in which multiple revisions are necessary. However, unnecessary multiple revisions drain on our time and manpower resources. Therefore, Miller Dodson will exercise its sole discretion as to whether additional charges are incurred.
- **TAX CODE.** The United States Tax Code grants favorable tax status to a common interest development (CID) meeting certain guidelines for their Replacement Reserve. If a CID files their taxes as a 'Corporation' on Form 1120 (IRC Section 277), these guidelines typically require maintenance activities, partial replacements, minor replacements, capital improvements, and one-time only replacements to be excluded from Reserves. A CID cannot co-mingle planning for maintenance activities with capital replacement activities in the Reserves (Revenue Ruling 75-370). Funds for maintenance activities and capital replacements activities must be held in separate accounts. If a CID files taxes as an "Exempt Homeowners Association" using Form 1120H (IRC Section 528), the CID does not have to segregate these activities. However, because the CID may elect to change their method of filing from year to year within the Study Period, we advise using the more restrictive approach. We further recommend that the CID consult with their Accountant and consider creating separate and independent accounts and reserves for large maintenance items, such as painting.
- **CONFLICT OF INTEREST.** Neither Miller - Dodson Associates nor the Reserve Analyst has any prior or existing relationship with this Association which would represent a real or perceived conflict of interest.
- **RELIANCE ON DATA PROVIDED BY THE CLIENT.** Information provided by an official representative of the Association regarding financial, physical conditions, quality, or historical issues is deemed reliable.
- **INTENT.** This Replacement Reserve Study is a reflection of the information provided by the Association and the visual evaluations of the Analyst. It has been prepared for the sole use of the Association and is not for the purpose of performing an audit, quality/forensic analyses, or background checks of historical records.
- **PREVIOUS REPLACEMENTS.** Information provided to Miller - Dodson Associates regarding prior replacements is considered to be accurate and reliable. Our visual evaluation is not a project audit or quality inspection.
- **EXPERIENCE WITH FUTURE REPLACEMENTS.** The Calendar of Annual Projected Replacements, lists replacements we have projected to occur over the Study Period, begins on Page C2. Actual experience in replacing the items may differ significantly from the cost estimates and time frames shown because of conditions beyond our control. These differences may be caused by maintenance practices, inflation, variations in pricing and market conditions, future technological developments, regulatory actions, acts of God, and luck. Some items may function normally during our visual evaluation and then fail without notice.

PROJECTED REPLACEMENTS

| Item | 2023 - Study Year | \$ | Item | 2024 - YEAR 1 | \$ |
|------------------------------|--|-------------|------------------------------|--|-----------|
| 1 | Asphalt pavement, mill and overlay 50% phase 1 | \$325,000 | 2 | Asphalt pavement, seal coat 50% phase 1 | \$32,500 |
| 3 | Concrete curb and gutter, 15% phase 1 | \$63,000 | 5 | Asphalt pavement, mill and overlay 50% phase 2 | \$325,000 |
| 4 | Concrete flatwork, 15% phase 1 | \$94,500 | 7 | Concrete curb and gutter, 15% phase 2 | \$63,000 |
| 11 | Entrance monument, repoint masonry | \$2,550 | 8 | Concrete flatwork, 10% phase 2 | \$94,500 |
| 16 | Fence, 4' galvanized chain link | \$2,200 | 23 | MP court, asphalt overlay | \$23,200 |
| 17 | Mailbox, cluster | \$62,000 | 24 | MP court, color coat | \$4,800 |
| 20 | Tot lot, border PVC | \$3,825 | | | |
| 21 | Tot lot surfacing, wood mulch (3") | \$5,000 | | | |
| 39 | Roofing, asphalt shingles | \$5,750 | | | |
| 40 | Roof sheathing, partial replacement | \$900 | | | |
| 41 | Roofing, flat | \$5,440 | | | |
| 42 | Gutter and downspouts, 5" aluminum | \$1,320 | | | |
| 43 | Masonry (10% repointing allowance) | \$2,880 | | | |
| 44 | Door, steel, flush (3' X 6'8") | \$9,600 | | | |
| 50 | Masonry (10% repointing allowance) | \$54,720 | | | |
| Total Scheduled Replacements | | \$638,685 | Total Scheduled Replacements | | \$543,000 |
| Item | 2025 - YEAR 2 | \$ | Item | 2026 - YEAR 3 | \$ |
| 6 | Asphalt pavement, seal coat 50% phase 2 | \$32,500 | 9 | Concrete curb and gutter, barrier (5%) | \$21,000 |
| 19 | Fire hydrants | \$2,500 | 10 | Concrete flatwork (5%) | \$31,500 |
| | | | 21 | Tot lot surfacing, wood mulch (3") | \$5,000 |
| Total Scheduled Replacements | | \$35,000 | Total Scheduled Replacements | | \$57,500 |
| Item | 2027 - YEAR 4 | \$ | Item | 2028 - YEAR 5 | \$ |
| 45 | Information sign | \$2,500 | 12 | Entrance monument, carved wood sign | \$7,700 |
| 51 | Siding and trim, vinyl, standard | \$820,800 | 18 | Retaining wall, wood | \$4,500 |
| 52 | Soffit and trim, vinyl | \$218,880 | 22 | Tot lot, Play equipment | \$35,000 |
| | | | 27 | Main Swimming pool, whitecoat | \$29,600 |
| | | | 28 | Main Swimming pool, waterline tile | \$3,120 |
| | | | 32 | Wading Swimming pool, whitecoat | \$4,000 |
| | | | 33 | Wading Swimming pool, waterline tile | \$960 |
| Total Scheduled Replacements | | \$1,042,180 | Total Scheduled Replacements | | \$84,880 |

[illegible]

PROJECTED REPLACEMENTS

| 2035 - YEAR 12 | | | 2036 - YEAR 13 | | |
|------------------------------|---|----------|---------------------------|--|----|
| Item | | \$ | Item | | \$ |
| 6 | Asphalt pavement, seal coat 50% phase 2 | \$32,500 | | | |
| 9 | Concrete curb and gutter, barrier (5%) | \$21,000 | | | |
| 10 | Concrete flatwork (5%) | \$31,500 | | | |
| 19 | Fire hydrants | \$2,500 | | | |
| 21 | Tot lot surfacing, wood mulch (3") | \$5,000 | | | |
| Total Scheduled Replacements | | \$92,500 | No Scheduled Replacements | | |

| 2037 - YEAR 14 | | | 2038 - YEAR 15 | | |
|---------------------------|--|----|------------------------------|--|-----------|
| Item | | \$ | Item | | \$ |
| | | | 9 | Concrete curb and gutter, barrier (5%) | \$21,000 |
| | | | 10 | Concrete flatwork (5%) | \$31,500 |
| | | | 21 | Tot lot surfacing, wood mulch (3") | \$5,000 |
| | | | 26 | Main Swimming pool, structure | \$444,000 |
| | | | 27 | Main Swimming pool, whitecoat | \$29,600 |
| | | | 28 | Main Swimming pool, waterline tile | \$3,120 |
| | | | 29 | Main Swimming pool coping | \$19,500 |
| | | | 31 | Wading Swimming pool, structure | \$60,000 |
| | | | 32 | Wading Swimming pool, whitecoat | \$4,000 |
| | | | 33 | Wading Swimming pool, waterline tile | \$960 |
| | | | 34 | Wading Swimming pool coping | \$6,000 |
| | | | 36 | Pool deck, concrete | \$68,800 |
| No Scheduled Replacements | | | Total Scheduled Replacements | | \$693,480 |

| 2039 - YEAR 16 | | | 2040 - YEAR 17 | | |
|------------------------------|---|----------|------------------------------|---|----------|
| Item | | \$ | Item | | \$ |
| 2 | Asphalt pavement, seal coat 50% phase 1 | \$32,500 | 6 | Asphalt pavement, seal coat 50% phase 2 | \$32,500 |
| 24 | MP court, color coat | \$4,800 | 19 | Fire hydrants | \$2,500 |
| Total Scheduled Replacements | | \$37,300 | Total Scheduled Replacements | | \$35,000 |

| Item | 2041 - YEAR 18 | \$ |
|-------------------------------------|--|-----------------|
| 9 | Concrete curb and gutter, barrier (5%) | \$21,000 |
| 10 | Concrete flatwork (5%) | \$31,500 |
| 21 | Tot lot surfacing, wood mulch (3") | \$5,000 |
| 30 | Main Pool cover | \$14,800 |
| 35 | Wading Pool cover | \$2,000 |
| Total Scheduled Replacements | | \$74,300 |

| Item | 2042 - YEAR 19 | \$ |
|-------------------------------------|------------------|----------------|
| 45 | Information sign | \$2,500 |
| Total Scheduled Replacements | | \$2,500 |

| Item | 2043 - YEAR 20 | \$ |
|-------------------------------------|--|------------------|
| 1 | Asphalt pavement, mill and overlay 50% phase 1 | \$325,000 |
| 11 | Entrance monument, repoint masonry | \$2,550 |
| 12 | Entrance monument, carved wood sign | \$7,700 |
| 13 | Domestic water main (10% allowance) | \$100,000 |
| 14 | Sanitary main (10% allowance) | \$100,000 |
| 15 | Stormwater management (10% allowance) | \$100,000 |
| 20 | Tot lot, border PVC | \$3,825 |
| 22 | Tot lot, Play equipment | \$35,000 |
| 41 | Roofing, flat | \$5,440 |
| 43 | Masonry (10% repointing allowance) | \$2,880 |
| 50 | Masonry (10% repointing allowance) | \$54,720 |
| Total Scheduled Replacements | | \$737,115 |

| Item | 2044 - YEAR 21 | \$ |
|-------------------------------------|--|------------------|
| 2 | Asphalt pavement, seal coat 50% phase 1 | \$32,500 |
| 5 | Asphalt pavement, mill and overlay 50% phase 2 | \$325,000 |
| 9 | Concrete curb and gutter, barrier (5%) | \$21,000 |
| 10 | Concrete flatwork (5%) | \$31,500 |
| 21 | Tot lot surfacing, wood mulch (3") | \$5,000 |
| 23 | MP court, asphalt overlay | \$23,200 |
| 24 | MP court, color coat | \$4,800 |
| Total Scheduled Replacements | | \$443,000 |

| Item | 2045 - YEAR 22 | \$ |
|-------------------------------------|---|-----------------|
| 6 | Asphalt pavement, seal coat 50% phase 2 | \$32,500 |
| 19 | Fire hydrants | \$2,500 |
| Total Scheduled Replacements | | \$35,000 |

| Item | 2046 - YEAR 23 | \$ |
|----------------------------------|----------------|----|
| No Scheduled Replacements | | |

