

BAY BRIDGE COVE CONDOMINIUM III AMENDED AND RESTATED DECLARATION

THIS **AMENDED AND RESTATED DECLARATION** (herein after defined as “**Condominium Declaration**”) is made this _____ day of _____, 2024, by Kent Island L.L.C., a Delaware limited liability company (hereinafter called the “**Condominium Developer**”) and **Bay Bridge Cove Condominium III** (hereinafter defined as the “**Condominium Association**.”).

WHEREAS, the Condominium Developer **held** the fee simple title to the Condominium Land (as such term is defined herein) and **subjected** said Condominium Land, together with the improvements erected thereon, and all rights, alleys, ways, waters, privileges, appurtenances and advantages thereunto belonging, or in **any way** appertaining, including the hereinafter described rights-of-ways, to a **Condominium Regime**, as provided for in the Condominium Act (hereinafter defined), and **established** for the property, **the Condominium Association** known as “**BAY BRIDGE COVE CONDOMINIUM III**” in the **Bay Bridge Cove Condominium III Declaration** dated on October 21, 2019, recorded among the Land Records of Queen Anne's County, Maryland (“**Land Records**”) in Liber 3192, folio 174 *et seq.*, as amended by the **First Amendment to Declaration** dated April 16, 2020, recorded among the Land Records in Liber 3313, folio 283 *et seq.*, **Second Amendment to Declaration** dated August 3, 2020, recorded among the Land Records in Liber 3423, folio 183 *et seq.*, **Third Amendment to Declaration** dated November 24, 2020, recorded among the Land Records in Liber 3530, folio 279 *et seq.*, **Fourth Amendment to Declaration** dated February 10, 2021, recorded among the Land Records in Liber 3631, folio 157 *et seq.*, **Fifth Amendment to Declaration** dated June 2, 2021, recorded among the Land Records in Liber 3743, folio 78 *et seq.*, and **Sixth Amendment to Declaration** dated July 16, 2021, recorded among the Land Records in Liber 3790, folio 172 *et seq.* (collectively known as the “**Condominium Declaration**”); and

NOW THEREFORE, THIS **AMENDED AND RESTATED DECLARATION** WITNESSETH: The Condominium Developer for itself, its successors and assigns, does hereby expressly establish and declare the following:

ARTICLE I. DEFINITIONS

As used in this Declaration and the Condominium By-Laws annexed hereto, except to the extent otherwise expressly provided, or otherwise resulting from necessary implication, the following terms shall have the meaning herein ascribed thereto:

(a) Annual Assessment. “Annual Assessment” means the assessment levied annually against the Units pursuant to Section 1 of Article IX of the Condominium By-Laws.

(b) Common Element(s). “Common Element(s)” (a) means all of the Condominium other than Units the legal title to which is held by a person other than the Condominium Association, and (b) shall be comprised of the Limited Common Elements and the General Common Elements.

(c) Common Expense(s). Other than any expenses which are assessed as Limited Common Expense Assessments, “Common Expense(s)” means the expenses of the Condominium Association, including particularly, but not by way of limitation, the following: the cost and expense

of administration, operation, care, cleaning, maintenance, repair or replacement of the Common Elements (unless otherwise provided herein or in the Condominium By-Laws); payment into a repair and replacement reserve fund established for the foregoing; premiums on any policy of insurance, indemnity or bond required to be procured or maintained under the Declaration or Condominium By-Laws, or deemed necessary or advisable by the Condominium Association or Condominium Board; compensation for accountants, attorneys, engineers, financial experts, superintendents, Manager, and such other employees and agents as may be deemed necessary or advisable for the operation of the Condominium; all other costs and expenses declared to be a Common Expense by any provision of the Condominium Act, this Declaration or the Condominium By-Laws, or by the Condominium Association or Condominium Board.

(d) Common Profit(s). “Common Profit(s)” means the profit(s) of the Condominium Association.

(e) Condominium. “Condominium” means the Condominium Land and buildings constructed thereon, together with all improvements, fixtures, and structures erected thereon or therein, and all rights, ways, easements, privileges, and appurtenances thereunto belonging, or in anywise appertaining, including all space in, upon, above or below the foregoing, all, however, subject to the following:

(1) easements, agreements, conditions and other matters of public record; and

(2) Bay Bridge Cove Community Association, Inc., Declaration of Covenants, Conditions and Restrictions recorded among the Land Records of Queen Anne’s County, Maryland, in Liber 2755, folio 342 *et seq.*, as amended from time to time, (**Master Association Declaration**) and any other declarations or instruments for or affecting the Master Association (as defined below), **including the by-laws and articles of incorporation thereof**, which have been previously recorded among the Land Records of Queen Anne’s County, Maryland, **and the rules adopted by the Board of Directors of the Master Association.**

(f) Condominium Act. “Condominium Act” means Title 11 of the Real Property Article of the Annotated Code of Maryland, as heretofore and hereafter amended.

(g) Condominium Association; Council. **Condominium Regime**. “Condominium Association” or “Council” means the incorporated legal entity that is comprised of all Unit Owners and is charged with the government and administration of the affairs of the Condominium. **“Condominium Regime” is further defined in the Condominium Act.**

(h) Condominium Board. “Condominium Board” or “Board” means the board of directors of the Condominium Association.

(i) Condominium By-Laws. “Condominium By-Laws” means the Condominium By-Laws attached hereto as Exhibit “B”, as said Condominium By-Laws may, from time to time, be amended.

(j) Condominium Declaration. “Condominium Declaration” (or as used herein, “Declaration”) means this Declaration, as said Declaration may, from time to time, be amended.

(k) Condominium Developer. “Condominium Developer” means Kent Island L.L.C., a Delaware limited liability company, its successors, and any assignee to whom the Condominium Developer specifically assigns in writing its rights as Condominium Developer under this Declaration.

(l) Condominium Documents. “Condominium Documents” means this Declaration, the Condominium By-Laws, Articles of Incorporation for the Condominium Association and the Condominium Plat, and all rules adopted **by the Condominium Board** pursuant to Article X of the Condominium By-Laws.

(m) Condominium Land. “Condominium Land” means all of that real property described in Exhibit “A” attached hereto.

(n) Condominium Plat. “Condominium Plat” or “Plat” collectively means the plats entitled “Condominium Plat for Bay Bridge Cove Condominium III” recorded among the Land Records of Queen Anne’s County, Maryland, **on October 22, 2019, as plats KBH, Book 48, Pages 62A-C and 63 A-D**, as said Condominium Plat may, from time to time, be supplemented or amended.

(o) Expansion Area. “Expansion Area” means and refers to any area(s) shown on the Condominium Plat as a Future Phase (as hereinafter defined), until and unless the Future Phase is subjected to this Declaration in accordance with Article VIII hereof.

(p) First Mortgage. “First Mortgage” means and includes a Mortgage with priority over all other Mortgages.

(q) Future Phase. “Future Phase” means each additional portion of property added to the Condominium pursuant to Article VIII hereof **after October 21, 2019**.

(r) General Common Element(s). “General Common Element(s)” means and includes all the Common Elements (except the Limited Common Elements) located on the Condominium Land.

(s) Land Records. “Land Records” means the Land Records of Queen Anne’s County, Maryland.

(t) Limited Common Element(s). “Limited Common Element(s)” means those Common Elements which are identified in Article V, or on the Condominium Plat, as reserved for the exclusive use of one or more, but less than all, of the Unit Owners.

(u) Limited Common Expense Assessments. “Limited Common Expense Assessments” means the assessment, if any, levied against the Units from time to time pursuant to Section 3 of Article IX of the Condominium By-Laws.

(v) Majority of the Unit Owners. “Majority of the Unit Owners” means Unit Owners holding more than fifty percent (50%) of the votes appurtenant to all Units in the Condominium.

(w) Majority of the Unit Owners Present and Voting. “Majority of the Unit Owners

Present and Voting” means Unit Owners casting more than fifty percent (50%) of the total votes cast on any matter by Unit Owners present, in person or by proxy, at a meeting of the Condominium Association.

(x) Manager. “Manager” means the person, firm or corporation from time to time employed by the Condominium Association to administer or supervise the Condominium. If there is no person, firm or corporation employed by the Condominium Association to administer or supervise the Condominium, then the Condominium Board shall be deemed the Manager. However, if there is no Condominium Board elected by the Unit Owners, then the Condominium Association shall be deemed the Manager.

(y) Maryland Code. “Maryland Code” means the provisions of the Real Property Article of the Annotated Code of Maryland, Section 11-101 et seq. (2015 Repl. Vol.), as the same may be amended or supplemented from time to time.

(z) Master Association. “Master Association” means Bay Bridge Cove Community Association, Inc.

(aa) Master Association Documents. “Master Association Documents” means the instruments referred to in Article I (e) (2) herein.

(bb) Material Change. “Material Change” shall have the meaning ascribed thereto in Article XII(a) of this Condominium Declaration.

(cc) Mortgage. “Mortgage” means a mortgage, deed of trust or other conveyance in the nature of a mortgage.

(dd) Mortgagee. “Mortgagee” means the holder of any recorded Mortgage, the beneficiary of any recorded deed of trust, or the grantee (including personal representatives, successors and assigns of such grantee) named in any recorded conveyance in the nature of a Mortgage, encumbering one or more Units.

(ee) Percentage Interest Factor. “Percentage Interest Factor” means the proportionate interest of each Unit Owner in the Common Elements and in the Common Profits and Common Expenses as specified in Article III hereof.

(ff) Phase 1 and Phase 2. “Phase 1” means the land designated “Phase 1” on the Condominium Plat and the improvements located thereon which is hereby subdivided into a total of six (6) Units identified as Units 55, 56, 57, 58, 59 and 60, and “Phase 2” refers to the land shown as “Phase 2” on the on the Condominium Plat and the improvements located thereon, which is hereby divided into a total of seven (7) units identified as Units 240, 241, 242, 243, 244, 251 and 252, including the Common Elements together with all structures, fixtures and other improvements erected thereon or therein, and all rights, ways, easements, privileges and appurtenances thereunto belonging, or in anywise appertaining. The phrases “Phase 1” and “Phase 2” refers to the land and any improvements located thereon, as described herein.

(gg) Special Assessment. “Special Assessment” means the assessment, if any, levied against the Units from time to time pursuant to Section 2 of Article IX of the Condominium By-

Laws.

(hh) Tenant. “Tenant” means any person, firm, corporation, trustee or other legal entity, or combination thereof, holding leasehold title to a Unit, whether by lease, sublease or otherwise, and includes, but is not limited to, the sublandlord and subtenant, if any, of a Unit.

(ii) Unit. “Unit” shall have the meaning ascribed in Article III of this Declaration. 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 Unit Owner, by virtue of his ownership of the legal title to a Unit, any interest in any other Unit.

Each Unit also means any portion of a Future Phase that the Condominium Developer may designate as a Unit in the Declaration amendment adding such Future Phase to the Condominium **Regime**.

(jj) Unit Owner. “Unit Owner” or “Owner” means any person, firm, corporation, trust or other legal entity, or any combination thereof, holding legal title to a Unit. However, no Mortgagee, as such, shall be deemed a Unit Owner. If more than one person, firm, corporation, trustee or other legal entity, or any combination thereof, holds the legal title to any one Unit, whether in a real property tenancy, partnership relationship, or otherwise, all of same shall be deemed a single Unit Owner and a single member of the Condominium Association by virtue of ownership of such Unit. If any single membership in the Condominium Association is comprised of two or more persons, firms, corporations thereof, then each constituent may cast such portion of the vote of the member as the several constituents may mutually determine, provided, however, that in the absence of such a determination, (i) each constituent may cast such portion of the vote of the member as shall equal his, her or its proportionate interest in the Unit or Units held by the member, and (ii) if only one votes, he, she or it may cast the entire vote of the member and such act shall bind all. In no event may such constituents cast, in aggregate, more than the number of votes appurtenant to the Unit(s) owned by the member.

ARTICLE II. CREATION OF CONDOMINIUM REGIME

(a) Submission of Condominium Land to Condominium Act. The Condominium Land and all appurtenances thereto shall be held, conveyed, divided, subdivided, leased, rented, occupied, improved, hypothecated and/or encumbered subject to the Condominium Act and the covenants, restrictions, uses, limitations, obligations, easements, equitable servitudes, charges and liens herein set forth, including the provisions of the Condominium By-Laws (a copy of which is attached hereto and made a part hereof as Exhibit “B”), all of which are declared and agreed to be in aid of a plan for the division of the Condominium Land into a Condominium pursuant to the Condominium Act, and all of which shall be deemed to run with and bind the land, and shall inure to the benefit of and be enforceable by the Condominium Developer and by any person acquiring or owning an interest in the Condominium Land, including, without limitation, any person, group of persons, corporation, partnership, trust or other entity, or any combination thereof, which holds such interest solely as security for the performance of an obligation; provided, however, that the rights, reservations, easements, interests, exemptions, privileges and powers of the Condominium Developer shall inure to the benefit of and be enforceable by only those successors and assigns of the Condominium Developer to whom any of the same have been specifically assigned or transferred in writing.

By the recordation of this Declaration and unless otherwise specified in this Declaration or the Condominium By-Laws, the Condominium Association hereby assumes all liability, responsibility and duty for the care, operation and maintenance of the Common Elements and each Unit Owner hereby assumes or agrees to assume all liability and duty for the care, operation and maintenance of their respective Units, subject, however, to any rights and/or obligations the Condominium Association or each Unit Owner may have pursuant to this Declaration and the Condominium By-Laws. Further, the Condominium Association and each Unit Owner, on their own behalf, and on behalf of their successors and assigns, hereby agrees to indemnify and hold Condominium Developer, its successors and assigns harmless from any loss, liability or damage (including attorneys' fees and court costs) arising out of or resulting from the failure of the Condominium Association or each Unit Owner to care for, maintain or properly operate the Common Elements or Units, as applicable.

(b) Name of Condominium. The name by which the Condominium shall be known "Bay Bridge Cove Condominium III".

(c) Fee Simple Ownership. The Condominium Developer hereby subjects Phase 1 and Phase 2 to the **Condominium Regime** established by the Condominium Act and establishes a **Condominium Regime** therefore to be known as "Bay Bridge Cove Condominium III", to the end and intent that: in each Unit Owner shall vest the exclusive fee simple ownership of his Unit and, as set forth in Article IV hereof, an undivided fee simple interest in the Common Elements. Each Unit, together with the undivided interest in the Common Elements appurtenant thereto, may be purchased, leased, optioned or otherwise acquired, held, developed, improved, mortgaged, sold, exchanged, rented, conveyed, devised, inherited, or in any manner encumbered, dealt with, disposed of, or transferred as fee simple real estate, all as fully, and to the same extent, as though each Unit were entirely independent of all other Units and constituted a single, independent, fee simple, improved lot.

(d) Types of Joint Ownership. A Unit may be held or owned by more than one person, firm or corporation, as joint tenants, tenants in common, or in any other real property tenancy relationship recognized under the laws of the State of Maryland, including, in the case of husband and wife, tenants by the entirety.

