

CROMWELL FOUNTAIN BUILDERS CONDOMINIUM**CONDOMINIUM DECLARATION**

THIS CONDOMINIUM DECLARATION, made this FIRST day of APRIL, 1998, in Anne Arundel County, Maryland, by **CROMWELL BUILDERS LIMITED PARTNERSHIP**, a Maryland limited partnership, by its sole general partner, **CROMWELL III ASSOCIATES, INC.**, hereinafter and in the Exhibits hereto sometimes referred to as the "Grantor" or "Declarant", pursuant to the provisions of Title 11, Section 11-101, et. seq., of the Real Property Article of the Annotated Code of Maryland, sometimes hereinafter referred to as the "Maryland Condominium Act" or the "Act."

WITNESSETH:

WHEREAS, the Grantor is the owner, in fee simple, of that certain real property located in Anne Arundel County, Maryland, described in Exhibit A attached hereto and made a part hereof, and sometimes hereinafter referred to as the "Condominium Property";

WHEREAS, the Grantor is the owner of the buildings and related and other improvements now erected or to be erected on the Condominium Property and desires and intends to, and by these presents does hereby, submit the said Condominium Property, together with the improvements now and to be erected thereon, into a horizontal Condominium Regime pursuant to the provisions of the Maryland Condominium Act, for the sale and use of the condominiums, subject to the terms, covenants, restrictions, uses, limitations, obligations, easements, equitable servitudes, charges and liens and conditions herein contained, each of which is for the benefit of said Condominium Property and the subsequent owners thereof.

DECLARATION

NOW, THEREFORE, for valuable consideration, the receipt and legal sufficiency of which is hereby acknowledged, the Grantor hereby makes the following Declaration:

The Grantor hereby expressly declares its intent and desire to, and does hereby, submit the Condominium Property to the Maryland Condominium Act and hereby establishes a Condominium Regime as provided in the Act, to be known as "Cromwell Fountain Builders Condominium." The Grantor is establishing such Condominium with respect to the Grantor's fee simple interest in the Condominium Property; and the Condominium Property, together with all improvements thereon, and all appurtenances thereto, shall be a "Condominium Regime" provided for by the Maryland Condominium Act, as now in effect and as amended from time to time, and shall be held, conveyed, divided or subdivided, leased, rented and occupied, improved, hypothecated and/or 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 Bylaws of Cromwell Fountain Builders Condominium, Inc., attached hereto

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as Exhibit B and incorporated herein, all of which are declared and agreed to be in aid of a plan for the improvement of the Condominium Property, and the division thereof into condominiums, and shall be deemed to run with and bind the land, and shall inure to the benefit of and be enforceable by the Grantor, its successors and assigns, and any person acquiring or owning the interest in said Condominium Property and improvements, and subject to all covenants, conditions, liens, easements, and restrictions of record.

The Condominium is herein executed by the Grantor to have and to hold such Condominium Property, and the improvements thereon and appurtenances thereto, unto and to the use of such Condominium, and the Owners of the Units thereof, and its and their heirs, successors and assigns, in fee simple, subject to the Maryland Condominium Act and this Declaration.

FIRST: DEFINITIONS.

Unless otherwise apparent from the context, the following words set forth in this Declaration and/or any and all exhibits hereto shall have the following meanings:

A. Building(s) means the Condominium Buildings as outlined and identified on the Condominium Plat.

B. Common Elements means all of the Condominium except the Units.

1. **Limited Common Elements** means those Common Elements identified in Section Fifth.B. of this Declaration or on the Condominium Plat as reserved for the exclusive use of one or more but less than all of the Unit Owners.

2. **General Common Elements** means all the Common Elements except the Limited Common Elements, and more fully described in Section Fifth.C. of this Declaration.

C. Common Expenses means the expenses of the Council of Unit Owners, including, but not limited to:

1. Expenses of administration, management, maintenance, repair, or replacement of the Common Elements, including reasonable allocations to a reserve for capital improvements as provided in the Bylaws;

2. All charges for gas, water, sanitary sewer, electricity, heat, garbage and trash collection, private fire protection services (i.e. sprinkler system) and other public utility services to the Condominium which are made against the Condominium as a whole and are not billed directly to the individual Units by the provider of those services;

3. Operating expenses and the amount of all taxes and assessments levied against the Council of Unit Owners or upon any property that the Council may own or which it is otherwise required to pay, if any;

4. Expenses agreed upon as common expenses by the Board of Directors of the Council of Unit Owners;

5. The premiums for insurance policies purchased by the Board of Directors of the Council pursuant to the Bylaws;

6. The cost of any common expense costs set forth in the Open Space Declaration of Covenants and Cross Easements made by Cromwell Fountain Associates, dated August 2, 1988 and recorded among the Land Records of Anne Arundel County in Liber 4659, folio 852, if and in the event that the Board of Directors of the Council of Unit Owners adopts a resolution specifically stating that the Council will pay such common expense costs as a part of the common expenses. The resolution shall refer to the specific section of said Open Space Declaration of Covenants and Cross Easements in order to specifically identify the common expenses to be paid by the Council of Unit Owners;

7. The cost of any common expense costs set forth in any Cross Easement Declaration which may be recorded among the Land Records of Anne Arundel County with respect to the Condominium Property, if said costs are made a condominium expense in accordance with said Cross Easement Declaration; and,

8. All other expenses declared to be common expenses by the provisions of the Maryland Condominium Act or by this Declaration or the Bylaws.

D. Common Profit means the profits of the Council of Unit Owners.

E. Condominium means the Cromwell Fountain Builders Condominium established by this Declaration.

F. Condominium Plat means the plat attached to this Declaration or filed among the Plat Records of Anne Arundel County, Maryland, simultaneously with the recording hereof, consisting of FOUR (4) sheets.

G. Condominium Project or Condominium Regime means the property subject to this Declaration. This Cromwell Fountain Builders Condominium is the Condominium Regime created by this Declaration.

H. Condominium Property means that property described in Exhibit A hereto.

I. Council of Unit Owners or Council means the legal entity described in Section 11-109 of the Act, and shall consist of the Unit Owners acting in association.

J. Declaration means this Condominium Declaration.

K. Developer means Cromwell Builders Limited Partnership, a limited partnership, its successors and assigns, if such successors or assigns are specifically designated by Cromwell Builders Limited Partnership to have the rights of the Developer, or any person who subjects any property to the Condominium Regime established by this title.

L. Grantor means Cromwell Builders Limited Partnership, its successors or assigns, if such successors or assigns are specifically designated by Cromwell Builders Limited Partnership to have the rights of the Grantor, and any Developer.

M. Land Records means the Land Records of Anne Arundel County, Maryland.

N. Maryland Condominium Act means the Maryland Condominium Act set forth in Title 11, Section 11-101, et seq. of the Real Property Article of the Annotated Code of Maryland, as amended from time to time.

O. Mortgagee means the holder of any recorded mortgage, or the beneficiary of any recorded deed of trust, encumbering one or more Units.

P. Percentage Interests means the interests, expressed as a percentage, fraction or proportion, established in accordance with Section 11-107 of the Act.

Q. Property means unimproved land, land together with improvements on it, or improvements without the underlying land.

R. Unit or Condominium Unit, means each three-dimensional space identified as such in this Declaration and on the Condominium Plat and as more fully described in Section Fourth. of this Declaration, and shall include all improvements contained within the space except those excluded in this Declaration.

S. Unit Owner or Unit Co-Owner means any person, group of persons, corporation, trust or other legal entity, or any combination thereof, who holds legal title to a Unit within the Cromwell Fountain Builders Condominium; provided, however, that a Mortgagee, as such, shall not be deemed to be a Unit Owner or Unit Co-Owner.

SECOND: EXPANSION OF CONDOMINIUM.

A. The Condominium may be constructed in multiple sections ("Section(s)"), and Grantor reserves the right to expand the Condominium by subjecting additional Sections of property to this Condominium Regime and this Declaration and the Condominium Plat and Bylaws. The Initial Section of the Condominium shall be Phase 1 as shown on the Condominium Plat and shall include all the Condominium Property, and improvements to be constructed thereon, as indicated on the plan filed as part of the Condominium Plat. The property to be included in each subsequent Section shall be a "Phase" (Phases 2 through 12, inclusive) as identified on the Condominium Plat. The subsequent Sections, which may be Sections 2 through 12, inclusive, which Grantor may add to the Condominium shall include all

the property, and improvements to be constructed thereon, for each Phase (being part of the land as shown on the Subdivision Plat, as the case may be, and being Phases 2 through 12, inclusive, as shown on the Condominium Plat) shown on the Condominium Plat, as the Phase is added to the Condominium. The outlines of the Buildings and Common Elements to be added to the Condominium as part of each Phase are shown on the Condominium Plat.

B. Grantor may add as many of the subsequent Sections as Grantor may decide (and shall not be obligated to add such subsequent Sections) and said Phases may be added in any order.

C. The Initial Section of the Condominium shall consist of 12 Condominium Units. The maximum number of Units which may be added in each of the subsequent Sections is 12 Units. The Phases may be added in any order and not necessarily in numerical order.

D. Grantor's right to add to the Condominium the additional Sections of property indicated on the Condominium Plat (Phases 2 through 12, inclusive) shall extend for seven (7) years from the date of the filing of this Declaration.

E. Grantor shall add the additional property to the Condominium as part of the subsequent Section by recording (i) an amendment to this Declaration showing the property being added and the new percentage interests of Unit Owners and the votes which each Unit Owner may cast in the votes of the Council of Unit Owners, and (ii) detailed information concerning the new Section as required by the Maryland Condominium Act.

F. When Grantor adds additional property to the Condominium in a subsequent Section, the percentage interests of the Unit Owners in the preceding Section(s) shall be reduced and appropriate percentage interests in the Common Elements of the added Sections of the subsequent section shall vest in them. At the same time, appropriate percentage interests in the Common Elements of the preceding Sections shall vest in Unit Owners of sections added in the subsequent Section being added.

G. The maximum number of Units which may be added is 132, for a total aggregate number of 144 Units. The percentage interests in the Common Element and in the Common Expenses and Common Profits, and the number of votes appurtenant to each Unit, following the addition of each Section to the Condominium Regime, are set forth on Exhibit C attached hereto and made a part hereof.

H. Successive Sections may be added to the Condominium by recordation of amendments to the Declaration and Condominium Plat, in accordance with the provisions of Section 11-120(c) of the Act.

I. Each subsequent Section may be added to the Condominium subject to the rights, rights-of-way, covenants, conditions, restrictions, setbacks and easements deemed necessary or advisable in the opinion of Grantor to facilitate the orderly development, and the construction, operation and maintenance, of the Condominium and/or any subsequent Section, or the

convenience or services of the Council; and, in particular, but not in limitation of the foregoing, the Grantor shall have the right to reserve, at or prior to the time each subsequent Section is added to the Condominium, such easements and rights-of-way on, over, under and across such subsequent Section as are deemed appropriate by the Grantor for (a) vehicular and pedestrian access between (i) the remaining property of the Grantor whether or not included within any subsequent Section, and, (ii) any public road or other property which borders upon the Condominium, (b) vehicular parking for the benefit of any remaining property of the Grantor, whether or not included within any subsequent Section, and (c) the installation, operation, inspection, maintenance, repair and replacement of electric, telephone, cable TV, water, sanitary sewer and storm drainage lines, pipes, mains, drains and related facilities deemed appropriate by the Grantor to serve any remaining property of the Grantor, whether or not included within any subsequent Section. Each such right, right-of-way, covenant, condition, restriction, setback and easement shall run with and bind the Common Elements and each Unit contained in the Condominium, and all owners and occupants of such Units, and their respective heirs, personal representatives, successors and assigns, forever, unless the recorded document establishing such right, right-of-way, covenant, condition, restriction, setback or easement specifically provides otherwise.

J. The foregoing notwithstanding, the Grantor shall execute and record, from time to time, as may be reasonably required by any Unit Owner or Mortgagee, such other and further instruments of conveyance as may be necessary in the circumstances to validly carry out the intent and purpose set forth above.

THIRD: CONDOMINIUM PROPERTY AND DESCRIPTION OF CONDOMINIUM BUILDINGS.

The Condominium hereby established shall consist of the Condominium Property as described in Exhibit A and the rights appurtenant thereto and the improvements thereto, and the general description of the Condominium Units, including the area description, location and other data necessary for their identification, as is shown on the Condominium Plat, which Condominium Plat is incorporated herein and by this reference made a part hereof. The improvements are as follows:

A. When (and if) fully expanded, 12 buildings (the "Condominium Buildings"), consisting of 12 Condominium Units per building for a total of 144 Units. The Initial Section of construction of the Condominium will consist of one (1) Condominium Building totaling twelve 12 Units; and

B. Parking areas, driveways, and walkways appurtenant to the Condominium Buildings.

FOURTH: CONDOMINIUM UNITS.

A. Number of Units.

1. So long as the Condominium has not been expanded pursuant to the provisions of Section Second, it shall contain twelve (12) Units.

2. From and after any such expansion, and until further such expansion, the Condominium shall contain that number of Units equaling the total of (i) the number of Units contained therein immediately before such expansion, and (ii) the number of Units added to the Condominium by such expansion.

B. The location within the Condominium, and the dimensions, of each Unit are shown on the Condominium Plat and are more particularly defined by the provisions of subparagraph Fourth.D. and Section Eight.

C. Each Unit is constructed according to the Condominium Plat. Each Unit shall have and be known by a number corresponding to the number shown with respect to it on the Condominium Plat, and as set forth on Exhibit C hereto.