PROJECTED REPLACEMENTS

| Item | 2047 - YEAR 24 | \$ | Item | 2048 - YEAR 25 | \$ |
|------------------------------|---|----------|------------------------------|---|-------------|
| 9 | Concrete curb and gutter, barrier (5%) | \$21,000 | 18 | Retaining wall, wood | \$4,500 |
| 10 | Concrete flatwork (5%) | \$31,500 | 27 | Main Swimming pool, whitecoat | \$29,600 |
| 21 | Tot lot surfacing, wood mulch (3") | \$5,000 | 28 | Main Swimming pool, waterline tile | \$3,120 |
| | | | 32 | Wading Swimming pool, whitecoat | \$4,000 |
| | | | 33 | Wading Swimming pool, waterline tile | \$960 |
| | | | 37 | Pool pump and other equipment | \$4,500 |
| | | | 38 | Fence, 6' decorative steel or iron | \$36,000 |
| | | | 39 | Roofing, asphalt shingles | \$5,750 |
| | | | 40 | Roof sheathing, partial replacement | \$900 |
| | | | 44 | Door, steel, flush (3' X 6'8") | \$9,600 |
| | | | 47 | Water heater, commercial electric (assumed 80 gal.) | \$4,000 |
| Total Scheduled Replacements | | \$57,500 | Total Scheduled Replacements | | \$102,930 |
| Item | 2049 - YEAR 26 | \$ | Item | 2050 - YEAR 27 | \$ |
| 2 | Asphalt pavement, seal coat 50% phase 1 | \$32,500 | 6 | Asphalt pavement, seal coat 50% phase 2 | \$32,500 |
| 24 | MP court, color coat | \$4,800 | 9 | Concrete curb and gutter, barrier (5%) | \$21,000 |
| | | | 10 | Concrete flatwork (5%) | \$31,500 |
| | | | 19 | Fire hydrants | \$2,500 |
| | | | 21 | Tot lot surfacing, wood mulch (3") | \$5,000 |
| Total Scheduled Replacements | | \$37,300 | Total Scheduled Replacements | | \$92,500 |
| Item | 2051 - YEAR 28 | \$ | Item | 2052 - YEAR 29 | \$ |
| | | | 48 | Roofing, asphalt shingles | \$912,000 |
| | | | 49 | Gutter and downspouts, 5" aluminum | \$145,920 |
| No Scheduled Replacements | | | Total Scheduled Replacements | | \$1,057,920 |

PROJECTED REPLACEMENTS

| Item | 2053 - YEAR 30 | \$ | Item | 2054 - YEAR 31 | \$ |
|------------------------------|---|-----------|------------------------------|---|-----------|
| 9 | Concrete curb and gutter, barrier (5%) | \$21,000 | 2 | Asphalt pavement, seal coat 50% phase 1 | \$32,500 |
| 10 | Concrete flatwork (5%) | \$31,500 | 24 | MP court, color coat | \$4,800 |
| 11 | Entrance monument, repoint masonry | \$2,550 | | | |
| 13 | Domestic water main (10% allowance) | \$100,000 | | | |
| 14 | Sanitary main (10% allowance) | \$100,000 | | | |
| 15 | Stormwater management (10% allowance) | \$100,000 | | | |
| 16 | Fence, 4' galvanized chain link | \$2,200 | | | |
| 21 | Tot lot surfacing, wood mulch (3") | \$5,000 | | | |
| 30 | Main Pool cover | \$14,800 | | | |
| 35 | Wading Pool cover | \$2,000 | | | |
| 42 | Gutter and downspouts, 5" aluminum | \$1,320 | | | |
| 43 | Masonry (10% repointing allowance) | \$2,880 | | | |
| 46 | Restroom, renovate | \$90,000 | | | |
| 50 | Masonry (10% repointing allowance) | \$54,720 | | | |
| Total Scheduled Replacements | | \$527,970 | Total Scheduled Replacements | | \$37,300 |
| Item | 2055 - YEAR 32 | \$ | Item | 2056 - YEAR 33 | \$ |
| 6 | Asphalt pavement, seal coat 50% phase 2 | \$32,500 | 9 | Concrete curb and gutter, barrier (5%) | \$21,000 |
| 19 | Fire hydrants | \$2,500 | 10 | Concrete flatwork (5%) | \$31,500 |
| | | | 21 | Tot lot surfacing, wood mulch (3") | \$5,000 |
| Total Scheduled Replacements | | \$35,000 | Total Scheduled Replacements | | \$57,500 |
| Item | 2057 - YEAR 34 | \$ | Item | 2058 - YEAR 35 | \$ |
| 45 | Information sign | \$2,500 | 12 | Entrance monument, carved wood sign | \$7,700 |
| | | | 17 | Mailbox, cluster | \$62,000 |
| | | | 22 | Tot lot, Play equipment | \$35,000 |
| | | | 27 | Main Swimming pool, whitecoat | \$29,600 |
| | | | 28 | Main Swimming pool, waterline tile | \$3,120 |
| | | | 29 | Main Swimming pool coping | \$19,500 |
| | | | 32 | Wading Swimming pool, whitecoat | \$4,000 |
| | | | 33 | Wading Swimming pool, waterline tile | \$960 |
| | | | 34 | Wading Swimming pool coping | \$6,000 |
| Total Scheduled Replacements | | \$2,500 | Total Scheduled Replacements | | \$167,880 |

PROJECTED REPLACEMENTS

| Item | 2059 - YEAR 36 | \$ |
|-------------------------------------|---|-----------------|
| 2 | Asphalt pavement, seal coat 50% phase 1 | \$32,500 |
| 9 | Concrete curb and gutter, barrier (5%) | \$21,000 |
| 10 | Concrete flatwork (5%) | \$31,500 |
| 21 | Tot lot surfacing, wood mulch (3") | \$5,000 |
| 24 | MP court, color coat | \$4,800 |
| Total Scheduled Replacements | | \$94,800 |

| Item | 2060 - YEAR 37 | \$ |
|-------------------------------------|---|-----------------|
| 6 | Asphalt pavement, seal coat 50% phase 2 | \$32,500 |
| 19 | Fire hydrants | \$2,500 |
| Total Scheduled Replacements | | \$35,000 |

| Item | 2061 - YEAR 38 | \$ |
|----------------------------------|----------------|----|
| No Scheduled Replacements | | |

| Item | 2062 - YEAR 39 | \$ |
|-------------------------------------|--|------------------|
| 9 | Concrete curb and gutter, barrier (5%) | \$21,000 |
| 10 | Concrete flatwork (5%) | \$31,500 |
| 21 | Tot lot surfacing, wood mulch (3") | \$5,000 |
| 51 | Siding and trim, vinyl, standard | \$820,800 |
| Total Scheduled Replacements | | \$878,300 |

| Item | 2063 (beyond study period) | \$ |
|-------------------------------------|---|------------------|
| 1 | Asphalt pavement, mill and overlay 50% phase 1 | \$325,000 |
| 11 | Entrance monument, repoint masonry | \$2,550 |
| 13 | Domestic water main (10% allowance) | \$100,000 |
| 14 | Sanitary main (10% allowance) | \$100,000 |
| 15 | Stormwater management (10% allowance) | \$100,000 |
| 20 | Tot lot, border PVC | \$3,825 |
| 25 | Fence, 10' galvanized chain link | \$18,400 |
| 37 | Pool pump and other equipment | \$4,500 |
| 41 | Roofing, flat | \$5,440 |
| 43 | Masonry (10% repointing allowance) | \$2,880 |
| 47 | Water heater, commercial electric (assumed 80 gal.) | \$4,000 |
| 50 | Masonry (10% repointing allowance) | \$54,720 |
| Total Scheduled Replacements | | \$721,315 |

| Item | 2064 (beyond study period) | \$ |
|-------------------------------------|--|------------------|
| 2 | Asphalt pavement, seal coat 50% phase 1 | \$32,500 |
| 5 | Asphalt pavement, mill and overlay 50% phase 2 | \$325,000 |
| 23 | MP court, asphalt overlay | \$23,200 |
| 24 | MP court, color coat | \$4,800 |
| Total Scheduled Replacements | | \$385,500 |

SECTION D - CONDITION ASSESSMENT

General Comments. Miller+Dodson Associates conducted a Reserve Study at Spring Meadows Condominium in October 2022. Spring Meadows Condominium is in generally marginal to poor condition for a residential condominium. A review of the Replacement Reserve Inventory will show that we are anticipating most of the components achieving their normal economic lives.