ARTICLE III. CONDOMINIUM UNITS

(a) Unit. The location of Condominium Units in the Condominium and the dimensions of each Unit are shown on the Condominium Plat. In addition, as depicted on the Condominium Plat, driveways shall be deemed part of the Condominium Unit which it serves. Further, each Unit shall have and be known by a number, corresponding to the number shown with respect to it on the Condominium Plat or, if so assigned by the United States Postal Service, the street address of the Unit.

(b) Percentage Interests. The Owner of each Unit shall own an undivided percentage interest in the Common Elements and a percentage interest in the Common Profits and Common Expenses of the Condominium Association. The Percentage Interest Factor appurtenant to each Unit, identical for the percentage interest in the Common Elements and the percentage interest in the

Common Profits and Common Expenses, is a fraction, the numerator of which is one, and the denominator of which is the sum of the number of Units then contained within the Condominium.

(c) Voting Rights. The number of votes (at meetings of the Condominium Association) appurtenant to each Unit contained in the Condominium from time to time shall be one (1) vote.

(d) Interests Appurtenant to Unit. Neither the Percentage Interest Factor nor voting rights shall be separated from the Unit to which they appertain. Accordingly, any instrument, matter, circumstance, action, occurrence, or proceeding in any manner affecting a Unit shall also affect, in like manner, the Percentage Interest Factor and voting rights appurtenant to the Unit. Except as otherwise required by the Condominium Act or by Article VIII hereof with respect to the expansion of the Condominium, or by Article XII (d) hereof with respect to a failure to rebuild a Unit following a casualty, or by Article XII (f) hereof with respect to a condemnation of part of the Condominium, neither the Percentage Interest Factor nor the voting rights appurtenant to any Unit shall be changed without the written consent of all the Unit Owners and Mortgagees. Any change in such Percentage Interest Factor or voting rights shall be evidenced by an amendment to this **Condominium Declaration and become effective once** recorded among the Land Records.

(e) Freehold Estate. Each Unit is a freehold estate. Except in the event of a condemnation of a part of a Unit, or the sale of part of a Unit in lieu thereof, (i) no Unit shall be subdivided into two or more Units, nor shall any part of a Unit be sold, leased, mortgaged, rented, conveyed, devised, or in any manner encumbered, disposed of or transferred **except for the entire unit**, and (ii) each Unit shall forever contain the minimum area shown therefor on the Condominium Plat. Further, the conveyance or other disposition of a Unit by any Unit Owner shall be deemed to include and convey the entire undivided interest of the Unit Owner in the Common Elements, general and limited, together with all rights and easements appertaining to his Unit, without specific or particular reference to such undivided interest in the Common Elements or the appurtenances to the Unit.

ARTICLE IV. COMMON ELEMENTS AND COMMON EXPENSES

(a) Interest in Common Elements. The fee simple title to the Common Elements is vested in the Unit Owners, each Unit Owner having the proportionate undivided interest therein equal to his Percentage Interest Factor. No percentage interest in the Common Elements shall be separated from the Unit to which such percentage interest appertains. Further, the Common Elements shall remain undivided, and, except as provided in Section 11-123 of the Condominium Act (or any successor section pertaining to termination of the Condominium), no Unit Owner or group of Unit Owners, or anyone claiming by, through or under him or them, shall bring any action for the partition or division of the ownership of the Common Elements. Except as otherwise expressly provided in Article V hereof, each Unit Owner may use the Common Elements for the purposes for which intended, without, however, hindering or encroaching upon the right of the other Unit Owners likewise to use the same.

(b) Right of Entry. The Condominium Association and its agent, servants, employees and contractors shall have the irrevocable right and a perpetual easement to enter upon any portion of the General Common Elements, Unit, or upon any Limited Common Element appurtenant to any Unit, for the purpose of performing any cleaning, maintenance, repair or replacement which the Condominium Association is obligated or entitled to perform, and any inspection related thereto, whether said cleaning, maintenance, repair, replacement or inspection pertains to the General Common

Elements, Unit or Limited Common Element, or to any other Unit or Common Element accessible from the Unit or Common Element so entered, whether or not the Unit or Common Element that is the subject of such cleaning, maintenance, repair, replacement or inspection is also accessible from any other Unit or Common Element.

Except in cases involving manifest danger to public safety or to property, the Condominium Association shall make a reasonable effort to give written notice of at least **fifteen (15)** days to the Unit Owner who owns the Unit or has the right to use the Limited Common Element, that is to be entered for the purpose of such cleaning, maintenance, repair, replacement or inspection. In cases involving manifest danger to public safety or to property resulting from conditions which are the fault of said Unit Owner, said Unit Owner shall be responsible for the prompt repair of any damage inflicted upon said Unit or Limited Common Element, or other portion of the Condominium, as a result of such entry; in all other cases, the Condominium Association shall be responsible for the prompt repair of such damage. Any entry by the Condominium Association hereunder shall not be considered a trespass.

- (c) Payment of Common Expenses. Each Unit Owner, in proportion to his Percentage Interest Factor, shall contribute toward payment of the Common Expenses, 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 portion thereof, or by the abandonment of his Unit, and the contribution of each Unit Owner toward the Common Expenses shall be determined, levied and assessed in the form of Annual Assessments and Special Assessments and a working capital fee, all in the manner set forth in the Condominium By-Laws. Notwithstanding the foregoing, if any Limited Common Expense Assessments are levied, then in such event, the levied Limited Common Expense Assessments shall be computed for each affected Unit based on such Unit's pro rata Percentage Interest Factor to the total Percentage Interest Factors for all of those Units subject to such Limited Common Expense Assessments.
- (d) Priority of Liens. Any assessment levied by the Condominium Association (including any Annual Assessment, Special Assessment, Limited Common Expense Assessments or assessment of the type described in Article IX of the Condominium By-Laws), until paid, together with interest thereon, late charges, **violation fine**, actual costs of collection, and reasonable attorney's fees, shall constitute a lien on the Unit against which it is levied, effective from and after the recordation of a statement of lien in the manner and form prescribed by the Condominium By-Laws, or as otherwise required by law. Such lien shall be subordinate to (i) general and special assessments for real estate taxes against the Unit; and (ii) the lien of any Mortgage duly recorded against the Unit (A) prior to the recordation of said statement of lien, or (B) after receipt by the Mortgagee of a written statement issued by the Condominium Association pursuant to the Condominium By-Laws acknowledging that payments of all assessments (and all interest, late charges, **violation fines**, costs of collection and attorney's fees payable with respect to any delinquent assessments) against the Unit are current as of the date of recordation of the Mortgage. A sale or transfer of a Unit by a deed in lieu of foreclosure to a Mortgagee holding a bona fide First Mortgage of record on the Unit shall extinguish the lien of any assessment recorded against said Unit by the Condominium Association after the recordation of such First Mortgage, but prior to the recordation of such deed in lieu of foreclosure. No sale or transfer of a Unit shall relieve the transferee Unit Owner from liability for any assessments thereafter becoming due or from the lien thereof.

ARTICLE V. LIMITED COMMON ELEMENTS

Limited Common Elements. The Limited Common Elements are shown on the Condominium Plat and include the following:

(a) The Owner of each Unit, to the exclusion of the Owners of all other Units, has the exclusive right to use and enjoy any pipes, lines, wires and ducts running between the air conditioning system condenser and the Unit.

- (1) Roofs.
- (2) Foundations.
- (3) External and supporting walls, including party walls and privacy panels.
- (4) Gutters and downspouts, to the extent they serve more than one (1) dwelling.

(b) Subject to any easements reserved or granted herein, and subject to the right of the Condominium Association to enter upon the Limited Common Elements as provided herein or in the Condominium By-Laws or in the Act, the right to use such Limited Common Elements is reserved to such Unit or Units in accordance with such designation and no person other than the Unit Owner of such Unit, their family members, guests and lessees, shall have any right to use them.

(c) Limited Common Elements in Future Phases. The Limited Common Elements shall include those Common Elements, if any, in a Future Phase that the Condominium Developer elects to designate as Limited Common Elements in the declaration amendment or Condominium Plat amendment adding such Future Phase to the Condominium.

ARTICLE VI. CONDOMINIUM UNITS AND COMMON ELEMENTS

(a) Boundaries and Encroachments. The existing physical boundaries of each Unit constructed in conformity with the Condominium Plat shall be conclusively presumed to be its boundaries, regardless of variations between existing physical boundaries of the Unit and physical boundaries described in the **Condominium** Declaration or those boundaries shown on the Condominium Plat. However, if any Common Element, or any part thereof, now or at any time hereafter, encroaches upon any Unit, or any Unit encroaches upon any Common Element, or any other Unit, there shall forthwith arise, without the necessity of any further or additional act or instrument, a good and valid easement for the maintenance of such encroachment, either for the benefit of the Condominium Association or for the Unit Owner, their respective heirs, personal representatives, successors and assigns, to provide for the encroachment and nondisturbance of the Common Element, or the Unit, as the case may be. Such easement shall remain in full force and effect so long as the encroachment shall continue and shall be relocated, if necessary, to permit the maintenance of such encroachment wherever found. Additionally, and in all events, an easement for mutual support shall exist in the Units and Common Elements.

(b) Conveyance. The conveyance or other disposition of a Unit shall be deemed to include and convey, or be subject to, any easement arising under the provisions of this Article, without specific or particular reference to such easement.

(c) Leases. Each Unit may be leased under such terms and conditions as the **Master Association Documents** require. In addition, each lease shall be subject to the Condominium

Documents and any breach or violation of any Condominium Documents by the Tenant shall constitute default under the lease. The Tenant (as well as the landlord) shall be directly liable to, and subject to enforcement action(s) by, the Condominium Association for any breach or violation by the Tenant of any Condominium Document. **All leases shall provide that, if the Unit Owner becomes delinquent in the payment of any assessment or charge levied by the Condominium Association, then the Unit Owner's Tenant(s) shall remit all further rental payments directly to the Condominium Association upon instruction by the Condominium Board and that failure to do so constitutes a violation of the lease.** Each lease shall be in writing and shall set forth, and provide for the Tenant's acknowledgment of, each of the provisions of the **three** preceding sentences. Further, each lease shall include a statement that the Condominium intends to operate as housing for 55 and older persons. The Unit Owner of any leased Unit shall promptly (within 30 days) deliver to the Condominium Board a copy of the executed lease and a copy of each signed amendment which is made thereto from time to time. The Condominium Association, through the Condominium Board, shall be entitled, but is not obligated, to exercise the default remedies of any Unit Owner, as the landlord under any such lease, and upon any breach or violation by the Tenant of any Condominium Document, the Condominium Board, after notice to the Unit Owner and Tenant of such breach or violation, and the failure of such Unit Owner and Tenant to correct the same within a reasonable time thereafter, shall be entitled, but not obligated, to summarily evict the Tenant from the leased premises, subject to any applicable laws governing the speedy recovery of possession of lands or tenements in redress of a breach or violation of a lease.

(d) Except as provided herein or in the Condominium By-Laws, the Unit Owners shall be responsible for maintaining their Units in good order, repair and in an attractive appearance. The maintenance of the General Common Elements shall be performed by the Condominium Association in accordance with the provisions of this **Condominium** Declaration and the Condominium By-Laws.

ARTICLE VII. GRANT OF EASEMENTS

(a) Easements Reserved by Condominium Developer. The Condominium Developer reserves to itself an irrevocable, perpetual and non-exclusive easement in, under, over and through Phase 1 and over Future Phases at the time such Phases are annexed to the Condominium under Article VIII of this **Condominium** Declaration (the "Developer Easement Area") for the construction, connection, installation, maintenance, repair, replacement and use of (1) a hard-surfaced road for ingress and egress across Phase 1 (excluding any portion of Phase 1 which is improved with a dwelling) and across Future Phases, regardless of whether any portions of the Future Phases are subjected to the Condominium, and (2) underground sanitary sewer and water lines, meters, storm drain facilities and other utility lines (collectively, the "Developer Easement Facilities"), to serve the improvements now or hereafter existing upon all of that land as shown and designated as "Future Phase" on the Condominium Plat, regardless of whether any of such Future Phases are subjected to the Condominium; and in general, an irrevocable, perpetual and non-exclusive easement, under, over and through the Developer Easement Area for ingress, egress, access and utilities necessary for the construction, reconstruction, development, repair, marketing, leasing and sale of the Units.

The Declarant under the Master **Association Documents** and/or Condominium Developer shall

pay for the initial installation of the Developer Easement Facilities. The Condominium Association shall at its expense from time to time perform all necessary maintenance and repair of, and replacements to, the Developer Easement Facilities and all of the above-described land on which the Developer Easement Facilities are located. The Condominium Developer shall have the right to relocate the Developer Easement Facilities at its expense.

(b) Authority of Condominium Association to Grant Easements. The Condominium Association shall have the right, power and authority to grant any easement, right-of-way, license, lease or similar interest in excess of one (1) year affecting the Common Elements of the Condominium, to the extent permitted by the Condominium Act, if the grant is approved by the affirmative vote of Unit Owners having sixty-six and two-thirds percent (66 2/3%) of the votes appurtenant to all Units, and, except as provided in Sec. 11-103 of the Condominium Act, with the express written consent of any Mortgagee holding an interest in the Units whose Unit Owners vote affirmatively, provided that if the grant affects any Limited Common Element, such grant shall also require the express written consent of all Unit Owners having the right to use such Limited Common Element, and of all Mortgagees holding an interest in the Units to which such Limited Common Element is appurtenant. Any easement, right-of-way, license, lease or similar interest granted by the Condominium Association pursuant to this Article VII shall state that the grant was approved (a) by Unit Owners having at least sixty-six and two-thirds percent (66 2/3%) of the votes, and by the corresponding Mortgagees, and (b) if appropriate, by all Unit Owners having the right to use any Limited Common Element affected by the easement, and by the corresponding Mortgagees. Such easement procedure may be used for the purpose (among other things) of permitting reasonable modifications of the General Common Elements to be made by or at the request of, and at the expense of, a Unit Owner, if such modifications are necessary under applicable law for a person who has a handicap (“handicapped person”) as such term is defined in the federal Fair Housing Act, 42 U.S.C. §3601 *et seq.* and Section 20-701 *et seq.* of the State Government Article of the Annotated Code of Maryland (2014 Replacement Volume) (collectively referred to as the “Fair Housing Acts”), as such laws may be amended from time to time) or otherwise which is appropriate to afford such a person residing at or intending to reside at the Unit of such Unit Owner the full enjoyment of such Unit, the Limited Common Elements appurtenant to such Unit and/or the General Common Elements of the Condominium.

(c) Repair, Condition and Appearance of Units and General Common Elements. Except as provided herein or in the Condominium By-Laws, each Unit Owner shall be responsible for maintaining their Units in good order, repair and in an attractive appearance. The maintenance of the General Common Elements and Limited Common Elements shall be performed by the Condominium Association (or Master Association, as applicable), or the Unit Owner, in accordance with the provisions of this Condominium Declaration and the Condominium By-Laws and Master Association Documents.

(d) Party Walls/Privacy Panels.

(1) Unit Owners owning adjoining Units may elect, by their mutual consent, to erect a party wall and/or private panel on the dividing line between the Units, and, to the extent not inconsistent with the provisions of this Article VII (d), the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

(2) Subject to sub-paragraph (d)(iii) below, the **Condominium Association** shall be responsible for the maintenance, repair and/or replacement of all party walls and privacy panels in the Condominium and the costs thereof shall be a Common Expense of the Condominium Association.

