

WILLOWOOD

FIRST AMENDMENT OF DECLARATION OF COVENANTS,
EASEMENTS, CHARGES AND LIENS

THIS FIRST AMENDMENT OF DECLARATION OF COVENANTS, EASEMENTS, CHARGES AND LIENS is made this 15th day of August, 1994, by SECURITY DEVELOPMENT CORPORATION, a Maryland Corporation (the "Developer").

WITNESSETH, THAT WHEREAS, by a Declaration of Covenants, Easements, Charges and Liens (together with each prior amendment hereto, if any, collectively referred to as the "Declaration") dated February 2, 1994, and recorded among the Land Records of Howard County, Maryland, in Liber 3201, folio 489 et seq., made by the Developer, the Developer subjected to the operation and effect of the Declaration all of that tract of land described in Exhibit A thereto, together with the improvements thereon and the appurtenances thereto, all as is more particularly set forth in the provisions of the Declaration (all of which land, improvements and appurtenances are referred to collectively as "Parcel 1"); and

WHEREAS, by the provisions of the Declaration, the Developer has reserved, for a period of years set forth therein, the right (which is exercisable at the Developer's sole discretion, but only in accordance with such provisions) to expand the land, improvements thereon and appurtenances thereto which from time to time are subject to the operation and effect of the Declaration (all of which land, improvements and appurtenances are hereinafter and therein referred to collectively as the "Community") by subjecting to the operation and effect of the Declaration, and thereby adding to the Community, all or any portion or portions of any one or more of these parcels of land in the said County (together with the improvements thereon and the appurtenances thereto) which are hereinafter and in the Declaration referred to as "Future Parcels"; and

WHEREAS, the said period of years not having expired, the Developer intends by this Amendment to subject part of the Future Parcels to the operation and effect of the Declaration, as aforesaid.

NOW, THEREFORE, the Developer hereby subjects to the operation and effect of the Declaration all of that land in the said County which is described in Exhibit A (each plat referred to in Exhibit A being hereby designated as an amendatory plat to the Community Plat, as that term is defined by the provisions of the Declaration, and is hereinafter referred to as the "Amendatory Plat");

TOGETHER WITH all of the improvements on the said tracts and all of the rights, alleys, ways, waters, privileges, appurtenances and advantages to the same belonging or in any way appertaining (all of which tracts, improvements and appurtenances are hereinafter referred to collectively as the "Additional Property");

SUBJECT TO the operation and effect of any and all instruments recorded among the said Land Records before the recordation thereamong of this Amendment, and pertaining to any or all of the Additional Property;

UPON THE TERMS AND SUBJECT TO THE CONDITIONS which are hereinafter set forth;

Section 1. Definitions. As used herein, any term set forth in Section 1 of the Declaration or in any provision of the Declaration to which a meaning is specifically ascribed shall have the same meaning herein as that which is specifically ascribed to it by the provisions of the Declaration.

Section 2. Lots and Commons.

2.1 The Community shall hereafter include a total of

one hundred eighty (180) Lots, consisting of

2.1.1. The one hundred thirty-nine (139) Lots heretofore included within the Community under the provisions of the Declaration, and

2.1.2. The forty-one (41) Lots which are designated in paragraph I of Exhibit A, the location within the Community of each of which is shown on the Amendatory Plat (each of which is hereby designated as a "Lot" for purposes of the provisions of the Declaration).

2.2 The Commons shall hereafter include (in addition to the real property included within the Commons under the provisions of the Declaration) (a) the two (2) additional Lots which are designated in paragraph II of Exhibit A, the location within the Community of each of which is shown on the Amendatory Plat, and (b) all of the remaining Additional Property which is not part of any Lot or Dedicated Roadway.

Section 3. General.

3.1. Effectiveness. This Amendment shall become effective on and only on its having been executed and acknowledged by the Developer, and recorded among the said Land Records.

3.2. Applicable law. This Amendment shall be given effect and construed by application of the law of Maryland, and any action or proceeding arising hereunder shall be brought in the courts of Maryland; provided, that if any such action or proceeding arises under the Constitution, laws or treaties of the United States of America, or if there is a diversity of citizenship between the parties thereto, so that it is to be brought in a United States District Court, it shall be brought in the United State District Court for the District of Maryland.

3.3. Headings. The headings of the sections and subsections hereof are provided herein for and only for convenience of reference, and shall not be considered in construing their contents.

3.4. Construction. All referenced made herein (a) in the neuter, masculine or feminine gender shall be deemed to have been made in all such genders; and (b) in the singular or plural number shall be deemed to have been made, respectively, in the plural or singular number as well.

3.5. Exhibits. Each writing or plat referred to herein as being attached hereto as an exhibit or otherwise designated herein as an exhibit hereto is hereby made a part hereof.

3.6. General plan of development. The provisions of the Declaration and of this Amendment shall conclusively be deemed to be part of a general plan or scheme of development and use for the Community and, as such, to be covenants running with, binding upon, benefiting and burdening the respective titles to each Lot, the Commons and the Dedicated Roadways, all upon the terms and subject to the conditions set forth in the provisions of the Declaration and herein; provided, that the same shall not be deemed covenants running with, binding upon, benefiting or burdening the title to (or otherwise to be enforceable at law or in equity with respect to) (a) any Future Parcel or portion thereof unless and until it is added to the Community through an expansion thereof pursuant to the provisions of the Declaration, or (b) any land or improvements not within Parcel I or any Future Parcel.

3.7. Effect of the Amendment. The provisions of the Declaration shall for all purposes thereof be, and are hereby, amended in the manner set forth in the provisions of this Amendment. Except as is set forth herein, the provisions of the Declaration shall hereafter remain in full force and effect, as if this Amendment had not been made.

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

WITNESS:

SECURITY DEVELOPMENT CORPORATION, a
corporation organized and existing
under the law of Maryland,

Eva Mae Choccolitto

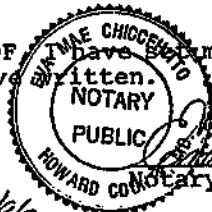
By: *Stewart D. Young* (SEAL)
Name: *Stewart D. Young*
Title: *Vice President*

The Developer

STATE OF MARYLAND)
COUNTY OF HOWARD) to wit:

I HEREBY CERTIFY that on this 15th day of August,
1994, before me the subscriber, a Notary Public of said State,
personally appeared Stewart D. Young, 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 SECURITY DEVELOPMENT CORPORATION, a corporation
organized and existing under the law of Maryland and the entity
named in such instrument as "the Developer", that he has been duly
authorized to execute, and has executed, such instrument on its
behalf for the purposes therein set forth, and that the same is its
act and deed.

IN WITNESS WHEREOF, I have written
the day and year first above written.



Eva Mae Choccolitto
Notary Public

My Commission expires: 3/1/96

SDC Group, Inc., the owner of the Additional Property and
an affiliate of the Developer, joins herein for the purpose of
subjecting its interest in the Additional Property to the terms and
conditions of this Amendment.

WITNESS:

SDC GROUP, INC.

Eva Mae Choccolitto

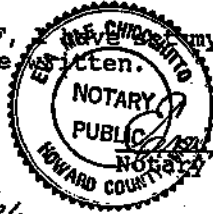
By: *Stewart D. Young* (SEAL)
Stewart D. Young
Vice President

MP TO SURE 1 2.00
RECORDING FEE 26.00
TOTAL 28.00
Residence No. 07315
ROR HCO 01143008
Aug 15, 1994 02:34 PM

STATE OF MARYLAND)
COUNTY OF HOWARD) to wit:

I HEREBY CERTIFY that on this 15th day of August,
1994, before me the subscriber, a Notary Public of said State,
personally appeared Stewart D. Young, 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
SDC GROUP, INC., a corporation organized and existing under the law
of Maryland and the entity named in such instrument as "the
Developer", that he has been duly authorized to execute, such
instrument on its behalf for the purposes therein set forth, and
that the same is its act and deed.

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



Mae Chiusetta
Notary Public

My Commission expires: 3/1/96

WILLOWOOD

FIRST AMENDMENT OF DECLARATION OF COVENANTS,
EASEMENTS, CHARGES AND LIENS

EXHIBIT A

Description of Additional Property

I. Lots. The Lots within the Additional Property upon which dwellings are intended to be constructed are as follows:

All of those Lots numbered 1, 2, 3, 5 through and including 33, 35 through and including 43, as shown as a Plat (consisting of 3 sheets) prepared by TSA Group, Inc., entitled "Rice Property, Section 1, Area 1, Lots 1 thru 44 and Parcel A", dated March 23, 1994, and recorded among the Land Records of Howard County, Maryland as Plat No. 11310 et seq.