D. Description of Units.

1. Except as may be otherwise provided herein, each Condominium Unit shall consist of the space bounded by and contained by the following surfaces, all as shown on the Condominium Plat:

(a) The horizontal boundaries of each Condominium Unit are four (4) vertical planes, each plane being coincident with the unexposed (exterior-most) surface of the perimeter drywall, paneling, sheetrock or plaster of the exterior walls and party walls.

(b) The vertical boundaries of each Condominium Unit are two (2) horizontal planes; the lower plane being the unexposed (exterior-most) side of the finished floor; and the upper plane being coincident with the unexposed surface of the ceiling drywall, paneling, sheetrock or plaster.

2. Each Unit shall also include:

(a) the fireplaces, exterior doors, windows, storm windows and patio or balcony screening with fastening strips;

(b) all built-in kitchen appliances installed within the Unit and all electrical installations and fixtures for the use of the Unit as well as all wiring and conduit serving the Unit solely, including but not limited to, all wiring and conduit running from and including the circuit breaker panel to all such installations and fixtures, all outlets, switches, lamp holders and other electrical service terminals, wheresoever situated, for the exclusive use of the Unit;

(c) all of the heating and air conditioning machinery, equipment, plumbing and electrical service lines, duct work and structural supports, located within or

serving exclusively said Unit, and all of its controls and control wiring, and all supply, return and drain pipes to their point of connection with common risers, if any;

(d) any range hood fan, bath fan, and dryer fan which may be located in the Unit, and any connecting duct work or flues to the exterior of the Building, including exterior covers;

(e) all bathroom and kitchen sinks, faucets, dishwashers, disposals, commodes, bathtubs and shower stalls, and clothes washing machines, and including hot and cold water pipes to, and drain pipes from, respectively, the point of connection with each such fixture to the point where each such pipe or drain connects with a common riser, if any; and

(f) all fire protection facilities, including alarm units, sensors, pipes and sprinklers, located within or serving exclusively said Unit.

3. To the extent any plumbing or other utilities serving only one Unit are located above the ceiling level, below the floor level for that Unit, or in an exterior or party wall of the Unit, that Unit shall include such plumbing or utilities which, as set forth herein, shall be the responsibility of the Owner of the Unit served by that plumbing or utilities. The interior of chimneys, other than the fireplaces, are common elements and are not included in a Unit.

E. Anything contained in the foregoing provisions of this Section Fourth to the contrary notwithstanding, whenever there is located within the boundaries of a Unit, as described hereinabove, any main, duct, stack, raceway, wire, conduit, line, drain, pipe, meter or other similar thing or device which is used in providing any utility or service to any portion of the Condominium other than, or in addition to, such Unit, such Unit shall not be deemed to include such thing or device, and such thing or device shall be part of the Common Elements.

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

FIFTH: THE COMMON ELEMENTS.

A. The Common Elements (a) shall consist of all of the Condominium Property and improvements thereon which are not a part of any Condominium Unit, and (b) shall be comprised of the Limited Common Elements and the General Common Elements.

B. The Limited Common Elements.

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

other Common Elements as may be agreed upon by eighty percent (80%) of the Unit Owners to be reserved for the use of the Unit or a certain number of Condominium Units to the exclusion of other Condominium Units, such as special stairways and sanitary services common to the Condominium Units. Limited Common Elements designated on the Condominium Plat, or otherwise, such as balconies, patios, and fenced areas, if any, that are located outside the boundaries of a Unit, but are designated to serve only that single Unit, are reserved for the exclusive use of the Condominium Owners to which such areas are adjacent or serve and are Limited Common Elements.

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

C. The General Common Elements. The General Common Elements shall consist of all of the Common Elements other than the Limited Common Elements, including, but not limited to:

1. All streets, curbs, sidewalks, walkways, playground areas, lawn and garden areas, retaining walls, trees, shrubbery, signs, exterior lighting, open space roadways and parking areas, not designated as Limited Common Elements, except as otherwise provided;

2. The compartments or installations of central service such as power, light, gas, telephone, water utilities, including but in no way limited to, all pipes, ducts, water mains, wires, conduits, utility mains, storm drains, sewers, cables, wires and wire outlets and all other utility lines, required to provide such services to more than one Condominium Unit;

3. General trash areas and the like, if any, and, in general, all devices or installations existing for common use;

4. The areas designated on the Condominium Plat for storage, if any;

5. The land on which the improvements are located;

6. All other elements, apparatus or installations of the Condominium Regime rationally of common use or necessary or convenient to its existence, upkeep and safety; and,

7. Portions of the Condominium Property that are not part of any Unit or the Limited Common Elements.

D. Contribution. Each Unit Owner, in proportion to his percentage interest factor, shall contribute toward payment of the Common Expenses, and no Unit Owner shall be exempt from contributing toward said Common Expenses either by waiver of the use or enjoyment of the Common Elements, or any of them, or by the abandonment of his Condominium Unit. The contribution of each Unit Owner toward Common Expenses shall be determined, levied and assessed as a lien, all in the manner set forth in the Bylaws, recorded simultaneously herewith.

E. Use of Common Elements. The Common Elements may be used only for the purposes for which they were intended and, except as mutual rights of support, access, use, and enjoyment by all Unit Owners. The Limited Common Elements shall be used only by the Unit Owners of the Condominium Units to which their uses are limited in this Declaration or on the Condominium Plat; provided, however, that any Unit Owner of a Unit, or any group of Unit Owners of Units, to which the use of any Limited Common Element is exclusively restricted may grant by deed the exclusive use, or the joint use in common with others, of the Limited Common Elements to any one or more Unit Owners. A copy of the deed shall be furnished to the Council of Unit Owners.

SIXTH: OWNERSHIP; VOTING RIGHTS.

A. Undivided Interest in Common Elements, Percentage Interest, Etc. Each Condominium Unit shall have the same incidents as real property and the Owner of any Condominium Unit shall hold the same in fee simple. Each Unit Owner shall own an undivided percentage interest in the Common Elements equal to that set forth in Exhibit C attached hereto and by this reference made a part hereof (the "percentage interest"). The percentage interests of the undivided interest in the Common Elements herein established shall not be changed without the unanimous consent of the Unit Owners and their mortgagees. The percentage interest in the Common Elements shall not be separated from the Condominium Unit to which it appertains and shall be deeded, conveyed, or encumbered with the Condominium Unit, even though such interest is not expressly mentioned or described in the conveyance or other instrument.

B. Voting Rights. Each Unit Owner shall have the number of votes during the Initial Section, and during any subsequent Section, as set forth in Exhibit C.

SEVENTH: 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 or division thereof except as may be provided for in the Act.

EIGHTH: ENCROACHMENTS; EASEMENTS.

A. Encroachments.

1. Presumption as to Existing Physical Boundaries. The existing physical boundaries of any Condominium Unit or Common Element constructed or reconstructed in substantial conformity with the Condominium Plat shall be conclusively presumed to be its boundaries, regardless of the shifting, settlement, or lateral movement of a Condominium Building and regardless of minor variations between the physical boundaries as described in this Declaration or shown on the Condominium Plat and the existing physical boundaries of

any such Condominium Unit or Common Element. This presumption applies only to encroachments within the Condominium.

2. Easement for Encroachment. If any portion of the Common Elements, now or at any time hereafter, encroaches upon any Condominium Unit, or if any Condominium Unit, now or at any time hereafter, encroaches upon any other Condominium Unit or upon any portion of the Common Elements as a result of settlement, construction, repair, or shifting of any building, or otherwise, a valid easement for the encroachment, and for the maintenance of the same so long as the building stands, shall exist. In the event any building, any Condominium Unit, any adjoining Condominium Unit, or any adjoining Common Elements, shall be partially or totally destroyed as a result of fire, or other casualty, or as a result of condemnation, or eminent domain proceedings, and then reconstructed, encroachments of parts of the Common Elements upon any Condominium Unit or of any Condominium Unit upon any other Condominium Unit or upon any portion of the Common Elements, due to such reconstruction, shall be permitted, and valid easements for such encroachments and the maintenance thereof shall exist so long as the building shall stand.

3. Encroachment as Result of Authorized Construction or Repair. If any portion of any Common Element encroaches on any Condominium Unit or if any portion of a Condominium Unit encroaches on any Common Element or any other Condominium Unit, as a result of the duly authorized reconstruction or repair of a Condominium Building, a valid easement for the encroachment and for the maintenance of the encroachment shall exist for so long as the Condominium Building stands.

4. Easement for Mutual Support. An easement for mutual support shall exist in each Unit and the Common Elements.

5. Council's Right of Entry to Make Repairs. The Council of Unit Owners, acting through its Board of Directors or any designated agent or employee, shall have an irrevocable right and an easement to enter Condominium Units and Limited Common Elements to make repairs to 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 danger to public safety or property, the Council of Unit Owners shall make a reasonable effort to give notice to the Owner of any Unit to be entered for the purpose of such repairs. No entry by the Council of Unit Owners, its Board of Directors, agents or employees, for the purposes specified in this Subsection may be considered a trespass.

B. Easements.

1. Each Unit Owner shall have an easement in common with the Owners of all other Units to use all pipes, wires, ducts, cables, conduits, utility lines and other Common Elements located in any other Unit and serving his Unit, if any. Each Condominium Unit shall be subject to an easement to the Unit Owners of all 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 and utility lines of any kind and other Common Elements serving such

other Units and located in such Unit, if any. Any parking space designated as a Limited Common Element, if any, and reserved for exclusive use by the Owner of a particular Condominium Unit shall be subject to an easement to the Unit Owners of all of the other Condominium Units for pedestrian ingress and egress to and from the Condominium Buildings.

2. In addition to the easements reserved on the Subdivision Plat or Condominium Plat, which are for the benefit of the Grantor and Mortgagees:

(a) Grantor hereby declares that every Unit Owner shall have a perpetual easement in, upon, through and over the land shown on the Condominium Plat recorded simultaneously herewith, to keep, maintain, use, operate, repair and replace his Unit in its original position and in every subsequent position in which it changes by reason of the gradual forces of nature and the elements.

(b) Grantor hereby reserves unto itself, its successors and assigns, an easement in, through and over the Common Elements, for as long as the said Grantor, its successors and assigns and Mortgagees, shall be engaged in the construction, development and sale of Units, which easement shall for the purpose of construction, installation, maintenance and repair of Condominium buildings and appurtenances thereto, for ingress and egress to all Units and all Common Elements, and for use of all sidewalks, walkways, roadways, parking areas, and for existing and future model units for sales promotion and exhibition. In addition, Grantor for itself, its successors and assigns, hereby reserves the irrevocable right to enter into, upon, over or under any Unit for a period of three (3) years after the date of delivery of the Unit deed for such purposes as may be reasonably necessary for the Grantor, its or their agents, to complete the Condominium Regime or service any Unit thereof.

(c) Grantor reserves unto itself, its successors, assigns and agents, an easement in, upon, through, and over the land comprising the Common Elements for the purpose of installation, maintenance, repair and replacement of all sewer, water, power and telephone, pipes, lines, mains, conduits, poles, transformers and any and all other equipment or machinery necessary or incidental to the proper functioning of any utility system servicing the Condominium Regime.

C. **Conveyance.** The conveyance or other disposition of a Condominium Unit shall be deemed to include and convey, or be subject to, any easement arising under the provisions of this Section without specific or particular reference to such easement.

NINTH: RIGHTS AND OBLIGATIONS OF UNIT OWNERS.

A. **General.** The Condominium and the rights, duties and liabilities of each Unit Owner and each Unit shall be governed by the provisions of this Declaration, the Condominium Act, and to the extent not inconsistent with the Condominium Plat or with such statutory or Declaration provisions, by the Bylaws of the Condominium, in the form attached hereto as Exhibit B and made a part hereof, as such Bylaws may be amended from time to time by the Council of Unit Owners and by such rules and regulations as may be adopted by the Council of

Unit Owners or its Board of Directors pursuant to the Bylaws to the extent they do not conflict with any of the foregoing.

B. Interest in Common Expenses and Common Profits. Each Unit Owner shall have the same percentage interest in the Common Expenses and Common Profits as those set forth on Exhibit C hereto.

C. Alterations and Repairs of Units. The Owner of each Condominium Unit shall maintain his Unit, and, along with other Unit Owners to whom a Limited Common Element is appurtenant, the Limited Common Elements appurtenant to his Unit, in good repair; provided, however, any balcony which is a Limited Common Element shall be maintained by the Council of Unit Owners. Every Unit Owner must perform promptly all maintenance and repair work within that Owner's Unit and assigned Limited Common Elements, which, if omitted, would affect the Common Elements or any other Unit. Such Owner is expressly responsible for all damages and liabilities resulting from that Owner's failure to so maintain and repair.

No Unit Owner may alter, make additions to, or make any changes in the exterior appearance of any Condominium Unit, or in any Limited Common Element or in any other portion of the Condominium unless the Unit Owner of that Unit shall have obtained the written approval of the Council of Unit Owners. A Unit Owner may not make any change, improvement or alteration which impairs the structural integrity or the mechanical systems, or lessens the support of any part of the Condominium. A Unit Owner may not alter, make additions to or change the appearance of the Common Elements, without the permission of the Council of Unit Owners.

The Council of Unit Owners, or any agent, employee, representative or manager designated by such Council, shall have the right, at all reasonable times, to enter any Condominium Unit and Limited Common Elements to ascertain compliance with the above obligations. If a Unit Owner fails to comply with any such obligations, the Council of Unit Owners, acting through its officers, Board of Directors, or any designated agent, employee, representative or manager, shall, after ten (10) days prior written notice to the Owner, and failure on the Owner's part to correct the matter set forth in such notice, take such action as may be appropriate to make any necessary repairs or prevent such changes and assess the cost thereof to such Unit Owner, as an assessment against his Condominium Unit, in the same manner as such Unit Owner is assessed his share of Common Expenses. In cases involving manifest danger to public safety or to property, the notice aforesaid shall not be required prior to the Council of Unit Owners making any repairs.