(3) Notwithstanding any other provision of this Article VII (d), a Unit Owner who by his negligent or willful act causes the party wall to be exposed to the elements or otherwise damages the party wall and/or a privacy panel shall reimburse the **Condominium Association**, as a Common Expense only with respect to such Unit Owner's Unit pursuant to Article VIII, Section 1(i) of the Condominium By-Laws, for the whole cost of furnishing the necessary protection against such elements and/or the costs to repair and/or replace the party wall.

(e) Easements. In addition to the easements provided for by the **Condominium Act**, the following easements are hereby created.

(1) If any portion of the Common Elements improvements encroaches upon any Unit, or if any Unit improvements presently encroach upon any other Unit improvements or upon any portion of the Common Elements as a result of the construction, reconstruction, repair, shifting, settlement or movement of the improvements of a Unit and/or Common Elements, a valid easement for the encroachment and for the maintenance of the same exists so long as the encroaching Unit improvements and/or Common Elements shall stand.

(2) If any Unit improvements 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 constructed, reconstructed or repaired, any encroachment resulting from such reconstruction, construction or repair shall be permitted, and valid easements for such encroachment and the maintenance thereof shall exist so long as the encroaching improvements shall stand, provided that such encroachment is not intentional.

(3) An easement for mutual support shall exist in the Units and the Common Elements.

(4) The Units and the Common Elements are subject to easements in favor of the Unit Owners for the following purposes:

(i) to the extent permitted by law and subject to reasonable rules established by the architectural committee, or if none, then by the Condominium Board, from time to time, if any portion of the Condominium (other than any Limited Common Elements or any other portion of the Condominium that is subject to an exclusive easement in favor of, or otherwise assigned for the exclusive use of, a particular Unit or Unit Owner(s)), now or hereafter contains paved areas or other improvements designed or designated for pedestrian access, vehicular access or parking,

then for ingress and egress for pedestrians and vehicles (including temporary delivery trucks) and parking of the passenger motor vehicles of the Unit Owners and occupants of any portion of any Unit within the Condominium, their guests, lessees and invitees;

(ii) if any portion of the Condominium now or hereafter contains sidewalks or pathways, then for pedestrian movement of the Unit Owners and occupants of any portion of any Unit within the Condominium and their guests, lessees, and invitees; and

(iii) for reasonable and necessary pedestrian and vehicular ingress and egress to and from public and private roadways and streets. Each Unit Owner shall have a right of ingress and egress to such Unit Owner's Unit.

(5) The Units and Common Elements are subject to easements in favor of the Condominium Developer, Unit Owners, appropriate utility and service companies, and governmental agencies or authorities for such utility and service lines and equipment as may be reasonably necessary or desirable to serve any portion of the Condominium Land, Future Phases and/or the Property, as the case may be. The easements created in this **Article VII(e)(5)** shall include, without limitation, rights of the Condominium Developer, Unit Owners, utility service providers, and governmental agencies or authorities to install, lay, maintain, repair, relocate and replace any and all utilities serving the Condominium or the Property including, but not limited to, pipes and conduits, water mains and pipes, sewer and drain lines, telephone wires and equipment, television equipment and facilities (cable or otherwise), electric wires, conduits and equipment, over, under, through, along and on the Common Elements and Units. Notwithstanding the foregoing provisions of this **Article VII(e)(5)**, such easements shall be located within the Condominium Land to avoid unreasonable interference with the use or occupancy of the Unit by any Unit Owner or resident.

(6) The Condominium Board and the Condominium Developer shall have the right to create an easement, on, over and under the Common Elements or Units for the purpose of maintaining and correcting drainage of surface water and to maintain reasonable standards of health, safety and appearance. The easement created herein expressly includes the right to cut or remove any vegetation, to grade the soil, or to take any other action reasonably necessary to achieve this purpose, which does not materially interfere with the use and occupancy of the affected Unit, following which the Condominium Board or Condominium Developer (whichever is applicable) shall restore the affected Unit as closely to its original condition as practicable.

(7) In addition to any other easements granted hereunder, the Condominium Association (through its Condominium Board, if applicable), its agents and employees, shall have an irrevocable right and an easement to enter inside dwellings to investigate damage or make repairs to such dwellings or any portion of the Common Elements or Units to the extent such investigation or 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 Condominium Board shall make a reasonable effort to give notice to the Unit Owner of any Unit to be entered for the purpose of such investigation, maintenance and/or repair. If, in the exercise of any of its rights pursuant hereto, the Condominium Association causes any damage to any Unit or any of the Common Elements, the Condominium Association shall be responsible for the prompt repair of such damage. An entry by the Condominium Association through its Condominium Board, agents, and employees for the purposes set forth herein shall not be deemed a trespass.

(8) There is hereby reserved unto the Condominium Developer for the benefit of the Condominium Developer and its agents, a nonexclusive easement over, across and through all of the Condominium Land, the Common Elements and the Units, for the purpose of access, the storage of building supplies and materials and equipment, and, without any limitation, for any and all purposes reasonably related to the completion of the construction, improvement and repair of the Condominium Land and Common Elements. The Condominium Developer shall restore any damage caused as a direct result of the use of such easement within a reasonable amount of time. Condominium Developer shall also have a non-exclusive easement over, across and through all of the Condominium Land and Common Elements for the purpose of conducting any and all sales, marketing and leasing activities, and providing management and services in the Condominium Developer's discretion from time to time. The Condominium Developer may from time to time grant to others such easement and rights in furtherance of the foregoing and the other easements and rights reserved to the Condominium Developer under this Article VII and elsewhere in the Condominium Documents.

(9) The Condominium Board shall have an easement over the Common Elements for inspection, operation, maintenance, repair, improvement and replacement of the Common Elements and any improvements thereon, and for correction of emergency conditions or casualties to the Common Elements and any improvements thereon.

(10) There is hereby reserved unto the Condominium Developer, for the benefit of the Condominium Developer, its agents and any person or entity at any time owning any portion of the Expansion Area, a non-exclusive perpetual blanket easement and right of passage on, through, over, under, and across all of the Condominium Land and Common Elements for ingress, egress, installation, replacement, repair, maintenance and use of all utilities, including, but not limited to, water, sewer, drainage, cable television, internet, telephones and electricity, and further including the right to connect to and use any such utilities which may exist or be located upon the Condominium Land from time to time. By virtue of this easement, it shall be expressly permissible to erect and maintain the necessary poles and other equipment on the Condominium Land, to affix and maintain electrical or telephone wires and conduits, sewer and water drainage lines, on, above, or below any portion of the Condominium Land, including any improvements constructed thereon and to have construction vehicles, personnel, equipment and the like exercise the aforesaid right

of ingress and egress over the Condominium Land. There is further reserved unto the Condominium Developer the right to grant specific easements, both temporary and permanent, to any person or entity, including all public authorities and utility companies, over any part of the Condominium Land in furtherance of the blanket easement created by this Article VII. In the exercise of any rights under this Article VII, there shall be no unreasonable interference with the use of the Condominium Land or any Unit for residential purposes or with the Common Elements or the Expansion Area for the purposes for which each is reasonably intended. Any person or entity exercising any rights hereunder shall be obligated to promptly repair, at their own expense, any damage caused by the exercise of such rights and to restore, to the extent practicable, any damaged real or personal property to the condition of such property prior to the exercise of such rights.

(11) There is hereby reserved unto the Condominium Developer, for the benefit of the Expansion Area, its agents and any person or entity at any time owning any portion of the Expansion Area, a non-exclusive perpetual blanket easement and right of passage on, through, over, under and across all of the Condominium Land and Common Elements for (i) pedestrian and vehicular ingress and egress to and from any and all portions of the Expansion Area, (ii) ingress and egress to and from any and all portions of the Expansion Area by construction equipment, construction personnel and the like to facilitate and enable the development and construction of buildings, improvements and related facilities upon the Expansion Area, (iii) the construction of the roads, and (iv) the conduct of all other development and construction related activities as are deemed necessary or desirable by the Condominium Developer or any person or entity at any time owning any portion of the Expansion Area. The Condominium Developer and any person or entity at any time owning any portion of the Expansion Area shall have all rights and privileges reasonably necessary to the exercise of the foregoing easement, including, without limitation, a reasonable right of ingress and egress on, over and through the Condominium Land and Common Elements. In the exercise of any rights under this Article VII, there shall be no unreasonable interference with the use of the Condominium Land or any Unit for residential purposes, or with the Common Elements or the Expansion Area for the purposes for which each is reasonably intended. Any person or entity exercising any rights under this Article VII shall be obligated to promptly repair, at their own expense, any damage caused by the exercise of such rights and to restore, to the extent practicable, any damaged real or personal property to the condition of such property prior to the exercise of such rights.

(12) There is also hereby reserved unto the Condominium Developer a non-exclusive perpetual blanket easement and right of passage on, through, over, under and across the Limited Common Elements of all Units for installation of utility and service lines and equipment and maintenance and repair of any walls as may be reasonably necessary or desirable to serve any portion of the Condominium Land or Future Phases. The easements created in this Article VII(12) shall include, without limitation, the right to install, lay, maintain, repair, relocate and replace any and all utilities serving the Condominium including, but not limited to, pipes and conduits, water mains and

pipes, sewer and drain lines, telephone wires and equipment, television equipment and facilities (cable or otherwise), internet and related devices, electric wires, conduits and equipment, over, under, through, along and on the Limited Common Elements of each Unit and Units.

(13) Condominium Developer hereby grants to Queen Anne’s County, Maryland, a municipal body corporate, its agents and contractors, a non-exclusive easement and right-of-way in, through, over and across the Common Elements for all purposes reasonably associated with the inspection, operation, installation, construction, reconstruction, maintenance or repair of any stormwater management facilities constructed upon the Condominium Land; and in the event that, after reasonable notice to the Condominium Association by Queen Anne’s County, Maryland, the Condominium Association shall fail to maintain any stormwater management facility constructed upon the Condominium Land with applicable law and regulations, Queen Anne’s County, Maryland, may do and perform all necessary repair and maintenance work and may assess the Condominium Association for the cost of work and any applicable penalties. In the event that in the exercise of the foregoing right to Queen Anne’s County, Maryland, its successors and/or assigns, damages any portion of the Common Elements or of any Unit, such party shall be obligated to restore such Common Element or Unit to its condition prior to the damage incurred.

(14) The Condominium Land is subject to easements benefiting Kent Manor Inn, LLC, as described in that certain Utility Easement dated October 15, 2008, and recorded among the Land Records in Liber 1846, folio 304 *et seq.* (the “Utility Easement”). The Utility Easement establishes easement for the benefit of Kent Manor Inn, LLC, for access over portions of the Condominium Land described therein to: (a) install, access, maintain, repair and replace, to the extent reasonably necessary, a physical connection to a sanitary sewer line described therein and to discharge sanitary sewerage through said line; and (b) install, connect, access, maintain, repair and replace, to the extent reasonably necessary, a water line serving Kent Manor Inn, LLC’s property.

(f) Covenants Run With Land. All easements, rights and restrictions described herein are easements appurtenant to and running with the Condominium Land and shall continue in full force and effect until the termination of this **Condominium** Declaration as it may be amended from time to time.

(g) Covenant Against Partition. **All the** Common Elements, shall remain undivided and, except as otherwise provided herein and in the **Condominium** Act, shall remain appurtenant to the designated Unit(s). No Unit Owner or any other person shall bring any action for partition or division thereof except as may be provided for herein and in the **Condominium** Act.

ARTICLE VIII. AUTHORITY FOR EXPANSION OF THE CONDOMINIUM

(a) Expansion Rights. The Condominium Developer hereby expressly reserves, for a period of ten (10) years from and after the date upon which the Condominium is created, the right to expand and add to the Condominium, in its sole and absolute discretion, by subjecting to the **Condominium Regime** all or any part of the real property designated as “Future Phase” on the

Condominium Plat, together with all of the respective improvements thereon, and all of the respective rights, alleys, ways, waters, privileges, appurtenances, and advantages, to the same belonging or in any way appertaining. The outlines of the Future Phases are shown on the Condominium Plat in general terms in accordance with the Condominium Act. The Condominium may not contain more than forty-six (46) Units when fully expanded.

The Condominium Developer's right to expand and add additional property to the Condominium Regime is contingent upon the Condominium Developer obtaining fee simple title to such property prior to annexation.

(b) Easements for Development of Future Phases. Each Future Phase may be added to the Condominium subject to the rights, rights-of-way, covenants, conditions, restrictions, setbacks and easements mentioned in this **Condominium** Declaration, and to such other rights, rights-of-way, covenants, conditions, restrictions, setbacks and easements as are deemed necessary or advisable in the opinion of the Condominium Developer or Future Phase Developer (as such term is defined herein) to facilitate the orderly development, or the construction, installation, maintenance and operation, of the Condominium or the remaining property of the Condominium Developer, wherever located, or the convenience or services of the Condominium Association; and, in particular, but not in limitation of the foregoing, the Condominium Developer and any owner of any portion of any Future Phase who may be engaged in the development and/or construction of any improvements located within any Future Phase (hereinafter referred to as "Future Phase Developer") hereby expressly reserve such easements and rights-of-way on, over, under and across such Phase 1 and Phase 2 as necessary for the development of any Future Phase as are deemed appropriate by the Condominium Developer and Future Phase Developer, even if any Future Phases are not included in the Condominium, for (i) vehicular and pedestrian access between (A) any Future Phases and (B) any public road or other property which borders upon the Condominium, (ii) vehicular parking for the benefit of any Future Phase and (iii) the construction, installation, maintenance (including, but not limited to, inspection, cleaning, repair and replacement) and operation of telephone, electric, gas, cable TV, water, sanitary sewer, storm water drainage, and other utility lines, mains, facilities and installations deemed appropriate by the Condominium Developer or Future Phase Developer to serve Phase 1, Phase 2 and Future Phases and (iv) development of Phase 1, Phase 2 and Future Phases. 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 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. The easements described herein shall automatically be deemed to apply to and burden Phases I, Phase 2 and Future Phases when and at such time as such Phase or any portion thereof is added to the Condominium.

(c) Development Criteria for Future Phases. Subject to the limitations of **Article VIII(a)**
and (d):

(1) all buildings and other improvements included in each Future Phase shall be constructed in accordance with such architectural and other drawings as the Condominium Developer or Future Phase Developer, as the case may be, in its sole discretion, may deem appropriate;

(2) the quantity and location of the buildings and other improvements shown on the Condominium Plat as being located within each of the Future Phases may be

changed to such extent as the Condominium Developer or Future Phase Developer, as applicable, in its sole discretion, may deem appropriate;

(3) in addition to the land and buildings set forth in Paragraph (a) of this Article VIII(a), and the Common Elements which are shown as being located within such Future Phase on the Condominium Plat, each Future Phase may contain such other Common Elements as the Condominium Developer or Future Phase Developer, as applicable, in its sole discretion, may deem appropriate;

(4) the Condominium Developer or Future Phase Developer, as the case may be, may divide any Future Phase into two (2) or more parts and may add the various parts of such Future Phase to the Condominium at different times;

(5) the Condominium Developer is not required to add any Future Phase (or any part thereof) to the Condominium, and the Future Phases (and/or parts thereof), if any, which are added to the Condominium may be added in any sequence chosen by the Condominium Developer; and

(6) the Condominium Developer makes no assurances regarding construction, building types, architectural style or size of the Units in any Future Phase.