II. Commons. Among any other lands shown on the Amendatory Plat as comprising the Commons, the Lots within the Additional Property which comprise Commons are as follows:

All of those Lots numbered 4 and 34 as shown on the above Plat.

Please return to: Mr. Stewart D. Young
SDC Group, Inc.
P.O. Box 417
Ellicott City, MD 21041

amend1.wv

✓ WILLOWOOD NEIGHBORHOOD ASSOCIATION, INCORPORATED

DECLARATION OF COVENANTS,
EASEMENTS, CHARGES AND LIENS

THIS DECLARATION OF COVENANTS, EASEMENTS, CHARGES AND LIENS, made this 2nd day of February, 1994, by SECURITY DEVELOPMENT CORPORATION, a corporation organized and existing under the law of Maryland having an address at 8480 Baltimore National Pike, P.O. Box 417, Ellicott City, Maryland 21041 (hereinafter collectively referred to as "the Developer").

RECORD FEE 100.00

WITNESSETH, THAT WHEREAS, the persons comprising the Developer are the respective owners of all of that land, situate and lying in Howard County, in the State of Maryland, which is hereinafter described and which has been or will be subdivided into the lots and common areas which are hereinafter referred to, together with the improvements thereon and the appurtenances thereto;

WHEREAS, the Developer intends to create on such land a residential community consisting of such residential lots and common areas, the latter of which may contain common improvements and other facilities for the benefit of such community;

RECORD FEE 100.00

WHEREAS, the Developer intends by this Declaration to provide for the preservation of such community's values and amenities and the maintenance of other facilities, by (1) insuring their proper development, improvement and use; (2) protecting their respective owners against their development or other use in any manner which may depreciate their value; (3) guarding against the erection of any such lot or common area of any building or other improvement containing improper or unsuitable materials; (4) securing and maintaining proper setbacks of such buildings or other improvements from the roadways and sidewalks within such community; (5) enforcing high standards of maintenance and operation of such common areas, common improvements and other facilities for the benefit of the owners of such lots and any other residents of such community; and (6) granting and reserving rights, easements and other privileges, and creating a means for the accumulation and use of funds, to further such purposes, all in order to provide adequately for a residential community of the highest quality and character;

WHEREAS, to further such purposes, the Developer (1) intends by this Declaration to subject such residential lots and common areas, together with the improvements thereon and the appurtenances thereto, to certain covenants, easements, charges and liens, all as are hereinafter set forth, and (2) has caused to be incorporated a nonstock corporation to which are to be delegated the powers and duties of assessing, collecting and applying all of the charges imposed by the provisions of this Declaration, maintaining and operating such common areas, common improvements

and other facilities, and administering and enforcing such covenants, easements, charges and liens; and

WHEREAS, the Developer desires to reserve the right hereafter to subject additional land, together with the improvements thereon and the appurtenances thereto, to the operation and effect of this Declaration, thereby expanding the land, improvements and appurtenances which are hereby subjected thereto.

NOW, THEREFORE, the Developer hereby subjects to the operation and effect of the provisions of this Declaration all of that land, situate and lying in the said County, which is more particularly described in Exhibit A,

TOGETHER WITH all of the improvements thereon and all of the rights, alleys, ways, waters, privileges, appurtenances and advantages, to the same belonging or in any way appertaining (all of which tract, improvements and appurtenances are hereinafter collectively referred to as "Parcel I"),

SUBJECT TO the operation and effect of any and all instruments recorded among the said Land Records before the recordation thereamong of this Declaration,

UPON THE TERMS AND SUBJECT TO THE CONDITIONS which are hereinafter set forth:

Section 1. Definitions.

1.1. As used in the provisions of this Declaration, the following terms have the meanings hereinafter ascribed to them:

1.1.1. "Annual Assessment" has the meaning ascribed to it by the provisions of subsection 6.2.

1.1.2. "the Architectural Committee" means the entity referred to in the provisions of Section 8.

1.1.3. "Assessment" means an Annual Assessment, a Limited Assessment or a Special Assessment.

1.1.4. "Assessment Lien" means a lien imposed under the provisions of subsection 6.4.

1.1.5. "the Association" means the entity referred to in the provisions of Section 4.

1.1.6. "Association Property" means any and all real property, personal property or other assets which are beneficially owned by the Association, including, by way of example rather than of limitation, the Commons.

1.1.7. "the Board of Directors" means the board of directors of the Association.

1.1.8. "Builder" means each person who acquires a Lot from the Developer or another Builder, not to occupy it as a residence, but to construct, in the ordinary course of such person's business, a Dwelling on such Lot and sell or lease it to another person for such other person to occupy as a residence.

1.1.9. "the By-Laws" means the by-laws of the Association, as from time to time amended.

1.1.10. "Class A Member" has the meaning ascribed to it by the provisions of subsection 4.3.

1.1.11. "Class A Membership" means all of the Class A Members.

1.1.12. "Class B Member" has the meaning ascribed to it by the provisions of subsection 4.3.

1.1.13. "Class B Membership" means all of the Class B Members.

1.1.14. "the Code" means the Real Property Article of the Annotated Code of Maryland (1988 edition, as amended).

1.1.15. "the Commons" has the meaning ascribed to it by the provisions of subsection 3.3.

1.1.16. "the Community" means the aggregate of (a) Parcel I, (b) each Future Parcel or portion thereof which, at the time in question, has been added to the Community through an expansion thereof, (c) all Dedicated Roadways, and (d) all Dedication Commons.

1.1.17. "the Community Plat" means collectively the plats referred to in Exhibit A and Exhibit B, together with any amendatory plats thereto and any subdivision plats for any Future Parcel or portion thereof which at any time hereafter has become effective pursuant to the provisions of this Declaration and applicable law.

1.1.18. "the Contract Lien Act" means the statute entitled "Contract Lien Act" and codified as title 14 subtitle 2 of the Real Property Article of the Code.

1.1.19. "Contract Purchaser" means any person who enters into a contract (other than a land installment contract, as that term is defined by the provisions of title 10, section 10-101(b) of the Code, which has been recorded among the Land Records)

which, at the time in question, entitles such person to purchase a Lot from the Developer or any other person, but who does not hold the legal title of record to such Lot.

1.1.20. "this Declaration" means this instrument, as from time to time amended.

1.1.21. "Dedicated Commons" means any and all land shown on the Community Plat which, by the Community Plat or otherwise, is dedicated to the said County or another governmental body for public use, either (a) before or simultaneously with the recordation of this Declaration among the Land Records, or (b) thereafter pursuant to the provisions of Section 5.

1.1.22. "Dedicated Roadway" means each portion of the Community (a) which, by the Community Plat or otherwise, is dedicated to the said County or another governmental body for public use as a roadway, either (i) before or simultaneously with the recordation of this Declaration among the Land Records, or (ii) thereafter pursuant to the provisions of Section 5, and (b) such dedication of which has been accepted by such entity.

1.1.23. "the Developer" means (a) the person hereinabove named as such, (b) such person's successors, (c) each person to whom such named person or any other person who is the Developer expressly assigns its rights as the Developer hereunder in the manner set forth in the provisions of subsection 11.2, and (d) each such assignee's heirs, personal representatives and successors; provided, that no Owner, Builder, Mortgagee, Lessee or Contract Purchaser shall, merely by virtue of its status as such, be deemed to be the Developer.

1.1.24. "the Development Period" has the meaning ascribed to it by the provisions of Section 4.

1.1.25. "Dwelling" means a "Dwelling", as that term is defined by the provisions of Section 103 of the zoning ordinance of the said County.

1.1.26. "Future Parcel" has the meaning ascribed to it by the provisions of Section 7.

1.1.27. "Howard County, Maryland" means (a) the County of Howard in the State of Maryland, the person hereinabove named as such, (b) Howard County, Maryland's successors, (c) each person to whom Howard County, Maryland or any other person who becomes such named person's successor expressly assigns its rights as the Developer hereunder in the manner set forth in the provisions of subsection 11.2, and (d) each such assignee's heirs, personal representatives and successors.

1.1.28. "the Land Records" means the Land Records of the said County.

1.1.29. "Lessee" means any lessee or sublessee of a Lot from the Developer or another Owner or person.

1.1.30. "Lot" has the meaning ascribed to it by the provisions of subsection 3.1.