The following comments pertain to the larger, more significant components in the Replacement Reserve Inventory and to those items that are unique or deserving of attention because of their condition or the manner in which they have been treated in the Replacement Reserve Analysis or Inventory.

IMPORTANT NOTE: This Condition Assessment is based upon visual and apparent conditions of the common elements of the community which were observed by the Reserve Analyst at the time of the site visit. This Condition Assessment does not constitute, nor is it a substitute for, a professional Structural Evaluation of the buildings, amenities, or systems. Miller Dodson strongly recommends that the Association retain the services of a Structural Engineer to conduct thorough and periodic evaluations of the buildings, balconies, and any other structural components of the buildings and amenities of the Association.

General Condition Statements.

Excellent. 100% to 90% of Normal Economic Life expected, with no appreciable wear or defects.

Good. 90% to 60% of Normal Economic Life expected, minor wear or cosmetic defects found. Normal maintenance should be expected. If performed properly, normal maintenance may increase the useful life of a component. Otherwise, the component is wearing normally.

Fair. 60% to 30% of Normal Economic Life expected, moderate wear with defects found. Repair actions should be taken to extend the life of the component or to correct repairable defects and distress. Otherwise, the component is wearing normally.

Marginal. 30% to 10% of Normal Economic Life expected, with moderate to significant wear or distress found. Repair actions are expected to be cost-effective for localized issues, but normal wear and use are evident. The component is reaching the end of the Normal Economic Life.

Poor. 10% to 0% of Normal Economic Life expected, with significant distress and wear. Left unattended, additional damage to underlying structures is likely to occur. Further maintenance is unlikely to be cost-effective.

SITE ITEMS

Asphalt Pavement. The Association is responsible for the roadways and parking areas within the community. Other roadways are maintained by the City, County, or other municipality. In general, the Association's asphalt pavements are in poor condition. We have programmed the replacement in two phases over the next two years.





The Association maintains an inventory of asphalt pavement along the following streets and approximate areas:

| | SY |
|----------------|-------|
| Oriole Court | 3200 |
| Jaybird court | 2800 |
| Graybird Court | 2300 |
| Falcon Court | 1300 |
| Sparrow Court | 1500 |
| Robin Court | 2100 |
| Hawk Court | 3500 |
| Eagle Court | 3000 |
| Dove Court | 3300 |
| Blue Jay Court | 3000 |
| | <hr/> |
| | 26000 |

The Defects noted include the following:

- **Open Cracks.** There are multiple locations where open cracks are allowing water to penetrate to the asphalt base and the bearing soils beneath. Over time, water will erode the base and accelerate the deterioration of the asphalt pavement. If cracks extend to the base and bearing materials, remove the damaged areas, and replace defective materials. As a part of normal maintenance, clean and fill all other cracks.
- **Alligatoring.** There are multiple locations where the asphalt has developed a pattern of cracking known as alligatoring. The primary cause of alligatoring is an unstable base. Once these cracks extend through the asphalt, they will allow water to penetrate to the base, accelerating the rate of deterioration, and eventually leading to potholes. The only solution is to remove the defective asphalt, compact the base, and install new base materials and asphalt.

- **Potholes.** Potholes have formed as the result of full-depth pavement failure, including base materials. The repair will require removal of the asphalt and base materials, installation and compaction of new base materials, and asphalt resurfacing.
- **Depressions.** There are areas where the asphalt surface is depressed due to deformation in the surface or underlying layers. These depressions may continue to grow with exposure to traffic. Water ponding is evident in several of these areas. Repair of these areas will require the removal of the asphalt and base material and reinstallation, by compacting the new base material and resurfacing with asphalt.
- **Shoving.** Occurring at locations of sharp braking or turning. The primary cause of this defect is from large truck traffic. If addressed early, surface milling and overlay using a stiffer topcoat of asphalt pavement shoving can be mitigated.
- **Reflective Cracking.** The asphalt pavement has a significant number of reflective cracks. Reflective cracks occur when placing a new asphalt overlay over an existing cracked pavement. With time and movement, existing cracks will migrate through the new asphalt. Installing a bridging membrane or fabric at the time of overlay can control reflective cracking.



A more detailed summary of pavement distress can be found at <http://www.asphaltinstitute.org/engineering/maintenance-and-rehabilitation/pavement-distress-summary/>.

As a rule of thumb, asphalt should be overlaid when approximately 5% of the surface area is cracked or otherwise deteriorated. The normal service life of asphalt pavement is typically 18 to 20 years.

In an effort to maintain the condition of the pavement throughout the community and ensure the longest life of the asphalt, we recommend the Association adopts a systematic and comprehensive maintenance program that includes:

- **Cleaning.** Long-term exposure to oil or gas breaks down asphalt. Because this asphalt pavement is generally not used for long-term parking, it is unlikely that frequent cleaning will be necessary. When necessary, spill areas should be cleaned or patched if deterioration has penetrated the asphalt. This is a maintenance activity, and we have assumed that it will not be funded from Reserves.
- **Crack Repair.** All cracks should be repaired with an appropriate compound to prevent water infiltration through the asphalt into the base. This repair should be done annually. Crack repair is normally considered a maintenance activity and is not funded from Reserves. Areas of extensive cracking or deterioration that cannot be made watertight should be cut out and patched.
- **Seal Coating.** The asphalt should be seal coated every five to seven years. For this maintenance, activity to be effective in extending the life of the asphalt, cleaning, and crack repair should be performed first.

The pricing used is based on recent contracts for a two-inch overlay, which reflects the current local market for this work.

For seal coating, several different products are available. The older, more traditional seal coating product is paint. They coat the surface of the asphalt, and they are minimally effective. However, the newer coating materials, such as those from Total Asphalt Management, Asphalt Restoration Technologies, Inc., and others, are penetrating. They are engineered, so to speak, to 're-moisturize' the pavement. Asphalt pavement is intended to be flexible. Over time, the volatile chemicals in the pavement dry, the pavement becomes brittle, and degradation follows in the forms of cracking and potholes. Re-moisturizing the pavement can return its flexibility and extend the life of the pavement.

Concrete Work. The concrete work includes the community sidewalks, curbs and gutter, as well as other flatwork. The leadwalks, stairs, stoops, and patios are the responsibility of the individual unit owners. We have modeled for the replacement of 30% of the concrete work being replaced when the asphalt pavement is overlaid, and then replacing 5% every three years thereafter. The overall condition of the concrete work is in marginal condition with many tripping hazards observed.



The standards we use for recommending replacement are as follows:

- Trip hazard, ½ inch height difference.
- Severe cracking.
- Severe spalling and scale.
- Uneven riser heights on steps.
- Steps with risers in excess of 8¼ inches.

Because it is highly unlikely that all of the concrete components will fail and require replacement in the period of the study, we have programmed funds for the replacement of these inventories and spread the funds over an extended timeframe to reflect the incremental nature of this work.

Entry Monument and Signage. The Association maintains an entry monument. The monument is made of brick with a wood sign. The masonry joints were found to be open in some areas. There is also an informational sign near the pool entrance. This sign appears to be in fair condition.



We recommend re-pointing and replacement of defective areas of the masonry as needed. The Association may want to consider applying a coating of Siloxane or other appropriate breathable sealants to mitigate water penetration and further degradation of the masonry work.

To keep the signs fresh and appealing, we recommend replacement every 10 to 15 years.

Other small miscellaneous signs are not considered in this study and should be replaced using other funds.

Underground Utilities. The Association is responsible for the underground utility line maintenance and replacement, including the water mains, sanitary mains, and stormwater mains which are under the private roads within the community. Their condition cannot be ascertained as detailed inspection is beyond the scope of the study. However, in at least one location, the water main had a leak coming up through the asphalt paving.

Laterals from the mains to the individual units are considered the responsibility of the individual unit owners.

Engineering drawings were not used in the determination of these underground components. Instead, we have provided an estimate of the approximate replacement costs based on our experience with other facilities of similar size and configuration. The inspection and evaluation of underground lines and structures are beyond the scope of work for this study.

Mailboxes. Cluster mailboxes are located throughout the community and are mostly in poor condition. In some cases, even though the mailbox unit itself may be functional, the concrete pad on which it sits is a hazard.

Mailboxes should be maintained to the extent that rust does not develop on the structure or pedestal, and all mail slot doors remain intact with operable hinges and locks. Our replacement estimate assumes that these units will be replaced with fiberglass or composite units in the future.





Retaining Walls. The Association maintains a few wooden retaining walls. The retaining walls are generally fair condition.



Retaining walls, in general, are designed to provide slope stabilization and soil retention by means of a structural system. Typically, walls that are three feet high or more require some level of design.

The movement and displacement of any retaining wall is a sign of general settlement or failure. This typically is in the form of leaning and bowing and can involve the entire wall or localized sections of the wall. Typically, these types of movements are gradual and may require the replacement of the wall. The movement of retaining walls located near other buildings or structures may negatively affect the stability of the adjacent structure. These conditions can become extremely costly if not properly identified, monitored, and addressed.

Wood. Wood retaining walls will experience rot and decay over time and partial replacement of defective wooden members is often possible in the early stages of decay. Eventually, however, these walls will require replacement. Wood retaining walls can have a useful life of 25 to 35 years.

When and if it becomes necessary to replace these walls, we recommend the Association considers one of the segmental block retaining wall systems. These systems are very low maintenance. If over time the wall experiences movement, sections of the walls can be re-stacked at a very small portion of the cost of a new wall. Segmental block retaining walls can have a service life of 80 years or more.