(d) Future Phase /Future Phase Completion. All improvements that are added by the Condominium Developer to the Condominium as part of any Future Phase shall be substantially complete prior to the addition of such Future Phase to the Condominium, and shall be consistent with comparable improvements, if any, installed by the Condominium Developer in Phase 1 in terms of quality of construction and structure type.

(e) Adjustment of Percentage Interests. Immediately upon the addition of any Future Phase to the Condominium, (i) the percentage interests in the Common Elements and in the Common Profits and Common Expenses of the Unit Owner of each Unit contained within the Condominium immediately prior to such expansion shall be reduced in accordance with the formula(s) set forth in Article III hereof, and (ii) percentage interests in the Common Elements and in the Common Profits and Common Expenses, as determined in accordance with the formula(s) set forth in Article III hereof, shall vest in the Unit Owner of each Unit contained within the Future Phase then being added to the Condominium. The Unit Owner of each Unit contained within any Future Phase that is added to the Condominium shall be a member of the Condominium Association and shall have the voting rights set forth in Article III hereof. Immediately following any such expansion, the interest of each Mortgagee shall attach, by operation of law, to the new percentage interest in the Common Elements appurtenant to the Unit on which it holds a lien.

(f) Recordation of Expansion Documents. Any such expansion shall be accomplished by, and shall be and become effective upon and only upon, the amendment of this Declaration by the recordation among the Land Records, of an appropriate amendatory instrument which describes the property to be added by such expansion and expressly subjects the same to the operation and effect of this Declaration, and sets forth

(1) the number of Units to be included by way of such expansion;

(2) the undivided percentage interest in the Common Elements and the percentage interest in the Common Expenses and Common Profits of each Unit Owner after such expansion, as determined in accordance with the provisions of Article III **herein**;

(3) the number of votes which each Unit Owner is entitled to cast at meetings of the membership after such expansion, as determined in accordance with the provisions of Article III; and

(4) the amendment of the Condominium Plat by the recordation among the Land Records of an appropriate amendatory plat setting forth the detail and information as to the property, the Units, and the Common Elements added to the Condominium by such expansion, the setting forth of which therein is required by applicable law to effectuate such expansion.

(f) Liens. Liens arising in connection with the Condominium Developer's ownership of and construction of improvements upon, the land to be added must not adversely affect the rights of existing Owners, or the priority of First Mortgages on Units within the existing Condominium Land. All taxes and other assessments relating to such Condominium Land, covering any period prior to the addition of the property, must be paid or otherwise satisfactorily provided for by the Condominium Developer.

(g) Power of Attorney. There is hereby reserved unto the Condominium Developer (or such other party as may in writing be designated by the Condominium Developer) an irrevocable power of attorney, coupled with an interest, for the purpose of reallocating the percentage interests and voting rights appurtenant to each of the Units in the Condominium in accordance with the provisions of this **Condominium** Declaration and to execute, acknowledge and deliver such further instruments as may from time to time be required in order to accomplish the purposes of this Article VIII. Each Unit Owner and each Mortgagee of a Unit shall be deemed to have acquiesced in amendments to this Declaration and in amendments to the Condominium Plats for the purpose of adding the aforesaid additional Units and Common Elements to the Condominium, as set forth above, and shall be deemed to have granted unto the Condominium Developer (or such other party as may in writing be designated by the Condominium Developer), an irrevocable power of attorney, coupled with an interest, to effectuate, execute, acknowledge and deliver any such amendments and each such Unit Owner and Mortgagee shall be deemed to have agreed and covenanted to execute such further assurances and instruments, if any, as may be required by the Condominium Developer and its successors or assigns, to properly accomplish such amendments. Notwithstanding the foregoing, the Condominium Developer shall comply with any legal requirements of FHA, VA or FNMA then in effect regarding annexation of additional land.

ARTICLE IX. DEVELOPMENT, MARKETING AND MANAGEMENT OF THE CONDOMINIUM

(a) Sales, Rental and Management Offices and Model Units. The Condominium Developer shall have the right to use any Units to which it holds fee simple or leasehold title from time to time as sales, rental and management offices and model units and for such other uses as the Condominium Developer may deem appropriate for the development, marketing (including sales and rentals) and management of any Unit(s) now or hereafter located within the Condominium. The

Condominium Developer shall have the right, without any requirement to gain any approvals from the Condominium Association or Condominium Board, to make such structural and non-structural additions, alterations, improvements and decorations to each Unit to which it holds fee simple or leasehold title, to the Limited Common Elements that the Condominium Developer, as the Unit Owner or Tenant of each such Unit, has the exclusive right to use, and to the party wall located between any adjoining Units to which the Condominium Developer, holds fee simple or leasehold title, as the Condominium Developer, in its sole discretion, may deem appropriate to facilitate the uses hereinabove set forth.

(b) Parking and Storing Vehicles. The Condominium Developer and its employees, agents and guests shall have the right to park and store in any parking area such commercial and non-commercial vehicles as the Condominium Developer, in its sole discretion, may deem appropriate for the development, marketing and management of any Unit(s) now or hereafter located within the Condominium, provided, however, that the Condominium Developer shall not unreasonably interfere with the rights of the other Unit Owners having the right to such parking areas.

(c) Signs and Furniture. The Condominium Developer shall have the right to install upon and within, maintain, and remove from the Units to which it holds fee simple or leasehold title, the Limited Common Elements appurtenant to said Units, and all General Common Elements, such advertising and directional signs and other materials as the Condominium Developer, in its sole discretion, may deem appropriate for the development, marketing and management of any Unit(s) now or hereafter located within the Condominium.

(d) Completion and Repair Easements. The Condominium Developer shall have the right and an easement to enter upon any General Common Element or Limited Common Element and any Unit for the purpose of (i) completing the construction or installation of any Unit or Common Element, and (ii) making repairs to any Unit or Common Element to the extent that such repairs are required pursuant to any express or implied warranty or other legal obligation created or agreed to by the Condominium Developer or established by the operation of law. Such right and easement shall exist, with respect to **Article IX(d)(i)** above, until the construction or installation of all Units and Common Elements that the Condominium Developer desires, or is obligated, to construct or install has been completed, and, with respect to **Article IX(d)(2)** above, so long as the Condominium Developer's obligation, if any, shall exist.

ARTICLE X. USE RESTRICTIONS

For the purpose of creating and maintaining a uniform scheme of development and operation of the Condominium for the benefit of each Unit Owner, his respective personal representatives, heirs, successors and assigns, the Common Elements and each Unit shall be held subject to the following use restrictions, which are in addition to any use restrictions contained in the Master Management Documents:

(a) Land Use.

(i) The Common Elements and each Unit located within the Condominium shall be used, occupied and maintained for residential purposes only, except as provided in Article IX

hereof.

(ii) No Unit may be used as a Family Child Care Home, as described and provided in Section 9.2.25. of the **Master Association's** Declaration.

(iii) A Unit may be used as a No-Impact Home-Based Business, as described and provided in Section 9.2.26. of the Master **Association's** Declaration.

Notwithstanding the foregoing, the Condominium Developer shall have the right to use the Units it may own or lease from time to time as sales, rental and management offices and model units and for such other uses as the Condominium Developer may deem appropriate for the development, marketing (including sales and rentals) and management of any structures now or hereafter located on the Condominium Land, and in furtherance thereof, the Condominium Developer may, among other things, install one or more construction and/or sales trailers upon any portion of the Condominium Land. The Condominium Developer shall also have the right to erect on any portion of the Condominium Land it may own or lease from time to time, advertising and directional signs and other materials as the Condominium Developer shall deem appropriate for the development, marketing and management of any structure now or hereafter located in the Condominium Land.

(b) Signs. Signs are subject to the provisions of Article IX hereof, or as permitted by applicable law and/or Section 9.2.4. of the Master **Association's** Declaration. In addition, pursuant to Section 11- 111.2 of the Condominium Act, candidate signs or signs that advertise the support or defeat of a proposition may be displayed in the Common Elements no more than thirty (30) days before the primary election, general election, or vote on the election proposition, and no more than seven (7) days after the primary election, general election or vote on the proposition.

(c) Vehicles and Parking. In addition to the provisions contained in the Master **Association Documents**, no car, motorcycle, motor scooter, motorbike, moped or other motor vehicle or bicycle shall be parked or stored on or in any General Common Element or Limited Common Element; provided, however, this restriction shall be inapplicable to the Condominium Developer.

(d) Compliance with Condominium Documents and Laws. All Unit Owners, Tenants and residents of the Units shall comply with all terms, conditions, restrictions and provisions of the Condominium Documents. Furthermore, no noxious trade or activity shall be carried on within the Condominium, nor shall anything be done within the Condominium which may be or become (i) a violation of any health, fire, police, or other governmental law, rule or regulation, including, without limitation, the National Flood Insurance Act of 1968 and any regulations adopted thereunder, or (ii) a nuisance or annoyance to the **Unit** Owners of the Condominium or adjacent neighborhoods. Any violation of any law, order, rule, regulation or requirement of any governmental authority or agency, or of any term, condition, restriction or provision of the Condominium Documents, shall be remedied by and at the sole cost and expense of the Unit Owner(s) and/or Tenant(s) who are responsible for such violation.

(e) Noise. No noise which is disturbing to the residents of the Condominium shall be made within the Condominium, and nothing shall be done or permitted to be done in or about the Common Elements or any Unit that interferes with, obstructs or violates the rights, reasonable comforts or convenience of the Unit Owners, Tenants or residents of the Condominium.

(f) Use of Common Elements. Subject to those restrictions contained in the Master **Association's** Declaration and any rules concerning parking and traffic control on the Community Common Area (as defined in the Master **Association's** Declaration), any parking areas shall be used for ingress and egress only, and no one shall be permitted to play therein or thereon, nor shall same be used in any manner for picnicking or cooking, or for permanent or temporary storage of any article of personal property, or of any bottles, trash or garbage, nor shall any of the foregoing ever be permitted to remain or stand in the parking areas. No metal storage container shall be brought, used or stored upon the Common Elements by the Condominium Association or by any Unit Owner, Tenant or resident, except for trash cans and/or trash dumpsters approved by the Condominium Association for the temporary storage of trash between regularly scheduled trash pickups.

(g) Electricity. No portion of the Common Elements shall be in any manner defaced, nor shall the same be utilized for the making of connections of any sort for radio, television, or other devices or equipment of any kind, all of which connections are specifically prohibited, except to the ordinary electric outlets furnished within Units and Limited Common Elements, and except additional electric outlets which may be installed with the consent of the Condominium Board. Further, the Common Elements shall be used only for the purposes for which same were installed and none of said Common Elements shall be loaded or taxed beyond the capacity for which designed.

(h) Vermin, Insects or Other Pests. No vermin, insects, or other pests shall be allowed to remain in any Unit or Limited Common Element, nor shall any such Unit or Limited Common Element be permitted to remain in an unclean or unsanitary condition. In order to assure compliance with this **Article X(h)**, the Condominium Board, its agents, servants, employees and contractors may enter any Unit or Limited Common Element at any reasonable hour of the day, after written notice of at least **fifteen** (15) days, for the purpose of inspecting such Unit or Limited Common Element (and any General Common Element accessible from said Unit or Limited Common Element) for the presence of any vermin, insects or other pests, and for the purpose of taking such measures as may be necessary to control or exterminate any such vermin, insects or other pests.

(i) Articles Hung from Property. No clothing, curtain, rug, towel, or other article shall be shaken from or on, or thrown from, any window, door, patio, deck, Limited Common Element or General Common Element; provided, however, nothing in the foregoing shall prohibit a **Unit** Owner from shaking a rug outside of a Unit merely to dispose of a nominal amount of dust. Nothing shall be placed on or hung from any outside window, door, patio or deck sill, ledge, or railing, except for planters, hanging plants, seasonable decorations or similar decorative items, all of which may be subject to further rules enacted by the Condominium Board regarding their placement and use. Additionally, clotheslines are not permitted on any Unit, General Common Element or Limited Common Element, except as provided in Section 9.2.19. of the Master **Association's** Declaration.

(j) Housing for Elderly and Handicapped Persons and Age Restriction.

(1) For purposes of this **Condominium** Declaration, "Age Qualified Resident" shall mean an occupant of a Unit who is fifty-five (55) years of age or older (or such other age as may be required by the Fair Housing Acts, as defined below, from time to time).

(2) The Condominium is intended to constitute housing intended and operated for occupancy by at least one (1) person fifty-five (55) years of age or older per Unit, to the extent required by the Fair Housing Acts (as hereinbefore defined), as such laws are amended from time to time. Except as provided herein and in Section 9.2.29 of the Master Association's Declaration, occupancy of any Unit shall be in accordance with the Fair Housing Acts.

(3) Notwithstanding anything to the contrary contained herein, a Unit may be occupied by a person of any age if such person is necessary to provide a reasonable accommodation to a disabled Age Qualified Resident to the extent required by the provisions of the Fair Housing Acts.

(4) Nothing contained in this Article X(j) shall be deemed to prohibit the visitation by persons not otherwise permitted to occupy a Unit (including persons under the age of nineteen (19)) who are the family members or guests of the occupant of a Unit, provided that such visitation shall not be for more than ninety (90) days in any calendar year.

(5) Each Unit Owner or occupant of a Unit, if requested to do so by the Condominium Board and/or the board of directors of the Master Association, shall promptly furnish the Condominium Board or board of directors of the Master Association with the names and ages of all occupants of the Unit and such affidavits and other documents as the Condominium Board or board of directors of the Master Association may request to verify the age of such occupants.

(6) The Condominium Board may adopt, publish and enforce such policies and procedures and rules and regulations as are deemed necessary by the Condominium Board in order to demonstrate an intent to maintain the status of the Condominium as housing for older persons under the Fair Housing Acts. Such policies and procedures may provide for verification of the age of the occupants by reliable surveys and affidavits. In addition, the Master Association may adopt, publish and enforce policies, procedures and rules and regulations as it deems necessary for such purpose pursuant to Section 9.2.29 of the Master Association's Declaration.

(7) The requirements contained in this Article X(j) are intended to comply with the exemption requirements under the Fair Housing Acts and any regulations issued thereunder. Notwithstanding anything contained herein to the contrary, all Unit Owners acknowledge and agree that although it is the intent of the Condominium Developer that the Condominium is to be operated in compliance with the Fair Housing Acts, which exempt "housing for older persons" from the prohibitions against discrimination because of familial status, no representation or warranty is made that the Condominium complies or will comply with the Fair Housing Acts, and if for any reason the Condominium is deemed not in compliance with the Fair Housing Acts and therefore, not exempt from the prohibitions against discrimination because of familial status neither the Condominium Developer nor the Condominium Association nor their respective directors, officers, agents or

employees shall have any liability in connection therewith. Notwithstanding any other provision of this **Condominium** Declaration to the contrary, the Condominium Developer, for so long as it owns any dwelling, and thereafter the Condominium Board, may amend the provisions of this **Article X(j)** and/or promulgate rules and regulations to the extent that it deems it necessary or appropriate, without the approval of the Owners, in order to comply with the exemption requirements under the Fair Housing Acts and any regulations promulgated thereunder. Such amendments, rules or regulations by the Condominium Developer or Condominium Board may include, without limitation, permitting additional exceptions to the age restrictions hereunder which are consistent with the Fair Housing Acts and any regulations promulgated thereunder.

