

ARTICLE IX

CONDOMINIUM FEES/ASSESSMENTS

Section 1. Annual Condominium Fees/Assessments.

(a) Commencing with the recording of this Declaration to establish the Condominium Regime, each Unit Owner shall pay to the Council, on the first of each month, in advance, a sum equal to one-twelfth (1/12) of the Unit Owner's proportionate share of the sum required by the Council pursuant to the Percentage Interests in Common Expenses and Common Profits as set forth in the Declaration (hereinafter called "Assessments") to meet its annual budget, including but in no way limited to, the following:

(1) The cost of all operating expenses of the Regime as the same may be constituted from time to time, and services furnished, including charges by the Council for facilities and services furnished by it;

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

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

(4) The cost of public liability, fire and extended coverage insurance on the Regime and the cost of such other insurance as the Council or the Board may effect;

(5) The cost of furnishing water, electricity, heat, gas, garbage and trash collection and/or utilities, to the extent furnished by the Council;

(6) The cost of funding all reserves established by the Council, including when appropriate, a general operating reserve and/or reserve for replacements;

(7) The estimated cost of repairs, maintenance and replacements of the Regime, including General and Limited Common Elements, to be made by the Council; and

(8) The cost of all operating expenses, repairs, maintenance and replacements for parking areas and exterior walkways.

(b) In addition, each Unit Owner shall pay to the Council, monthly, the amount of any fine levied against him pursuant to any rules and regulations for fining promulgated by the Board in accordance with the procedures in these By-Laws.

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(c) The Board shall determine the amount of the assessment annually by preparation and adoption of an annual proposed budget as provided in §11-109.2 of the Act.

Section 2. Special Assessments. In addition to the regular assessment authorized by this Article, the Council may levy in any assessment year a special assessment or assessments, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement located upon the Regime, as then constituted, including the necessary fixtures and personal property related thereto, or for such other purpose as the Board may consider appropriate, provided that any such assessment shall have the assent of the owners representing fifty-one percent (51%) of the total votes of the Regime. A meeting of the Unit Owners shall be duly called for this purpose, written notice of which shall be sent to all Owners at least ten (10) days, but not more than ninety (90) days in advance of such meeting, which notice shall set forth the purpose of the meeting.

Section 3. Reserve for Replacements and Working Capital. The Council shall establish and maintain a reserve fund for replacements by the allocation and payment monthly to such reserve fund of an amount to be designated from time to time by the Board. Such fund shall be conclusively deemed to be a Common Expense. Such funds shall be deposited in a special account with a lending institution, the accounts of which are insured by an agency of the United States of America, or may, in the discretion of the Board, be invested in the obligations of, or fully guaranteed as to principal, by the United States of America, states, municipalities or counties thereof. The reserve replacements may be expended only for the purpose of periodic maintenance, repair and replacement. The amounts required to be allocated to the reserve for replacements may be reduced by appropriate resolution of the Board. The proportionate interest of any Unit Owner in any reserve for replacements shall be considered an appurtenance of his Unit and shall not be separately withdrawn, assigned, transferred or otherwise separated from the Unit to which it appertains, and shall be deemed to be transferred with such Unit.

In addition, a working capital fund shall be established for the initial months of the Condominium equal to at least two (2) months' estimated assessments for each Unit. The working capital fund shall be transferred to the Council of Unit Owners for deposit to a segregated fund when control of the Council is transferred to the Unit Owners.

Section 4. Disposition of Common Profits. All Common Profits shall be disbursed to the Unit Owners, be credited to their assessments for Common Expenses in proportion to their percentage interests in Common Profits and Common Expenses, or be used for any other purpose as the Council of Unit Owners determines.

Section 5. Liability for Assessments. A Unit Owner shall be liable for all assessments or installments thereof coming due while he is the owner of a Unit. In a voluntary grant the grantee shall be jointly and severally liable with the grantor for all unpaid assessments against the grantor for his share of the Common Expenses up to the time of the voluntary grant for which a statement of lien is recorded, without prejudice to the rights of the grantee to recover from the grantor the amounts paid by the grantee for such assessments. Liability for assessments may not be avoided by waiver of the use or enjoyment of any Common Element or by abandonment of the Unit for which the assessments are made.