1.1.31. "Majority" means more than fifty percent (50%).

1.1.32. "Member" has the meaning ascribed to it by the provisions of Section 4.

1.1.33. "the Membership" means all of the Members.

1.1.34. "Mortgage" means any mortgage or deed of trust encumbering any Lot or any or all of the Commons, and any other security interest therein existing by virtue of any other form of security instrument or arrangement used from time to time in the locality of the Community (including, by way of example rather than of limitation, any such other form of security arrangement arising under any deed of trust, sale and leaseback documents, lease and leaseback documents, security deed or conditional deed, or any financing statement, security agreement or other documentation used pursuant to the provisions of the Uniform Commercial Code or any successor or similar statute), provided that such mortgage, deed of trust or other form of security instrument, and an instrument evidencing any such other form of security arrangement, has been recorded among the Land Records.

1.1.35. "Mortgagee" means the person secured by a Mortgage.

1.1.36. "Mortgagee in Possession" means any person who is either (a) a Mortgagee which has possession of a Lot as a result of a default under a Mortgage held by such person, or (b) the Owner of a Lot as the result of the conveyance to such person of the Mortgagor's equity of redemption therein either through a foreclosure proceeding under a Mortgage securing such person and covering such Lot, or in lieu of such foreclosure proceeding.

1.1.37. "Mortgagor" means the Owner of a Lot, the title to which is encumbered by a Mortgage.

1.1.38. "Notice Address" has the meaning ascribed to it by the provisions of Section 11.

1.1.39. "Notice of Lien" has the meaning ascribed to it by the provisions of paragraph 6.4.1.

1.1.40. "Owner" means any person or combination of persons (including, by way of example rather than of limitation, the Developer and any Builder) who (a) holds the legal title to a Lot under a deed or other installment, or (b) is the purchaser of a Lot under a land installment contract (as that term is defined by the provisions of title 10, section 10-101(b) of the Code), if and only if such deed, other instrument or land installment contract is recorded among the Land Records at the time in question; provided, that (a) no Lessee or Contract be deemed an Owner; and (b) no Mortgagee shall be deemed the Owner of a Lot unless and until it acquires of record the Mortgagor's equity of redemption therein.

1.1.41. "Parcel" means Parcel I or any Future Parcel.

1.1.42. "Parcel I" has the meaning hereinabove ascribed to it.

1.1.43. "person" means any natural person, trustee, corporation, partnership or other legal entity.

1.1.44. "Plans" has the meaning ascribed to it by the provisions of Section 8.

1.1.45. "the Rules and Regulations" means the rules and regulations adopted by the Association pursuant to the provisions of paragraph 5.3.3, as from time to time amended.

1.1.46. "Special Assessment" has the meaning ascribed to it by the provisions of subsection 6.2.

1.1.47. "Statement of Lien" has the meaning ascribed to it by the provisions of subsection 6.4.

1.1.48. "Structure: means anything which constitutes a "Structure" for purposes of the provisions of the zoning ordinance of the said County; provided that, in addition, each of the following shall be deemed a Structure for purposes of the provisions of this Declaration:

(a) any thing or device, the placement of which upon any Lot might affect the physical appearance thereof (including, by way of example rather than of limitation, any building, shed, covered patio, fountain, pool, radio or television antenna or receiving dish, fence or wall, sign or signboard);

(b) any excavation or fill, the volume of which exceeds ten (10) cubic yards, and

(c) any excavation, fill, ditch, diversion dam or other thing or device which affects or alters the natural flow of surface waters upon or across any Lot or the flow of any water in any natural or artificial stream, wash or drainage channel on or across any Lot.

1.1.49. "Use" has the meaning as used in the provisions of Section 103 of the zoning ordinance of the said County; provided, that without limiting the generality of the foregoing provisions of this sentence, (a) any activity or purpose deemed by any governmental authority charged with enforcing such regulations to be a "use" for purposes of such regulations, and (b) any purpose for which any Structure or land is used or occupied, and (c) any activity, occupation, business or operation carried on in a Structure or on any land, shall be deemed a "Use".

1.2. Any other term to which meaning is specifically ascribed by any provisions of this Declaration shall for purposes of this Declaration have such meaning.

Section 2. Name. The Community shall be known as Willowood.

Section 3. Lots, Commons, Dedicated Commons and Dedicated Roadways.

3.1. The Community shall be comprised of (a) all of those areas referred to in the provisions of subsection 3.2, which are comprised of subdivision lots upon which a Dwelling is intended to be constructed (each of which is hereinafter referred to as a "Lot"), (b) all of those areas referred to in the provisions of subsection 3.3)hereinafter referred to collectively as "the Commons"), (c) all Dedicated Commons, and (d) all Dedicated Roadways.

3.2. Lots.

3.2.1. Number of Lots.

(a) So long as the Community has not been expanded pursuant to the provisions of Section 7, it shall contain (i) one hundred thirty-nine (139) Lots, and (ii) thirteen (13) open space lots intended to comprise a portion of the Commons.

(b) From and after any such expansion, and until any further such expansion, the Community shall contain that number of Lots equalling the total of (i) the number of Lots contained therein immediately before such expansion, and (ii) the number of Lots contained in their entirety within the land thereby added to the Community, and designated as Lots in the amendatory instrument by which, pursuant to such provisions, such expansion is effected.

3.2.2. Location of Lots. The location, dimensions and configuration of each Lot within Parcel I are shown on the Community Plat.

3.2.3. Designation of Lots. Each Lot shall have and be known by a number corresponding to the number shown with respect to it on the Community Plat.

3.2.4. Party Walls. Each wall or fence, a portion of the thickness of which is included within a Lot and the balance of the thickness of which is included within a contiguous Lot, and which therefore is a party wall or party fence, shall be used and enjoyed as such by the Owners thereof jointly with each other. Each such Lot shall have the benefit of and be burdened with an easement for the support and maintenance of such party wall or fence in accordance with the following provisions of this paragraph:

(a) Subject to the operation and effect of the following provisions of this paragraph, the general rules of law regarding party walls and liability for property damage due to negligent or willful acts or omissions shall apply thereto.

(b) If any such party wall or fence is deliberately or negligently damaged or destroyed by the act or omission of one (but not both) such Owners (or his agent, employee, invitee, family member, visitor or guest), such Owner shall promptly repair it at this expense.

(c) If any such party wall or fence is damaged or destroyed in any other manner or otherwise requires maintenance, such Owners shall repair it at their joint expense.

(d) If either surface of any such party wall is at any time exposed to the elements, the Owner of the Lot on which such surface stands shall promptly and at his expense take such action as is reasonably necessary to protect such surface against the elements.

3.3. Commons.

3.3.1. The Commons shall consist of all of the land from time to time within the Community including, but not limited to any land specifically designated in this Declaration as comprising a portion of the Commons, but not any land within any Lot or Dedicated Roadway, together with all of the improvements thereon (including by way of example rather than of limitation, all streets and sidewalks not within a Dedicated Roadway, curbs, storm water retention basins and drainage lines, utility lines, buildings, fencing, swimming pools, tennis or other racquet courts, tot lots and playgrounds, ball diamonds and other similar

facilities from time to time existing on such land), and all of the rights, alleys, ways, waters, privileges, appurtenances and advantages, to the same belonging or in any way appertaining.

Section 4. The Association.

4.1. Authority. The Community's affairs shall be governed by the Willowood Neighborhood Association, Incorporated, a nonstock corporation organized and existing under the law of Maryland.

4.2. Membership. The Association's membership shall be comprised of and limited to all of those persons (each of whom is herein referred to as a "Member") who, either alone or in combination with one or more other persons, is an Owner (including, by way of example rather than of limitation, the Developer and any Builder during such times as the Developer or such Builder is an Owner). An Owner's membership in the Association shall be appurtenant to his Lot, and may not be separated from his ownership thereof.

4.3. Voting.

4.3.1. Classes of Membership.

(a) Development Period.

(i) During the Development Period, the Membership shall be comprised of the Class A Membership and the Class B Membership.

(ii) The Class A Membership shall consist of all of the Members other than the Developer and any Builder, and the Class B Membership shall consist of the Developer and each Builder.

(b) After the Development Period, the Membership shall be all of one class, consisting of all of the Members.

4.3.2. Number of Votes.

(a) During the Development Period each Class A Member, and thereafter each Member,

(i) who alone is the Owner of a Lot shall be entitled to cast one vote in the Association's affairs for each such Lot; or

(ii) who with any other person is the Owner of a Lot shall, jointly with such other persons, be entitled to cast one vote in the Association's affairs for each such Lot

(which vote shall be exercised as such persons determine among themselves, provided that in no event may such persons cast fractional votes or cast with respect to any such Lot more than one such vote).