(k) **Mold.** Each Unit Owner, by acceptance of the deed to a Unit, acknowledges and agrees that certain actions within a Unit can contribute to the growth of mold therein and that good housekeeping and ventilation practices are obligatory and necessary to prevent the accumulation of moisture, including without limitation:

(1) Operating exhaust fans and vents when conducting or operating any activity, equipment, or appliance that may produce steam, condensation, moisture or water;

(2) Cleaning and drying all areas affected or dampened by any spilled or accumulated liquid within twenty-four hours of the occurrence, including, without limitation, drying condensation or moisture that may collect on windows, walls or pipes;

(3) Ensuring that drip pans are installed for all equipment and appliances with may accumulate or produce condensation or moisture and that all drain lines are unobstructed and flowing properly;

(4) Keeping indoor humidity low, below 60% relative humidity;

(5) Using air conditioners and/or de-humidifiers as needed; and,

(6) Notifying the Condominium Association immediately upon discovery of any mold, mildew, moist conditions, and leaks, from any source.

Each Unit Owner by acceptance of the deed to a Unit releases the Condominium Association from any and all damages that arise from a Unit Owner's failure to take all reasonable to prevent the accumulation of water or moisture.

ARTICLE XI. UNITS SUBJECT TO DECLARATION, CONDOMINIUM BY-LAWS AND RULES AND MASTER ASSOCIATION

(a) All present and future **Unit** Owners, Tenants, and other occupants of Units shall be

subject to, and shall comply with, the provisions of the Condominium Act, this **Condominium Declaration and Condominium By-Laws**, and any amendments thereto, and **rules of the Condominium Association as adopted by the Condominium Board**. The acceptance of a deed, or conveyance, or the entering into of a lease, or the entering into occupancy of any Unit, shall constitute an agreement that the provisions of this **Condominium Declaration and Condominium By-Laws** and any amendments thereto, and the rules, as they may be amended from time to time, are accepted and ratified by such **Unit Owner, Tenant, or other 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, conveyance or lease thereof.

(b) The **Condominium Association, through the Condominium Board** may, from time to time, enact uniform rules and regulations which govern the use and operation of the Condominium, as well as the conduct and the enjoyment of the Unit Owners, provided that such rules and regulations are not in conflict with the **Condominium Declaration, the Condominium Bylaws, and the Master Association Documents**. Furthermore, the **Condominium Board** shall have the authority to enforce the **Condominium Documents** and levy fines and charges for the violations thereof in accordance with the procedures of Sec. 11-113 of the **Condominium Act** and procedure for the same adopted by the **Condominium Board**, if any.

(c) In the event that a **Unit Owner** is or becomes more than sixty (60) days in arrears in the payment of any assessment due to the **Condominium Association**, or is found to be in violation of the **Condominium Documents** or the **Master Association Documents** following notice and an opportunity for a hearing, the **Condominium Association, by and through the Condominium Board**, shall have the power and authority to suspend the **Unit Owner's - including, without limitation, the tenants, occupants, and/or residents of Unit Owner's Unit - use of parking or recreational facility Common Elements or any recreational facilities owned and/or operated by the Master Association** until such time as the assessment(s) past due have been paid in full.

(d) Master Association.

(1) The Condominium is also part of the development (as such term is defined under Section 11B-101 of the Real Property Article of the Annotated Code of Maryland) known as **Bay Bridge Cove Community Association, Inc. ("Master Association")**, and all of the Units and Common Elements are encumbered by and subject to all of the covenants, conditions, restrictions and easements set forth in the **Master Association Documents**. The **Master Association** is responsible for maintaining all roads, exterior parking areas, private walkways (located within the **Community Common Area**), landscaping and lawn care of the **Community Common Area**, drainage facilities and easements, and certain open space which serve the **Master Association** and residents of the **Master Association** and

Condominium Association. Additionally, the Master Association is or will be responsible for lawn care, including grass cutting, mulching and fertilization, of the yards of the dwellings, maintenance and replacement of the foundation plantings installed by a builder surrounding the dwellings, snow removal from the porches serving a dwelling and snow and ice removal from any driveway, leadwalks and step serving a dwelling.

(2) The Condominium Association is a Member of the Master Association and is entitled to exercise all of the rights of a Member as established under the Master **Association Documents** and the articles of incorporation and by-laws of the Master Association. Further, each **Unit** Owner has the rights of an owner provided for in the governing documents of the Master Association. For purposes of voting under the Master **Association Documents**, the President of the **Condominium Association** shall represent and vote on behalf of each Unit Owner.

(3) Membership in the Master Association shall subject each Unit Owner to certain annual, special and working capital assessments and certain fees which may be levied by the Master Association as provided in the Master **Association Documents**. These assessments and fees are in addition to any and all assessments which may be levied by the **Condominium Association** as provided herein and under the Condominium Act. Included as part of the assessments due to the Master Association, is the contribution paid to KIVFD pursuant to the Public Works Agreement dated July 24, 2012, by and between the County Commissioners of Queen Anne's County and Kent Island, LLC, which is recorded among the Land Records in Liber 2131, folio 230 *et seq.*, which provides as follows:

The Community Association is to contribute Seventy-Two Dollars (\$72.00) per unit per year to KIVFD. The annual contribution paid to KIVFD will begin on a per unit basis prorated for partial years, when each home is sold and occupied. The contribution payments will adjust annually based on the actual percentage increase in the Community Association's budget, plus one percent (1%). Finally, if for any reason KIVFD ceases to exist, the contribution payments will terminate

The Condominium Association, until notice is provided by the Master Association, shall initially collect from each Unit Owner such Unit Owner's share of the assessments due to the Master Association and thereafter shall remit such amounts directly to the Master Association.

(e) The Units and the Common Elements are bound by and subject to all of the use restrictions contained in the Master **Association's** Declaration or in the rules from time to time promulgated by the Master Association. The use restrictions are in addition to those contained in this **Condominium** Declaration or in the Condominium By-Laws.

(f) In the event of a conflict between the Master Management Documents (as such term is defined in the Master **Association's** Declaration), and the provisions of any Condominium Document(s), the provisions of the Master Management Documents shall

supersede the provisions of the Condominium Documents to the extent of such conflict, unless prohibited by applicable law.

ARTICLE XII. GENERAL PROVISIONS

(a) Condominium Declaration and Condominium By-Laws Amendments. The administration of the Condominium shall be governed by the Condominium By-Laws **and the rules adopted by the Condominium Board.** In addition to the vote required to amend the Condominium By-Laws, as set forth therein, any amendment to this **Condominium** Declaration or the Condominium By-Laws involving any “Material Change”, as said term is defined below, shall also require the affirmative vote of at least fifty-one percent (51%) of the Mortgagees unless the notice requirements of Sec. 11-103 of the Condominium Act are satisfied, each such Mortgagee to have the number of votes appurtenant to the Unit or Units upon which it holds a Mortgage or Mortgages. The term “Material Change” shall include a material amendment to this **Condominium** Declaration or the Condominium By-Laws which established, provides for, governs or regulates any of the following provisions:

- (1) voting rights (except in connection with the expansion of the Condominium pursuant to Article VIII hereof, in connection with the failure to rebuild a Unit following a casualty pursuant to this Article XII (d), or in connection with the condemnation of part of the Condominium pursuant to this Article XII(f);
- (2) assessment liens or subordination of such liens;
- (3) reserves for maintenance, repair and replacement of Common Elements;
- (4) responsibility for maintenance and repairs;
- (5) rights to use the Common Elements;
- (6) interests in the General Common Elements or Limited Common Elements, except as otherwise provided in this **Condominium** Declaration);
- (7) Unit boundaries;
- (8) convertibility of Units into Common Elements or Common Elements into Units;
- (9) expansion or contraction of the Condominium, or the addition, annexation or withdrawal of property to or from the Condominium (except for the expansion of the Condominium pursuant to Article VIII hereof); subject to any applicable consent required by Federal Housing Administration (“FHA”), Veterans Administration (“VA”) or Federal National Mortgage Association (“FNMA”), from time to time;
- (10) insurance or fidelity bond requirements;
- (11) imposition of any restrictions on the leasing of Units;

(12) imposition of any right of first refusal or similar restrictions on a Unit Owner's right to sell, transfer or otherwise convey his Unit;

(13) a decision by the Condominium Association to establish self-management if professional management had been required previously by the Condominium Documents or by FHA, VA, FNMA or Federal Home Loan Mortgage Corporation ("FHLMC"), as applicable ; and

(14) any provisions that expressly benefit First Mortgage holders, insurers or guarantors.

Unless otherwise required by FNMA, the provisions of **Article XII** (a) (1) through (13) do not apply to amendments of this **Condominium** Declaration or the Condominium By-Laws or termination of the **Condominium Regime** made as a result of destruction, damage or condemnation described in this **Condominium** Declaration, or restoration or repair of the Condominium, or to a reallocation of interests in the Common Elements which may occur pursuant to any plan of expansion or phasing development previously approved by FHA and/or VA, to the extent such approval was required by FHA and/or VA. If a proposed amendment of this **Condominium** Declaration or the Condominium By-Laws involves any change described in items **Article XII** (1) through (13) above, in accordance with Sec. 11-103 of the Condominium Act, each Mortgagee who fails to submit to the Condominium Association a written response to the proposed amendment within sixty (60) days after the Mortgagee receives proper notice (by certified or registered mail, return receipt requested) of the proposed amendment shall be deemed to have judged all changes resulting from the proposed amendment to be immaterial, and to have cast an affirmative vote with respect to the proposed amendment; provided, however, the foregoing provision shall not apply to Eligible Mortgagees to the extent such provision does not comply with FHA or VA requirements from time to time.

(b) Condominium Declaration and Condominium Plat Amendments.

(1) Except for those matters as to which the Condominium Act permits an amendment to this **Condominium** Declaration or the Condominium Plat by the Condominium Association without the express approval of **the Unit Owners** (including, but not limited to, the reallocation of percentage interests and voting rights as provided in **Article XII(f)** in connection with a failure to rebuild a Unit following a casualty or as provided in **Article XII(f)** in connection with a condemnation of part of the Condominium), and except as otherwise provided in Article VIII hereof with respect to the expansion of the Condominium, amendments to this Declaration and the Condominium Plat shall be governed as follows:

(i) Except as otherwise provided in this **Condominium** Declaration, neither this **Condominium** Declaration nor the Condominium Plat shall be amended without the written consent of at least eighty percent (80%) of the Unit Owners listed on the current roster and, except as provided in Sec. 11-103 of the Condominium Act, the affirmative vote of at least sixty-six and two-thirds percent (66 2/3%) of the Mortgagees, each such Mortgagee to have the number of votes appurtenant to the Unit or Units upon which it holds a

Mortgage or Mortgages, and no amendment adopted pursuant to this **Article XII(b)(1)(i)** shall take effect until an appropriate written instrument is recorded in the Land Records, which instrument shall be executed by the Unit Owners whose approval was required for the adoption of such amendment.

(ii) Except as may otherwise be provided in this **Condominium Declaration**, neither this Declaration nor the Condominium Plat shall be amended so as to change:

- (A) the boundaries of any Unit,
- (B) the undivided percentage interest of any Unit Owner in the Common Elements, except in the case of the expansion of the Condominium pursuant to Article VIII hereof,
- (C) the percentage interest of any Unit Owner in the Common Profits and Common Expenses, except in the case of the expansion of the Condominium pursuant to Article VIII hereof,
- (D) the number of votes in the Condominium Association appurtenant to any Unit,
- (E) residential Units to non-residential Units, or non-residential Units to residential Units,
- (F) General Common Elements to Limited Common Elements, or Limited Common Elements to General Common Elements,
- (G) any right of any Unit Owner pertaining to the use of any Limited Common Element appurtenant to his Unit, or
- (H) the power to approve Extraordinary Actions (as such term is defined herein), and no amendment adopted pursuant to this **Article XII(b)(1)** shall take effect until an appropriate written instrument is recorded among the Land Records.

(2) Notwithstanding any language in this **Condominium Declaration**, the Condominium By-Laws or any other Condominium Documents to the contrary, this **Condominium Declaration**, the Condominium By-Laws and the Condominium Plat shall not be amended so as to change:

(i) any right reserved for the benefit of, or any obligation imposed upon the Condominium Developer, which rights include, but are not limited to, the Condominium Developer's right to expand the Condominium as provided in Article VIII hereof, and the Condominium Developer's right to develop, market and manage the Condominium, as provided in Article IX hereof,

- (ii) any provision required by any governmental authority, or
- (iii) any provision provided for the benefit of any public utility, without the written consent of the Condominium Developer, such governmental authority or such public utility, as applicable, and no such amendment shall take effect until an appropriate written instrument is recorded among the Land Records, which instrument shall be executed by the Condominium Developer, such governmental authority or such public utility, as applicable.

(c) Extraordinary Actions. Although the Condominium Board shall generally have broad powers to regulate, govern and manage the Condominium, the power to approve certain Extraordinary Actions shall remain vested exclusively in the **Condominium Association**. Any provision of this **Condominium** Declaration or the Condominium By-Laws to the contrary notwithstanding, the Condominium Board shall not be authorized to take any Extraordinary Actions without the affirmative vote of Unit Owners representing not less than eighty percent (80%) of the Unit Owners listed on the current roster (whether voting in person, **remotely by electronic means** or by written proxy) and, except as provided in Sec. 11-103 of the Condominium Act, the written consent of every Mortgagee. As used herein, the term “Extraordinary Actions” shall mean any and all actions taken by or on behalf of the **Condominium Association**, including, without limitation, commencing or maintaining any litigation, arbitration or similar proceeding (except for routine Common Expense collection matters, or actions required to enforce the restrictions on use of Units or architectural controls set forth in the Condominium By-Laws), but only with regard to Common Elements (and the **Condominium Association** shall have no right to bring an action on behalf of any Unit Owner or Unit Owners for matters related to any Unit or Units, or private claims of Unit Owners) which would reasonably require the expenditure of funds in excess of **Twenty** Thousand Dollars (\$20,000.00) in the aggregate during any fiscal year, or **Forty-five** Thousand Dollars (\$45,000.00) in the aggregate for any proceedings arising out of the same controversy. The Condominium Association shall have authority to bring actions against the Condominium Developer pursuant to Section 11-131(d) of the Maryland Code only. Notwithstanding anything herein or in the Condominium By-Laws to the contrary, the **Condominium Association** shall be prohibited from bringing any action pursuant to Section 11-131(d) of the **Condominium Act**, and, as a result, the **Condominium Association** shall be expressly prohibited from bringing (or participating) in any actions on behalf of Unit Owners (whether one or more), including but not limited to any actions under the original sale transaction whether in contract, fraud, negligent representation and warranties under Sections 10-202 and 10-203 of the Maryland Code, and all such rights are expressly waived, eliminated, and deemed void ab initio; provided, however, the foregoing does not alter any warranties to Unit Owners under Sections 10-202 and 10-203 of the Maryland Code.