Section 6. Imposition of Lien. Payment of assessments, together with interest, late charges, if any, costs of collection and reasonable attorney's fees may be enforced by the imposition of a lien on a Unit in accordance with the provisions of the Maryland Contract Lien Act. Suit for any deficiency following foreclosure may be maintained in the same proceeding, and suit to recover any money judgment for unpaid assessments may also be maintained in the same proceeding, without waiving the right to seek to impose a lien under the Maryland Contract Lien Act.

Section 7. Interest on Unpaid Assessments; Late Charges;
Demand for Payment of Remaining Annual Assessment.

(a) Any assessment or installment thereof not paid when due shall bear interest at the option of the Council of Unit Owners, from the date when due until paid at the rate of eighteen percent (18%) per annum.

(b) There shall be a late charge of Fifteen Dollars (\$15.00) or one-tenth (1/10) of the total amount of any delinquent assessment or installment, whichever is greater. This late charge shall not be imposed more than once for the same delinquent payment, but will be imposed on accounts when payments have not been received by the fifteenth (15th) of the month.

Section 8. Assessment Certificates. The Council shall, upon demand, furnish to any Unit Owner liable for any assessment, fine or other charge levied pursuant to the By-Laws (or to any other party legitimately interested in the same), a certificate in writing signed by an officer of the Council or its agent, setting forth the status of said assessment, i.e., whether the same is paid or unpaid. Such certificate shall be conclusive evidence of the payment of any assessment therein stated to have been paid. A charge not to exceed Twenty-five Dollars (\$25.00) or one-half (1/2) of the monthly assessment, whichever is greater, may be levied in advance by the Council for each certificate so delivered.

Section 9. Acceleration of Installments. Upon default in the payment of any one or more monthly regular assessment installments levied pursuant to these By-Laws, the entire balance of said assessment and/or fine may be accelerated, at the option of the Board, and be declared due and payable in full, which will be enforceable in accordance with the provisions of the Maryland Contract Lien Act.

Section 10. Subordination and Mortgagee Protection.

(a) Notwithstanding any other provisions hereof to the contrary, the lien of any assessment levied pursuant to these By-Laws upon any Unit in the Regime shall be subordinate to, and shall in no way affect the rights of the Holder of any indebtedness secured by any recorded first mortgage, meaning a mortgage with priority over other mortgages; provided, however, that such subordination shall apply only to assessments which have become due and payable prior to a sale or transfer of such Unit pursuant to a decree of foreclosure, or any other proceeding in lieu of foreclosure. Such sale or transfer shall not relieve the purchaser at such sale of the Unit from liability for any assessment thereafter becoming due, nor from the lien of any such subsequent assessments, which lien, if claimed, shall have the same effect and be enforced in the same manner as provided herein.

(b) No amendment to these By-Laws shall affect the rights of the Holder of any such mortgage, or the indebtedness secured thereby, recorded prior to recordation of such amendment, unless the Holder thereof, or of the indebtedness secured thereby, shall join in the execution of such amendment.

(c) The Board may, in its sole and absolute discretion, extend the provisions of this Section to the Holders of a mortgage, or the indebtedness secured thereby, not otherwise entitled thereto.

Section 11. Definition. As used herein, the term "mortgage" shall include a mortgage, deed of trust or similar security instrument and the terms "Holder" or "Mortgagee" shall include the party secured by any deed of trust, any beneficiary thereof and the trustees named therein, their successors and assigns.