(b) During the Development Period,

(i) each Class B Member shall be entitled to cast three votes in the Association's affairs for each vote which it would be entitled to cast, were it a Class A Member;

(ii) each Builder shall be conclusively presumed, by its having accepted the conveyance of the legal title to a Lot from the Developer or another Builder,

(A) to have given the Developer an irrevocable and exclusive proxy entitling the Developer, at each meeting of the Membership held while such Builder holds such title, to cast the votes in the Association's affairs which such Builder holds under the foregoing provisions of this Section on each question which comes before such meeting; and

(B) to have agreed with the Developer that such proxy is given to the Developer and relied upon by the Developer in connection with the Developer's development, construction, marketing, sale and leasing of any or all of the Community (including any Future Parcel), and is coupled with an interest; and

(iii) Howard County, Maryland shall be deemed to have given the Developer an irrevocable and exclusive proxy, which proxy is coupled with an interest, entitling the Developer, at each meeting of the Membership held while Howard County, Maryland holds such title, to cast the votes in the Association's affairs which Howard County, Maryland holds under the foregoing provisions of this Section on each question which comes before such meeting.

4.3.3. Commencement and Termination of Development Period

(a) The Development Period shall consist of the period commencing on the date hereof and terminating on the date on which the total number of votes held by the Class A Membership becomes equal to the total number of votes held by the Class B Membership; provided, that anything contained in the foregoing provisions of this subparagraph to the contrary notwithstanding, if at any time or from time to time after such termination the Community is expanded pursuant to the provisions of Section 7, in each instance the Development Period shall recommence as of the time at which such expansion occurs, and shall terminate thereafter on the date on which the total number of votes

held by the Class A Membership becomes equal to the total number of votes held by the Class B Membership.

(b) Anything contained in the provisions of this Declaration to the contrary notwithstanding, the Development Period shall, if not then already terminated, terminate on the earlier to occur of (i) the Developer's termination thereof by executing and recording among the Land Records an instrument expressly providing for such termination and making specific reference to this paragraph, and (ii) the tenth (10th) anniversary of the date hereof.

4.4. Fidelity Bonds. Each director, officer and employee of the Association, any manager of the Commons, and any director, partner, officer or employee of such manager, whose duties as such require him to handle or be responsible for funds of the Association or in its possession or control through any trust or other arrangement, shall, if demanded in writing by the Association, before commencing such duties furnish the Association with a fidelity bond covering his said activities, in form and amount and with a corporate surety which are reasonable and appropriate under the circumstances and are satisfactory to the Board of Directors. The premium for any such bond shall be paid by the Association.

4.5. Actions Taken by the Association.

4.5.1. Whenever the Association is required or permitted by the provisions of this Declaration to take any action, it shall do so only in accordance with the provisions of the Articles of Incorporation and the By-Laws.

4.5.2. Whenever the Membership is required or permitted by the provisions of this Declaration to give or withhold its approval or consent or to take any other action, or whenever the taking of any action by the Association, or the effectiveness thereof, is conditioned by the provisions of this Declaration upon the Membership's having taken any other action, such approval or consent may be given or withheld, and such action may be taken, by the Membership without a Membership meeting having been held for such purpose, provided that each Member is given prior written notice thereof, and the number of Members whose votes would have been sufficient to cause such approval or consent to be given or withheld or such action to be taken, at a Membership meeting duly called for such purpose at which all Members were present and voting on such question, have consented thereto in writing.

Section 5. Ownership of, and Rights in, Commons.

5.1. Property Right in and to Commons.

5.1.1. (a) The Developer shall be entitled to convey to the Association the legal title to any or all of the Commons at any time hereafter, and/or to retain the legal title to the same until the Developer has completed any improvements which the Developer intends to make thereto, or until such earlier or later time as, in the Developer's judgment, the Association is able to maintain the same in accordance with the provisions of this Declaration; provided, that the Developer shall convey to the Association (i) the legal title to all of the Commons within Parcel I but not later than the date on which the Developer or any Builder conveys to any person (other than the Developer or a Builder) the legal title to any Lot within Parcel I, and (ii) the Legal title to all of the Commons within any Future Parcel or portion thereof added to the Community by an expansion thereof but not later than the date on which the Developer or any Builder conveys to any person (other than the Developer or a Builder) the legal title to any Lot within such Future Parcel or portion thereof.

(b) The title to the Commons to be conveyed to the Association, as aforesaid, shall be good and marketable and insurable at regular rates by a title insurer authorized to do business in Maryland, and shall be conveyed in fee simple by a special warranty deed containing covenants of further assurances, all subject to and only to the operation and effect of (i) each instrument recorded among the Land Records before the recordation thereamong of this Declaration; and (ii) each instrument or matter of the types listed in the provisions of paragraph 5.1.2 which is then recorded among the Land Records.

(c) Subject to the operation and effect of the provisions of paragraph 5.1.2 and subsection 5.3, the Association shall not convey to any person the legal title to, or any easement, leasehold or other right of use or enjoyment in, any of the Commons, without the express written consent thereto of Members holding at least two-thirds (2/3) of the total number of votes then held by, respectively, each class of the Membership.

5.1.2. Anything contained in the foregoing provisions of this subsection to the contrary notwithstanding, while the Association holds the legal title to any or all of the Commons, it may take any or all of the following actions:

(a) make an express confirmatory conveyance to any Owner of such easements in and other rights with respect to the Commons as under the provisions of this Declaration are held by such Owner.

(b) grant, convey or dedicate (i) to any one or more public or quasi-public governmental bodies or utility companies, any and all licenses, easements and/or rights-of-way in, over and through the Commons for the construction, installation, use, operation, maintenance, repair and replacement of any and all

sanitary, sedimentary control or storm sewer lines, drains, culverts, ponds or pumping stations, water lines, mains or pumping stations, electrical lines or cables, telephone or television lines or cables, gas lines or mains, and other similar facilities, for similar or other purposes, all as the Association considers appropriate for the provision of any utility or utility service to the Community, and (ii) to the said County or any other governmental body, any land then forming part of the Commons which is improved or to be improved by a roadway or sidewalk; provided, that no such grant, conveyance or dedication shall be made unless the Association and the person to which it is to be made have agreed upon the manner in which the thing granted will be operated and maintained for the use and enjoyment of the Owners and any other members of the general public who are thereafter entitled to use and enjoy the same. After any such grant, conveyance or dedication as set forth in clause (ii) above, that portion of (or interest in) the Commons which is the subject thereof shall not be part of the Commons.

(c) grant a Mortgage pursuant to the provisions of Paragraph 5.3.1.

(d) convey the legal title to, or any interest in, any or all of the Commons to or at the direction of any governmental or quasi-governmental authority either (i) through the condemnation thereof or the exercise of any power of eminent domain with respect to the same, or (ii) under threat of such condemnation or exercise and in lieu thereof (after which grant, conveyance or dedication, that portion of the Commons which is the subject of the same shall not be part of the Commons).

(e) grant a leasehold interest in or a license with respect to any or all of the Commons to any person, for a period terminating not later than the third (3rd) anniversary of the date of such grant.

(f) grant or reserve, by or to the Developer, for the benefit of any Future Parcel or portion thereof (whether or not it then or thereafter is part of the Community), an easement in, over and through the Commons for the construction, installation, use, operation, maintenance, repair and replacement of any facility or roadway of the types enumerated in the provisions of this paragraph 5.1.2.

(g) grant to any one or more Owners, for the benefit of such Owners' respective Lots, an exclusive license to use any respective portion of the Commons which is improved as an automotive vehicle parking space and is, at the time in question, designated by the Association, acting in its sole discretion (by painted numbering on the curbing or pavement for such space or in any other manner) by the same number as that of such Lot, for and only for the noncommercial parking of automotive vehicles, if and

to the extent that such parking is permitted by the provisions of paragraph 9.2.1 in the case of Lots. In such event, such Lot shall not have, and the Association shall not grant for the benefit of such Lot or any other portion of the Community, any license or other right to use such space in any other manner or for any other purpose.

5.1.3. Easement and License Benefiting Lots and Burdening Commons or Other Lots

(a) Each Lot shall have the benefit of a non-exclusive easement for the use of

(i) each main, duct, stack, raceway, wire, conduit, drain, pipe, meter or other device located within the Commons or another Lot and used in providing any utility or service to the first such Lot; and

(ii) each street and walkway which from time to time is within the Commons, or which crosses any Lot and affords access to the Commons or another Lot.