(d) Failure to Rebuild Units. If the Unit Owners decide pursuant to the Condominium By-Laws not to rebuild one or more Units following a fire or other casualty, but the **Condominium Regime** is not terminated, then:

- (i) the percentage interests (in the Common Elements and the Common Profits and Common Expenses) appurtenant to each damaged or destroyed Unit which is not rebuilt shall be divested from the Unit and reallocated among the remaining Units in proportion to the percentage interests appurtenant to said remaining Units immediately prior to the damage or destruction;

(ii) the votes appurtenant to each damaged or destroyed Unit which is not rebuilt shall be divested from said Unit and shall not be reallocated among the remaining Units; and

(iii) the Condominium Association promptly shall prepare, execute and record an amendment to the **Condominium** Declaration reflecting the new arrangement of percentage interests and votes as above provided.

(e) Destruction or Damage. Notwithstanding any other provision of this **Condominium** Declaration to the contrary, if the Condominium is destroyed or damaged to the extent of at least two-thirds (2/3) of its then replacement cost, the Condominium may be terminated by the agreement of Unit Owners having at least eighty percent (80%) of the votes appurtenant to all Units. Upon such termination, the property shall be sold and the net proceeds of sale and the net proceeds of insurance shall be combined into one fund, which shall be distributed among all the Unit Owners in accordance with their respective undivided interests in the property as tenants in common, as determined pursuant to Article XII(h). Further, any restoration or repair of the Condominium after partial damage to an insurable hazard that is not in accordance with this **Condominium** Declaration and the original plans and specifications shall require the approval of at least fifty-one percent (51%) of the Eligible Mortgagees. Additionally, any election to terminate the **Condominium Regime** after substantial destruction shall require the approval of at least fifty-one percent (51%) of all Mortgagees, which shall include at least fifty-one percent (51%) of the Eligible Mortgagees.

(f) Condemnation. The Condominium Association shall represent the Unit Owners in any condemnation proceeding (for the purposes of this **Condominium** Declaration, a condemnation includes any sale in settlement of a pending or threatened condemnation) to the extent said condemnation pertains to all or any part of the General Common Elements, except that each Unit Owner shall be entitled to assert a separate claim for the consequential damages to his Unit resulting from said condemnation. Any award made in connection with the Condemnation of all or any part of the Condominium, including net proceeds of any sale in settlement of a condemnation proceeding, shall be allocated among the Unit Owners as follows: (i) each Unit Owner shall be entitled to the entire amount of the award attributable to the taking of all or part of his Unit and for the consequential damages to said Unit resulting from said condemnation; (ii) any award attributable to the taking of General Common Elements shall be allocated among all Unit Owners in proportion to their respective percentage interests in the Common Elements. All such awards shall be payable to the Condominium Association, which shall distribute the amount(s) allocated to each Unit Owner pursuant to the preceding sentence in accordance with the priority of interests in his Unit, to the end and intent that all Mortgages and other liens on such Unit shall first be paid out of the award allocated to such Unit Owner, all in the order in which same appear. The Condominium Association shall not be obligated to replace property taken, but promptly shall undertake to restore and/or reconstruct the remaining property, including without limitation, the Common Elements, within the Condominium to a safe and habitable condition. The cost of such restoration shall be a Common Expense. Following the taking of all or part of any Unit, the percentage interests (in the Common Elements and in the Common Profits and Common Expenses) appurtenant to said Unit shall be reduced in the same proportion as the amount of floor area of said Unit so taken bears to the floor area of said Unit immediately prior to the taking, except that if the taking specifically includes part or all of the percentage interests appurtenant to said Unit, the taking authority shall have the portion of said percentage interests which is so taken, and the Owner of said Unit shall retain the portion of said percentage interests which is not so taken. To the extent that the total percentage interests appurtenant to a Unit are reduced as above provided, rather than being split between the taking authority and the Unit Owner, the severed percentage interests shall be reallocated among the remaining Units in proportion to the percentage interests appurtenant to such Units immediately prior to the taking. Following the taking of part of a Unit, the votes appurtenant to that Unit

shall be appurtenant to the remainder of that Unit, and following the taking of all of a Unit, the right to vote appurtenant to the Unit shall terminate, except, in such case, that if the taking specifically includes part or all of the votes appurtenant to a Unit, the taking authority shall have the portion of the votes so taken, and the Unit Owner of the Unit taken shall retain the portion of the votes which is not so taken. If the votes appurtenant to a Unit are terminated said votes shall not be reallocated among the remaining Units. Promptly after the taking is effected, the Condominium Association shall prepare, execute and record an amendment to this **Condominium** Declaration reflecting the new arrangement of percentage interests and votes as above provided.

Notwithstanding any other provision of this **Condominium** Declaration, if at least two-thirds (2/3) of the fair market value of the Condominium is taken under the power of eminent domain, the Condominium may be terminated by the agreement of Unit Owners having at least eighty percent (80%) of the total number of votes appurtenant to all Units. Upon such termination, (i) the award made in connection with the taking shall be distributed among the Unit Owners in the manner provided in this **Article XII(f)** for the allocation of taking awards, if such award has not already been so distributed, (ii) the percentage interests and votes appurtenant to the Units taken in whole or in part shall be allocated in the manner provided in this **Article XII(f)** for the allocation of percentage interests and votes appurtenant to Units so taken, and (iii) the Unit Owner of each Unit remaining a part of the Condominium after the taking shall own, as a tenant in common, until the property not taken is sold, an undivided interest in said property determined, to the extent permitted by law, as follows: Based upon fair market values in effect immediately prior to the termination of the **Regime**, such undivided interest shall equal a fraction, the numerator of which is the sum of the fair market value of the portion of his Unit not taken, plus the fair market value of his right to use any Limited Common Elements appurtenant to his Unit which were not taken, plus his share based on his percentage interest in the Common Elements (adjusted as above provided, if appropriate, on account of the taking), of the fair market value of the General Common Elements not taken, and the denominator of which is the sum of the fair market values of all Units, Limited Common Elements and General Common Elements not taken, provided, however, that if any Unit or any General Common Element or Limited Common Element has been damaged or destroyed by fire or other casualty prior to said termination, an estimate of the fair market value of such Unit or General Common Element, or of the right to use such Limited Common Element, immediately prior to such damage or destruction shall be used, and further provided that if no such estimate can reasonably be made in the opinion of the appraiser(s) with respect to any such Unit or General Common Element or Limited Common Element, then each Unit Owner's undivided interest in the property not taken shall equal his percentage interest in the Common Elements immediately prior to said termination adjusted as above provided, if appropriate, on account of the taking. Further, any restoration or repair of the Condominium after partial condemnation that is not in accordance with this **Condominium** Declaration and the original plans and specifications shall require the approval of at least fifty-one percent (51%) of the Eligible Mortgagees. Additionally, any election to terminate the Condominium **Association** after substantial condemnation shall require the approval of at least fifty-one percent (51%) of all Mortgagees, which shall include at least fifty-one percent (51%) of the Eligible Mortgagees.

(g) **Termination.** Except as otherwise provided in **Article XII(e) and (f)** of this Article XII, the Condominium shall not be terminated without the consent of Unit Owners having eighty hundred percent (80%) of the total number of votes appurtenant to all Units and the affirmative vote of at least fifty-one percent (51%) of the Mortgagees, which must include at least sixty-seven percent (67%) of the Eligible Mortgagees. No termination implemented pursuant to Article XII (e), (f) or (g)

shall take effect until an appropriate written instrument executed by Unit Owners having the requisite percentage of the votes appurtenant to all Units is recorded among the Land Records.

(h) Ownership Upon Termination. Upon any termination of the **Condominium Regime**, except for a termination implemented after a taking under the power of eminent domain as provided in **Article XII(f)** each Unit Owner shall own, as a tenant in common, from the time the Condominium is terminated until the time the property which constituted the Condominium is sold, an undivided interest in such property determined, to the extent permitted by law, as follows: Based upon fair market values in effect immediately prior to the termination of the **Regime**, such undivided interest shall equal a fraction, the numerator of which is the sum of the fair market value of his Unit, plus the fair market value of his right to use any Limited Common Elements appurtenant to his Unit, plus his share, based upon his percentage interest in the Common Elements, of the fair market value of the General Common Elements, and the denominator of which is the sum of the fair market values of all Units, Limited Common Elements and General Common Elements, provided, however, that if any Unit or any General Common Element or Limited Common Element has been damaged or destroyed by fire or other casualty prior to said termination, an estimate of the fair market value of such Unit or General Common Element, or of such damage or destruction shall be used, and further provided that if no such estimate can reasonably be made in the opinion of the appraiser(s) with respect to any such Unit or General Common Element or Limited Common Element, then each Unit Owner's undivided interest in the property which constituted the Condominium shall equal his percentage interest in the Common Elements immediately prior to said termination.

(i) Rights and Procedures Upon Termination. Upon any termination of the **Condominium Regime**:

(1) The fair market value of the Units and Common Elements shall be determined by an independent appraiser selected by the Condominium Association. The decision of the appraiser shall be distributed to each Unit Owner and shall become final unless Unit Owners having at least twenty-five percent (25%) of the total number of votes appurtenant to all Units disapprove such decision by written notice to the Condominium Association within thirty (30) days after said distribution. If such decision is disapproved, the Unit Owners submitting such notices of disapproval shall, as a group, by majority vote, select a second independent appraiser within fourteen (14) days after the Condominium Association notifies all Unit Owners in writing of such disapproval, and the original appraiser and the second appraiser shall select a third appraiser within seven (7) days after the selection of the second appraiser. If the **Unit** Owners disapproving the decision of the original appraiser fail to select an appraiser within the time specified, or if the two appraisers fail to agree upon a third appraiser within the time specified, the one or two designated appraisers, as the case may be, shall request the then Chief Judge of the Circuit Court for Queen Anne's County, Maryland, to designate an appraiser or appraisers so that there will be three appraisers. A decision of the majority of the appraisers as to all fair market values required to be determined pursuant to this Article XII shall be final, conclusive and binding upon all parties. Each decision submitted by one or more appraisers to the Condominium Association shall be in writing, signed by the appraiser(s) making same, and shall briefly state the grounds of each determination of fair market value. The cost of the appraiser(s) shall be allocated among the Unit

Owners in proportion to their respective percentage interests in the Common Elements of the Condominium.

(2) So long as the tenancy in common exists, each Unit Owner and his successors in interest shall have the exclusive right to occupy the portion of the property that formerly constituted his Unit and shall retain all rights which he had immediately prior to the termination of the Condominium with respect to those portions of the property that formerly constituted Limited Common Elements.

(3) Each Unit Owner's share of any proceeds, including, without limitation, sales proceeds, insurance proceeds and taking awards, distributed to the Unit Owners upon or in connection with the termination of the Condominium shall be distributed in accordance with the priority of interests in such Unit, to the end and intent that all Mortgages and other liens on such Unit shall first be paid out of the proceeds payable to such Unit Owner, all in the order in which same appear.

(j) Consent for Construction, Development and Expansion; Grant of Power of Attorney.

Except as otherwise provided in this **Condominium** Declaration or the Condominium By-Laws, each Unit Owner of the Condominium Association hereby agrees to cooperate fully with each and every other member of the Condominium Association and with the Condominium Developer, and its successors and assigns, in the construction of Units and any other development of the Condominium Land. Without limiting the generality of the foregoing, to the extent any Unit Owner or the Condominium Developer requires site plans, permits, consents, approvals, utility easements or other rights or information from other Unit Owners in order to fulfill any requirements imposed by any state or local governmental or quasi-governmental agencies or authorities in connection with the use or development of such Unit Owner's Unit, such other Unit Owners hereby agree to provide such consents, approvals, rights or information, provided however, that (i) all costs reasonably related to providing such rights or information shall be borne by the requesting Unit Owner, Condominium Developer (if the Condominium Developer is the requesting party) and (ii) providing such rights or information shall not materially interfere with the use or operation of the providing Unit Owner's Unit. Each Unit Owner, and Mortgagee of any Unit, hereby designates the Condominium Developer as their attorney-in-fact with respect to any approvals or consents the Condominium Developer may require from such parties to obtain any approval, consent, permit or the like from any governmental or quasi-governmental authority in order to develop the Condominium or any property owned by the Condominium Developer adjacent, contiguous or in proximity thereto. Each Unit Owner and Mortgagee of any Unit hereby agrees to cooperate fully with the Condominium Developer, its successors and assigns, or any nominee thereof, in any development plans of the Condominium Developer with respect to the Condominium Land or any property situated adjacent, contiguous or in proximity thereto.

(k) Successors of Condominium Developer. Any and all rights, reservations, easements, interests, exemptions, privileges and powers of the Condominium Developer hereunder, or any part of them, may be assigned or transferred (exclusively or non-exclusively) by the Condominium Developer, and to its respective successors and assigns (hereinafter referred to as an "Assignee") by an instrument in writing. Unless expressly otherwise agreed between the parties to any such assignment or transfer: (i) the Condominium Developer shall not assume or be responsible for any liabilities, warranties or obligations which have or may accrue to any such Assignee under this **Condominium** Declaration or pursuant to law in connection with such Assignee's development of any lot or parcel of land subject, or to be subjected, to this **Condominium** Declaration, including, but not limited to, any liabilities, warranties or obligations concerning any Units, Common Elements, buildings or other improvements constructed, or to be constructed, by or on behalf of any such

Assignee, and (ii) such Assignee shall not assume or be responsible for any liabilities, warranties or obligations which have or may accrue to the Condominium Developer under this **Condominium** Declaration or pursuant to law in connection with the development of any lot or parcel of land subject, or to be subjected, to this **Condominium** Declaration, including, but not limited to, any liabilities, warranties or obligations concerning any Units, Common Elements, buildings or other improvements constructed, or to be constructed, by or on behalf of the Condominium Developer. Any such written assignment or transfer shall specify that the Assignee has the obligation to meet the registration and disclosure requirements of the Condominium Act regarding any Units, Common Elements, buildings, or other improvements constructed, or to be constructed, by or on behalf of such Assignee.

(1) Condominium Developer's Power of Attorney. The Condominium Developer and its successors and assigns hereby reserve for themselves and their respective successors, transferees and assigns, for a period of ten (10) years from the date the first Unit is conveyed to an individual purchaser, or until it conveys title to the last Unit, whichever occurs first, the right to execute on behalf of all contract purchasers, Unit Owners, Eligible Mortgagees, VA Eligible Mortgagees (as hereinafter defined), Mortgagees, and other lienholders or parties claiming a legal or equitable interest in the Condominium any such agreements, documents, amendments or supplements to this Declaration or the Condominium By-Laws which may be so required by FHA, VA, FNMA, FHLMC or by any governmental or quasi-governmental agency having regulatory jurisdiction over the Condominium, or institutional lender or title insurance company designated by the Condominium Developer and its successors and assigns, or as may be required to comply with any statute, law, ordinance or regulation.