D. Common Expenses. All Common Expenses (including, but not limited to, expenses of the Condominium, the cost of any common expense costs for the Condominium Units, which are subject to this Condominium Regime, pursuant to the Open Space Declaration of Covenants and Cross Easements by Cromwell Fountain Associates, dated August 2, 1989 and recorded among the Land Records of Anne Arundel County in Liber 4659, folio 852 and any Cross Easements Declaration which may be recorded among the Land Records of Anne Arundel County prior hereto, contributions to a reserve for replacements, the cost of all

insurance carried by the Council of Unit Owners for the Condominium, its management expenses and the cost of Common Element utility services in the Condominium) shall be assessed to all Condominium Units included in an expansion of the Condominium. All such charges against any Condominium Unit and all charges applicable to that unit for repairs (or other corrections) to the Unit made pursuant to this Section Ninth. shall be levied and assessed against each Condominium Unit at the beginning of each fiscal year, and shall become due and payable in installments, as the Bylaws shall provide. Each Condominium Unit shall be subject to a lien in the amount of any unpaid assessments together with interest and actual costs of collection (including reasonable attorney's fees) upon the recording by the Council of Unit Owners of a "Statement Of Condominium Lien" among the Land Records of Anne Arundel County as provided in the Maryland Contract Lien Act or upon compliance with such other requirements as may be imposed by law and the Bylaws from time to time. The lien of the assessments provided for herein shall be subordinate to the lien of any recorded first mortgage(s) or deed(s) of trust now or hereafter placed upon any Unit. Sale or transfer of any Unit shall not affect the assessment lien. No sale or transfer shall relieve a Unit from liability for any assessments which became due prior to such sale or transfer nor from the lien of any subsequent assessment; provided, however, that sale or transfer of any Unit pursuant to foreclosure or any proceeding in lieu thereof under such aforesaid first mortgage(s) or deed(s) of trust, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer.

E. Rights of Ownership. Each Unit Owner may lease or rent that Unit Owner's Condominium for such term or terms as may be specified in the lease or rental agreement describing the same. All leases shall state that the lease is subject to the Declaration and Bylaws and that the Tenant agrees to abide by the provision of said Declaration and Bylaws and all rules and regulations of the Condominium. Unit Owners shall promptly provide a copy of any such lease or rental agreement to the Board of Directors of the Council of Unit Owners. Each Unit Owner may also alienate, mortgage, pledge, transfer, grant as a gift, or convey in any other manner that Unit Owner's Condominium Unit. Any mortgage or other security transfer as such shall not be considered as a change of ownership for purposes of voting or holding office in the management of the Condominium or for purposes of assessment of charges of the Condominium as aforesaid. Each Condominium Unit shall continue to remain subject to the provisions of this Declaration, the Bylaws and rules and regulations of the Condominium, and the management of the Condominium by the Council of Unit Owners, its Board of Directors and its officers, however, the same may be leased, mortgaged, granted, conveyed or otherwise alienated.

F. Use of Units. All Units shall be used for residential purposes only; provided, however, that Grantor shall be permitted to use not more than ten (10) Units owned by Grantor at any time and from time to time, in any other manner not prohibited by law, including use as model units for prospective buyers of Units.

TENTH: INSURANCE.

A. Duty of Council of Unit Owners to Maintain Property and Liability Insurance. Commencing not later than the time of the first conveyance of a Unit to a person other than Grantor, the Council of Unit Owners shall maintain, to the extent reasonably available:

1. Property insurance on the Common Elements and Units, exclusive of improvements and betterments installed in Units by Unit Owners, insuring against fire and extended coverage perils as provided for in Article XIII of the Bylaws. The total amount of insurance after application of any deductible may not be less than eighty percent (80%) of the actual cash value of the insured property, exclusive of land, excavations, foundations, and other items normally excluded from property policies;

2. Comprehensive general liability insurance, including medical payments insurance, covering all occurrences arising out of or in connection with the use, ownership, or maintenance of the Common Elements in limits of at least \$1,000,000.00 for injuries or damages sustained by one or more persons in any one accident, and \$50,000.00 for property damages, all as provided in Article XIII of the Bylaws; and,

3. Any other insurance required by law to be provided for Condominiums.

B. Provisions of Property and Liability Insurance Policies. Insurance policies carried pursuant to Subsection A. shall provide that:

1. Each Unit Owner is an insured person under the policy with respect to liability arising out of his ownership of an undivided interest in the Common Elements or membership in the Council of Unit Owners;

2. The insurer waives its rights to subrogation under the policy against any Unit Owner of the Condominium or members of his household;

3. An Act or omission by any Unit Owner, unless acting within the scope of his authority on behalf of the Council of Unit Owners, does not void the policy and is not a condition to recovery under the policy; and

4. If, at the time of a loss under the policy, there is other insurance in the name of a Unit Owner covered by the policy, the policy is primary insurance not contributing with the other insurance.

C. Disbursement of Proceeds of Property Policy. Any loss covered by the property policy under Subsection A.1. shall be adjusted and disbursed in accordance with Section 11-114 of the Act.

D. Repair or Reconstruction.

1. Any portion of the Condominium damaged or destroyed shall be repaired or replaced by the Council of Unit Owners unless:

- (a) The Condominium is terminated;
- (b) Repair or replacement would be illegal under any State or local health or safety statute or ordinance; or,
- (c) Eighty percent (80%) of the unit Owners, including every Owner of a Unit or assigned Limited Common Element, which will not be rebuilt, vote not to rebuild.

2. The cost of repair or replacement in excess of insurance proceeds and reserves is a Common Expense.

3. If the damage or destroyed portion of the Condominium is not repaired or replaced:

- (a) The insurance proceeds attributable to the damaged Common Elements shall be used to restore the damaged areas to a condition compatible with the remainder of the Condominium;
- (b) The insurance proceeds attributable to Units and Limited Common Elements, which are not rebuilt, shall be distributed to the Unit Owners of those Units and the Owners of the Units to which those Limited Common Elements were assigned; and,
- (c) The remainder of the proceeds shall be distributed to all the unit Owners in proportion to their Common Elements percentage interest.

4. If the Unit Owners vote not to rebuild any Unit, that Unit's entire Common Element interest, votes in the Council of Unit Owners, and Common Expense liability are automatically reallocated upon the vote as if the Unit had been condemned under Section 11-112 of the Act, and the Council of Unit Owners promptly shall prepare, execute, and record an amendment to the Declaration reflecting the reallocations.

5. The distribution of insurance proceeds, if the Condominium is terminated, shall be in accordance with Section 11-123 of the Act.

ELEVENTH: TERMINATION.

A. Votes Necessary to Terminate. Except in the case of a taking of all the Units by eminent domain pursuant to the Act, a Condominium may be terminated only by agreement of Unit Owners of Units to which at least eighty percent (80%) of the votes in the Council of Unit

Owners are allocated and the written consent of Mortgagees representing at least seventy percent (70%) of the votes of Units that are subject to first mortgages or deeds of trust.

B. Termination Agreement. An agreement of Unit Owners to terminate the Condominium must be evidenced by their execution of a termination agreement or ratifications thereof. If, pursuant to a termination agreement, the real estate constituting the Condominium is to be sold following termination, the termination agreement must set forth the terms of the sale. A termination agreement and all ratifications thereof must be recorded in the Circuit Court for Anne Arundel County.

C. Sale of Real Estate. The Council of Unit Owners, on behalf of the Unit Owners, may contract for the sale of the Condominium, but the contract is not binding on the Unit Owners until approved pursuant to Subsections A. and B. of this Section Eleventh. If the real estate constituting the Condominium is to be sold following termination, title to the real estate, upon termination, vests in the Council of Unit Owners as trustee for the holders of all interest in the Units. Thereafter, the Council of Unit Owners has all powers necessary and appropriate to effect the sale. Until the sale has been concluded and the proceeds thereof distributed, the Council of Unit Owners continues in existence with all powers it had before termination. Proceeds of the sale shall be distributed to Unit Owners and lien holders as their interests may appear, in proportion to the respective interests of Unit Owners as provided in Subsection F. Unless otherwise specified in the termination agreement, as long as the Council of Unit Owners holds title to the real estate, each Unit Owner and his successor in interest have an exclusive right to occupancy of the portion of the real estate that formerly constituted his Unit. During the period of that occupancy, each Unit Owner and his successors in interest remain liable for all assessments and other obligations imposed on Unit Owners by the Act or this Declaration.

D. Title to Unsold Real Estate; Occupancy. If the real estate constituting the Condominium is not to be sold following termination, title to the real estate, upon termination, vests in the unit Owners as tenants in common in proportion to their respective interests as provided in Subsection F., and liens on the Units shift accordingly. While the tenancy in common exists, each Unit Owner and his successor in interest have an exclusive right to occupancy of the portion of the real estate that formerly constituted his Unit.

E. Distribution of Assets of Council of Unit Owners. Following termination of the Condominium, and after payment of or provision for the claims of the creditors of the Council of Unit Owners, the assets of the Council of Unit Owners shall be distributed to Unit Owners in proportion to their respective interests as provided in Subsection F. The proceeds of sale described in Subsection C. and held by the Council of Unit Owners as trustee are not assets of the Council of Unit Owners.

F. Respective Interests of Unit Owners. The respective interests of Unit Owners referred to in Subsections C., D. and E. are as follows:

1. Except as provided in Paragraph 2., the respective interests of Unit Owners are the fair market values of their Units, Common Elements, and Common Element interests

immediately before the termination, as determined by one or more independent appraisers selected by the Council of Unit Owners. The decision of the independent appraisers shall be distributed to the Unit Owners and becomes final unless disapproved within thirty (30) days after distribution by Unit Owners of Units to which twenty-five percent (25%) of the votes are allocated. The proportion of any Unit Owner's interest to that of all Unit Owners is determined by dividing the fair market value of that Unit Owner's Unit and common Element interest by the total fair market values of all the Units and Common Elements; or

2. If any Unit or any Limited Common Element is destroyed to the extent that an appraiser of the fair market value thereof prior to destruction cannot be made, the interests of all Unit Owners are their respective Common Element interests immediately before the termination.

G. Foreclosures or Enforcement of Lien or Encumbrance. Foreclosure or enforcement of a lien or encumbrance against the entire Condominium does not of itself terminate the Condominium, and foreclosure or enforcement of a lien or encumbrance against a portion of the Condominium does not withdraw that portion from the Condominium.

H. Compliance with Law. It is the intention of this Section Eleventh that these provisions for termination of the Condominium comply with the provisions of the Maryland Condominium Act in effect as of the date of this Declaration. Therefore, notwithstanding the above Subsection A. through G., if the provisions of the Maryland Condominium Act regarding termination of Condominiums should be amended, then the provisions of this Section Eleventh shall be deemed to be amended as of the effective date of the corresponding amendments to the Maryland Condominium Act.

TWELFTH: UNIT SUBJECT TO DECLARATION AND BYLAWS.

All present and future Owners, tenants and occupants of Units shall be subject to, and shall comply with the provisions of the Maryland Condominium Act, of this Declaration and the Bylaws, as provided for in the Bylaws, as they may be amended from time to time. The acceptance of a deed or conveyance or the entering into a lease agreement that the provisions of this Declaration and the Bylaws, as they may be amended from time to time, are accepted and ratified by such Owner, tenant, or occupant, and all of such provisions shall be deemed and taken to be covenants running with the land and shall bind any person having at any time any interest or estate in such Unit, as though such provisions were recited and stipulated at length in each and every deed or conveyance or lease thereof.

THIRTEENTH: ADMINISTRATION OF CONDOMINIUM.

A non-stock corporation to be known as Cromwell Fountain BUILDERS Condominium, Inc., formed or to be formed, comprising all the Unit Owners shall be considered the Council of Unit Owners and shall elect a Board of Directors, pursuant to the Bylaws, it being the intent hereof that such Corporation shall be equivalent to the Council of Unit Owners as set out in the Act. Each Owner of a Unit shall automatically, upon becoming

the Owner of a Unit or Units, be a member of the Corporation. Each Unit Owner shall remain a member of said Corporation until such time as his ownership ceases for any reason, at which time his membership in said Corporation shall automatically cease. Each Unit shall have one vote at meetings of the Corporation and said one vote is appurtenant to each Unit.

FOURTEENTH: EASEMENTS.

The Council of Unit Owners of the Condominium shall have the right and authority to grant, from time to time, easements, rights-of-way, licenses, and similar interests with respect to and affecting the Common Elements of the Condominium, provided that no such grant shall be effective unless the same shall have been approved by the affirmative vote of Unit Owners having seventy percent (70%) or more of the votes and shall have the express written consent of the mortgagees holding an interest in those Units as to which Unit Owners vote affirmatively. Any such easement, right-of-way, license, or similar interest shall state that the grant was approved by Unit Owners having at least seventy percent (70%) or more of the votes.

FIFTEENTH: MORTGAGES.