ARTICLE X

USE RESTRICTIONS

Section 1. Residential Use. All Units shall be used for residential purposes

exclusively except for such temporary non-residential uses as may be permitted from time to time by the Board and by State and local laws and except as provided in this Section. Nothing in these By-Laws shall be construed to prohibit the Declarant from either using Units which Declarant owns or leases from others for promotional or display purposes as models or from leasing any Unit or Units which Declarant owns, subject, however, to the following:

(a) A real estate sales and/or construction office together with promotional signs, may be erected, maintained and operated by the Declarant or its assigns, on any part of the Regime and/or in any building or structure now or hereafter permitted to be erected thereon during the period of original development and sale; provided, however, that such offices are used and operated in connection with the sale of the Condominium Units originally erected on the land. At such time as the last Unit is conveyed by the Declarant to a prospective Unit Owner, the real estate sales office or offices shall be removed from the Regime within sixty (60) days thereafter.

(b) If any Unit Owner shall lease his Unit for residential purposes, the lease agreement shall be in writing, be subject to the provisions of the Declaration, Articles of Incorporation and By-Laws as well as any rules and regulations, and be for a term of at least thirty (30) days.

Section 2. Occupancy, Etc. Each Unit Owner shall have the right to use or occupy his/her Unit within the Regime, reside therein permanently or otherwise, and the right to sell, lease or otherwise transfer or convey his/her Unit notwithstanding any provision as may now or hereafter be set forth in these By-Laws. No such restriction shall be based upon age, race, religion, family composition, sex or place of national origin.

Section 3. Prohibited Uses and Nuisances.

(a) No noxious or offensive trade or activity shall be carried on within the Regime or within any Unit situate thereon, nor shall anything be done therein or thereon which may be or become an annoyance to the neighborhood or the other Unit Owners.

(b) There shall be no obstruction of any General or Limited Common Elements, except as herein provided. Nothing shall be stored upon any General or Limited Common Elements, except as herein provided, without the approval of the Board. Vehicular parking upon General Common Elements shall be regulated by the Board. *

(c) Nothing shall be done or maintained in any Unit, or upon any General

or Limited Common Elements, which will increase the rate of insurance on any Unit or General or Limited Common Elements, or result in the cancellation thereof, without the prior written approval of the Board. Nothing shall be done or maintained in any Unit or upon General or Limited Common Elements which would be in violation of any law. No waste shall be permitted upon any General or Limited Common Elements.

(d) No structural alteration, construction, addition or removal of any Unit or General or Limited Common Elements shall be commenced or conducted except in strict accordance with the provisions of these By-Laws, State and local laws.

* (e) The maintenance, keeping, boarding and/or raising of animals, livestock or poultry of any kind, regardless of number, shall be and is hereby prohibited within any Unit and upon any Common Element; except that this shall not prohibit the keeping of two (2) dogs, or two (2) cats or two (2) caged birds (or in combination) as domestic pets in a Unit, provided that they are not kept, bred or maintained for commercial purposes, and provided further that the keeping of such dog, cats or caged birds will not constitute such type of noxious or offensive activity as covered in Section 3(a) of this Article. All dogs must be kept inside their respective Owner's Unit and may be walked on the General Common Elements only on a leash and any and all applicable laws shall be complied with at all times.

(f) Except for such signs as may be posted by the Declarant for promotional purposes and signs of a directional nature, no signs of any character shall be erected, posted or displayed upon, in or from, or about any Unit or the General or Limited Common Elements.

(g) Other than private passenger vehicles, vans, trucks or permitted commercial vehicles in regular operation, no other motor vehicles or inoperable, unlicensed, junk or junked cars or other similar machinery or equipment of any kind or nature shall be kept on the Property or repaired on any portions of the Property, except in the event of emergencies. For the purposes hereof, a vehicle shall be deemed inoperable unless it is licensed, contains all parts and equipment, including properly inflated tires, and is in such good condition and repair as may be necessary for any person to drive the same on a public highway.

No commercial vehicles over 3/4 ton rated capacity ("Commercial Vehicles") shall be left parked on any part of the Property longer than is necessary to perform the business function of such vehicle in the area; it being the express intention of this restriction to prevent the parking of Commercial Vehicles upon the Property for a time greater than that which is necessary to accomplish the aforesaid business purpose.

Trailers, boats, buses, campers or tractors shall not be parked, stored, maintained or repaired on the Property, except in areas, if any,

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specifically designated by the Architectural Standards Committee for such parking.