Retaining wall replacement can be costly, and early planning on the part of the Association can help to reduce the impact of this work on the community's budget in the future. We, therefore, recommend having a Professional Engineer inspect the walls and develop preliminary replacement alternatives and recommendations based on the site conditions, replacement costs, and recommended replacement wall types. This information can then be incorporated into future updates to the Reserve Study.

Fire Hydrants. The association is responsible for the testing and maintenance of the fire hydrants in the community, although the hydrants themselves are considered long life items.



RECREATION ITEMS

Tot Lots. The community maintains a tot lot which is generally in poor condition. The tot lot include play structures, miscellaneous play equipment, synthetic borders, and a wood chip surface. The wood chip surface is displaced or missing or does not appear to be adequate.





The safety of each individual piece of playground equipment, as well as the layout of the entire play area, should be considered when evaluating a playground for safety. The installation and maintenance of the protective surfacing under and around all equipment are crucial. Please note that the evaluation of the equipment and these facilities for safety is beyond the scope of this work.

Information for playground design and safety can be found in the "Public Playground Safety Handbook", U.S. Consumer Product Safety Commission (Pub Number 325). For a link to this handbook, please see our website at www.mdareerves.com/resources/links/recreation.

Our estimates for playground equipment are based on comparing photos of the existing equipment with equipment of a similar size in manufacturers' catalogs. We use the pricing that is quoted by manufacturers for comparable equipment and added an additional 30% for the disposal of the old equipment and installation of new equipment.

Basketball Court. The community maintains a basketball court. The overall condition of the court is considered to be poor inasmuch as it is currently being used by a contractor for storage.

Replacement of nets, hoops, and backstops is considered a maintenance activity and is therefore not included in the study. Repaving, color coating, and entire goal replacement are included.



Swimming Pool. The community operates an outdoor pool and wading pool of concrete construction. Listed below are the major components of the pool facilities:

The pool was winterized at the time of inspection and has been closed since the onset of the Covid pandemic. In addition, there was no access to the pool area or to the pool house at the time of the inspection. Therefore the remaining economic life estimates may be inaccurate.



- **Pool Deck.** The pool has a concrete deck, and the overall condition of the deck is marginal with likely tripping hazards.
- **Whitecoat.** The pool whitecoat is in unknown condition. We have assumed service life of eight to ten years for the pool whitecoat.
- **Waterline Tile.** The waterline tile is in unknown condition. We have assumed that the waterline tile will be replaced or restored when the pool is whitecoated.
- **Coping.** The pool is edged with masonry brick coping. The coping is in unknown condition.
- **Pump and Filter System.** The filter system is in unknown operating condition.
- **Pool Fence.** The swimming pool is enclosed by a metal fence that is in good condition.

Fencing. The Association maintains a metal fence at the swimming pool which is in good condition, a chain-link fence at the basketball court which is in fair condition, and a small chain-link fence at another location which is in poor condition. Fencing systems have a large number of configurations and finishes that can usually be repaired as a maintenance activity by replacing individual components as they become damaged or weathered.



Protection from string machine damage during lawn maintenance can extend the useful life of some fence types. Protection from this type of damage is typically provided by applying herbicides around post bases or installing protective sheathing.

Steel fencing can have a useful life of 40 years or more. Periodic cleaning and touch-up painting may be required to keep the fence attractive.

Chain link fencing can have a useful life of 40 years or more. Periodic weed control may be required to protect and maintain the fence.

The Association maintains steel fence posts and fasteners that are embedded in concrete or masonry.

As part of normal maintenance, we recommend the following:

- Lift or remove ornamental base covers, if applicable.
- Remove existing caulk completely.
- Clean, prime, and paint all posts.
- Apply an appropriate caulk around each post base.
- Tool and shape caulking to shed water from post.
- Reinstall base covers, and seal and paint all joints.

Fence posts can have an extended useful life if these simple maintenance activities are performed. If left unattended, the pressure from expansive post rust can crack and damage the supporting material.

Building Roofing. The buildings have asphalt shingle roofs which are in poor condition but are currently in the process of being replaced. We have assumed that the replacement will be completed in the study year and that they will then be in good condition.





Asphalt shingle roofs can have a useful life of 20 to 50 years depending on the weight and quality of the shingle. Weathered, curled, and missing shingles are all indications that the shingles may be nearing the end of their useful life.

Annual inspections are recommended, with cleaning, repair, and mitigation of vegetation performed as needed. Access, inspection, and repair work should be performed by contractors and personnel with the appropriate access equipment who are experienced in the types of roofing used for the facility.

Gutters and Downspouts. The buildings have aluminum gutters and downspouts which are in poor condition but are currently in the process of being replaced. We have assumed that the replacement will be completed in the study year and that they will then be in good condition.



A gutter and downspout system will remove rainwater from the area of the building's roof, siding, and foundation, and protect the exterior surfaces from water damage. Gutters should run the full length of all drip edges of the building's roof. Even with full gutters, it is important to inspect the function of the gutters during heavy rain to identify any deficiencies. It may be necessary to periodically adjust the slope of sections, repair connections, replace hangers, and install shrouds to the gutter system. Downspouts should be securely attached to the side of the structure. Any broken straps should be replaced. The area of the outlet should be inspected to promote run-off in the desired direction. Long straight runs should have an elbow at the bottom. Splash blocks should be installed to fray the water out-letting from the downspout.

It is recommended that all gutters be cleaned at least twice each year. If there are a large number of trees located close to a building, consider installing a gutter debris shield that will let water into the gutters but will filter out leaves, twigs, and other debris.

Masonry. Brick masonry is used as the main exterior cladding of the pool house building and as a veneer on the lower portion of approximately 25% of the townhouse unit front façades. At the pool house the masonry is in poor condition and at the façades it appears to be in fair condition.



Similar to other masonry components, we recommend repointing. Because weather and other conditions result in the slow deterioration of the mortar in the joints, we have included funding in the Reserve Analysis for repointing.

As masonry weathers, the mortar joints will become damaged by water penetration. As additional water gains access to the joints, repeated freeze-thaw cycles gradually increase the damage to the mortar joints. If allowed to progress, even the masonry units such as **brick, block, and stone** can have their surfaces affected and masonry units can become loose.

In general, masonry is considered a long-life item and is therefore excluded from reserve funding. However, because weather and other conditions result in the slow deterioration of the mortar in masonry joints, we have included funding in this study for repointing. Repointing is the process of raking and cutting out damaged sections of mortar and replacing them with new mortar.

Periodic repointing and local replacement of damaged masonry units will limit the damage done by moisture penetration. For this study, we assume that 10% of the masonry will require repointing every 10 years after approximately 30 years.

EXTERIOR ITEMS

Siding and Trim. The siding and trim used as the main exterior cladding of the townhouses is in generally marginal condition.





Vinyl/Aluminum Siding and Trim can have an extended useful life if not damaged by impact, heat, or other physical reasons. However, the coatings and finishes typically have a useful life and over time begin to weather, chalk, and show their age. For these reasons, we have modeled for the replacement of the siding and trim every 35 years.



This Condition Assessment is based upon our visual survey of the property. The sole purpose of the visual survey was an evaluation of the common and limited common elements of the property to ascertain their remaining useful life and replacement cost. Our evaluation assumed that all components met building code requirements in force at the time of construction. Our visual survey was conducted with care by experienced persons, but no warranty or guarantee is expressed or implied.

End of Condition Assessment

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1. COMMON INTEREST DEVELOPMENTS - AN OVERVIEW

Over the past 40 years, the responsibility for many services, facilities and infrastructure around our homes has shifted from the local government to Community Associations. Thirty years ago, a typical new town house abutted a public street on the front and a public alley on the rear. Open space was provided by a nearby public park, and recreational facilities were purchased a la carte from privately-owned country clubs, swim clubs, tennis clubs, and gymnasiums. Today, 60% of all new residential construction, i.e. townhouses, single-family homes, condominiums, and cooperatives, is in Common Interest Developments (CID). In a CID, a homeowner is bound to a Community Association that owns, maintains, and is responsible for periodic replacements of various components that may include the roads, curbs, sidewalks, playgrounds, streetlights, recreational facilities, and other community facilities and infrastructure.

The growth of Community Associations has been explosive. In 1965, there were only approximately 500 Community Associations in the United States. According to the 1990 U.S. Census, there were roughly 130,000 Community Associations. The Community Associations Institute (CAI), a national trade association, estimates in 2020 that there were more than 350,000 communities with over 75 million residents.

The shift of responsibility for billions of dollars of community facilities and infrastructure from the local government and private sector to Community Associations has generated new and unanticipated issues. Although Community Associations have succeeded in solving many short-term issues, many Associations still fail to properly plan for the significant expenses of replacing community facilities and infrastructure components. When inadequate Replacement Reserve funding results in less than timely replacements of failing components, home owners are invariably exposed to the burden of special assessments, major increases in Association fees, and often a decline in property values.

2. REPLACEMENT RESERVE STUDY

The purpose of a Replacement Reserve Study is to provide the Association with an inventory of the common community facilities and infrastructure components that require periodic major repair or replacement, a general view of the physical condition of these components, and an effective financial plan to fund projected periodic replacements or major repairs. The Replacement Reserve Study consists of the following:

Replacement Reserve Study Introduction. The introduction provides a description of the property, an Executive Summary of the Funding Recommendations, Level of Reserve Study service, and a statement of the Purpose of the Replacement Reserve Study. It also lists documents and site evaluations upon which the Replacement Reserve Study is based, and provides the Credentials of the Reserve Analyst.