A. Records. An Owner who mortgages his Condominium Unit or conveys his Condominium Unit by mortgage or deed of trust shall notify the Board of Directors of the name and address of the mortgagee or of the beneficiary under the deed of trust, and the Board shall maintain such information in a book entitled "Mortgages of Units." If any mortgagee or beneficiary so requests the Board in writing, the Board shall send such mortgagee or beneficiary copies of all notices, reports, audits or other materials sent to the Unit Owner in whose Unit such mortgagee or beneficiary holds a secured interest. Such mortgagee or beneficiary shall also have the right to inspect the books and records of the Board of Directors and the Council of Unit Owners upon written request to the Board. In addition, upon request of the mortgagee or beneficiary in writing to the Board, the Council shall notify in writing any such mortgagee or beneficiary of a default in excess of thirty (30) days in payment of common assessments with respect to such mortgagee's or beneficiaries' Unit.

B. Priority over Assessment. The interest in a Unit held by a Mortgagee thereof under his mortgage shall be free of any claim or any lien for any Condominium assessment levied against such Unit before such mortgage is recorded among the Land Records, unless prior to such recordation a statement of lien (as that term is defined by the provisions of the Maryland Contract Lien Act) in respect of such assessment is recorded among the Land Records.

C. Actions Conditioned on Mortgagee's Approval. Except as provided by the Act, the Declaration, or the Bylaws in case of condemnation or substantial loss to the Units and/or Common Elements of the Condominium, and subject to the rights of the Grantor set forth in this Declaration, unless seventy percent (70%) of all of the first Mortgagees of the Units give their prior written approval thereof, neither the Council nor any Unit Owner shall by act or omission:

1. Abandon or terminate the Condominium;

2. Partition or subdivide, or seek to partition or subdivide any such Unit;

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

4. Change the pro rata interest or obligations of any individual Condominium Units for the purpose of levying assessments or charges or allocating distribution of hazard insurance proceeds or condemnation awards and/or for determining the pro rata share of ownership of each Unit in appurtenant real estate and any improvements thereon which are owned by the Unit Owners in the Condominium in undivided pro rata interests (Common Elements);

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

6. Add or amend any material provisions of the Declaration or Bylaws, which establish, provide govern or regulate any of the following: (a) voting; (b) assessments, assessments liens or subordination of such liens; (c) reserves for maintenance, repair and replacement of the Common Elements; (d) insurance or fidelity bonds; (e) rights to use of the Common Elements; (f) responsibility for maintenance and repair; (g) expansion or contraction of the Condominium of the addition, annexation or withdrawal of property to or from the Condominium (unless pursuant to the plan of expansion contained in the Declaration or Bylaws); (h) boundaries of any Unit; (i) reallocation of interests in the General or Limited Common Elements; (j) convertibility of any Units into Common Elements or of Common Elements into Units; (k) leasing of units; (l) a decision by the Council to establish self-management when professional management had been required previously by a Mortgagee; (m) restoration or repair of the Condominium after a hazard or partial condemnation; (n) imposition of any right of first refusal; and (o) any provisions which are for the express benefit of Mortgagees, or insurers, or guarantors of first mortgages on Unit.

D. Right to Inspect and Receive Audited Statement and Notice. A Mortgagee or any insurer or guarantor of a first mortgage on a Unit, shall, upon request to the Council setting forth their address, and provided that such Mortgagee, insurer or guarantor has furnished the Council with the information which it is required by the Bylaws to furnish the Council, in the manner set forth therein, be entitled to:

1. Inspect the Council's books and records during normal business hours;

2. Require the preparation of and receive an annual audited financial statement of the Council within ninety (90) days after the end of the fiscal year of the Council, at the cost of such Mortgagee, insurer or guarantor;

3. Be given timely notice of all meetings of the Council, and to designate a representative to attend all such meetings; and,

4. Be given timely written notice by the Council of:

(a) Any proposed amendment of this Declaration, the Bylaws or the Condominium Plats which would affect a change in (1) the boundaries of any Unit, (2) the undivided percentage interests in the Common Expenses and the Common Profits appurtenant to any Unit, except for changes by way of expansion of the Condominium provided in Article Second of this Declaration, (3) the number of votes held by the Unit Owner of any Unit, or (4) the purposes to which any Unit or the Common Elements are restricted by the provisions of this Declaration, the Bylaws or the Condominium Plat;

(b) Any proposed termination of the Condominium;

(c) Any Condemnation or eminent domain proceeding affecting any or all of the Condominium;

(d) The occurrence of any significant damage to or destruction of the Common Elements;

(e) Any default by the Unit Owner of such Mortgagee's Unit in performing such Unit Owner's obligations under the provisions of this Declaration or the Bylaws which is not cured within thirty (30) days after the commencement of such default; and,

(f) Any proposed action that requires the consent of a specified percentage of Mortgagees.

E. Rights in Event of Damage or Destruction. If any or all of the Unit is substantially damaged, destroyed or made the subject of any condemnation or eminent domain proceeding, or its acquisition is otherwise sought by any condemning authority, each Unit Owner and each Mortgagee shall have such rights in connection therewith as are set forth in the provisions of the Act, this Declaration, and the Bylaws, including, by way of example rather than of limitation, those provisions governing the deposition or distribution of the proceeds thereof, any resulting reallocation of the respective undivided percentage interests in the Common Expenses and the Common Elements, and votes appurtenant to the Units, and any restoration or repair of the Condominium necessitated thereby.

Nothing in the provisions of this Declaration, the Bylaws or the Condominium Plat shall entitle the Unit Owner or any other party to priority over any Mortgagee of such Unit in the distribution with respect to such Unit of the proceeds of (a) any insurance accruing as a

result of any such damage or destruction, or (b) any award or settlement made as a result of any such condemnation, eminent domain proceeding or acquisition.

SIXTEENTH: CONDEMNATION.

The Corporation shall represent the Unit Owners in the Condemnation proceedings or in negotiations, settlements and agreements with the condemning authority for acquisition of the General Common Elements, or part thereof, by the condemning authority. The Condemnation award or proceeds or settlement for General Common Elements shall be paid to the Corporation to be held in trust for Unit Owners and mortgagees as their interest may appear.

SEVENTEENTH: AMENDMENT OF DECLARATION AND MERGER.

A. Except as provided for elsewhere herein, for so long as Grantor, or its successors and assigns, shall own all of the Units, Grantor shall have the sole right to amend this Declaration (including any amendments altering the percentage of ownership in Common Elements) which amendment need only be signed and acknowledged by the Grantor and recorded among the Land Records of Anne Arundel County.

B. Except as provided in Section Second of this Declaration, this Declaration may be amended only with the written consent of eighty percent (80%) of the Unit Owners. No such amendment shall be effective until recorded among the Land Records of Anne Arundel County, Maryland.

C. The Condominium Regime may not be amended or merged with a successor condominium regime without prior written approval of the Veterans Administration and Federal Housing Administration.

D. Anything in sub-section B. above to the contrary notwithstanding, no amendment to this Declaration shall alter or amend any rights granted to Grantor under the provisions hereto unless the Grantor shall consent in writing to such amendments.

EIGHTEENTH: SEVERABILITY.

Invalidation of any one of these covenants by judgment, decree or order of a court of competent jurisdiction shall in no way affect any other provisions hereof, each of which shall remain in full force and effect.

NINETEENTH: WAIVER.

No provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

TWENTIETH: 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 Grantor has caused this writing to be executed and delivered in its name and on its behalf on the day and year first above written.

WITNESS:

**CROMWELL BUILDERS LIMITED
PARTNERSHIP**
a Maryland limited partnership

BY: CROMWELL III ASSOCIATES, INC.
a Maryland corporation
General Partner

Linda M. Bethman

By: *F. James Scott, Jr.* (SEAL)
F. James Scott, Jr., President

STATE OF MARYLAND,
CITY/COUNTY OF Anne Arundel, to wit:

I HEREBY CERTIFY that on this 27 day of March, 1998, before me, a Notary Public of the State of Maryland, personally appeared **F. JAMES SCOTT, JR.**, who acknowledged himself to be the President of CROMWELL III ASSOCIATES, INC. (the "Corporation"), the sole general partner of CROMWELL BUILDERS LIMITED PARTNERSHIP, and that he, as such President, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the Corporation, acting in its capacity as general partner, by himself as such officer.

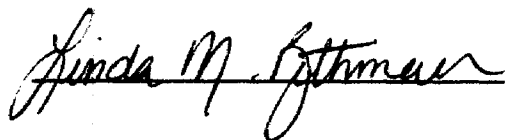
IN WITNESS WHEREOF, I hereunto set my hand and official seal.

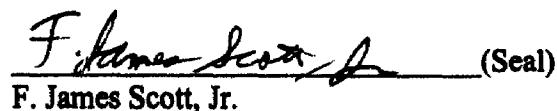


Linda M. Bethman
Notary Public
My Commission Expires: 9/1/01

I HEREBY AFFIRM under the penalty of perjury that the notice requirements of Section 11-102.1 of the Real Property Article, Annotated Code of Maryland, if applicable, have been fulfilled.

WITNESS:



 (Seal)
F. James Scott, Jr.

I HEREBY CERTIFY that this instrument was prepared by or under the supervision of the undersigned, an attorney admitted to practice before the Court of Appeals of Maryland.


James C. Praloy

EXHIBIT A**Description of Property - Phase 1**

BEING all that property shown as Phase 1 as shown on the Condominium Plats entitled "CROMELL FOUNTAIN BUILDERS CONDOMNIUM", which Plats are recorded among the Land Records of Anne Arundel County, Maryland in Condominium Plat Book E-82, folio 4, et seq.

BEING part of the property conveyed to Grantor by a Deed from Frank J. Scott, Sr., dated APRIL 01, 1998 and recorded among the Land Records of Anne Arundel County in Liber 8366, folio 710.

SUBJECT to the following matters:

- A. Taxes and other public charges (including assessment by any County, Municipality, Metropolitan District or Commission).
- B. Matters of public record.
- C. Easements and rights-of-way to Anne Arundel County and public utility companies not included in above and existing as of the date hereof.
- D. Easements, rights-of-way and other matters shown on the Subdivision and Condominium Plats of the Property.
- E. Easements and rights-of-way which may be observed by an inspection of the Property.
- F. Zoning and building restrictions and other laws, ordinances and regulations of governmental bodies having jurisdiction over the Property.
- G. The Condominium documents for the Cromwell Fountain Builders Condominium.
- H. Any Cross Easement Declaration which may be recorded with respect to the subject Property.
- I. The Open Space Declaration of Covenants and Cross Easements, by Cromwell Fountain Associates, dated August 2, 1988 and recorded among the Land Records of Anne Arundel County in Liber 4659, folio 852.

After recording, please return to:

James C. Praley
Lessans, Praley & McCormick, P.A.
7419 Baltimore-Annapolis Blvd.
P.O. Box 1330
Glen Burnie, Maryland 21060

EXHIBIT B TO CONDOMINIUM DECLARATION**CROMWELL FOUNTAIN BUILDERS CONDOMINIUM****BYLAWS**

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CROMWELL FOUNTAIN BUILDERS CONDOMINIUM, INC.**BYLAWS****ARTICLE I****Administration**

Section 1. Corporation. Cromwell Fountain Builders Condominium, located in Anne Arundel County, Maryland, shall be a condominium, subject to the provisions of Title 11 of the Real Property Article of the Annotated Code of Maryland. The administration of this Condominium shall be by the Council of Unit Owners, which shall be the corporation incorporated as a non-stock Corporation under the provisions of Title 5, Subtitle 2 of the Corporations and Associations Article of the Annotated Code of Maryland, and by its Board of Directors. These Bylaws shall be the Bylaws of the Corporation, and by its Board of Directors.

Section 2. Bylaws Applicability. The provisions of these Bylaws shall apply to the Condominium, including the property, the improvements that are now or will be a part of the Condominium and all property hereafter purchased by the Council of Unit Owners or added to the Condominium.

Section 3. Personal Application. All present and future Owners, tenants and future tenants, and their employees, and any other person that may at any time use the facilities of the Condominium in any manner are subject to the regulations set forth in these Bylaws and to the declarations set forth in the Declaration to which these Bylaws are attached. The mere acquisition or rental of any of the Condominium Units described in the Declaration or the mere act of occupancy of any of those Units will signify that these Bylaws, as they may be amended from time to time, are accepted, ratified, and will be complied with.

Section 4. Administration and Powers. The Corporation shall have all of the powers permitted to it by law, including powers given by law to Boards of Directors and the Council of Unit Owners of Condominiums, in order to promote the interests of the Condominium and the Unit Owners in relation to the Condominium. The enumeration in these Bylaws of any particular powers shall not be to the exclusion of any other powers permitted by law. Unless otherwise provided by the Act, the Corporation may delegate any of its powers or responsibilities to a Board of Directors, as set forth herein, which may in turn, delegate those powers or responsibilities to the officers of the Corporation and/or to a manager or managing organization engaged by contract to undertake any of such responsibilities. Each Unit Owner shall be entitled to the number of votes designated for its Units in the Declaration. No lessee, lien holder, mortgagee, pledgee or contract purchaser, as such, shall have any voting rights with respect to the affairs of the Corporation except by such written proxies as may be permitted by law.

ARTICLE II**Name and Location**

Section 1. Name and Location. The name of this Corporation is Cromwell Fountain Builders, Inc., and its mailing address is c/o Shoreland Management Company, Inc., 102 Sixth Avenue, N.E., Suite A, Glen Burnie, Maryland 21060, provided that the Corporation may designate another mailing address upon a majority vote of the Board of Directors.

ARTICLE III**Definitions**

Section 1. Assessment. The assessments provided for in the Declaration and these Bylaws.

Section 2. Corporation. The "Corporation" shall be Cromwell Fountain Builders Condominium, Inc., and is the Council of Unit Owners referred to in the Declaration.