Notwithstanding the above, during construction of the Units or other portions of the Property, the Declarant may maintain Commercial Vehicles and trailers on the Property for purposes of construction and for use as a field or sales office.

(h) No part of the General or Limited Common Elements shall be used for commercial activities of any character. This subsection shall not apply to the use of Units or Common Elements by the Declarant for its sole display, promotional or sales purposes.

(i) No burning of any trash and no unreasonable or unsightly accumulation or storage of litter, new or used building materials, or trash of any kind shall be permitted within any Unit or upon any General or Limited Common Elements. Trash and garbage containers shall not be permitted to remain in public view, except within locations designated by the Board, and shall be made of metal or rubber. This subsection shall not apply to the Declarant during the sales period.

(j) No structure of a temporary character, trailer, tent, shack, barn or other outbuilding shall be maintained upon any of the General or Limited Common Elements at any time, except as permitted by written permission of the Board. This Subsection shall not apply to the Declarant, its employees, agents, etc., which relate to the construction and/or maintenance of the Units, General and/or Limited Common Elements.

(k) Outdoor clothes dryers or clothes lines shall not be maintained upon the Common Elements at any time.

(l) No outside television or radio aerial or antenna, or other aerial or antenna for reception or transmission, shall be maintained upon any Unit or upon any General or Limited Common Elements without the prior written consent of the Board.

(m) Balconies and terraces shall be maintained in a neat, safe and orderly manner and no items or material shall be hung on the outer side of the balcony without the written approval of the Board or Architectural Standards Committee.

(n) Excepting noise arising from activities by the Declarant, there shall be no loud or unusual noises and musical instruments, radios, televisions, record players, phonographs, hi-fi sets, and amplifiers shall be used in such manner as not to disturb other Unit Owners.

(o) Outdoor cooking is strictly prohibited on any of the General Common

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Elements except as to such areas as shall be designated by the Board.

(p) There shall be no violation of any rules and regulations, whether for the use of the General or Limited Common Elements or for the governance of the Regime, which may from time to time be adopted by the Board and promulgated among the Unit Owners by said Board in writing; and the Board is hereby and elsewhere in these By-Laws authorized to adopt such rules and regulations.

(q) Notwithstanding anything contained herein to the contrary, any Owner may use his or her Unit as a family day care home ("Home") (as defined in §11-111.1 of the Act, as amended from time to time), subject to the following requirements:

(i) The Owner or Day Care Provider (as defined in §11-111.1) operating the Home shall be registered with and have a license issued by the Department of Human Resources, in accordance with the registration and licensing provisions set forth in Title 5, Subtitle 5 of the Family Law Article of the Annotated Code of Maryland. The Owner shall provide a copy of the license to the Board of Directors prior to establishing and operating the Home and upon each renewal thereof.

(ii) The Owner or Day Care Provider shall obtain the liability insurance described in Article 48A, §481D of the Annotated Code of Maryland, in at least the minimum amount described in that Section. The Owner or Day Care Provider may not operate the Home without the liability insurance described herein, and shall present proof of insurance to the Board of Directors before establishing and operating the Home and upon any renewal of the policy.

(iii) The Owner or Day Care Provider shall pay, on a pro rata basis with other Homes then in operation in the Regime, any increase in the Regime insurance costs attributable solely to the establishment and operation of the Home.

(iv) The Owner or Day Care Provider shall be responsible for payment of a fee determined by the Board of Directors, for the Home's entitlement to use of the Common Elements. The Board shall establish the fee and shall advise all Owners or Day Care Providers operating Homes of the amount due on an annual basis; provided, however, that such fee shall not be in an amount in excess of Fifty and No/100 Dollars (\$50.00).

(v) The Board of Directors may regulate the number of Homes operating within the Regime, provided that the number permitted may not be less than seven and one-half percent (7.5%) of the total Units of the Condominium.

(vi) Any Owner who proposes to operate a Home in the Condominium shall be required to send written notice to the Board of Directors prior to