Section A Replacement Reserve Analysis. Many components that are owned by the Association have a limited life and require periodic replacement. Therefore, it is essential that the Association have a financial plan that provides funding for the timely replacement of these components in order to protect the safety, appearance, and ultimately, the property value of the home in the community. In conformance with National Reserve Study Standards, a Replacement Reserve Analysis evaluates the current funding of Replacement Reserves as reported by the Association and recommends annual funding of Replacement Reserves using the Threshold Cash Flow Method. See definition below.

Section B Replacement Reserve Inventory. The Replacement Reserve Inventory lists the commonly owned components within the community that require periodic replacement using funding from Replacement Reserves. Replacement Reserve Inventory includes estimates of the Normal Economic Life (NEL) and the Remaining Economic Life (REL) for those components whose replacement is scheduled for funding from Replacement Reserves.

The Replacement Reserve Inventory also provides information about those components which are excluded from the Replacement Reserve Inventory and whose replacement is not scheduled for funding from Replacement Reserves.

Section C Projected Annual Replacements. The Calendar of Projected Annual Replacements provides a year-by-year listing of the Projected Replacements based on the data in the Replacement Reserve Inventory.

Section D Condition Assessment. The observed condition of the major items listed in the Replacement Reserve Inventory are discussed in more detail. The Condition Assessment includes a narrative and photographs that document conditions at the property observed at the time of our visual evaluation.

The Appendix is provided as an attachment to the Replacement Reserve Study. Additional attachments may include supplemental photographs to document conditions at the property and additional information specific to the property cited in the Conditions Assessment (i.e. Consumer Product Safety Commission, Handbook for Public Playground Safety, information on segmental retaining walls, manufacturer recommendations for asphalt shingles or siding, etc.).

3. METHODS OF ANALYSIS

The Replacement Reserve industry generally recognizes two different methods of accounting for Replacement Reserve Analysis, the Cash Flow Method and the Component Method. Due to the difference in accounting methodologies, these methods lead to different calculated values for the Recommended Annual Funding to the Reserves. A brief description is included below:

Cash Flow Threshold Method. This Reserve Study uses the Threshold Cash Flow Method, sometimes referred to as the "Pooling Method." It calculates the minimum constant annual funding to reserves (Minimum Annual Deposit) required to meet projected expenditures without allowing total reserves on hand to fall below the predetermined Minimum Balance, or Threshold, in any year.

Component Method. The Component Method of calculating Reserve Funding needs is based upon an older mathematical model. Instead of calculating total funding based on yearly funding requirements, the Component method treats each component as its own "line item" budget that can only be used for that component. As a result, the Component Method is typically more conservative requiring greater Annual Reserve Funding levels.

4. REPLACEMENT RESERVE STUDY DATA

Identification of Reserve Components. The Reserve Analyst has only two methods of identifying Reserve Components; (1) information provided by the Association and (2) observations made at the site. It is important that the Reserve Analyst be provided with all available information detailing the components owned by the Association. It is our policy to request such information prior to bidding on a project and to meet with the parties responsible for maintaining the community after acceptance of our proposal. Upon submission of the initial Study, the Study should be reviewed by the Board of Directors and the individuals responsible for maintaining the community. We depend upon the Association for correct information, documentation, and drawings. We also look to the Association representative to help us fashion the Reserve Study so that it reflects what the community hopes to accomplish in the coming years.

Unit Costs. Unit costs are developed using nationally published standards and estimating guides and are adjusted by state or region. In some instances, recent data received in the course of our work is used to modify these figures. Contractor proposals or actual cost experience may be available as part of the Association records. This is useful information, which should be incorporated into your report. Please bring any such available data to our attention, preferably before the report is commenced.

Replacement vs. Repair and Maintenance. A Replacement Reserve Study addresses the required funding for Capital Replacement Expenditures. This should not be confused with operational costs or cost of regular repairs or maintenance.

5. DEFINITIONS

Adjusted Cash Flow Analysis. Cash flow analysis adjusted to take into account annual cost increases due to inflation and interest earned on invested reserves. In this method, the annual contribution is assumed to grow annually at the inflation rate.

Annual Deposit if Reserves Were Fully Funded. Shown on the Summary Sheet A1 in the Component Method summary, this would be the amount of the Annual Deposit needed if the Reserves Currently on Deposit were equal to the Total Current Objective.

Cash Flow Analysis. See Cash Flow Threshold Method, above.

Component Analysis. See Component Method, above.

Contingency. An allowance for unexpected requirements. The "Threshold" used in the Cash Flow Method is a predetermined minimum balance that serves the same purpose as a "contingency". However, IRS Guidelines do not allow for a "contingency" line item in the inventory. Therefore, it is built into the mathematical model as a "Threshold".

Cyclic Replacement Item. A component item that typically begins to fail after an initial period (Estimated Initial Replacement), but which will be replaced in increments over a number of years (the Estimated Replacement Cycle). The Reserve Analysis program divides the number of years in the Estimated Replacement Cycle into five equal increments. It then allocates the Estimated Replacement Cost equally over those five increments. (As distinguished from Normal Replacement Items, see below)

Estimated Normal Economic Life (NEL). Used in the Normal Replacement Schedules. This represents the industry average number of years that a new item should be expected to last until it has to be replaced. This figure is sometimes modified by climate, region, or original construction conditions.

Estimated Remaining Economic Life (REL). Used in the Normal Replacement Schedules. Number of years until the item is expected to need replacement. Normally, this number would be considered to be the difference between the Estimated

Economic Life and the age of the item. However, this number must be modified to reflect maintenance practice, climate, original construction and quality, or other conditions. For the purpose of this report, this number is determined by the Reserve Analyst based on the present condition of the item relative to the actual age.

Minimum Annual Deposit. Shown on the Summary Sheet A1. The calculated requirement for annual contribution to reserves as calculated by the Cash Flow Method (see above).

Minimum Balance. Otherwise referred to as the Threshold, this amount is used in the Cash Flow Threshold Method only. Normally derived using the average annual expenditure over the study period, this is the minimum amount held in reserves in the Peak Year.

National Reserve Study Standards. A set of Standards developed by the Community Associations Institute in 1995 (and updated in 2017) which establishes the accepted methods of Reserve Calculation and stipulates what data must be included in the Reserve Study for each component listed in the inventory. These Standards can be found at CALonline.org.

Normal Replacement Item. A component of the property that, after an expected economic life, is replaced in its entirety. (As distinguished from Cyclic Replacement Items, see above.)

Number of Years of the Study. The numbers of years into the future for which expenditures are projected and reserve levels calculated. This number should be large enough to include the projected replacement of every item on the schedule, at least once. The Reserve Study must cover a minimum of 20 years to comply with the National Reserve Study Standards. However, your study covers a 40-year period.

Peak Year. In the Cash Flow Threshold Method, a year in which the reserves on hand are projected to fall to the established threshold level. See Minimum Balance, above.

Reserves Currently on Deposit. Shown on the Summary Sheet A1, this is the amount of accumulated reserves as reported by the Association in the current year.

Replacement Reserve Study. An analysis of all of the components of the common property of a Community Association for which replacement should be anticipated within the economic life of the property as a whole. The analysis involves estimation for each component of its Estimated Replacement Cost, Normal Economic Life, and Remaining Economic Life. The objective of the study is to calculate a Recommended Annual Funding to the Association's Replacement Reserve Fund.

Total Replacement Cost. Shown on the Summary Sheet A1, this is total of the Estimated Replacement Costs for all items on the schedule if they were to be replaced once.

Unit Replacement Cost. Estimated replacement cost for a single unit of a given item on the schedule.

Unit (of Measure). Non-standard abbreviations are defined on the page of the Replacement Reserve Inventory where the item appears. The following standard abbreviations are used in this report:

| | | | | | |
|-----------------|-------------|-----------|----------|-----------|-------------|
| ea | each | ls | lump sum | sy | square yard |
| ft or lf | linear foot | pr | pair | cy | cubic yard |
| sf | square foot | | | | |

What is a Reserve Study?
Who are we?



<https://youtu.be/m4BcOE6q3Aw>

What kind of property uses a Reserve Study?
Who are our clients?



<https://youtu.be/40SodajTW1g>

Who conducts a Reserve Study?
Reserve Specialist (RS) what does this mean?



<https://youtu.be/pYSMZ013VjQ>

When should a Reserve Study be updated?
What are the different types of Reserve Studies?



<https://youtu.be/Qx8WHB9Cgnc>

What's in a Reserve Study and what's out?
Improvement/Component, what's the difference?



<https://youtu.be/ZfBoAEhtf3E>

What is my role as a Community Manager?
Will the report help me explain Reserves?



<https://youtu.be/1J2h7FIU3qw>

What is my role as a community Board Member?
Will a Reserve Study meet my needs?



<https://youtu.be/aARD1B1Oa3o>

Community dues, how can a Reserve Study help?
Will a study keep my property competitive?



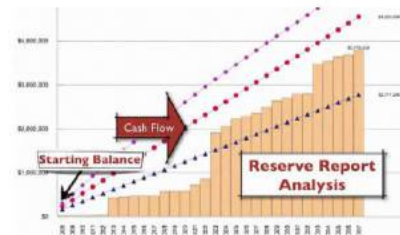
<https://youtu.be/diZfM1lyJYU>

How do I read the report?
Will I have a say in what the report contains?



<https://youtu.be/qCeVJhFf9ag>

Where do the numbers come from?
Cumulative expenditures and funding, what?