Section 3. Declaration. The "Declaration" as used herein means that certain Declaration made by Cromwell Fountain Builders Limited Partnership, a Maryland limited partnership, pursuant to Title 11, Section 11-101, et seq. of the Real Property Article of the Annotated Code of Maryland (the "Maryland Condominium Act" or the "Act"), by which certain described Condominium Property is submitted to a Condominium Regime and which Declaration is recorded or intended to be recorded among the Land records of Anne Arundel County, Maryland, immediately prior hereto and to which these Bylaws are appended as an Exhibit.

Section 4. 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 Section 11-101 of the Act.

ARTICLE IV**Membership**

Section 1. Members. Every person, group of persons, corporation, trust or other legal entity, or any combination thereof, who holds legal title to a Condominium Unit within the Cromwell Fountain Builders Condominium shall be a member of the Corporation; provided, however, that any mortgagee or trustee under a deed of trust, as such, shall not be deemed to be a member.

ARTICLE V

Meetings of Members

Section 1. Place of Meetings. Meetings of the membership shall be held at the principal office or place of business of the Corporation or at such other suitable place convenient to the membership as may be designated by the Board of Directors. All meetings shall be held within the State of Maryland.

Section 2. Annual Meetings. The annual meetings of the members of the Corporation shall be held annually, on a date to be designated by the Directors. At such meeting there shall be elected by ballot of the members a Board of Directors in accordance with the requirements of Section 5 of Article VI of these Bylaws. Any business of the Corporation may be transacted at an annual meeting without being specially designated in the notice described in Section 4 of this Article, except such business as is specifically required by statute, by the Declaration or by these Bylaws to be stated in such notice. Failure to hold an annual meeting shall not, however, invalidate the existence of the Condominium or of the Corporation or affect its otherwise valid acts. The first annual meeting will be held within sixty (60) days of conveyance of fifty percent (50%) of the Percentage Interests or as provided by law.

Section 3. Special Meetings. The President or a majority of the Board of Directors may call a special meeting of the members. In addition, it shall be the duty of the President to call a special meeting of the members upon a petition signed by members representing at least twenty-five percent (25%) of the percentage interests of the Condominium having been presented to the Secretary. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice unless by consent of four-fifths (4/5) of the members present, either in person or by proxy.

Section 4. Notice of Meetings. It shall be the duty of the Secretary to mail a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, to each member of record, at his address as it appears on the membership book of the Corporation, or if no such address appears, at his last known place of address, at least fifteen (15) days, but not more than sixty (60) days prior to such meeting. Service may also be accomplished by the delivery of any such notice to the member at his dwelling unit or last known address or usual place of business. Notice by either such method shall be considered as notice served. If mailed, such notice shall be deemed to be given when deposited in the United States mail addressed to the Unit Owner at its post office address as it appears on the records of the Corporation, with first class postage thereon prepaid. Notwithstanding the foregoing provision, a waiver of notice in writing, signed by the person or persons entitled to such notice and filed with the records of the meeting, whether before or after the holding thereof, or actual attendance at the meeting in person or by proxy, shall be deemed equivalent to the giving of such notice to such persons. Any meeting of the Corporation, annual or special, may adjourn from time to time to reconvene at the same or some other place, as provided in Section 5-206 of the Corporations and Associations Article.

Section 5. Quorum. The presence, either in person or by proxy of members representing at least twenty five percent (25%) of the votes assigned to Units by the Declaration shall constitute a quorum for the transaction of business at all meetings of members. If the number of members at the meeting drops below the quorum and the question of a lack of a quorum is raised, no business may thereafter be transacted. This Section shall not affect any requirement under statute or under the Declaration for the vote necessary for the adoption of any measure. In the absence of a quorum the Unit Owners present in person or by proxy, by majority vote and without notice other than by announcement, may adjourn the meeting from time to time as provided in Section 5-206 of the Corporations and Associations Article.

Section 6. Voting. At every meeting of the members, the members shall have the right to cast the number of votes appurtenant to his Unit, which is the number of votes allocated to that Unit by the Declaration. When more than one person holds the interest required for membership in any Condominium Unit, the vote for such Unit shall be exercised as they among themselves determine, but in no event shall more votes be cast with respect to any one Unit than is allocated to that Unit in the Declaration. A majority of the votes cast at a meeting of the Corporation, in person or by proxy, shall decide any question brought before such meeting, unless the question is one upon which, by express provision of statute or of the Articles of Incorporation, or of the Declaration or of these Bylaws, a different vote is required, in which case such express provision shall govern and control.

Section 7. Proxies. A Unit Owner may vote either in person or by proxy executed in writing by the Unit Owner or by his duly authorized attorney-in-fact. No proxy shall be valid after one hundred eighty (180) days from its date, except that a proxy granted to a lessee or mortgagee shall be effective in accordance with its terms. Every proxy shall be in writing, dated, and subscribed by the Unit Owner or its duly authorized agent; provided, however, that proxy voting for candidates for members of the Board of Directors or officers may only be for candidates designated by the Unit Owners. A proxy need not be sealed, witnessed or acknowledged.

Section 8. List of Owners. At each meeting of the Corporation the Secretary shall furnish a list in of all Unit Owners entitled to vote at such meeting.

Section 9. Addresses. Each Unit Owner shall furnish the Secretary with his name and current mailing address. No Unit Owner may vote at meetings of the members until the information is furnished.

Section 10. Informal Action by Owners. Any action required or permitted to be taken at any meeting of the Corporation may be taken without a meeting, if a consent in writing setting forth such action is signed by all of the Unit Owners entitled to vote on the subject matter thereof, and such consent is filed with the records of the Corporation.

Section 11. Open Meetings. All meetings of the Council of Unit Owners shall be open, except for meetings held in conformance with the provisions of Section 11-109.1 of the Act.

ARTICLE VI

Board of Directors

Section 1. Number and Qualification. The affairs of the Corporation shall be governed by the Board of Directors composed of five (5) persons, all of whom shall be members of the Corporation, except as otherwise provided herein. A corporation or other legal entity which is a member of the Corporation may designate a person (or in the case of ownership of more than one Unit, more than one person) to act for it, and any member is eligible to hold as many directorships as the number of Condominium Units it owns. By a vote of the majority of the Unit Owners, the number of Directors may be increased or decreased, from time to time, to not less than three (3) nor more than nine (9) Directors, but the tenure in office of a Director shall not be affected by any decrease in the number of Directors so made by the Board.

Section 2. Powers and Duties. The Board of Directors shall have all the powers and duties necessary for the administration of the affairs the Corporation and may do all such acts and things as are not unlawful or by these Bylaws or the Declaration directed to be exercised and done by the members. The powers and duties of the Board of Directors shall include, but not limited to, the following:

(A) To provide for the care, upkeep and surveillance of the Condominium Project and its General and Limited Common Elements and services in a manner consistent with the provisions of these Bylaws and the Declaration.

(B) To establish and provide for the collection of assessments and/or carrying charges from the members and for the assessment and/or enforcement of liens therefore in a manner consistent with the provisions of these Bylaws and the Declaration.

(C) To provide for the designation, hiring and/or dismissal of the personnel necessary for the good working order of the Condominium Project and for the proper care of the General and Limited Common Elements and to provide services for the Project in a manner consistent with the provisions of these Bylaws and the Declaration.

(D) To promulgate and enforce such rules and regulations and such restrictions on or requirements as may be deemed proper respecting the use, occupancy and maintenance of the Condominium Project 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 Project and of the General and Limited Common Elements by the members all of which shall be consistent with the provisions of these Bylaws and the Declaration.

(E) To impose fines, suspend voting rights or impose other sanctions for violations of the Declaration, these Bylaws or Rules and Regulations of the Condominium, in accordance with the procedures set forth in Section 11-123 of the Maryland Condominium Act, as amended from time to time.

(F) To have unauthorized vehicles removed from the Common Elements in accordance with rules adopted by the Council of Unit Owners and posted in the parking areas or other conspicuous location.

Section 3. Delegation of Duties. The Board of Directors may delegate any of such duties and responsibilities to the officers of the Corporation or to the Management Agent, or to both.

Section 4. Management Agent. Except as provided for in the Act, the Board of Directors may employ for the Corporation a management agent (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 authorize, including, but not necessarily limited to, the duties set out in Subsections (A) through (D) of Section 2 of this Article.

Section 5. Election and Term of Office. The term of the Directors named in the Articles of Incorporation shall expire when their successors have been elected at the first annual meeting of members. At the first annual meeting of the members, and at each annual meeting thereafter, the members shall elect two (2) Directors to serve for a three (3) year term, two (2) Directors to serve for a two (2) year term and one (1) Director to serve a one (1) year term, or until their respective successors are elected and qualify.

Section 6. Vacancies. Any vacancy occurring in the Board of Directors for any cause other than by reason of an increase in the number of Directors may be filled by a majority of the remaining members of the Board of Directors, although such majority is less than a quorum. Any vacancy occurring by reason of an increase in the number of Directors may be filled by action of a majority of the Council of Unit Owners. A Director elected by the Board of Directors to fill a vacancy shall be elected to hold office until the next annual meeting of the members, or until his successor is elected and qualifies.

Section 7. Removal of Directors. At a regular or special membership meeting duly called, and at which a quorum is present, any Director may be removed with or without cause by the affirmative vote of the holders of a majority of the votes entitled to be cast thereon, and a successor may then and there be elected to fill the vacancy thus created.

Section 8. Compensation. No compensation shall be paid to Directors for their services as Directors. However, Directors may be reimbursed for expenses incurred in the performance of their duties. A Director who serves the Corporation in any other capacity, however, may receive compensation therefore without a vote of the members.

Section 9. Organizational 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 members at the meeting at which such Directors were elected, or in default of such designation at the principal office of the Corporation, 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.

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 four (4) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director, personally or by mail, telephone or telegraph, at least three (3) days prior to the day named for such meeting. Notice of regular meetings of the Board of Directors shall be sent to all Unit Owners at least annually, prior to the meetings. Meetings of the Board of Directors shall be open to Unit Owners.

Section 11. Special Meetings. Special meetings of the Board of Directors may be called by the President or by any two (2) Directors on three (3) days notice to each Director, given personally or by mail, telephone or telegraph, which notice shall state the time, place (within the State of Maryland) and purpose of the meeting. The notice of meeting shall also be posted at a conspicuous place with the property of the Corporation designated for such purpose.

Section 12. Notice of Meetings. Notice of place, day and hour of every regular and special meeting shall be given to each Director three (3) days (or more) before the meeting, by telephone, or by sending the same to him or her by telegraph, or by delivering the same to him or her personally by direct delivery or by leaving the same at his or her residence or usual place of business, or in the alternative, by mailing such notice, postage prepaid, and addressed to each Director at his or her last known post office address, according to the records of the Corporation. Unless required by these Bylaws or by resolution of the Board of Directors, no notice of any meeting of the Board of Directors need state the business to be transacted thereat.

Section 13. Waiver of Notice. Before or at 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 and place 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 14. Quorum. At all meetings of the Board of Directors a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be acts of the Board of Directors, unless otherwise required by statute, the Declaration or these Bylaws. If at any meeting of the Board of Directors there shall be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any

business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 15. Action without Meeting. Any ministerial action by the Board of Directors, except for adoption of the budget, 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 minutes of proceedings of the Board of Directors.

Section 16. Committees. The Board of Directors may by resolution provide for such standing or special committees as it deems desirable, and discontinue the same at the Board's pleasure. Each such committee shall have powers and perform such duties, not inconsistent with law, as may be assigned to it by the Board of Directors.

Section 17. Open Meetings. All meetings of the Board of Directors shall be open, except for meetings held in conformance with the provisions of Section 11-109.1. of the Act.

ARTICLE VII

Officers

Section 1. Designation. The principal officers of the Corporation shall be a President, a Vice-President, a Secretary and a Treasurer, all of whom shall be elected by the Board of Directors. The Directors may appoint an assistant secretary and assistant treasurer and such other officers as in their judgment may be necessary. The President and Vice-President shall be chosen from among the Directors, and shall be members of the Corporation, however, the other officers need not be Directors or members of the Corporation.

Section 2. Election of Officers. The officers of the Corporation 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 Directors 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, but such removal shall be without prejudice to the contractual rights, if any, of the person so removed.

Section 4. President. The President shall be the chief executive officer of the Corporation. He shall preside at all meetings of the members and of the Board of Directors. He shall have all 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 committees from among the membership from time to time as he may, in his discretion, decide is appropriate to assist in the conduct of the affairs of the Corporation. He may sign and execute in the name of the Corporation all authorized deeds, mortgages, bonds, contracts, or other instruments, except

in cases in which the signing and execution thereof have been expressly delegated to some other officer or agent of the Corporation.

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 perform such other duties as shall from time to time be imposed upon him by the Board of Directors.

Section 6. Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the members of the Corporation; he shall have custody of the seal of the Corporation; he 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 the duties incident to the office of Secretary. He shall count votes at membership meetings. Books and records of the Corporation shall be available to any member during regular business hours at the principal office of the Corporation, where copies may be purchased at a reasonable cost to members.

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

Section 8. Compensation. There shall be no compensation for all officers of the Corporation; however, expenses incurred in the performance of their duties shall be reimbursed.