(b) Each Lot shall have the benefit of a non-exclusive license for the use of the remainder of the Commons, provided that

(i) such use is in accordance with applicable law and the provisions of this Declaration, the Articles of Incorporation, the By-laws and the Rules and Regulations;

(ii) any admission or other fee which the Association then charges for such use is paid;

(iii) no person other than the Association, Developer or Builder may construct, reconstruct, alter or maintain any Structure or make or create any excavation or fill upon, or remove any tree, shrub or other vegetation from or otherwise damage, the Commons; and

(iv) no person shall without first obtaining the Association's consent do anything on the Commons which will cause an increase in any premium paid by the Association for liability or other insurance with respect to the Commons, or the cancellation of any such insurance.

5.1.4. Development Easements. The Developer and any Builder designated by the Developer shall have, and the Developer and any Builder designated by the Developer hereby reserves, perpetual, non-exclusive easements in, over and through the Commons

(a) for pedestrian and vehicular ingress and egress to and from each public roadway which at any time abuts the Community, from and to each Parcel (whether or not it then is part of the Community), for access by (i) the Developer and any Builder designated by the Developer and their heirs, personal representatives, successors and assigns as owner of each respective Parcel or Lot or other portion thereof, (ii) any contractor, subcontractor, real estate agent or broker utilized by the Developer and any Builder designated by the Developer, and (iii) their respective agents, officers, employees, and invitees, all for any purpose consistent with applicable law in connection with the construction, replacement, repair, maintenance, development, marketing or leasing of such respective Parcel or Lot; and

(b) for the construction, installation, maintenance, repair, replacement and use of any or all utility lines and facilities of the types enumerated in the provisions of paragraph 5.1.2, to and from their respective points of connection with those respective public utility lines and facilities to which they are to be connected, from and to each Parcel (whether or not it then is part of the Community), for the benefit of (i) the Developer and its heirs, personal representatives, successors and assigns as owner of any Parcel or Lot or other portion thereof, and (ii) their respective agents, employees, invitees, visitors and guests.

5.2. Maintenance of Commons and other portions of the Community.

5.2.1. The Association shall regularly maintain in good order and repair,

(a) the Commons;

(b) any portion of any Dedicated Roadway (including, by way of example rather than of limitation, any portion of such Dedicated Roadway improved as (i) a parking area, the use of which is restricted to Owners, or (ii) a traffic island) not paved as a public road or devoted to any other public purpose, if and to the extent that it is not the practice of the said County or any other governmental body having jurisdiction over such Dedicated Roadway to maintain the same;

(c) to the extent permitted by applicable law, any portion of any Dedicated Commons if and to the extent that it is not the practice of the said County or other governmental body having jurisdiction thereover to maintain the same; and

(d) each street, walkway or utility line or facility which crosses any Lot and over which any other Lot has the benefit of an easement for ingress and egress, or for any utility or other service, under the provisions of this Declaration.

5.2.2. Without limiting the generality of the foregoing provisions of this subsection, the Association shall (unless such maintenance duty is assumed by any governmental authority having jurisdiction thereover), (i) keep all grass growing within the Commons regularly mowed, (ii) maintain each storm water retention or sedimentation pond within the Commons, keeping it clean and free of debris, and (iii) maintain and keep in good repair all retaining walls which border open space lots in the subdivision and any noise fence constructed or to be constructed in the open space of the subdivision. Howard County shall maintain and repair any man made improvement into, within, and exiting the stormwater management facility. Such elements include pipes, headwalls, end sections, rip rap, concrete channels, gabions, control structures (e.g. risers), and dams. The Association shall not add landscaping or structures, nor shall it modify existing structures in the stormwater management pond and/or facilities without the prior written approval of the Howard County Department of Public Works. The Association shall perform routine maintenance including mowing and cleaning (at least once per year) of the dam(s) and the emergency spillway(s) and shall also remove debris and sediment from within the limits of the stormwater management facility. The Association shall procure and maintain adequate comprehensive general liability and hazard insurance for the Association Property and shall provide certificates of insurance to Howard County upon request.

5.2.3. The Association shall grant to Howard County a perpetual right-of-entry to the Association Property to inspect stormwater management ponds and/or facilities and to maintain any deficiencies pursuant to Section 18.905 of the Howard County Code.

5.2.4. The Association shall indemnify Howard County and hold it harmless from and against any and all claims, suits, damages, liabilities and expenses, including attorney's fees and the County's costs of defense, in connection with loss of life, personal injury and/or damage to or loss of property that arises from the use of Association Property and the installation, construction, maintenance and repair of the stormwater management pond and/or facilities by the Association.

5.3. Control of Commons. Anything contained in the foregoing provisions of this Section to the contrary notwithstanding, the Association may

5.3.1. borrow money to improve the Commons in accordance with the provisions of this Declaration, and secure its repayment by subjecting any or all of the Commons which it owns to the lien of a Mortgage; provided that anything contained in the provisions of such Mortgage to the contrary notwithstanding, if there is a default in the performance of the borrower's obligations thereunder the Mortgagee's remedies on account of such default shall, with respect to the property covered by such lien, be

limited to those of (a) taking possession of any or all of the same, (b) thereafter charging admission or other fees as a condition to the continued use thereof by the Owners, their family members and guests, and (c) if necessary and if not prohibited by applicable law, opening the enjoyment thereof to the general public or any segment thereof until such debt is satisfied;

5.3.2. take such steps as are reasonably necessary to protect such property against foreclosure under such Mortgage (including, by way of example rather than of limitation, that of opening the enjoyment thereof to the general public or any segment thereof, as aforesaid);

5.3.3. adopt reasonable rules and regulations governing the use of the Commons by Owners, their family members and guests or any other person;

5.3.4. charge reasonable admission and other fees for use of the Commons (other than those streets, walkways and utility lines and facilities which are subject to the easement created by the provisions of subparagraph 5.1.3(a)); and

5.3.5. suspend the right of any Owner or his family members and guests to use the Commons (except for such streets, parking areas, walkways and utility lines and facilities),

(a) for so long as such an Assessment levied against such Owner's Lot remains unpaid, and

(b) for any period (not exceeding in length sixty (60) days plus the time during which such infraction continues) for any infraction of the Rules and Regulations.

5.4. Management of Commons. The Association may enter into an agreement with any person for such person to provide management services to the Association for the Commons and the Dedicated Commons, so long as such agreement

(a) expressly provides that either party thereto may, without the consent of any other party thereto, terminate such agreement without cause at any time and without payment of a termination fee, provided that it has given to each other party thereto written notice of its intention to do so by not later than thirty (30) days before the effective date of such termination;

(b) is for a term of not longer than one (1) year;

(c) if provisions is made therein for a renewal of such agreement from time to time by agreement of the parties thereto, provides that no such renewal provisions and no

such renewal or combination of renewals made pursuant thereto shall be effective to bind the Association to such agreement for longer than one (1) year from the date of such renewal or combination of renewals (and, to the extent that any such agreement does not expressly so provide, it shall be deemed to do so).

Section 6. Assessments.

6.1. Right to Levy Assessments. The Association shall obtain funds to pay its current or capital expenses incurred in performing its obligations under the provisions of this Declaration, and to create adequate reserves for the maintenance, repair and replacement of those portions, if any, of the Commons which must be replaced on a periodic basis, and for the payment of its future such expenses, by from time to time levying an assessment (each of which is hereinafter referred to as an "Assessment") against each Owner and his respective Lot, all upon the terms, for the purposes and subject to the conditions which are set forth in the provisions of this Declaration, the Articles of Incorporation and the By-Laws.

6.2. Procedure for Levying Assessments. Any determination by the Association to levy Assessments and/or of their respective amounts shall be made in the following manner:

6.2.1. Classes of Assessments.

(a) The Assessments shall consist of annual Assessments (each of which is hereinafter referred to as an "Annual Assessment") and special Assessments (each of which is hereinafter referred to as a "Special Assessment").

(b) (i) The proceeds of the Annual Assessments may be used by the Association to defray any cost incurred by it in accordance with, or for any other purpose permitted by, the provisions of this Declaration, the Articles of Incorporation and the By-Laws.

(ii) The proceeds of any Special Assessments shall be used by the Association to defray any cost incurred by it either in constructing, reconstructing, repairing or replacing any of the Commons or any other Association Property or as the result of any expansion of the Community pursuant to the provisions of Section 7, or any other extraordinary expense incurred by the Association.