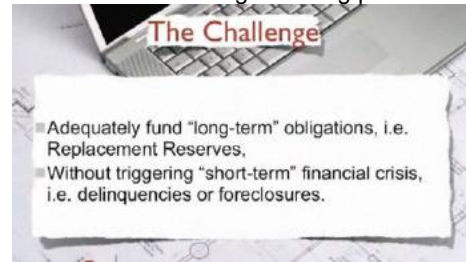
<https://youtu.be/SePdwVDvHWI>

How are interest and inflation addressed?
Inflation, what should we consider?



<https://youtu.be/W8CDLwRlv68>

A community needs more help, where do we go?
What is a strategic funding plan?



<https://youtu.be/hlxV9X1tlcA>

The Council of Unit Owners of Spring Meadows Condominium, Inc.

Resolutions and Policies



SPRING MEADOWS CONDOMINIUM

BOARD OF DIRECTORS RESOLUTION FOR

COLLECTION OF ASSESSMENTS

WHEREAS, Article VIII of the By-Laws of SPRING MEADOWS CONDOMINIUM ("the Association") recorded among the Land Records of Anne Arundel County, Maryland in Book 3007, pages 148 *et seq.* on or about September 28, 1977, and from time to time thereafter amended, established various covenants, restrictions and requirements relating to the failure of Members (also referred to herein as Unit Owners) of the Association to pay assessments, and the powers, duties and responsibilities of the Board of Directors in response thereto, and

WHEREAS, pursuant to the aforesaid By-Laws, the Board of Directors of SPRING MEADOWS CONDOMINIUM deems it proper to adopt a collection policy relating to the collection of delinquent assessments.

NOW, THEREFORE, the Board of Directors of SPRING MEADOWS CONDOMINIUM hereby adopts, this 24 day of MAY, 2000, the following collection policy:

1. Regular Annual Assessments levied pursuant to the Declaration and By-laws shall be payable in equal monthly installments, due the first day of each month, in advance, beginning January 1 of each fiscal year.
2. Any special assessment levied pursuant to the Declaration and By-laws shall be due and payable as provided by the Board of Directors.
3. Any assessment levied pursuant to the Declaration and By-laws, or any installment thereof, which is not paid within 15 days after it is due, shall bear interest at eight percent (8%) per annum from the date due. Any assessment or installment thereof not paid within fifteen (15) days after it is due shall subject the Member obligated to pay the delinquent assessment to pay a "late charge" of \$15.00 or 10% of the amount of the delinquent installment, whichever is more.
4. The Association may mail a "reminder" notice to any Member who, for the first time, fails to pay an assessment levied pursuant to the Declaration and By-laws, or any installment thereof, within fifteen (15) days of its due date. The notice shall be sent to the Member whose name appears on the books of the Association as owner of the Unit or Units against which the assessment levied has become delinquent, and shall be mailed to that Member's address last appearing on the books of the Association. Failure to send this notice shall not relieve the Member of the obligation to pay the delinquent assessment nor bar the Association from any of the fees, charges or remedies to which it is entitled pursuant to the Declaration, By-Laws, this Collection Policy or applicable law with respect to the collection of delinquent assessments.

5. The Association may mail a Delinquency Notice to those Unit Owner(s) who have not responded to the reminder notice. If the Unit Owner(s) does not pay the assessment(s) due including any late fees, 10 days after the Delinquency Notice is sent, the Association may forward the Unit Owner(s) name, address, and amount of arrearage to the Association's attorney for collection. The Association shall forward a Unit Owner(s) name, address, and amount of arrearage to the Association's attorney for collection 45 days after the assessment due has not been received by it.

6. The attorney shall send notice to each delinquent Unit Owner notifying that Unit Owner(s) of the Association's intent to impose a lien for any assessment or installment thereof levied pursuant to the Declaration and By-laws which is not paid within 30 days of the date of said notice in accordance with the laws of the State of Maryland.

7. Subject to all requirements set forth in the By-Laws and established by applicable law, the Association may bring an action at law against the Member personally obligated to pay the delinquent assessment or foreclose on the lien against the Unit or Units to which the assessment or installments have been levied, in addition to other remedies provided by the recorded documents and the law.

8. Interest, costs and reasonable attorney's fees shall in all cases be added to the amount of each delinquent assessment and become part of the continuing lien and a personal obligation of the Member who owns the Unit subject to the assessment when said assessment became due.

9. Upon default in the payment of any one or more monthly installments of any assessment levied pursuant to the Declaration or the By-Laws, or any other installment thereof, the entire balance of said assessment will be accelerated and be declared due and payable in full.

10. The Association may notify the holder of the first mortgage on any Condominium Unit for which any assessment installment thereof, becomes delinquent for a period in excess of thirty (30) days and/or with respect to which any default in any provision of the Declaration or the Bylaws remains uncured for a period in excess of thirty (30) days following the date of such default.

11. Unrestricted partial payments tendered either to the managing agent or the attorney may be accepted, but only payment in full will stop collection proceedings, unless the Board of Directors expressly agrees in writing. Unless otherwise specifically agreed in writing by the Board of Directors, unrestricted partial payments will be applied in the order first to last as follows: 1) attorneys' fees, 2) collection costs, 3) interest charges, 4) late fees, 5) other properly assessed fees and charges, 6) principal arrearage, and 7) current principal due.

12. If the Association receives from any Unit Owner, in any fiscal year, a check tendered for payment of assessment installments, which is returned as unpaid by the Unit Owner's bank, the Board of Directors may require that Unit Owner to make payments for the remainder of the fiscal year by cash, certified check, cashier's check, treasurer's check or money order. A handling fee of not less than twenty-five dollars (\$25.00) may be assessed for any personal check returned unpaid by the bank.

This procedure was duly approved by a majority of the members of the Board of Directors this

24 day of MAY, 2000.

ATTEST:

COUNCIL OF UNIT OWNERS OF SPRING MEADOWS
CONDOMINIUM

Lynne Arnett
Secretary

BY: Allen F. Lusk
President

SPRING MEADOWS CONDOMINIUM

ADMINISTRATIVE RESOLUTION POLICIES AND PROCEDURES FOR COLLECTION OF ASSESSMENTS

WHEREAS, Article VIII, Section 1, of the Spring Meadows Condominium ("the Condominium") By-Laws creates an obligation for Unit Owners to pay to the Council of Unit Owners, in advance, a monthly sum equal to one-twelfth of the unit owner's proportionate share of the Council's annual expenses; and

WHEREAS, Article VIII, Sections 5 through 10 of those Bylaws set forth certain remedies and options relative to non-payment of assessments; and

WHEREAS, Article V, Section 3 of those Bylaws provides that the Board of Directors has all of the powers and duties necessary for the administration of the affairs of the Council of Unit Owners, including the collection of assessments; and

WHEREAS, the Board of Directors recognizes that there is a need to establish orderly policies and procedures for the collection of said assessments;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Spring Meadows Condominium hereby adopts the following assessment collection policy and procedure:

I. COLLECTIONS

1. Common expense assessments shall be payable in equal monthly installments, except as provided otherwise in this policy, by statute, or the Condominium's recorded covenants.

2. All monthly installments of common expense assessments shall be due and payable in advance on the first day of the applicable month.

3. All documents, correspondence, and notices relating to the charges shall be mailed to the address of the owner of the unit as such address appears on the books and records of the Condominium as maintained by the Managing Agent from time to time. If the unit owner has not designated a different address to be listed on the books and records, all such documents, correspondence and notices shall be sent to the unit owner at the unit address.

4. If payment of any assessment is not received in the office of the Condominium or its Managing Agent by the sixteenth day of the month when due, a late fee of Fifteen Dollars (\$15.00) or the maximum amount provided in the Maryland Condominium Act, Title 11 Md. Real Prop. Code Ann., whichever is greater, will be automatically added to the account to become part of the continuing lien for assessments until all sums due, including such late charges, have been paid in full.

5. If the Condominium receives from any unit owner, in any accounting year, two or more checks tendered for payment of assessment installments, which are returned as unpaid by the unit owner's bank, the Managing Agent may require that unit owner to make payments for the remainder of the fiscal year by cash, certified check, cashier's check or money order. A handling fee of not more than twenty-five dollars (\$25.00) will be assessed for any personal check returned unpaid by the bank.

6. Partial payments tendered either to the Condominium's Managing Agent or its attorney may be accepted as may be required by law, but only payment in full will stop collection proceedings, unless the Board of Directors expressly agrees otherwise. Unless otherwise specifically agreed in writing by the Board of Directors, unrestricted payments will be applied in the order first to last as follows: 1) attorneys' fees, 2) collection costs, 3) interest charges, 4) late fees, 5) other properly assessed fees and charges, 6) principal arrearage, and 7) current principal due (including accelerated principal due if any).

II. PROCEDURE FOR NON-PAYMENT OF ASSESSMENT

1. If payment of a monthly installment is not received in the office of the Condominium or its Managing Agent by the tenth (10th) day of the month when due, the Managing Agent is to send to the unit owner of record, not later than the fifteenth day of that month, a notice of the unit owner's delinquency as provided in this paragraph. The notice is to provide the following:

a. A request for immediate payment and notice that a late charge will be assessed if payment in full is not received by the sixteenth day of that month;

b. Notice that unless payment is received within fifteen (15) days from the date of the notice, all assessment installments will be accelerated for the remainder of the fiscal year, will then be due, and will then constitute a lien on the unit in accordance with law;

c. A statement that if the account is not current before the thirtieth day of that month, the delinquency may be turned over to an attorney for collection and the unit owner will be responsible for all costs of collection, including attorneys' fees.