ARTICLE VIII

Liability and Indemnification of Officers and Directors

Section 1. Liability and Indemnification of Officers and Directors. Subject to Section 2-418 of the Corporations and Associations Article of the Maryland Annotated Code, the Corporation shall indemnify every officer and Director of the Corporation against any and all expenses, including counsel fees, reasonably incurred by or 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 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, as provided in the Corporations and Associations Article. The officers or Directors of the Corporation shall not be liable, except as provided by the Corporations and Associations Article, to the members 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 or the

Condominium Project, except to the extent that such officers or Directors may also be Owners of Condominium Units, and the Corporation shall indemnify and forever hold each such officer and Director free and harmless against any and all liability to others and account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any rights to which any officer or Director of the Corporation, or former officer or Director of the Corporation, 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 Corporation. 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, including the Grantor, 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 authorizes or approves the contract or transaction, or because his or their votes are counted for such purpose, if any of the conditions specified in any of the following subparagraphs exist:

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

(C) The contract or transaction is commercially fair and 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 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 IX

Management and Maintenance

Section 1. Management and Common Expenses. The Corporation shall manage, operate and maintain the Condominium and, for the benefit of the Condominium Units and the Owners thereof, shall enforce the provisions hereof and shall pay out of the Common Expense fund the following:

(A) The Common Expenses as defined in the Declaration and in these Bylaws, including, but not limited to:

(i) The cost of providing water, sewer, garbage and trash collection, electrical, gas and other necessary utility services for the Common Elements, including any recreational facilities used by the Condominium Project and, to the extent that the same are not separately metered or billed, for the Condominium Units; provided, however, that if any of the aforementioned are provided or paid for the benefit of a particular Condominium Unit or Units, the costs thereof may be specially assessed to the Owner or Owners thereof, and provided further that such expenses that are related to maintenance of Limited Common Elements may be charged to the Unit Owners who are given the exclusive right to use such Limited Common Elements.

(ii) The cost of fire and extended liability insurance on the Condominium and the cost of such other insurance as the Corporation may effect, and to the extent that said costs are caused by or for the benefit of a particular Condominium Unit or Units and are not separately billed by the insurer, the costs thereof may be separately billed to the Owner or Owners thereof by the Corporation.

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

(iv) The cost of providing such legal and accounting services as may be considered necessary to the operation of the Condominium Project.

(v) The cost of painting, maintaining, replacing, repairing, landscaping and snow removal of the General Common Elements and such furnishings and equipment for the Common Elements as the Board of Directors shall determine are necessary and proper, and the Board of Directors shall have the exclusive right and duty to acquire the same; provided, however, that nothing herein contained shall require the Corporation to paint, repair or otherwise maintain the interior of any Condominium Unit or any fixtures or equipment located therein.

(vi) The cost of any and all other materials, supplies, labor, services, maintenance, repairs, taxes, assessments or the like which the Corporation 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 General Common Element; provided, however, that if any of the aforementioned are provided or paid for the benefit of a particular Condominium Unit or Units, the cost thereof may be specially assessed to the Owner or Owners thereof.

(vii) 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 General and Limited Common Elements or to preserve the appearance

or value of the project or is otherwise in the interest of the general welfare of all Owners of the Condominium Units; provided, however, that 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 Owner or Owners of the Condominium Unit on which such maintenance or repair is performed; provided, further, however, that any deck and the exterior of any shed location in a Limited Common Element shall be maintained by the Corporation at its cost without the necessity of a resolution of the Board of Directors or notice to the Owner, whether or not the shed or deck is a Limited Common Element or part of a Unit.

(viii) Any amount 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 an individual Condominium Unit.

(ix) The cost of any and all common expense costs incurred or payable by each and every Condominium Unit pursuant to the Open Space Declaration of Covenants and Cross Easements dated August 2, 1988 and recorded among the Land Records of Anne Arundel County in Liber 4659, folio 852, and any Cross Easement Declaration which may be recorded with respect to the Condominium Property.

(B) When pursuant to this Section 1 of Article IX, assessments are made to or against the Owner or Owners of Units, a statement for the amount thereof shall be rendered to the then Owner of said Condominium Unit, at which time the assessment shall become due and payable and a lien and obligation of said Owner in all respects as provided in Article X, Section 1 of these Bylaws.

Section 2. Management Agent. The Corporation may delegate any of its duties, powers or functions to the Management Agent, provided that such delegation shall be revocable upon thirty (30) days written notice and, except as may be otherwise provided in Section 11-133 of the Act, the Corporation 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 3. Owner's Obligation. Except for maintenance requirements herein imposed upon the Corporation, if any, the Owner of any Condominium Unit shall, at his own expense, maintain his Condominium Unit and the interior thereof and any and all equipment therein situate (including portions of utilities exclusively within a Unit's space), and its other appurtenances (including, without limitation, Limited Common Elements and any window, screens and fastening strips, door, balcony, deck, shed, terrace or patio, except if maintenance of such Limited Common Elements is specifically an obligation of the Corporation pursuant to Article IX, Section 1, of these Bylaws), 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 and such appurtenances. In addition to the foregoing, the Owner of any Condominium

Unit shall, at his own expense, maintain, repair or replace any plumbing fixtures, water heaters, refrigerators, freezers, dish-washers, clothes washers, clothes dryers, disposals, ranges and/or other equipment that may be in or appurtenant to such Condominium Unit. The Owner of any Condominium Unit shall also, at his own expense, maintain any Limited Common Elements which may be appurtenant to such Condominium Unit in a clean, orderly and sanitary condition, except if maintenance of such Limited Common Elements is specifically the obligation of the Corporation pursuant to Article IX, Section 1 of these Bylaws.

Section 4. Access at Reasonable Times. For the purpose solely of performing any of the repairs or maintenance required or authorized by these Bylaws, or in the event of a bona fide emergency involving illness or potential danger to life or property, the Corporation, through its duly authorized agents or employees, shall have the right, after reasonable notice to the Owner, to enter any Condominium Unit at any hour considered to be reasonable under the circumstances. An Owner of a Unit shall grant and be deemed to have granted a right of entry to any person authorized by the Corporation in case of any emergency originating in or threatening such Owner's Unit, whether or not the Owner is present at the time.

Section 5. Easements for Utilities and Related Purposes. The Council of Unit Owners is authorized and empowered to grant such licenses, easements and/or rights-of-way for sewer lines, water lines, electrical cables, telephone cables, gas lines, storm drains, underground conduits and/or such other purposes related to the provision of public utilities to the Condominium Project or other similar projects as may be considered necessary and appropriate by the Board of Directors for the orderly maintenance, preservation and enjoyment of the Common Elements, for the use of Condominium Units or for the preservation of the health, safety, convenience and/or welfare of the Owners of the Condominium Units, and any additional or annexed Units; provided, however, that the grant of easement or other interest are approved by the affirmative vote of Unit Owners having 70% or more of the votes and with the express written consent of the mortgagees holding an interest in those Units as to which Unit Owners vote affirmatively.

Section 6. Limitation of Liability. The Corporation shall not be liable for any failure of water supply or other services to be obtained by the Corporation or paid for out of the Common Expense funds, or for injury or damage to person or property caused by the elements or by the Owner of any Condominium Unit, or any other person. The Corporation 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 herein elsewhere provided, shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the Common Elements or from any action taken by the Corporation to comply with any law, ordinance or with the order or directive of any municipal or other governmental authority.

Section 7. Reimbursement. A Unit Owner shall reimburse the Corporation for any expenditures incurred in repairing or replacing any Common Element damaged through his or her fault. However, a Unit Owner shall not be required to reimburse the Corporation to the extent that the Condominium receives insurance proceeds with respect to any such damage.

Section 8. Open Space. The Condominium Units and Common Elements are subject to an Open Space Declaration of Covenants and Cross Easements, dated August 2, 1988 and recorded among the Land Records of Anne Arundel County in Liber 4659, folio 852, and the Bylaws of the Cromwell Fountain Open Space Association, Inc., recorded among the Land Records of Anne Arundel County in Liber 4659, folio 863, which documents deal with, among other things, certain cross easements, and open space and recreation areas. The Council is authorized to exercise the rights of the owners of Condominium Units as set forth in said Cross Easement Declaration and in said Declaration of Covenants and Cross Easements, including, but not limited to, the right to vote and the rights, if any, to participate in the management of the Open Space defined therein.

ARTICLE X

Assessments

Section 1. Assessments. Each Unit Owner is obligated to pay the assessments imposed upon him or her by the Corporation in order to meet Common Expenses as defined in the Declaration, which shall include a liability insurance policy premium and any fire and other hazard insurance premiums as set forth herein. The assessments shall be made according to the percentage interest of the Unit in the Common Expenses and Common Profits of the Condominium, as set out in the Declaration. Such assessments may include payments to a general reserve fund. Each regular assessment shall be levied and assessed annually and shall be due and payable as determined by the Board of Directors together with such late charges and may be imposed by the Board. Any special assessment, designated as such by the Board, shall be due and payable when assessed or at such other times and in such installments as the Board may designate. All unpaid assessments, at the option of the Board of Directors, shall bear interest at the rate of eighteen percent (18%) per annum from the date due. The Board of Directors shall also be empowered to charge a late charge of Fifteen Dollars (\$15.00) or the maximum permitted by the Maryland Condominium Act, whichever is greater, provided the charge may not be imposed more than once for the same delinquent payment and may only be imposed if the delinquency has continued for at least fifteen (15) calendar days. Payment of assessments, together with interest, late charges, if any, costs of collection and reasonable attorney's fees, may be enforced by the imposition of a lien on a Unit in accordance with the provisions of the Maryland Contract Lien Act set forth in Section 14-201 et. seq. of the Real Property Article of the Annotated Code of Maryland. Such lien may be enforcement and foreclosed in the same manner, and subject to the same requirements, as the foreclosure of mortgages or deeds of trust on property in Maryland, containing a power of sale or an assent to a decree. Suit for any deficiency following foreclosure may be maintained in the same proceeding, and suit to recover any money judgment for unpaid assessments may also be maintained in the same proceeding, without waiving the right to seek to impose a lien under the Maryland Contract Lien Act. The Board of Directors shall have the authority to suspend (a) the right of any Unit Owner to vote in matters before the Corporation, and (b) the right of the Unit Owner to use the recreational facilities appurtenant to ownership of a Unit, if the assessments for a Unit are delinquent and a Statement of Lien has been recorded against such Owner's Unit,

in accordance with the Maryland Contract Lien Act, and the amount of the lien or any portion thereof remains unpaid. The lien of the assessments provided for herein shall be subordinate to the lien of any recorded first mortgage(s) or deed(s) of trust now or hereafter placed on any Unit. Sale or transfer of any Unit shall not affect the assessment lien. No sale or transfer shall relieve a Unit from liability for any assessments which became due prior to such sale or transfer nor from the lien of any subsequent assessment; provided, however, that sale or transfer of any Unit to foreclosure or any proceeding in lieu thereof under such aforesaid first mortgage(s) or deed(s) of trust, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer.

Section 2. Common Expenses. Common Expenses shall be those Common Expenses set forth in the Declaration and such other Common Expenses provided for in these Bylaws.

Section 3. Determination of Annual Assessment. The Board of Directors shall cause to be prepared and submitted to the Unit Owners an annual proposed budget at least thirty (30) days before its adoption. The budget shall be prepared in accordance with Section 11-109.2 of the Act. The Board of Directors shall determine the amount of the annual assessment annually, but may do so at more frequent intervals should circumstances so require. The Board of Directors of the Corporation shall make reasonable efforts to fix the amount of the annual assessment against each member for each assessment period at least thirty (30) days in advance of such date or period and shall, at that time, prepare a roster of the membership and assessments applicable thereto which shall be kept at the office of the Corporation and shall be open to inspection by any Owner upon reasonable notice to the Board. Written notice of the assessment shall thereupon be sent to the members. The omission of the Board of Directors, before the expiration of any assessment period, to fix the assessments hereunder for that or the next period, shall not be deemed a waiver or modification in any respect of the provisions of this Article, or a release of any member 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.

Section 4. Special Assessments. In addition to the regular assessments authorized by this Article, the Corporation 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 Project, including the necessary fixtures and personal property related thereto, or for such other purpose as the Board of Directors may consider appropriate, provided that any such assessment shall have the assent of the members representing three-fourths ($\frac{3}{4}$) of the total votes of the Condominium. A meeting of the members shall be duly called for this purpose, written notice of which shall be sent to all members at least fifteen (15), but not more than thirty (30) days in advance of such meeting, which notice shall set forth the purpose of the meeting.

Section 5. Reserve for Replacements. The Corporation shall establish and maintain a reserve fund for replacements by the allocation and payment monthly to such reserve fund of an amount to be designated from time to time by the Board of Directors. Such fund shall be

conclusively deemed to be a Common Expense. Such fund 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 a principal by the United States of America. The reserve for replacements may be expended only for the purpose of effecting the replacement of the Common Elements and equipment of the Condominium Project and for operating contingencies of a non-recurring nature. The amount to be allocated to the reserve for replacements may be reduced by appropriate resolution of the Board of Directors. The proportionate interest of any Owner in any reserve for replacements 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 6. Liability for Assessments. A Unit Owner shall be liable for all assessments, or installments thereof, coming due while he is the Owner of a Unit. In a voluntary grant the Grantee shall be jointly and severally liable with the Grantor for all unpaid assessments against the Grantor for his share of the Common Expenses up to the time of the voluntary grant for which a statement of Condominium lien is recorded, without prejudice to the rights of the Grantee to recover from the Grantor the amounts paid by the Grantee for such assessments. Liability for assessments may not be avoided by waiver of the use or enjoyment of any Common Element or by abandonment of the Unit for which the assessments are made.

Section 7. Assessment Certificates. The Corporation shall upon demand at any time furnish to any member liable for any assessment levied pursuant to these Bylaws (or any other party legitimately interested in the same) a certificate in writing signed by an officer of the Corporation; 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 assessment therein stated to have been paid. A charge not to exceed Ten Dollars (\$10.00) may be levied in advance by the Corporation for each certificate so delivered.