6.2.2. Period of Assessments.

(a) Each Assessment shall be levied for one of those calendar years (each of which is hereinafter referred to as an "Assessment Year") during which this Declaration remains in effect; provided, that the initial Assessment Year shall commence

on the date on which legal title to a Lot is conveyed to a person other than the Developer or a Builder, and shall terminate on the thirty-first (31st) day of December next succeeding such date.

(b) Not more than one Annual Assessment shall be levied against a Lot for any Assessment Year.

6.2.3. Allocation of Assessments Among Lots.

(a) Except as is otherwise provided in this paragraph 6.2.3, (i) the respective amounts of any Annual Assessments levied for an Assessment Year shall be equal, (ii) the respective amounts of any Special Assessments levied for an Assessment Year shall be equal, and (iii) no Assessment of one class may be levied for an Assessment Year against one Lot unless an Assessment of such class is at the same time levied for such Assessment Year against each Lot not exempt from such levy under the provisions of this paragraph 6.2.3.

(b) If during an Assessment Year a Lot is added to the Community through an expansion thereof,

(i) the Association shall be deemed, automatically and without the necessity of further action, to have levied against such Lot for such Assessment Year each Assessment which the Association has levied against the other Lots for such Assessment Year; and

(ii) the respective amount of each such Assessment shall be determined in accordance with the foregoing provisions of this paragraph 6.2.3. as if such Lot formed part of the Community at the commencement of such Assessment Year, but shall then be reduced to a fraction thereof, the numerator of which shall be the number of days remaining in such Assessment Year as of the date of such expansion, and the denominator of which shall be three hundred sixty-five (365).

(c) Anything contained in the provisions of this Section to the contrary notwithstanding, no Assessment may be levied against (i) the Commons, (ii) any Dedicated Roadway, (iii) any other portion of the Community to the extent of (A) any easement or other interest therein held by any governmental or quasi-governmental authority or public utility company under the provisions of this Declaration or otherwise, or (B) any interest therein which is then exempt from real property taxation by the law of Maryland, upon the terms and to the extent of such exemption.

6.2.4. Adoption by Board of Directors; Notice of Assessment; When Assessments are Due and Payable

(a) By not later than the thirtieth (30th) day before an Assessment Year commences, the Board of Directors shall adopt a budget for the Association for such Assessment Year, setting forth for such Assessment Year (i) the aggregate amount of the annual Assessments to be levied, and (ii) the respective amount of the Annual Assessment to be levied against each Lot. By not later than the fifteenth (15th) day before such Assessment Year commences, the Association shall provide a copy of such budget to each Owner at its Notice Address. The Association's failure to take any such action by the time set forth hereinabove for taking the same shall not invalidate such action if taken later, but until such action is taken each Member shall pay to the Association on account of the Annual Assessment for the next Assessment Year, on the date or dates on which such Annual Assessment would have been due had the Association taken such action before such date, an amount equal to the Annual Assessment for the preceding Assessment Year (or the initial installment thereof, if such Annual Assessment was payable in installments).

(b) If the Association so permits, any Assessment may be paid to the Association in monthly or other installments in accordance with a schedule determined by the Association.

(c) Such Annual Assessment (or the initial installment thereof, if payable in installments) shall be due on the first (1st) day of such Assessment Year without the necessity of further action by the Association (and any subsequent installments thereof shall be due on the respective dates set forth in such schedule).

(d) Any Special Assessment (or the initial installment thereof, if payable in installments) shall be due on the later of (i) the first (1st) day of the Assessment Year for which it is levied, or (ii) any later date specified therefor by the Association (and any subsequent installments thereof shall be due on the respective dates set forth in such schedule).

(e) Anything contained in the foregoing provisions of this paragraph to the contrary notwithstanding, if a Lot is exempt from such levy at the commencement of an Assessment Year but during such Assessment Year becomes eligible for such levy, the Assessment thus levied shall be due on the later of (i) the date on which such Assessment would have been due were such Lot part of the Community at the commencement of such Assessment Year, or (ii) the date on which such Lot becomes eligible for such levy.

6.2.5. Limitations on Certain Assessments.

(a) Without Membership's Approval. Other than pursuant to the provisions of subparagraph 6.2.5(b),

(i) for the initial Assessment Year, the Association may not levy against any Lot any Special Assessment in excess of One Hundred and 00/100 Dollars (\$100.00) or any Annual Assessment in excess of Three Hundred and 00/100 Dollars (\$300.00), and

(ii) for any Assessment Year thereafter, the Association may not levy against any Lot any Special Assessment or Annual Assessment which exceeds one hundred ten percent (110%) of the maximum amount permitted to be levied as any Special Assessment or any Annual Assessment, respectively, for the immediately preceding Assessment Year.

(b) With Membership's Approval.

(i) The Association may levy against each Lot for an Assessment Year that portion of an Annual Assessment which exceeds the maximum sum which the Association may levy for such Assessment Year without approval by the Membership, as aforesaid, after and only after having been authorized to do so by two-thirds of the votes cast on such question by those Members of each Class of Membership who are present and voting on such question at a Membership meeting held in accordance with the following provisions of this subparagraph 6.2.5(b)

(ii) The Association shall send to each Member at its Notice Address a written notice of the date, time and place of any Membership meeting at which such question is to be considered by not later than the thirtieth (30th) and not more than the sixtieth (60th) day before such date. The presence at such date, time and place, in person or by proxy, of Members holding at least forty percent (40%) of the total number of votes then held by, respectively, each class of the Membership shall be required to constitute a quorum for such Membership meeting. If such quorum does not exist thereat, the Association may call another Membership meeting for such purpose for a date not more than sixty (60) days after the first said date, by sending to each Member at its Notice Address a written notice of the date, time and place thereof in the same manner as that set forth hereinabove. The presence at such date, time and place, in person or by proxy, of Members holding at least ten percent (10%) of the total number of votes then held by, respectively, each class of the Membership shall be required to constitute a quorum for such Membership meeting.

(c) Notwithstanding anything else to the contrary set forth in this Declaration, the Developer or any Builder shall have no obligation to pay any assessment of any kind for Lots which it owns until such time as a certificate of occupancy shall have been issued for any improvements on such Lot. In addition, so long as the Developer or any Builder is the Owner of any Lot after a certificate of occupancy has been issued, any Assessment levied against such Lot shall be equal to twenty-five

percent (25%) of the Assessment which would have been levied against such Lot were the Lot owned by an Owner other than the Developer or any Builder. In any calendar year during which the Developer shall remain a Class B member, the Developer shall pay to or for the benefit of the Association any current deficit which shall exist between the actual maintenance costs incurred by the Association for said year and the annual maintenance assessments charged by the Association, pursuant to this Section 6.

6.3. Owners' Personal Liability for Assessments.

6.3.1. Each Owner shall be personally liable for payment of each Assessment (or each installment thereof, if payable in installments) which becomes due for a Lot while he is its Owner. An Owner may not avoid such liability by waiving any right to use the Commons or other right which he holds under the provisions of this Declaration or otherwise, abandoning or otherwise terminating his use of such Lot, or conveying the title to such Lot after the same becomes due.

6.3.2. An Owner shall not be personally liable for payment of any Assessment or installment thereof which become due for a Lot

(a) before he becomes its Owner (notwithstanding that an Assessment Lien for such Assessment may be imposed upon the title to such Lot while held by such Owner, pursuant to the provisions of subsection 6.4), or

(b) after he ceases to be its Owner.

6.4. Assessment Lien; Priority Thereof.

6.4.1(a) At any time within two (2) years after an Assessment is levied against a Lot and before it is paid in full to the Association, the Association may give notice to the Owner thereof (by certified mail, returned receipt requested) of the Association's intent to create a lien against such Lot (hereinafter referred to as a "Notice of Lien").

(b) The form of the Notice of Lien shall be determined by the Association in the exercise of its sole discretion, provided that the Notice of Lien complies with the requirements of section 14-203 of the Contract Lien Act.

6.4.2(a) The Association may execute and record among the Land Records in accordance with the provisions of section 14-204 of the Contract Lien Act a statement (hereinafter referred to as a "Statement of Lien") for such Assessment or any installment thereof (if payable in installments and if the Association elects to make such Statement of Lien applicable to such installment rather than to such Assessment in full), (i) within one hundred

twenty (120) days after giving the Notice of Lien, if the Unit Owner fails to file a complaint in the Circuit Court of the said County in accordance with the provisions of section 14-203 of the Contract Lien Act within thirty (30) days after the Association gives the Notice of Lien, or (ii) within thirty (30) days after the Circuit Court of the said County orders the imposition of a lien pursuant to such provisions.