(1) By acceptance of a deed to any Unit or by the acceptance of any other legal or equitable interest in the Condominium, each and every such contract purchaser, Unit Owner, Eligible Mortgagee, Mortgagee or other lienholder or party having a legal or equitable interest in the Condominium does automatically and irrevocably name, constitute, appoint and confirm the Condominium Developer, and its respective successors, transferees and assigns, as attorney-in-fact for the purpose of executing such agreement, document, amendment, supplement and other instruments necessary to effect the foregoing subject to the limitations set forth herein.

(2) No such agreement, document, amendment, supplement or other instrument which adversely affects the value or substantially alters the boundaries of a Unit, or changes the Percentage Interest appurtenant to such Unit, or substantially increases the financial obligations of the Unit Owner, or reserves any additional or special privileges for the Condominium Developer and its respective successors, transferees and assigns not previously reserved, shall be made without the prior written consent of the affected Unit Owner(s) and all owners of any Mortgage(s) encumbering the affected Unit(s). Any such agreement, document, amendment, supplement or instrument which adversely affects the priority or validity of any Mortgage which encumbers any Unit shall not be made without the prior written consent of all Mortgagees thereunder.

(3) The power of attorney aforesaid is expressly declared and acknowledged to be coupled with an interest in the subject matter hereof and the same shall run with the title to any and all Units and be binding upon the heirs, personal representatives, successors, transferees and assigns of any of the foregoing parties. Further, said

power of attorney shall not be affected by the death or disability of any principal and is intended to deliver all right, title and interest of the principal in and to said power of attorney. Said power of attorney shall be vested in the Condominium Developer, and its respective successors, transferees and assigns until the initial conveyance and residential occupancy of all of the Units or the expiration of same. Thereafter, said power of attorney shall automatically vest in the Condominium Association to be exercised by its Condominium Board.

(m) Condominium Developer's Consent to Amendments. Any provision of this **Condominium** Declaration, the Condominium By-Laws or the Condominium Plat or any other Condominium Document to the contrary notwithstanding, no amendment or modification to this **Condominium** Declaration, the Condominium By-Laws or the Condominium Plat shall be made without the prior written consent of the Condominium Developer so long as the Condominium Developer shall own an interest in all or any portion of any Unit or the Expansion Area. Any amendments or modifications made without the written consent of the party identified above shall be void and of no force or effect.

(n) Perpetuities. If any of the covenants, restrictions or other provisions of this **Condominium** Declaration shall be unlawfully void, or voidable for violation of the rule against perpetuities, then such provision shall continue only until twenty-one (21) years after the death of the last survivor of the now living descendants of Elizabeth II, Queen of England.

(o) Exhibits. All exhibits attached to this **Condominium Declaration** are hereby made a part of this **Condominium** Declaration.

(p) No Waiver. The failure **or delay** of the Condominium Association, the Condominium Board or the Manager, or any Unit Owner or any other person or entity granted any rights under this **Condominium** Declaration in any one or more instances, to enforce or otherwise insist upon the strict performance of any restriction, condition, obligation or provision of any Condominium Document, or the failure of any such party to exercise any right, shall not be construed as a waiver or relinquishment for the future, whether in the same or in any other instance, of the benefit of such restriction, condition, obligation, provision or right, but the same shall remain in full force and effect unless expressly waived in writing.

(q) Enforceability. The terms, conditions, restrictions and provisions of this **Condominium** Declaration and the Condominium By-Laws shall be binding upon the Condominium Developer, its successors and assigns, all as part of a general plan or scheme for development of the Condominium, and all said terms, conditions, restrictions and provisions shall be held and construed to run with and bind the property, each Unit thereon, and all subsequent Unit Owners of the Units, except as otherwise expressly set forth in this Declaration or the Condominium By-Laws. All of said terms, conditions, easements, restrictions and provisions shall inure to the benefit of and be enforceable by the Condominium Developer, its successors and assigns, by any person or party then owning or having any recorded interest or estate in any Unit, and by any other person or entity who have been granted any rights, easements, privileges or benefits pursuant to this **Condominium** Declaration against anyone violating or attempting to violate any of such terms, conditions, restrictions or provisions, provided, however, that, except as otherwise expressly provided herein, all rights reserved by and for the benefit of the Condominium Developer under this **Condominium**

Declaration and the Condominium By-Laws shall be exercisable and enforceable only by the Condominium Developer, its successors, and any assignee to whom the Condominium Developer specifically assigns such rights in writing. There shall be and there is hereby created and declared to be a conclusive presumption that any violation or breach or any attempted violation or breach of any of the provisions of this **Condominium** Declaration, the Condominium By- Laws or the rules, as amended from time to time, cannot be adequately remedied by action at law or exclusively by recovery of damages. In addition, the Master Association shall have the right to enforce any provision of this **Condominium** Declaration or the Condominium By-Laws to the extent that the Master Association deems it necessary to protect the overall interest in the community, it being agreed that the Master Association is a third party beneficiary of this **Condominium** Declaration and the Condominium By- Laws; provided, however, that the Master Association shall not have the obligation or duty to enforce any particular provisions of this **Condominium** Declaration or the Condominium By-Laws.

(r) Relationships. Nothing contained in this **Condominium** Declaration or the Condominium By-Laws shall be deemed or construed by any Unit Owner, nor by any third party, as creating the relationship of principal and agent, partnership or joint venture between the Unit Owners or any of them. Further, no provisions contained in this **Condominium** Declaration or the Condominium By-Laws shall be deemed to create any relationship between any Unit Owners other than the relationship expressly created under a **Condominium Regime**, nor to confer upon a Unit Owner any interest in any other Unit Owner's Unit, nor to create any responsibility whatsoever on a Unit Owner for any debt, liability or obligation of any other Unit Owner.

(s) Severability. If any term, condition, restriction or provision of this **Condominium** Declaration or the application thereof to any person or circumstance shall, at any time or to any extent, be held to be invalid or unenforceable, the validity and enforceability of the remainder of this **Condominium** Declaration, or the application of such term, condition, restriction or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term, condition, restriction and provision of this **Condominium** Declaration shall be valid and be enforced to the fullest extent permitted by law.

(t) Conflicts. In the event of any conflict among the provisions of this **Condominium** Declaration, the Condominium Plat, the Condominium By-Laws or the Articles of Incorporation, the provisions of each shall control in the succession hereinbefore listed in this **Condominium** Declaration.

(u) Miscellaneous Provisions. No change of conditions or circumstances shall operate to terminate or modify any of the provisions of this **Condominium** Declaration. No provision of this **Condominium** Declaration nor the application thereof to any Unit, Unit Owner or other person or entity in one or more instances shall be deemed waived by the Condominium Developer, the Condominium Association, or such other person except by a written instrument signed by the party to be charged or by its agent duly authorized in writing or as otherwise expressly permitted herein. No reliance upon or waiver of one or more such provisions shall constitute a waiver of any other such provision. As used herein, each gender shall include all other genders, and the singular shall include the plural, and vice versa. All headings of the articles and provisions herein are for the purpose of reference only and shall not be deemed to limit, modify or otherwise affect any of the provisions hereof.

(v) Eligible Mortgagees.

(1) Each Unit Owner who conveys his Unit by way of any Mortgage shall give written notice thereof to the Condominium Board, setting forth the name and address of his Mortgagee. The Condominium Board shall maintain all such Mortgage information in a book or other record designated "Mortgage Book". The Condominium Board shall also include in the Mortgage Book the name and address of any holder, insurer or guarantor of a First Mortgage on a Unit who furnishes to the Condominium Association a written notice stating the name and address of such holder, insurer or guarantor and the Unit number and address of the Unit subjected to the Mortgage of such holder, insurer or guarantor (hereinafter referred to as the "Eligible Mortgagee").

(2) The Condominium Board shall furnish to each Eligible Mortgagee, of record in its "Mortgage Book" timely written notice of: (A) any condemnation loss or any casualty loss which affects a material portion of the Condominium or which affects any Unit on which there is a First Mortgage held, insured or guaranteed by such Eligible Mortgagee; (B) any delinquency in the payment of assessments or charges owed by the Unit Owner subject to the Mortgage of such Eligible Mortgagee, where such delinquency has continued for a period of sixty (60) days; (C) any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Condominium Association; (D) any proposed action which would require the consent of a specified percentage (such as a majority, 66 2/3%, 80%, or 100%) of the Eligible Mortgagees or of all Mortgagees; (E) the giving of any default or violation notice by the Condominium Association to the Unit Owner of a Unit affected by an Eligible Mortgagee; (F) any proposed amendment to this **Condominium** Declaration effecting a change in: (i) the boundaries of any Unit or the exclusive easement rights appertaining thereto; (ii) the interests in the General Common Elements or Limited Common Elements appertaining to any Unit or the liability for Common Expenses appertaining thereto; (iii) the number of votes in the Condominium Association appertaining to any Unit; or (iv) the purposes to which any Unit or the Common Elements are restricted; and (G) any proposed termination of the Condominium **Regime**.

(3) The Condominium Board shall also give all Mortgagees or guarantor of a Mortgage on any Unit in the Condominium **Regime** timely written notice of those matters described in Article XII(v)(2)(A), (B), (C) and (D).

(4) The consent of Eligible Mortgagees may be required for certain actions, as more particularly set forth in this Article XII.

(w) Estoppel Language. Each Unit Owner and the Condominium Association agrees, at any time and from time to time (but shall not be required to any more frequently than twice in any calendar year for any Unit Owner other than Condominium Developer) upon not less than twenty (20) days' prior request by any Unit Owner or Mortgagee, to execute and deliver to the requesting Unit Owner or Mortgagee, at no cost or expense to the requesting Unit Owner or Mortgagee, a written certificate stating (a) whether this **Condominium** Declaration is in full force and effect; (b) whether, to the best knowledge of the party to whom such request is directed, any uncured default exists on the part of the requesting Unit Owner or Mortgagee hereunder, and if so, specifying the

nature of such default; and (c) such other information as the requesting party may reasonably request.

(x) Resolution of Disputes with Condominium Developer. Unless otherwise agreed upon by the **Condominium Association** and the Condominium Developer, as developer of the Condominium, or any developer or builder of the Condominium other than the Condominium Developer (for the purposes of this **Article XII(x)**, the Condominium Developer and any developer or builder shall be collectively referred to as the “Condominium Developer”), before the Condominium Association may bring an action for damages against the Condominium Developer based on a claim for defects in the design or construction of the Common Elements and/or pursuant to any applicable warranties, the requirements of this **Article XII(x)** shall be met.

(1) The **Condominium Association** shall deliver written notice to the Condominium Developer specifying the defects that are the subject of the claim, including identification of the areas and components of the Common Elements that have manifested damage or otherwise indicate the existence of a defect.

(i) The notice shall be accompanied by copies of the results of any investigation or testing actually conducted by the **Condominium Association**, but only to the extent these results are relied upon in the claim made by the **Condominium Association and/or its agents and employees**, against the Condominium Developer. Upon the Condominium Developer’s written request, the **Condominium Association** shall make available for inspection and testing all Common Elements and other portions of the Condominium identified in the **Condominium Association’s** notice.

(ii) Interior inspections of dwelling units shall occur only during normal business hours or other mutually agreed upon times, only upon written notice to the owner or occupant of the dwelling unit, and only with the consent of the Owner, whose consent may not be unreasonably withheld or delayed.

(iii) Within a reasonable time after completion of the inspection and testing, Condominium Developer may submit a written statement to the **Condominium Association** stating the proposed settlement of the claim, including whether the Condominium Developer proposes to do any remedial work, pay the **Condominium Association** a cash amount, or both.

(iv) If the Condominium Developer delivers a proposed settlement of the claim, the **Condominium Association** shall cause at least a majority of its governing body to hold a settlement conference with the Condominium Developer within twenty (20) days after receipt of the Condominium Developer’s written settlement proposal to discuss the **Condominium Association’s** claim and the Condominium Developer’s proposed settlement.

(2) If a settlement of the claims is not reached within a reasonable time after such settlement conference and the **Condominium Association** desires to pursue the

claims, the **Condominium Association** shall be required to mediate all such claims after delivering to the American Arbitration Association, or any other mediation organization or mechanism mutually agreed upon by the Condominium Developer and the **Condominium Association**, within thirty (30) days after the conference, a written request for non-binding mediation of the dispute in accordance with the construction industry mediation rules of the American Arbitration Association then in effect, or any other rules mutually agreed upon by the Condominium Developer and the **Condominium Association**.

(3) Satisfaction of the requirements of this Paragraph, or a written modification or excuse of these requirements, shall be specified in a complaint in an action for damages brought pursuant to this **Article XII(x)**.

(4) If the **Condominium Association** subsequently asserts any claim not set forth in any prior notice delivered to the Condominium Developer under **this Article XII(x)** all of the requirements of this **Article XII(x)** shall apply to each claim not set forth in the prior notice, except as follows:

(i) Unless otherwise agreed in writing between the parties, defects that are discovered in the course of inspections or investigations conducted in accordance with **Article XII(x)** shall be deemed included in the prior **Condominium Association's** notice; and

(ii) Unless otherwise agreed in writing between the parties, defects that are discovered by the **Condominium Association** after its giving of notice and that are not related to an area or component of the Common Elements identified in the claim may be amended into that notice upon notifying the Condominium Developer provided Condominium Developer has a reasonable opportunity to test and inspect as set forth in **in this Article XII(x)(1)**.

(5) A notice, request, statement, or other communication required to be sent to the Condominium Developer or the **Condominium Association** under this **Article XII(x)** shall be mailed by first class registered or certified mail, return receipt requested, or personally served on the party entitled to receive such notice, request, statement or other communication.

(6) Before the **Condominium Association** brings an action for damages against Condominium Developer under **Article XII(x)(1) through (4) herein**, the **Condominium Association** shall make a reasonable attempt to disseminate to each Owner and to each Mortgagee who has requested notices from the **Condominium Association**:

(i) A written statement of the claim of the **Condominium Association** against the Condominium Developer, specifying the defects that are the subject of the claim, including reasonable identification of the areas and components of the Common Elements that have manifested damage or otherwise indicated existence of a defect;

(ii) A copy of the written response of the Condominium Developer to the claim of the **Condominium Association**, including any proposed settlement delivered by the Condominium Developer to the **Condominium Association**;

(iii) Information about the request for mediation, the results of the mediation, and a notice advising the Owner that any materials produced by or provided to the **Condominium Association** during the mediation are available for review at the **Condominium Association's** office during normal business hours;

(iv) A statement as to which party or parties refused to accept the results of, or final offers made during, the mediation, if applicable, and the reason for the refusal;

(v) A statement that the **Condominium Association** desires to bring suit and a statement of the reasonably anticipated consequences of proceeding with the litigation, including projected attorney's fees and costs that will be incurred, the form and content of such statement to be subject to the reasonable judgment of the **Condominium Association**; and

(vi) A statement that if ten percent (10%) of the **Unit** Owners, or ten percent (10%) of the Mortgagees entitled to notice, request a special meeting of the **Condominium Association** to discuss the proposed litigation by the **Condominium Association** against the Condominium Developer within thirty (30) days after the date the notice is mailed or delivered to the Owners and mortgagees by the Condominium Developer, then a special meeting must be held.