Section 8. Acceleration of Installments. Upon default in the payment of any one or more monthly installments of the annual assessment levied pursuant to these Bylaws, 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, in accordance with the Act.

ARTICLE XI

Use Restrictions

Section 1. Residential Use. All Condominium Units shall be used for private residential purpose exclusively, except for such temporary non-residential uses as may be permitted by the Board of Directors from time to time. Nothing in this Section or elsewhere herein, shall be construed to prohibit the Grantor from using Condominium Units which Grantor owns for promotional, sales or display purposes as "model homes" or from leasing any Unit or Units which Grantor owns.

Section 2. Leasing. No Condominium Unit within the project shall be rented for transient or hotel purposes or, in any event, for any periods less than six (6) months. All leases must be in writing and shall state that the lease is subject to the Declaration, these Bylaws and the Open Space Declaration, and that Tenant agrees to abide by the provisions of the Declaration, these Bylaws, the Open Space Declaration and the Rules and Regulations of the Condominium, and that a default under any of these shall constitute a default under the lease. A copy of each such lease shall be provided to the Board of Directors (or management agent).

Section 3. Prohibited Uses and Nuisances.

(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 Owners.

(B) There shall be no obstruction of any Common Elements. Nothing shall be stored upon any Common Elements (including Limited Common Elements) without the approval of the Board of Directors. Vehicles parking upon Common Elements shall be regulated by the Board of Directors. Parking areas may be assigned by the Board of Directors for use by the Owner of particular Condominium Units.

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

(D) No structural alteration, construction, addition or removal of any Condominium Unit or Common Elements shall be commenced or conducted except in strict accordance with the provisions of these Bylaws. This Section shall not apply to construction, display, promotional and/or sales activities of Grantor.

(E) The maintenance, keeping, boarding and/or raising of animals, livestock or poultry of any kind, regardless of number, shall be and is hereby prohibited within any Condominium Unit or upon any Common Elements, except that this shall not prohibit the keeping of small dogs, cats and/or caged birds as domestic pets provided (i) they are not kept, bred or maintained for commercial purposes, (ii) such small dogs, cats, and/or caged birds are not kept in such a manner as to constitute the type of noxious or offensive activity covered in Subsection (A) of this Section, and (iii) no more than two (2) of such small dogs, cats and/or caged birds may be kept, in any combination. For the purposes hereof, "small dogs" shall be defined as dogs which do not exceed eighteen inches (18") in height at the shoulder. No pets or animals of any type may be housed, stored or tethered on any Common Element (including Limited Common Elements).

(F) Except for such signs as may be posted by the Grantor for promotional and/or sales purposes, no signs of any character shall be erected, posted or displayed upon, in from or about any Condominium Unit or Common Elements.

(G) Except as herein elsewhere provided, no junk vehicle or other vehicle on which current registration plates are not displayed, any vehicle which is inoperable (whether or not registration plates are displayed), trailer, camper, truck larger than 3/4 ton used for commercial purposes, camping truck, house trailer, boat or the like shall be kept upon any Common Elements, nor shall the repair or extraordinary maintenance of automobiles or other vehicles be carried out thereon. The Corporation may, in the discretion of its Board of Directors, provide and maintain a suitable area designated for the parking of such vehicles or the like.

(H) No part of the Common Elements shall be used for commercial activities of any character. This Subsection shall not apply to the use of Condominium Units and Common Elements by the Grantor for construction, display, promotional and/or sales purposes.

(I) No burning of any trash and no unreasonable or unsightly accumulation or storage of litter, new or used building materials, or trash or garbage of any kind shall be permitted within any Condominium Unit or upon any Common Elements (including Limited Common Elements). All trash and garbage shall be deposited in dumpsters or other receptacles provided for such purpose.

(J) Except for construction, display, sales and/or promotional activities of Grantor, no structure of a temporary character, trailer, tent, shack, barn or other outbuilding shall be maintained upon any Common Elements at any time.

(K) No outside television or radio aerial or antenna, or other aerial or antenna, for reception or transmission, except that (i) a Unit Owner may install, maintain and use on its Lot one (or, if approved, more than one) Small Antennae (as hereinafter defined) in the rear of a Unit, at such location, and screened from view from adjacent dwellings in such manner and using such trees, landscaping or other screening material, as are approved by the Board of Directors. Notwithstanding the foregoing terms of this section, if the requirement that a Small Antennae installed on a Unit be placed in the rear of a dwelling would impair such Small Antennae's installation, maintenance or use, then it may be installed, maintained and used at another approved location on such Lot where such installation, maintenance or use would not be impaired; (ii) if and to the extent that the requirement that such Small Antennae be screened would result in any such impairment, such approval shall be on terms not requiring such screening; and (iii) if the prohibition against installing, maintaining and using more than one (1) Small Antennae would result in any such impairment, then such Owner may install on such Unit such additional Small Antennae as are needed to prevent such impairment (but such installation shall otherwise be made in accordance with this subsection. In determining whether to grant any approval pursuant to this Section, neither Declarant nor the Board of Directors shall withhold such approval, or grant it subject to any condition, if and to the extent that doing so would result in an impairment. As used herein, (A) "impair" has the meaning given it in 47

Code of Federal Regulations Part 1, Section 1.4000, as hereafter amended; and (B) "Small Antennae" means any antennae (and accompanying mast, if any) of a type, the impairment of the installation, maintenance or use of which is the subject of such Regulation. Such antennae are currently defined thereunder as, generally, being one meter or less in diameter or diagonal measurement and designed to receive certain types of broadcast or other distribution services or programming.

(L) No laundry or other clothing or materials may be dried or otherwise hung outside of the Condominium Units or on or about any of the Common Elements (including Limited Elements).

ARTICLE XII

Rules and Regulations, Resale Certificate and Architectural Control

Section 1. Rules and Regulations.

(A) The Council of Unit Owners may adopt rules for the Condominium if:

(1) Each Unit Owner is mailed or delivered:

(i) A copy of the proposed rule;

(ii) Notice that Unit Owners are permitted to submit written comments on the proposed rule; and,

(iii) Notice of the proposed effective date of the proposed rule;

(2) (i) Before a vote is taken on the proposed rule, an open meeting is held to allow each Unit Owner or tenant to comment on the proposed rule;

(ii) The meeting held under this paragraph may not be held unless:

1. Each Unit Owner receives written notice at least fifteen (15) days before the meeting; and,

2. A quorum of the Council of Unit Owners is present; and,

(3) After notice has been given to Unit Owners as provided in this subsection, the proposed rule is passed at a regular or special meeting by a majority vote of those present and voting of the Council of Unit Owners.

(B) (1) The vote on the proposed rule shall be final unless:

(i) Within fifteen (15) days after the vote, to adopt the proposed rule, fifteen percent (15%) of the Council of Unit Owners signs and files a petition with the body that voted to adopt the proposed rule, calling for a special meeting;

(ii) A quorum of the Council of Unit Owners attends the meeting; and,

(iii) At the meeting, fifty percent (50%) of the Unit Owners present and voting disapprove the proposed rule, and the Unit Owners voting to disapprove the proposed rule are more than thirty-three percent (33%) of the total votes in the Condominium.

(2) During the special meetings held under paragraph (1) of this subsection, Unit Owners, tenants, and Mortgagees may comment on the proposed rule.

(3) A special meeting held under paragraph (1) of this subsection shall be held:

(i) After the Unit Owners and any Mortgagees have least fifteen (15) days' written notice of the meeting; and,

(ii) Within thirty (30) days after the day on which the petition is received by the body.

(C) (1) Each Unit Owner or tenant may request an individual exception to a rule adopted while the individual was the Unit Owner or tenant of the Condominium.

(2) The request for an individual exception under paragraph (1) of this subsection shall be:

(i) Written;

(ii) Filed with the body that voted to adopt the proposed rule; and,

(iii) Filed within thirty (30) days after the effective date of the rule.

(D) If a Unit Owner, tenant, resident or occupant breaches any of the provisions of the Declaration, these Bylaws or rules adopted by the Board of Directors pursuant hereto, the Board of Directors through its officers, managers or other agents shall take such action as it shall deem appropriate, including imposition of fines, suspension of voting rights, or legal action through court proceedings, to cure such breach and cause an abatement thereof. All costs of taking such action, including the time of employees of the Corporation or of the

Corporation or of the Corporation's agents in connection therewith, counsel fees, fines, and all other costs and expenses incurred in connection therewith, shall be a charge against the Unit Owner or the tenant of the Unit Owner or the resident or occupant who caused such breach and shall be payable to the Corporation on an individual assessment basis and may be collected in the same manner as a delinquent assessment under Article X - Section 1 of these Bylaws. Before taking any such action, the Board of Directors, or its duly authorized officers, managers or other agents shall serve the violating Unit Owner and, if applicable, tenant, resident or occupant with a written demand to cease and desist from the violation. The demand shall specify (i) the alleged violation; (ii) the action required to abate the violation; and (iii) that if there is any further violation of the same rule or, in the case of a continuing violation, if the violation continues beyond ten (10) days from the date of the demand, the Unit Owner and/or tenant may be subject to the imposition of sanctions after notice and a hearing. If sanctions are to be imposed after serving the demand, the Board of Directors shall deliver a notice notifying the violating Unit Owner and, if applicable, tenant of a Unit Owner, (i) of the nature of the violation; (ii) of the time and place for the hearing, which shall take place within not less than ten (10) days of the notice; (iii) that the violator may attend the hearing and present evidence and witnesses; and (iv) of the proposed sanction to be imposed. The hearing shall be before a delegated committee of the Board of Directors which shall introduce the notice to the violator into the committee's minutes and which shall give him or her a reasonable opportunity to be heard and to present evidence and witnesses before imposing any sanctions.

Section 2. Resale Certificate. Unit Owners shall furnish to purchasers of their Units before execution of any contract for sale a copy of the Declaration, these Bylaws, the Rules and Regulations of the Condominium, and such certificate as is required by the Maryland Condominium Act, a description of which is appended as Schedule A. The Corporation will, upon written request of the selling Unit Owner, furnish such a certificate within twenty (20) days of the request. The Corporation may charge a reasonable fee for preparing and providing such a certificate.

Section 3. Architectural Control Committee. Except for the original construction of the Common Elements and Condominium Units, including the original twelve (12) Condominium Units and the Condominium Units in the expansion Sections (Sections 2 through 25, inclusive, for Phases 2 through 25, inclusive), situate within the Condominium Project, by the Grantor, and any improvements to any Condominium Unit or to the Common Elements accomplished concurrently with said original construction, and except for purposes of proper maintenance and repair or as otherwise in these Bylaws provided, it shall be prohibited to install, erect, attach, apply, paste, hinge, screw, nail, build, alter, remove or construct any lighting, shades, screens, awnings, patio covers, balconies, decks, decorations, fences, aerials, antennas, radio or television broadcasting or receiving devices (unless otherwise permitted or allowed by law), slabs, sidewalks, curbs, gutters, patios, porches, driveways, fences, walls, or to make any change or otherwise alter (including any alteration in color) in any manner whatsoever to the exterior of any Condominium Unit or upon any of the Common Elements within the Condominium until the complete plans and specifications, showing the location, nature, shape, height, material, color, type of construction and/or any other proposed form of change (including, without limitation, any other information specified by the Board of Directors

or its designated committee) shall have been submitted to and approved in writing as to harmony of external design, color and location in relation to surrounding structures and topography by the Board of Directors of the Corporation, or by an architectural control committee designated by it, in the event the Board of Directors, or its designated committee, fails to approve or disapprove such design and location within thirty (30) days after said plan and specifications have been received by it, approval will not be required and this Article will be deemed to have been fully complied with.

ARTICLE XIII

Insurance

Section 1. Authority to Purchase. Except as otherwise provided in Section 6 of this Article XIII, the Board of Directors shall purchase for the Corporation all insurance policies relating to the Condominium, including Common Elements and Units, as agent of and trustee for the Unit Owners and their respective mortgagees or beneficiaries under deeds of trust as their interest may appear. The cost for such policies shall be a Common Expense, to be paid from general assessments. The Board will purchase policies, to the extent obtainable, as follows:

Section 2. Casualty Insurance.

(A) The Board of Directors will purchase a policy or policies insuring the Condominium, including Common Elements and Units, against loss, damage or destruction by fire or other casualty, including lightning, windstorm, hail, explosion, riot, civil commotion, aircraft, vehicle, falling objects, smoke, malicious mischief, vandalism, collapse through weight of snow, ice or sleet, water, and other similar casualty, and, if available, against all perils normally conveyed by the standard "all risk" endorsement generally used in the area of Anne Arundel County, Maryland, in an aggregate amount equal to not less than the full insurable replacement value of the improvements that are part of the Condominium without regard to depreciation. The Board need not procure insurance for the personal property of Unit Owners or for improvements or betterments installed in Units by Unit Owners which shall be the responsibility of the individual Unit Owner to insure. The policy or policies, unless otherwise insuring the Units against loss, damage or destruction, shall have a contingent or conditional endorsement, with limits equal to the replacement value of the Condominium Units, providing for payment by the insurer of a sum sufficient for restoration of each Unit to a tenantable condition. Proceeds from such insurance shall be used to repair any loss or damage subject to other provisions of the Declaration and these Bylaws. In addition, such policies shall include an "Agreed Amount Endorsement" and, if available, an "Inflation Guard Endorsement" only if such endorsements are available and are commonly required by prudent institutional investors in the area of Anne Arundel County, Maryland.