(b) The form of such Statement of Lien shall be determined by the Association in the exercise of its sole discretion, so long as it constitutes a "statement of lien" for purposes of the provisions of section 14-203 of the Contract Lien Act.

6.4.3. Each Assessment (or installment thereof, if payable in installments) levied against a Lot shall be a lien (herein referred to as an "Assessment Lien") upon the title to such Lot, from the time when a Statement of Lien for such Assessment or installment is recorded among the Land Records pursuant to the foregoing provisions of this subsection 6.4 and the provisions of section 14-203 of the Contract Lien Act, until such Assessment or installment is paid.

6.4.4. An Assessment Lien shall be subordinate to the Lien of any Mortgage covering the Lot against which such Assessment Lien is imposed, if and only if such Mortgage is recorded among the Land Records before a Statement of Lien imposing such Assessment Lien is recorded thereamong.

6.4.5. An Assessment Lien may be enforced and foreclosed by the Association in the same manner and subject to the same requirements as are specified by the law of Maryland for the foreclosure of mortgages or deeds of trust containing a power of sale or an assent to a decree, and covering real property situate and lying in the said County.

6.5. Interest on Unpaid Assessments. Each Assessment (or installment thereof, if payable in installments) shall bear interest on its unpaid balance from the thirtieth (30th) day after it becomes due, until paid, at the lesser of (a) the rate of twenty percent (20%) per annum, or (b) the highest rate from time to time permitted by applicable law to be charged upon the same. In addition to such interest, the Association shall be entitled to levy against the Owner and Lot in question a late charge of \$20.00 for each Assessment or installment thereof which is not paid within thirty (30) days after it becomes due, which late charge shall automatically become part of such Assessment or installment for all purposes of the provisions of this Declaration.

6.6. Recovery of Unpaid Assessments.

6.6.1. The Association shall be entitled to recover in an action at law or in equity, from any person liable for payment of any or all of an Assessment, and without waiving the Assessment Lien therefor, a money judgment for both (a) such Assessment (including, by way of example rather than of limitation, the amount of any deficiency resulting from any foreclosure of such Assessment Lien), and (b) any and all interest accrued thereon through the date of such recovery, and costs incurred by the Association in obtaining such recovery (including, by way of example rather than of limitation, that of reasonable attorneys' fees).

6.6.2. Anything contained in the foregoing provisions of this subsection to the contrary notwithstanding, no such action may be brought to foreclose upon such Assessment Lien or otherwise to recover any of such Assessment, unless it is brought on or before the third (3rd) anniversary of the date on which a statement of lien is recorded among the said Land Records in accordance with the provisions of paragraph 6.4.2.

6.7. Certificate as to Payment of Assessments. The Association shall, upon written request at any time by any person liable for payment of any Assessment or installment thereof, or who holds any interest in a Lot against which an Assessment has been levied, deliver to such person a certificate signed by an officer of the Association, setting forth whether such Assessment or installment has been paid. Any such certificate so delivered shall be conclusive evidence of the payment of each Assessment or installment thereof therein stated to have been paid.

Section 7. Expansion of the Community.

7.1. The Developer hereby reserves, for a period of ten (10) years after the date hereof, the right (which shall be exercisable at its sole discretion, but only in accordance with the provisions of this Section) to expand the Community from time to time by subjecting to the operation and effect of this Declaration, and thereby adding to the Community, all or any portion or portions of any one or more of those parcels of land, situate and lying in the said County which are described on Exhibit B, together with all of the respective improvements on such portions and all of the respective rights, alleys, ways, waters, privileges, appurtenances and advantages, to the same belonging or in any way appertaining (each of which parcels, together with such improvements thereon and appurtenances thereto, is hereinafter sometimes referred to as a "Future Parcel"). The Developer's right to expand the Community reserved in this subsection 7.1 shall be exercisable, with respect to any such portion or portions of a Future Parcel, either before or after conveyance of the legal title to the same to a person other than the Developer.

7.2. Any such expansion shall be accomplished by, 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

7.2.1. sets forth a legal description of each Future Parcel or portion thereof added to the Community by such expansion;

7.2.2. expressly subjects the same to the operation and effect of this Declaration; and

7.2.3. if such Future Parcel or portion thereof has been subdivided into residential lots and/or open spaces in accordance with applicable law governing the subdivision of land in the said County,

(a) describes such residential lots and open spaces by reference to them as designated on the plat which, pursuant to such law, is recorded among the Land Records in connection with such subdivision,

(b) designates each such residential lot as a Lot and the remainder of such Future Parcel or portion thereof (other than any Dedicated Roadway therein, if any) as part of the Commons for purposes of this Declaration, and

(c) designates such plat (if such plat is other than the original Community Plat) as an amendatory plat to the Community Plat for purposes of this Declaration.

7.3. Form of Instrument.

7.3.1. Except to the extent that the form and contents of any such amendatory instrument or subdivision plat are dictated by applicable law, they may be determined by the Developer in the exercise of its sole discretion, and the effectiveness of neither any such expansion nor the execution or recordation of any such instrument or plat shall be conditioned upon the consent thereto or joinder therein by any person (including, by way of example rather than of limitation, Howard County, Maryland, the Association or any Owner) other than the Developer. The Developer shall be entitled to execute and/or record any such instrument or plat, and/or to take any other action with respect thereto, to the extent that such action is, in the opinion of the Developer's legal counsel, necessary or desirable to effectuate the provisions of this Section.

7.3.2. Without limiting the generality of the foregoing provisions of this subsection, the Developer may by the provisions of any such amendatory instrument or plat, or at any time before the conveyance to the Association of such land, if any,

as is added to the Commons by such expansion, reserve for the benefit of any Future Parcel or portion thereof (regardless of whether it is ever part of the Community) such easement rights of the type reserved by the Developer by the provisions of this Declaration as the Developer determines to reserve in the exercise of its sole discretion, all without the necessity of obtaining any other person's consent thereto or joinder therein,

7.4. Upon any such expansion of the Community, the title to each Future Parcel or portion thereof which is thereby added to the Community shall be and thereafter remain subject to the operation and effect of the provisions of this Declaration, to the same extent as if it formed part of the Community on the date hereof.

Section 8. Architectural Committee and Control.

8.1. Architectural Committee.

8.1.1. The Board of Directors shall from time to time designate three or more individuals to constitute a committee to be known as "the Architectural Committee", which shall have the powers and duties conferred upon it by the provisions of this Section.

8.1.2. The affirmative vote of a Majority of the membership of the Architectural Committee shall be required for it to

(a) recommend to the Board of Directors the adoption or promulgation of any of the Rules and Regulations to which this Section hereinafter refers; or

(b) make any finding, determination, ruling or order; or

(c) issue any permit, authorization or approval pursuant to the provisions of this Section.

8.1.3. Unless such decision is reversed or modified by the Board of Directors upon the written application of any Owner made to the Board of Directors within thirty (30) days after the date on which the Architectural Committee makes a decision on any matter referred to in the provisions of subparagraphs 8.1.2(b) and (c), such decision shall be final.

8.2. Architectural Control.

8.2.1. No Structure may be commenced, constructed, erected, placed, maintained or permitted to remain on a Lot, and no Structure existing on a Lot may be altered in any way (including exterior painting, but excluding interior painting or other

modifications which are not visible from the exterior thereof) which, in the judgment of the Architectural Committee, materially changes the exterior appearance thereof, and no Use may be commenced on a Lot, unless prior thereto plans and specifications therefor, and a description of any such use (herein referred to collectively as "Plans"), have been submitted to and approved in writing by the Architectural Committee.

8.2.2. Such Plans shall (a) designate by reference to the Community Plat each Lot for which such Plans are submitted; (b) include a plan of each such Lot showing the nature, exterior color scheme, kind, shape, height, materials and location (both with respect to each such Lot and with respect to Structures located on adjoining portions of the Community) of all Structures then existing or proposed by such Plans to be placed thereon, any existing or proposed front, rear and side setbacks from such Structures, and the location of any existing or proposed parking spaces and driveways upon such Lot; and (c) be in such form and contain such other information as are required by the Architectural Committee.