2. The Managing Agent is to forward to the attorney a list of all delinquencies for collection as soon after the 45th day of delinquency as possible. The list sent to the attorney shall reflect the current information contained in the Condominium's official books and records and shall include for each delinquent unit owner the unit owner's complete name, mailing address, address of unit owned, and a breakdown of the total fees due. A copy of the notice mailed to the unit owner as required above shall also be sent to the attorney. Once a delinquent account has been referred to an attorney for collection, no further billing statements, or other correspondence relating to the delinquency, is to be sent to the unit owner by the Managing Agent without first notifying the attorney of its nature and content, or without a statement of explanation to the unit owner that the account is with the attorney.

3. Promptly upon receipt of the list of delinquencies from the Managing Agent, the attorney shall cause a title search to be conducted and shall mail, by certified or registered mail - return receipt requested - restricted delivery, to each delinquent unit owner a Notice of Intent to Create a Condominium Lien pursuant to Maryland law. The letter will demand payment within fifteen (15) days of all assessments due, interest at 8% per annum, any applicable late charges, the actual costs of collection, and reasonable attorneys' fees for services rendered by the attorney to process and collect the delinquent account, and any other properly assessed amount due from whatever source. The letter may also advise the unit owner that, in the event the amount claimed is not paid within fifteen (15) days from the date of the letter, the unit owner also will be responsible for payment of accelerated assessments through the remainder of the fiscal year. Finally, the letter shall contain any other information required by law. Notice of delinquency may also be sent by the attorney to the mortgagee of the unit.

4. The attorney will promptly advise the Managing Agent if the unit owner files a Complaint in the Circuit Court for Anne Arundel County to determine whether probable cause exists for the establishment of a lien pursuant to the Maryland Contract Lien Act. The attorney will take any and all reasonable legal action necessary to establish the lien and will promptly advise the Managing Agent of hearing dates and other pertinent events. If a Court hearing is required, representatives of the Managing Agent and the Board of Directors shall be made available upon request by the attorney to testify on behalf

of the Condominium concerning the legitimacy of all amounts claimed in the Notice of Intent to Create a Condominium Lien and concerning all other matters as deemed appropriate by the attorney. In such proceeding, the attorney shall request the Court to assess all legal expenses against the unit owner for costs incurred in establishing the lien.

5. If the Circuit Court determines that probable cause exists for the establishment of the lien, the attorney will undertake to establish the lien as provided above. If the Circuit Court determines that probable cause does not exist for the establishment of the lien, the attorney will advise the Board of Directors of the decision and recommend what further action, if any, should be taken to collect the amounts due.

III. REMEDIES FOR NON-PAYMENT OF ASSESSMENT

1. If, within thirty days from the date of the Notice of Intent to Create a Condominium Lien, specified above, the delinquent unit owner fails to remit the total amount due as claimed and does not exercise the rights as stated in the information mailed by the attorney, the remaining assessments for the current fiscal year shall be automatically accelerated and a Statement of Condominium Lien, previously prepared by the attorney and executed by the Managing Agent, will be filed by the attorney among the Land Records of Anne Arundel County. The Statement of Condominium Lien shall claim all assessments, late charges, collection costs, and other charges permitted by law, together with reasonable attorney's fees.

2. If no payment is received from the unit owner within fifteen (15) days after the date the lien is recorded, the attorney will evaluate the various collection alternatives and recommend the best alternative to the Board of Directors. The Board of Directors will instruct the attorney, at that time, based upon the attorney's recommendation and all other information available, concerning what type of further action, if any, should be taken to collect the amounts due.

3. If an action is filed by the Condominium to foreclose on a recorded Statement of Condominium Lien, payment on the delinquent account will be accepted and applied in accordance with the provisions of this resolution at any time until completion of the auction of the property under foreclosure. However, only full payment of all obligations of the unit owner then owing to the Condominium, including costs and expenses of the foreclosure sale and all accrued attorney fees, will stop the foreclosure proceedings.

4. If a judgment for delinquent Condominium assessments is obtained on behalf of the Condominium, the judgment will be recorded among the Land Records of Anne Arundel County if not promptly paid. Between fifteen and thirty days after the date of the judgment, the attorney is to send a post-judgment collection letter to the debtor demanding payment in full within fifteen days from the date of that letter.

5. The Board of Directors, its attorneys and agents may take any other lawful action deemed necessary or advisable to collect any delinquent assessments.

IV. GENERAL COLLECTION PROCEDURE POLICIES

1. The Managing Agent is to provide the attorney with a statement of collection costs incurred by it prior to referral, and all collection costs incidentally incurred by it thereafter. In order to facilitate any collection procedure employed, the Managing Agent will advise the attorney of any and all information available to it that pertains to the delinquent unit owner, including place of employment, and bank account information.

2. The Managing Agent shall promptly notify the attorney of any payments or other correspondence it receives on behalf of the delinquent unit owner while the attorney is actively involved in the collection.

3. The attorney will keep a full accounting of all legal fees and expenses paid by the law firm on the Condominium's behalf. All monies received in payment of the delinquent account will be transmitted to the Managing Agent.

4. It is the intention of the Board of Directors that the least cumbersome, most effective method of collection be used at all times. In this regard, those employing this collection procedure are authorized to deviate from it when special circumstances indicate that such deviation is in the best interests of the Condominium. As such, the Board of Directors is empowered to grant a waiver of any provision herein upon a written request from a unit owner alleging a compelling personal hardship. Such relief, if granted, shall be appropriately documented in the records of the Condominium.

5. This procedure shall serve only as a guideline and to manifest the Board of Director's intention and resolve to charge interest, late fees and to accelerate a delinquent owners account when appropriate. Non-compliance with any of these procedures by the Condominium, its Board of Directors, Managing Agent or its attorneys, shall not excuse payment of assessments when due.

6. This procedure will be reviewed periodically by the Board of Directors of the Condominium in consultation with the attorney and the Managing Agent to ensure that the procedure is effective and in compliance with current law.

APPROVED BY THE BOARD OF DIRECTORS:

8 Nov 93
Date


President

ATTEST:

Secretary

Wright, Sussman & Elmore, P.C.
90015.02
102593

NOTICE

TO: All Unit Owners of Spring Meadows Condominium
FROM: Susan G. Saltzman, AMS®, CMCA®, Management Supervisor
Wallace H. Campbell & Co., Inc., Managing Agents
DATE: April 20, 2011
RE: COLLECTION FEES

Unfortunately, with the current economic climate, we find that more and more owners are becoming delinquent in the payment of their association fees. While we try to keep owners as current as possible through reminders and demand letters, it eventually becomes necessary to refer individuals to an attorney for collections. This process in and of itself takes a considerable amount of time.

Therefore, effective January 1, 2010, we find it necessary to implement a fee of \$50.00, which will be assessed on the delinquent owner's account. This will not be an expense to your Association, but will be added to the costs incurred in the collection of outstanding association fees and added to the amount owed by the individual owner.

This collection fee will be assessed when it is necessary to send the delinquent owner to the attorney and now has incurred this \$50.00 fee for administrative costs.

Please note that at this point "reminders" as well as calls, payment arrangements, etc., have been attempted to resolve the debt without success. This in turn creates additional administrative costs that we are now forced to pass on to the delinquent owner.

If you have any questions about this memorandum, please feel free to contact me (410) 532-1538.

The Council of Unit Owners of Spring Meadows Condominium, Inc.

Rules and Regulations



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Spring Meadows Condominium Severn, Maryland 21144

Notice

November 14, 2011

Dear Spring Meadows Owners:

Enclosed, you will find the recently adopted Rules and Regulations regarding Parking, and Enforcement of Rules and Regulations.

Please attach the enclosed to your other community documents.

They will be effective December 1, 2011.

Note: Please read the enclosed items as there are fines and penalties attached to these rules if you do not comply.

We will be issuing parking passes to those unit owners who are eligible. If you are an absentee owner, it is your responsibility to get the passes to your tenant. There is a replacement cost of \$50.00 for lost or stolen passes. If you are going to have a long-term visitor – meaning more than overnight – you must contact management for a temporary pass. Any overnight visitors must park in either a visitor spot or on Stillmeadows Drive.

BOARD OF DIRECTORS
Spring Meadows Condominium Association



SGS:ljm

THE COUNCIL OF UNIT OWNERS OF SPRING MEADOWS CONDOMINIUM, INC
PARKING RULES AND REGULATIONS

WHEREAS, the Council of Unit Owners of Spring Meadows Condominium, Inc is the owner of all open space/recreation areas in the Spring Meadows Condominium in Anne Arundel County, Maryland as shown on the various plats of the Spring Meadows Condominium (hereinafter "Council's Property).

WHEREAS, pursuant to Article XV, Section 1 of the by-laws of the Council of Unit Owners of Spring Meadows Condominium, Inc., the Board of Directors is empowered to regulate parking within the Spring Meadows Condominium.

WHEREAS, the Board of Directors for the Spring Meadows Condominium is desirous of establishing parking rules and regulations for the Council's Property.

NOW THEREFORE, it is this 11 day of November 2011 that the Board of Directors for the Council of Unit Owners of Spring Meadows Condominium, Inc adopts the following parking rules and regulations for the Spring Meadows Condominium.