(B) In the event that the proceeds of insurance are not sufficient to repair damage or destruction by fire or other casualty due to the policy deductible, exceeding the limits of the policy or in the event such damage or destruction is caused by any casualty not

herein required to be insured against, then the repair or reconstruction of the damaged common elements and condominium units shall be accomplished promptly by the Corporation at its common expense. The ratable share of the expense of such repairs or reconstruction may be assessed and the lien for the same shall have all the priorities provided for in Article X, Section 1 of these Bylaws.

Section 3. Public Liability Insurance. The Board of Directors shall obtain and maintain for the Corporation, to the extent obtainable, such public liability and property damage insurance as will protect the Corporation, the officers and Directors of the Corporation, and the Unit Owners from liability to the public or Unit Owners (and their invitees, agents and employees) arising out of, in connection with, or resulting from the use, ownership, maintenance or the management or operation of, or because of any injury or damage sustained on or attributable to, the Common Elements, including the ownership, maintenance and use of the walkways, driveways, parking areas and other areas outside the Condominium Buildings, but not including injuries attributable solely to any one Unit. It is intended that the insurance described in this Subparagraph be a comprehensive public liability policy for matters arising out of or otherwise attributable to the Common Elements of the Condominium, including operation of the premises, products liability, liability attributable to work or other act of an independent contractor, or let or sublet work, landlord-tenant liability, and contractual liability. Further, the insurance shall cover the liability of one or more Unit Owners as parties insured to one or more of the remaining Unit Owners, the limits of at least One Million Dollars (\$1,000,000.00) for injuries, including death, or damages sustained by one or more persons in any one accident, and Fifty Thousand Dollars (\$50,000.00) for property damage. The public liability insurance policy shall be so endorsed as to protect the insured against liability imposed or assumed by any contract.

Section 4. Other Insurance. The Board of Directors shall also obtain and maintain for the Corporation worker's compensation insurance if and to the extent necessary to meet the requirements of law and such other insurance as the Board may determine to be necessary or desirable, or as may be required by the Declaration or the Maryland Condominium Act.

Section 5. Insurance Provisions.

(A) Each policy of insurance procured by the Board of Directors shall provide that:

(1) Each Unit Owner is an insured person under the policy with respect to liability arising out of his ownership of an undivided interest in the Common Elements or membership in the Council of Unit Owners;

(2) The insurer waives its right to subrogation under the policy against any Unit Owner of the Condominium or members of his household;

(3) An Act or omission by any Unit Owner, unless acting within the scope of his authority on behalf of the Council of Unit Owners, does not void the policy and is not a condition to recovery under the policy;

(4) If, at the time of a loss under the policy, there is other insurance in the name of a Unit Owner covered by the policy, the policy is primary insurance not contributing with the other insurance; and,

(5) Any other requirement applicable to Condominiums under Maryland Law.

(B) Each policy of insurance shall provide that any Unit Owner may procure other insurance in his or her own right and that such other insurance shall in no way serve to reduce, abate, diminish, or cause any proration in payment of the total loss by the insurer.

(C) Each policy of insurance shall state that the Board of Directors, on behalf of the Corporation, has the exclusive right and authority to adjust losses under the policy. The Corporation, by its Board of Directors, is hereby irrevocably appointed the agent for each Unit Owner and for each mortgagee or beneficiary of a deed of trust of a Unit to adjust claims arising under insurance policies purchased by the Board and to execute and deliver releases upon the payment of claims. Subject to the provisions of Section Tenth.D. of the Declaration (Repair or Reconstruction), insurance proceeds shall be distributed first to the repair or restoration of damaged Common Elements and Units, and Unit Owners and lien holders are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the Common Elements and Units have been completely repaired or restored or the Condominium is terminated.

(D) The Board of Directors shall notify each Unit Owner in writing of the terms of the insurance policies that the Board has purchased.

Section 6. Separate Insurance of Unit Owners.

(A) It shall be the responsibility of each Unit Owner to obtain, at his or her expense, liability insurance with respect to the ownership and/or use of his or her Unit and the Limited Common Elements appurtenant thereto. The Council shall not be responsible for obtaining such insurance.

(B) Each Unit Owner shall have the right, at his or her own expense, to obtain insurance coverage for his or her personal property and personal liability, provided that no Unit Owner shall be entitled to exercise the right to acquire or maintain such additional insurance coverage so as (i) to decrease the amount which the Board of Directors on behalf of all Unit Owners may realize under any insurance policy which it may have procured or (ii) to cause any insurance coverage maintained by the Board to be brought into contribution with such additional insurance coverage obtained by the Unit Owner. All separate insurance policies obtained by Unit Owners pursuant to this Section 6. shall contain waivers of the insurer's rights

of subrogation to any claim against any Unit Owner, his or her tenant or member of his household, the Corporation, the Board of Directors, or any agent of the Corporation or Board.

Section 7. Cancellation and Modification. The insurance policies provided for herein, to be obtained by the Board of Directors, may not be canceled or substantially modified, by any part, until thirty (30) days after notice of the proposed cancellation or modification has been mailed to the Corporation, each Unit Owner and each mortgagee to whom certificates of insurance have been issued.

Section 8. Insurance Carriers. The insurance policies provided for herein shall be purchased from insurance companies generally acceptable in the area of Anne Arundel County, Maryland.

Section 9. Fidelity Bonds. The Corporation shall maintain blanket fidelity bonds for all officers, directors, and employees of the Corporation and all other persons handling, or responsible for, funds of or administered by the Corporation. Where a management agent has the responsibility for handling or administering funds of the Corporation, the management agent shall be required to maintain fidelity bond coverage for its officers, employees and agents handling or responsible for funds of, or administered on behalf of, the Corporation. Such fidelity bonds shall name the Corporation as an obligee and shall not be less than one hundred fifty percent (150%) of the estimated maximum of funds, including operating expenses for the Project and reserve funds, in the custody of the Corporation or the management agent, as the case may be, at any given time during the term of each bond. However, in no event may the aggregate amount of such bonds be less than a sum equal to three (3) months' aggregate assessments on all Units plus reserve funds. The bonds shall contain waivers by the issuers of the bonds of all defenses based upon the exclusions of persons serving without compensation from the definition of "employees", or similar terms of expressions. The premiums on all bonds required herein, except those maintained by the management agent (unless required by the management agent's agreement with the Corporation), shall be paid by the Corporation as a common expense. The bonds shall provide that they may not be canceled or substantially modified (including cancellation for non-payment of premium) without at least ten (10) days' prior written notice to the Corporation, each Unit Owner and each mortgagee.

ARTICLE XIV

Fiscal Management

Section 1. Fiscal Year. The fiscal year of the Corporation shall begin on the first day of January every year, except that the first fiscal year of the Corporation shall begin at the date of incorporation. The commencement date of the fiscal year herein established shall be subject to change by the Board of Directors should corporate practice substantially dictate.

Section 2. Books and Accounts. Books and accounts of the Corporation shall be kept under the direction of the Treasurer in accordance with good accounting practices. The same shall include books with detailed accounts, in chronological order, of receipts and of the

expenditures affecting the Condominium Project and its administration and shall specify the maintenance and repair expenses of the General and Limited Common Elements and services and any other expenses incurred. That amount of any assessment required for payment of any capital expenditures of the Corporation shall be credited upon the Books of the Corporation to the "Paid-in-Surplus" account as a capital contribution by the members.

Section 3. Auditing. At the close of each fiscal year, the books and records of the Corporation shall be audited by an independent Certified Public Accountant whose report shall be prepared and certified in accordance with generally accepted auditing standards. Based upon such report, the Corporation shall furnish its members with an annual financial statement including the income and disbursements of the Corporation.

Section 4. Inspection of Books. The books and accounts of the Corporation, and vouchers accrediting the entries made thereupon, shall be available for examination by the members of the Corporation, and/or their duly authorized agents or attorneys, during normal business hours and for purposes reasonably related to their interests as members.

Section 5. Annual Budget. Each year, at least thirty (30) days prior to the annual meeting of the Corporation, the Board of Directors, or the officers, managers, or agents of the Corporation as delegated by the Board shall prepare a budget in a reasonably itemized form for the Corporation containing an estimate of the total amount which will be necessary to pay for the upcoming fiscal year the cost of the maintenance, management, operation, repair and replacement of the Common Elements and the cost of wages, materials, insurance premiums, services, supplies and other expenses that may be declared to be Common Expenses by Maryland law, the Declaration, these Bylaws, or a resolution of the Board. Such budget may also include a reserve for contingencies and replacements. The Secretary of the Corporation, or another delegated agent of the Board of Directors shall send a copy of the budget as so prepared to each Unit Owner at least thirty (30) days prior to the annual meeting. After receiving comments on the budget at the annual meeting, the Board will adopt a budget for the Corporation for the next fiscal year. The Condominium budget shall constitute a basis for determining each Owner's contribution for the Common Expenses of the Condominium.

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 Corporation by either the President or Vice-President, and all checks shall be executed on behalf of the Corporation 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 shall provide a suitable corporate seal containing the name of the Corporation, which seal shall be in the charge of the Secretary. If so directed by the Board of Directors, a duplicate of the seal may be kept and used by the Treasurer or any assistant secretary or assistant treasurer.

ARTICLE XV**Amendment and Merger**

Section 1. Amendment. These Bylaws may be amended at any meeting of the members, duly called for such purpose, by an affirmative vote of two-thirds (2/3) or more of all votes entitled to be cast; provided, however, that any amendment that changes any of the following matters must also be approved by Mortgagees representing at least fifty-one percent (51%) of the votes of Units that are subject to first mortgages or deeds of trust: voting rights; assessments, assessment liens, or subordination of assessment liens; reserves for maintenance, repair and replacement of Common Elements; responsibility for maintenance and repairs; reallocation of interests in the General or Limited Common Elements, or rights to their use; boundaries of any Unit; convertibility of Units into Common Elements or vice versa; expansion or contraction of the Condominium Regime, or the addition, annexation or withdrawal of property to or from the Condominium Regime; insurance or fidelity bonds; leasing of Units; imposition of any restrictions on a Unit Owner's right to sell or transfer his or her Unit; a decision by the Council of Unit Owner's to establish self management when professional management had been required previously by a Mortgagee of a first mortgage or deed of trust; restoration or repair of the Condominium (after a hazard damage or partial condemnation) in a manner other than that specified in the Condominium documents; any action to terminate the legal status of the Condominium after substantial destruction or condemnation occurs; or any provisions that expressly benefit Mortgagees, insurers or guarantors. Amendments may be proposed by the Board of Directors or by petition signed by members representing at least twenty percent (20%) of the total votes. A description of any proposed amendment shall accompany the notice of any regular or special meeting at which such proposed amendment is to be voted upon.

Section 2. Merger and Amendment. The Condominium Regime may not be amended or merged with a successor condominium regime without the prior written approval of the Veterans Administration or the Department of Housing and Urban Development.

ARTICLE XVI**Mortgages**

Section 1. Notice to Association. An Owner who mortgages his Unit shall notify the President of the Board of Directors of the name and address of this mortgagee; and the Condominium shall maintain such information in a book entitled "Mortgagees of Units." If such Owner so requests, copies of all notices to the Owner will also be sent to his mortgagee.

ARTICLE XVII

Compliance/Interpretation/Miscellaneous

Section 1. Compliance. These Bylaws are set forth in compliance with the requirements of Section 11-104 and other provisions of the Maryland Condominium Act.

Section 2. Conflict. These Bylaws are subordinate and subject to all provisions of the Maryland Condominium Act. 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 the Bylaws and the Declaration, the provisions of the Declaration shall control; and in the event of any conflict between the aforesaid Declaration and Section 11-101, et seq. of the Act, provisions of the statute shall control.

Section 3. Resident Agent. The Resident Agent designated as the person authorized to accept service of process in any action relating to the Common Elements or to the Corporation, as authorized under the Act, shall be a resident of Maryland. The Board of Directors may, at its discretion, substitute another Resident Agent for the purpose of accepting such service of process as set forth above, provided that proper notification of such change be promptly filed with the Maryland Department of Assessments and Taxation.

Section 4. Severability. In the event any provision or provisions of these Bylaws 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 provision of these Bylaws shall be deemed to have been abrogated or waived by reason of any failure or failures to enforce the same.

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

Section 7. Gender, etc. Whenever in these Bylaws 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.

Please return to:

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EXHIBIT C TO CONDOMINIUM DECLARATION**CROMWELL FOUNTAIN BUILDERS CONDOMINIUM****Percentage Interests and Voting Rights of Condominium Unit Owners and Number Designation of Each Unit**

During the Initial Section, each Unit Owner of each of the following types of Units shall have an undivided percentage interest ("Percentage Interest") in the Common Elements and shall have the number of votes as follows:

<u>Unit Type</u>	<u>Number Designation</u>	<u>% Interest</u>	<u>No. of Votes</u>
1st floor front R	101	8.333	1
1st floor rear R	102	8.333	1
1st floor rear L	103	8.333	1
1st floor front L	104	8.333	1
2nd floor front R	201	8.333	1
2nd floor rear R	202	8.333	1
2nd floor rear L	203	8.333	1
2nd floor front L	204	8.333	1
3rd floor front R	301	8.334	1
3rd floor rear R	302	8.334	1
3rd floor rear L	303	8.334	1
3rd floor front L	304	8.334	1
Totals		100.000	12

As each subsequent Section is added, the Percentage Interests and number of votes of each Unit Owner shall be calculated as follows:

(a) The Percentage Interest for each Unit shall be the percentage that results from dividing the integer 100 by the total number of Units in the Condominium Regime, as expanded, including the Units in the newly added Section.

(b) Each Unit will have one (1) vote and the total number of votes for the Condominium Regime shall be equal to the total number of Units subject to the Declaration, including those Units in the newly added Section.

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