(7) All written materials provided to the **Unit** Owners of the **Condominium Association** under **Article XII(x)(6)** are privileged communications and are not admissible in evidence in any action subject to this **Article XII(x)**.

(8) Satisfaction of the requirements of **this Article XII(x)(6)** shall be specified in any complaint subject to this **Article Xii(x)**.

(y) Notices. All notices, demands, bills, statements or other communications under this **Condominium** Declaration and the Condominium By-Laws shall be in writing and shall be deemed to have been duly given if delivered personally or five (5) days after sent by registered or certified mail, return receipt requested, postage prepaid (or otherwise as the Act may permit), (i) if to a Unit Owner, at the single address which the Unit Owner shall designate in writing and file with the Secretary of the Condominium Association or, if no such address is designated, at the address of the Owner's Unit; (ii) if to the Condominium Association, to **215 Moorings Circle, Stevensville Maryland 21666** (or at such other address as shall be designated in writing by the Condominium Association); or (iii) if to the Condominium Developer, at **940 West Sproul Road, Suite 301, Springfield, Pennsylvania 19064**, or at such other address as shall be designated in writing by the Condominium Developer. If a Unit is owned by more than one person, each such person who so designates a single address in writing to the Secretary shall be entitled to receive all notices hereunder.

(z) Mortgagee Implied Consent. To the extent any provision of this Declaration requires a Mortgagee to consent to any amendments of this Declaration then, except as provided below in this **Article XII(z)**, the **Condominium Association** shall cause to be delivered to each Mortgagee entitled to notice, a copy of the proposed amendment to this **Condominium** Declaration. If a Mortgagee which receives the proposed amendment fails to object, in writing, to the proposed amendment within sixty (60) days after the date of actual receipt of the proposed amendment, the Mortgagee shall be deemed to have consented to the adoption of the amendment. This Article XII(z) is intended to and so expressly incorporates Section 11-103 of the Condominium Act.

The preceding paragraph in **Article XII(z)** does not apply to amendments that: (1) alter the priority of the lien of the Mortgage; (2) materially impair or affect the Unit as collateral; or (3) materially impair or affect the right of the Mortgagee to exercise any rights under the Mortgage or applicable law.

(aa) Recovery of Legal Fees by the **Condominium Association**. Except to the extent otherwise prohibited by applicable law, the **Condominium Association** shall be entitled to recovery of reasonable legal fees incurred by the **Condominium** in connection with any breach or attempted breach of this **Condominium** Declaration, Condominium By- Laws or any rules, other than the Condominium Developer, **including, without limitation, all costs incurred in collecting unpaid assessments.**

ARTICLE XIII. SPECIAL PROVISIONS RELATING TO VETERANS ADMINISTRATION

Notwithstanding any provisions herein or in the Condominium By-Laws, in the event VA has guaranteed any loan secured by any Unit, from time to time, the following provisions shall control:

(a) Amendments, Material Amendments, Amendments for VA Extraordinary Actions and Meeting Notice.

(1) Amendments to Condominium Declaration and/or Condominium By-Laws Generally. Any amendments to the **Condominium** Declaration and/or Condominium By-Laws, other than Material Amendments or VA Extraordinary Actions (as such terms are defined below), shall be approved by a majority of the votes entitled to be cast by all Owners present, in person or by proxy, and voting at any meeting of the **Condominium Association** at which a quorum is present, or in writing by Owners entitled to cast a majority of the of the votes.

(2) Material Amendments and VA Extraordinary Actions. Unless otherwise provided by applicable Maryland law, Material Amendments and/or VA Extraordinary Actions shall be approved by Owners entitled to cast at least sixty-seven percent (67%) of the votes of Owners present, in person or by proxy, and voting at any meeting of the **Condominium Association** held in accordance with **Article XIII(a)(2)(iii)** below (such vote shall include at least a majority of the total number of votes of all **Unit** Owners present, in person, **by electronic platform** or by proxy, and voting at any meeting of the **Condominium Association** other than Condominium Developer), or sixty-seven percent (67%) of the total authorized votes of all **Unit** Owners in the **Condominium Association** (such vote shall include a majority of the total votes allocated to **Unit** Owners other than the votes allocated to Condominium Developer).

(i) For purposes of this Article XIII, “Material Amendments” include adding, deleting or modifying any provision in the **Condominium** Declaration or Condominium By-Laws regarding the following:

- (A) Assessment basis or assessment liens;
- (B) Any method of imposing or determining any charges to be levied against individual **Unit** Owners;
- (C) Reserves for maintenance, repair or replacement of Common Elements;
- (D) Maintenance obligations;
- (E) Allocation of rights to use Common Elements;
- (F) Any scheme of regulation or enforcement of standards for maintenance, architectural design or exterior appearance of improvements on Units;
- (G) Reduction of insurance requirements;
- (H) Restoration or repair of Common Element improvements;

- (I) The addition, annexation or withdrawal of land to or from the Condominium, except as otherwise provided under Article VIII of this **Condominium** Declaration;
 - (J) Voting rights;
 - (K) Restrictions affecting leasing or sale of a Unit; or
 - (L) Any provision which is for the express benefit of Mortgagees.
- (ii) For purposes of this Article XIII, “VA Extraordinary Actions” include the following:
- (A) Merging or consolidating the Condominium Association (other than with another non-profit entity formed for purposes similar to the Condominium Association);
 - (B) Determining not to require professional management if professional management has been required by the Condominium Documents, a majority of VA Eligible Mortgagees or a majority vote of the Owners;
 - (C) Expanding the Condominium Land to include property not previously described as additional land in the Declaration, which increases the overall land area of the project or number of Units by more than ten percent (10%), except as provided in Article VIII herein;
 - (D) Abandoning, partitioning, encumbering, mortgaging, conveying, selling or otherwise transferring or relocating the boundaries of Common Elements (except for (a) granting easements which are not inconsistent with or which do not interfere with the intended use of the Common Element; (b) dedicating Common Elements as required by a public authority; (c) limited boundary line adjustments made in accordance with the provisions of the **Condominium** Declaration; or (d) transferring Common Elements pursuant to a merger or consolidation with a non-profit entity formed for purposes similar to the Condominium Association);
 - (E) Using insurance proceeds for purposes other than construction or repair of the insured improvements; or
 - (F) Making capital expenditures (other than for repair or replacement of existing improvements) during any period of twelve (12) consecutive months costing more than twenty percent (20%) of the annual operating budget.

(iii) Meetings of the **Condominium Association** to approve any Material Amendment or VA Extraordinary Action shall require the following: (1) at least twenty-five (25) days' notice to all **Unit** Owners, (2) such notice shall state the purpose of the meeting and contain a summary of any proposed Material Amendment or VA Extraordinary Action, (3) the notice shall contain a proxy that can be cast in lieu of attendance at the meeting; and (4) the presence, either in person or by proxy, of **Unit** Owners representing a quorum, as described in the **Condominium** By-Laws.

(iv) The following Material Amendments and VA Extraordinary Actions shall be approved by **Unit** Owners entitled to cast at least sixty-seven percent (67%) of the total votes of all **Unit** Owners, including at least a majority of the total authorized votes entitled to be cast by **Unit** Owners other than Condominium Developer: (1) termination of this **Condominium** Declaration or of the **Condominium Association**; (2) dissolution of the **Condominium Association**, except pursuant to a consolidation or merger; or (3) conveyance of all of the Common Elements.

(v) Prior to the Organizational and First Meeting of the **Condominium Association**, all amendments to the **Condominium** Declaration, **Condominium** By-Laws or Articles of Incorporation shall be provided to VA and approved by VA, except for an amendment to the **Condominium** Declaration under Article VIII hereof and further, until the Organizational and First Meeting of the **Condominium Association**, the **Condominium Association** may not make any Material Amendments or take any VA Extraordinary Actions without approval of VA.

(b) Rights of VA Eligible Mortgagees.

(1) Each **Unit** Owner who obtains title to his **Unit** which is affected by a VA guaranteed Mortgage shall give written notice thereof to the **Condominium** Board and thereafter shall advise (in writing) the **Condominium** Board of any release of such VA guaranteed Mortgage. The **Condominium** Board shall maintain all such VA guaranteed Mortgage information in a book or other record designated "Mortgage Book". The **Condominium** Board shall also include in the Mortgage Book the name and address of any Mortgagee of any **Unit** who furnishes to the **Condominium** Association (or **Condominium** Board) a written notice stating their interest and requesting all rights under the **Condominium** Documents (hereinafter referred to as the "VA Eligible Mortgagee").

(2) VA Eligible Mortgagees shall have the following rights:

(i) the right to inspect **Condominium** Association documents and records on the same terms as **Unit** Owners;

(ii) notice of all Material Amendments to the **Condominium** Documents;

- (iii) notice of any VA Extraordinary Action;
- (iv) notice of any property loss, condemnation or eminent domain proceeding affecting the Common Elements resulting in losses greater than ten percent (10%) of the annual budget or any Unit insured by the **Condominium Association** in which the VA Eligible Mortgagee has an interest;
- (v) notice of any termination, lapse or material modification of an insurance policy held by the Condominium Association;
- (vi) notice of any default by an Owner of a Unit subject to a Mortgage held by a VA Eligible Mortgagee in paying assessments or charges to the Condominium Association which remains uncured for sixty (60) consecutive days;
- (vii) notice of any proposal to terminate this **Condominium** Declaration or dissolve the Condominium Association at least thirty (30) days before any such action is taken;
- (viii) right of a majority of the VA Eligible Mortgagees to demand professional management; and
- (ix) right of a majority of the VA Eligible Mortgagees to demand an audit of the Condominium Association's financial records.

(c) If there are no Units affected by a VA guaranteed Mortgage, then the provisions of this Article XIII shall be inapplicable, until such time, if any, that one (1) or more Units are affected by a VA guaranteed Mortgage at a later time.

(d) To the extent any provisions of this Article XIII conflict with any applicable law, then such law shall control and govern to the extent of such conflict.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

WITNESS the hand and seal of the Condominium Developer on the day and year first above written.

WITNESS/ATTEST:

Kent Island L.L.C.
a Delaware limited liability company
By: Matapeake Management LLC, Manager

By: _____(SEAL)
Kevin E. McLaughlin, Vice President

STATE OF _____, COUNTY OF _____, to wit:

I HEREBY CERTIFY that on this __day of _____, 2024, before me, a Notary Public in and for the State aforesaid, personally appeared Kevin E. McLaughlin, who acknowledged himself to be the Vice President of Matapeake Management LLC, Manager of Kent Island L.L.C., a Delaware limited liability company, the within named Condominium Developer, and that he, as such officer, executed the foregoing Declaration for the purposes therein contained and acknowledged the Declaration to be the act and deed of said entity.

WITNESS my hand and Notarial Seal.

Notary Public

I hereby affirm under penalty of perjury that the notice requirements of Section 11-102.1 of the Condominium Act, if applicable, have been fulfilled.

WITNESS/ATTEST:

Kent Island L.L.C.
By: Matapeake Management LLC, Manager

By: _____(SEAL)
Kevin E. McLaughlin, Vice President

ATTORNEY CERTIFICATION

The undersigned, an attorney duly admitted to practice and in good standing before the Court of Appeals of Maryland, certifies that the foregoing instrument was prepared by **him**.

Roberto M. Montesinos

EXHIBIT "A"

DESCRIPTION OF PROPERTY

All that land shown as Phase 1 and Phase 2 on the condominium plats entitled, "BAY BRIDGE COVE CONDOMINIUM III PHASE 1" and "BAY BRIDGE COVE CONDOMINIUM III PHASE 2" dated **October 22, 2019**, and recorded among the Land Records of Queen Anne's County, Maryland as Plats **KBH**, **Book 48, Pages 62A-C and 63A-D**.

EXHIBIT "B"

[CONDOMINIUM BY-LAWS]

CONSENT AND AGREEMENT BY SUBSTITUTE TRUSTEE AND BENEFICIARY

ROBERT F. FOLLET, SR., and M&T Bank, a New York Banking Corporation, who are, respectively, the authorized Trustee and the Beneficiary under that certain Deed of Trust, Security Agreement and Fixture Filing dated October 27, 2016, and recorded among the Land Records of Queen Anne’s County, Maryland in Liber 2603, folio 244 *et seq.*, as amended from time to time (the “Deed of Trust”) hereby consent to the foregoing Condominium Regime Declaration for Bay Bridge Cove Condominium V (the “Declaration”), and hereby join in the Declaration for the express purposes of: (1) subordinating all of their respective right, title and interest under such Deed of Trust in and to the real property described in the Declaration to the operation and effect thereto, and (2) and agreeing that the terms, provisions, covenants, conditions and restrictions contained in the foregoing Declaration to which this Consent and Agreement is attached, shall run with and bind the title to all that property in which Trustee and Beneficiary have an interest, and (3) consenting to the recordation of the condominium plats entitled, “BAY BRIDGE COVE CONDOMINIUM III PHASE 1 and PHASE 2, intended to be recorded among the Land Records contemporaneously with the recordation of this Declaration.

Nothing in the foregoing provisions of this Consent and Agreement of Substitute Trustee and Beneficiary shall be deemed in any way to create between the person or entity named in such Declaration as the “Condominium Developer”, and any of the undersigned, any relationship of partnership or joint venture, or to impose on any of the undersigned any liability, duty or obligation whatsoever.

IN WITNESS WHEREOF, the said Substitute Trustee and the Beneficiary have each executed and sealed this Consent and Agreement of Substitute Trustee and Beneficiary, or caused it to be executed and sealed on its behalf by its duly authorized representatives, this ____ day of _____, 2024.

WITNESS:

ATTEST:

SUBSTITUTE TRUSTEE:

_____(SEAL)

Name: Robert F. Follet, Sr.

BENEFICIARY:

M&T Bank

By: _____(SEAL)

Name: Robert F. Follet, Sr.

Title: Vice President

STATE OF _____: COUNTY OF _____: TO WIT:

I HEREBY CERTIFY that on this __ day of _____, 2024, before me, a Notary Public for the state aforesaid, personally appeared Robert F. Follet, Sr., Substitute Trustee, known to me or satisfactorily proven to be the person whose name is subscribed to the foregoing instrument, who acknowledged that he has executed same as Substitute Trustee for the purposes therein set forth, and that it is his act and deed.

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

Notary Public

My commission expires on _____

STATE OF _____: COUNTY OF _____: TO WIT:

I HEREBY CERTIFY that on this __ day of _____, 2024, before me, a Notary Public for the state and county aforesaid, personally appeared Robert F. Follet, Sr., known to me or satisfactorily proven to be the person whose name is subscribed to the foregoing instrument, who acknowledged that he is the Vice President of M&T Bank, that he has been duly authorized to execute, and has executed, the foregoing instrument on behalf of said entity for the purpose therein set forth, and that it is his act and deed.

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

Notary Public

My commission expires on _____

AFTER RECORDATION, PLEASE RETURN TO:

ROBERTO M. MONTESINOS
111 ROCKVILLE PIKE
SUITE 800
ROCKVILLE, MD 20850