1. All vehicles parked or otherwise operated on the Council's Property shall at all times display current license plates and be maintained in proper operating condition so as to not be a hazard or nuisance by reason of noise, exhaust emissions or appearance.
2. No inoperable, junk or junked cars or any motor vehicle other than private passenger vehicles shall be permitted to be parked or stored on the Council's Property. For purposes hereof, a vehicle shall be deemed inoperable unless it contains all parts and equipment, including properly inflated tires, in such good condition and repair as may be necessary for any person to drive the same on a public highway and has both current license tags and registration documents.
3. No commercial or other vehicles on which are displayed commercial messages shall be left parked on any part of the Council's Property, including, without limitation, any street or parking space, longer than is necessary to perform the business function of such vehicle in the area; it being the express intention of this restriction to prevent the parking of commercial vehicles upon the Council's Property, for a time greater than that which is necessary to accomplish the aforesaid business purposes.
4. The repair or ordinary maintenance of any vehicle shall not be performed on the Council's Property. Repairs to vehicles may only be made if they are for emergency or essential to enable the vehicle to be driven.
5. Car washing, detailing or waxing is not permitted on Council Property.
6. Vehicles shall not at any time impede ingress or egress of the roadways or walkways within the Council's Property or interfere with an owner attempting to get in/out of his driveway.

7. All posted speed limits within the confines of the Council's Property shall be adhered to at all times. Excessive speed or dangerous driving is subject to violation of the rules and should be reported to the management company accordingly.

8. The following vehicles are specifically prohibited from parking or being stored anywhere on the Council's Property: jet skis/trailer, tractor-trailers, semi trailer, stake body truck, mobile homes, panel truck, step vans, campers, tow trucks, boats, trailers, farm tractors, farm implements, taxi cab, bus, golf cart, house trailer, snowmobile, motor home, all-terrain vehicle, any vehicle without current registration and plates, vehicles with work implements (i.e., ladders, pipes, construction materials, etc.) on or attached to the exterior, and open-bed pickup truck with exposed tools, supplies, debris, trash, etc.

9. Vehicles shall be parked between established parking lines, utilize only one parking space and be parked only in designated parking areas.

10. No vehicle shall be parked without being moved for more than 30 consecutive days on the Council's Property without advance notification to the Property Manager.

11. Trailers are permitted in the community only for immediate loading and unloading. Storing or parking them anywhere on the Council's Property is a violation of the rules and regulations. Trailers that are being stored will be towed at the owner's expense. Owners will be charged for all towing, storage and any other costs.

12. Parking is prohibited on any grass or landscaped areas, sidewalks, and areas/streets marked no parking.

13. No dirt bikes, ATV's or similar vehicles shall be operated on the Council's Property at any time.

14. There shall be no parking of any vehicle in any fire lane or where parking is strictly prohibited by sign or other marking.

15. No person shall operate a vehicle on the Council's Property other than in a safe and quiet manner and with due consideration for the rights of all owners and occupants, or without holding a valid driver's license.

16. Any vehicle leaking oil, gasoline, or other automotive fluid upon the pavement of the Council's Property is subject to immediate towing and removal at the owner's sole expense and risk. The cost of cleanup of such leakage may be charged to the responsible owner of the vehicle and/or the owner of the property with whom the owner of the vehicle is visiting.

17. All vehicles being operated, parked or stored on the Council's Property shall at all times comply with Maryland State Law, Department of Motor Vehicle regulations, and applicable local ordinances.

18. The Council of Unit Owners of Spring Meadows Condominium, Inc. shall not be held responsible for costs associated with the maintenance, insurance, liability, theft, vandalism or any damage to any vehicle while on the Council's Property.

19. Tenants, guests, visitors, invitees and contractors of Owners within Spring Meadows Condominium are subject to all parking rules and regulations. Owners are responsible for all parking violations of their tenants, guests, invitees and contractors.

20. All vehicles shall at all times display a current and valid parking pass issued by the management company.

21. Owners may obtain a temporary visitor's parking pass from the management company on behalf of a visitor to their unit. The visitor parking pass is nontransferable, will set forth the start and end date of the pass, and identify the vehicle by description and license plate number.

22. Parking passes, including visitor parking passes are nontransferable and shall be displayed only on the vehicle to which it was issued.

23. Two parking passes per unit, including a handicap parking space tag if issued by the management company. A fee, as determined by the management company, shall be charged to replace any lost or stolen parking pass.

24. Designated handicap parking spaces shall be only utilized by a vehicle displaying a valid and current handicap tag or placard issued by the department of motor vehicle. Owners must submit all requested information to the management company in order to obtain a handicap parking space.

25. The privilege to park within the Council's Property shall automatically be suspended for any unit owner, tenant, lessee or occupant that is more than ninety (90) days past due in the payment of condominium assessments and other charges for any condominium unit in the community. The suspension of the parking pass shall remain in effect until the unit's account is brought current. Notwithstanding the aforementioned, the Board of Directors shall have the right to reinstate the parking privilege of any delinquent unit owner if warranted by an exceptional reason as determined by the Board of Directors.

26. Any unit owner, and any tenant, lessee or occupant of a unit owner whose parking privilege has been revoked shall have his parking privileges reinstated immediately upon payment in full of all past due condominium assessments and other charges. The records of the Council shall be the official records for purposes of determining any balance due by any unit owner in respect of a determination of whether a unit owner is current in the payment of all condominium assessments and other charges.

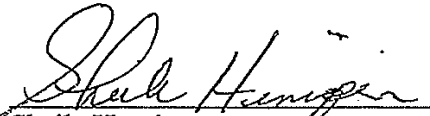
27. The Board of Directors or its managing agent shall contract a towing company to provide towing service for the Community. Any vehicle parked in a manner that is violation of the established rules and regulations including but not limited to displaying an invalid parking permit or no parking permit is subject to being towed at the vehicle owner's expense. All costs of

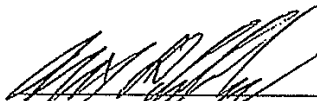
towing, damages due to towing, storage of the vehicle after towing, and retrieval of the vehicle, or other applicable and/or appropriate charges shall be the responsibility of the owner of the vehicle.

28. Any vehicle may be towed immediately, without notice, if it is (a) not displaying a valid parking pass issued by the management company, (b) parked in a fire lane or (c) blocking or improperly impeding access to any of the common areas or common points of ingress or egress in the community.

29. A violation of any of the established parking rules and regulations shall subject the violator to being assessed a reasonable fine and/or the towing of the violator's vehicle as determined by the Board of Directors.

30. Signs shall be posted on the Council's Property that identifies the name, address and phone number of the towing company and the towing charge.

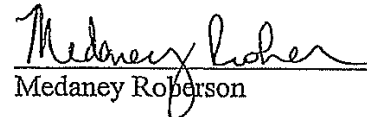

Sheila Henriquez

 11-3-11
Michael Sluder

 11-3-11
Ann Evans

Brenda Paige

 11-3-11
Eric Brock

 11-3-11
Medaney Roberson

Dana Cinnelli

Spring Meadows Condominium Procedures for Enforcement of the Rules and Regulations

Penalties will be imposed for violations of the adopted Rules and Regulations, as developed and/or revised by the Board of Directors, in accordance with the Maryland Condominium Act, the Condominium Declaration and Condominium By-Laws.

The following procedures will be followed:

A. Any Unit Owner or the management company may prepare a written notice of a violation and submit it within seven (7) days to the management company. The notice shall contain the following information:

1. The date and time of the occurrence.
2. Witnesses to the occurrence.
3. Name and address of the violator.
4. Description of the violation.
5. The name, address and signature of the person filling out the notice.

B. Means and measures taken with the written reported violation:

1. First violation- A written notice will be mailed to the violator with an explanation of the violation referencing the pertaining rule and a date by which the violation must be corrected.

2. Second violation or non-compliance of previous warning- A written notice will be mailed within fifteen (15) days of the date of the second occurrence or compliance date advising the alleged violator of a hearing to be held. The notice shall contain: (i) the nature of the alleged violation; (ii) the time and place of the hearing which will be not less than ten (10) days from the giving of the notice; (iii) an invitation to attend the hearing and produce any statement, evidence and witnesses on his or her behalf; and (iv) a statement that a proposed initial fine of \$25 and \$25 per day per violation until the violation(s) is/are corrected or any other sanction may be imposed. Fines will be subject to collection fifteen (15) days after they are imposed in accordance with Condominium By-laws and the Maryland Condominium Act. Interest on the fine will begin to accrue thirty (30) days after imposition of the fine.

C. The hearing procedures are as follows:

The hearing will be held in executive session. The conditions of the hearing are as follows:

1. If the violator is present, the violator will be afforded a reasonable opportunity to be heard; will have the right to present evidence; and will have the right to present and cross-examine witnesses. The Board of Directors will present evidence, and will have the right to present and cross-examine witnesses. The Board of Directors will present, on the

SPRING MEADOWS

TOWING POLICY

In accordance with Article V, Section 3 of the Spring Meadows by-laws, the following policy was adopted on December 2, 2010.

Any vehicle not in operable condition, e.g. flat tire, expired tags or not displaying a valid and current hang tag will be towed at the owner's expense.

Failure to pay condominium assessment in accordance with the Spring Meadows collection policy will result in loss of parking and pool privileges. Any unit owner not compliant with the rules and regulations of Spring Meadows Condominium may lose parking and pool privileges.

Notice

*Springmeadows Condominium Association
Severn, Maryland 21144*

*Managed by:
Wallace H. Campbell & Co., Inc.
6212 York Road
Baltimore, Maryland 21212*

December 1, 2011

Dear Unit Owner/Resident:

Enclosed please find your parking passes – they are to be affixed to your vehicle in a prominent place so they can be easily seen. A copy of the parking rules was previously mailed to all Unit Owners*.

*Landlords: it is your responsibility to ensure these are provided to your tenants. There is a \$50 fee for all lost or stolen replacement passes.

Towing of those vehicles not displaying a legitimate pass will commence December 16, 2011.

**BOARD OF DIRECTORS
Springmeadows Condominium Association**