8.3. Certain Rules and Regulations, and Statements of Policy.

8.3.1. The Architectural Committee may propose to the Board of Directors, and the Board of Directors may cause the Association to adopt, (a) certain Rules and Regulations governing the form and content of any Plans to be submitted to the Architectural Committee for its consideration, and (b) statements of policy with respect to its approval or disapproval of the architectural styles or details, or other matters, reflected in such Plans.

8.3.2. Such Rules and Regulations may be amended or revoked by the Board of Directors at any time in the same manner as the Rules and Regulations may be amended or revoked generally, and any such statement of policy may be amended or revoked by the Architectural Committee at any time.

8.3.3. The inclusion or omissions of any matter in or from, or the amendment of, any of such Rules and Regulations or statement of policy shall not be deemed to bind the Architectural Committee to approve or disapprove any Plans or to constitute a waiver of the exercise of the Architectural Committee's discretion as to any such matter; provided, that no such amendment or revocation shall affect the finality of any such approval granted before such amendment or revocation.

8.4. Basis for Disapproval.

8.4.1. The Architectural Committee may disapprove any Plans submitted to it whenever, in its opinion, any of the following circumstances exist:

(a) such Plans, or any Structure or Use covered by such Plans, are not in accordance with the provisions of this Declaration, or of the said Rules and Regulations and statements of policy;

(b) such Plans do not contain information which the Architectural Committee may reasonably require to be contained therein;

(c) any Structure covered by such Plans is incompatible with any Structure on or Use of any Lot, due to the former's exterior design, height, bulk, shape, color scheme, finish, style of architecture, configuration, appearance, materials, location or relative cost;

(d) any Use covered by such Plans is incompatible with any Structure on or Use of any Lot;

(e) the existence, size, configuration or location of any parking area proposed for such Lot is incompatible with, or insufficient, inadequate or inappropriate in relation to, any existing or proposed Use or Structure on such Lot or elsewhere within the Community; and

(f) any other set of circumstances which, in the reasonable judgment of the Architectural Committee, would render any Structure or Use which is the subject of such Plans inharmonious with the general plan of development of the Community.

8.4.2. (a) If the Architectural Committee disapproves any Plans or approves them only upon the satisfaction of any specified condition requiring the modification of such Plans or the taking of any other action, it shall promptly notify the applicant thereof in writing, and shall furnish with such notice a statement of the grounds on which it was based.

(b) If the Architectural Committee approves any Plans without conditioning such approval on the satisfaction of any such condition, it shall promptly notify the applicant thereof in writing.

(c) Unless the Architectural Committee, by written notice to the applicant, disapproves any Plans submitted to it or approves them only upon the satisfaction of any specified condition, as aforesaid, within thirty (30) days after such Plans are submitted to it, it shall conclusively be deemed for all

purposes of this Declaration to have approved such Plans unconditionally for each Lot for which they were so submitted.

8.5. Effect of Approval. The Architectural Committee's approval of Plans for any Lot for which such Plans are submitted to it shall not constitute a waiver of its right, in its sole discretion, to disapprove such Plans or any of the features or elements included therein if such Plans are subsequently submitted to it for any other Lot; but (subject to the operation and effect of the provisions of paragraph 8.1.3.), as to any Lot for which such Plans are so approved, such approval shall be final and irrevocable.

8.6. Inspection of Lots. Any agent of the Association may at any reasonable time (but only after having given written notice of the same to the Owner thereof by not later than five (5) days prior thereto) enter upon and inspect any Lot and the exterior of any Structure thereon to ascertain whether the maintenance, construction or alteration of such Lot or Structure, and any Use thereof, are in accordance with the provisions hereof, and neither the Association nor such agent shall be deemed to have committed any trespass or other wrongful act by reason of such entry or inspection.

8.7. Certificate of Compliance and Approval.

8.7.1. After the completion on a Lot of the construction or alteration of any Structure, or the commencement of any Use thereon, the Association (or the Developer, as to Plans approved by the Developer pursuant to the provisions of subsection 8.9) shall, on written request by the Owner or any Mortgagee thereof, issue a certificate in a form suitable for recordation among the Land Records,

(a) identifying such Lot and such Structure or Use; and

(b) stating that the Architectural Committee (or the Developer, as the case may be) has approved Plans covering such Structure or Use in the manner set forth in the provisions of this Section, and believes that such Structure or Use complies therewith.

8.7.2. The Association may charge such Owner a reasonable fee for the issuance of such certificate, the payment of which at the time of the request for such certificate shall be a condition to its obligation hereunder to issue the same.

8.7.3. If the Owner desires to record such certificate, such Owner shall bear the cost of recording such certificate among the Land Records.

8.8. Removal.

8.8.1. If any Structure is altered, erected, placed or maintained, or any new Use commenced, on any Lot other than in accordance with Plans approved by the Architectural Committee pursuant to the foregoing provisions of this Section, such action shall be deemed to be a violation of the provisions of this Section and, promptly after the Association gives written notice thereof to its Owner, such Structure shall be removed or restored to its condition prior to such action, and such Use shall cease, so as to terminate such violation.

8.8.2. If within fifteen (15) days after having been given such notice such Owner has not taken reasonable steps to terminate such violation, any agent of the Association may enter upon such Lot and take such steps as are reasonably necessary to terminate such violation. Such Owner shall be personally liable to the Association for the cost thereof, to the same extent as he is liable for an Assessment levied against such Lot, and the Association shall have a lien therefor which is enforceable in the same manner as an Assessment Lien imposed upon such Lot.

8.9. Developer's or Builder's Plans. Nothing in the foregoing provisions of this Section shall be deemed in any way to require that the Developer or any Builder submit to the Architectural Committee, or obtain its approval of, Plans for any Structure to be constructed upon a Lot (or any Use or condition thereof) before the initial conveyance of record of the title to such Lot to a person other than the Developer or a Builder if and only if Plans therefor (including any such Builder's Plans) have been approved in writing by the Developer, it being the Developer's intention that, where the Developer has approved such Plans, the provisions of this Section which require approval of such Plans, Use or condition by the Architectural Committee not be applicable to a Lot until the title thereto is hereafter first acquired of record by a person other than the Developer or a Builder.

Section 9. Use of Lots.

9.1. Uses Prohibited Absolutely. Any other instrument of record or otherwise having priority over the operation and effect of this Declaration, or any zoning ordinance or other applicable law, to the contrary notwithstanding,

9.1.1. Subject to the operation and effect of the provisions of paragraph 9.1.2,

(a) no Lot shall be devoted to a principal Use other than a residential Use;

(b) no Lot may contain more than one residential Structure at any time (which Structure must be a

residential structure, may constitute not more than one Dwelling, and may be used as a residence at any one time by not more than one family);

(c) no Lot or Dwelling may be used for transient or hotel purposes; and

(d) no trailer, basement, tent, shack, garage, barn, other outbuilding or other Structure of a temporary character located on any Lot shall be used as a temporary or permanent residence.

9.1.2. Nothing in the provisions of this Declaration shall be deemed in any way to prohibit

(a) the use by the Developer, any Builder, and their respective agents, employees, officers, contractors and invitees, of the improvements on each Lot of which the Developer or such Builder is then the Owner (i) as offices or as speculative or sample dwellings in connection with its development, construction, replacement, repair, maintenance, marketing, sale or leasing of any Lot (or at any portion of a Future Parcel which, by an expansion of the Community pursuant to the provisions of Section 7, would become a Lot), or (ii) in any other manner, unless any other person would, were he the Owner thereof, be prohibited or restricted in the same manner; or

(b) (provided that in each instance of such use the Architectural Committee has approved the same in the manner set forth in the provisions of Section 8) for the maintenance and operation of a library, playground, park, swimming pool, tennis, squash, racquetball or similar facility, open space and any related structure, if owned and operated by the Association or any nonprofit entity or governmental body.

9.2. Uses Prohibited Without Approval by Architectural Committee. Subject to the foregoing provisions of this Section, and unless the Architectural Committee has approved the same in the manner set forth in the provisions of Section 8,

9.2.1. (a) no (i) house trailer, trailer, tractor trailer or other truck (other than a van or "pick-up" truck and other than any of the foregoing which are necessary in conjunction with the construction of a Dwelling or permitted Structure on any Lot or the sale of Dwellings by the Developer or a Builder) or (ii) boat, boat trailer, camper or recreational bus, shall be parked or stored in view of the street on any Lot on which a Dwelling is constructed for more than fourteen (14) successive days, or on any street parking area within, or other portion of, the Commons;

(b) unless current and valid license plates are affixed thereto, no automobile, motorcycle, van, pick-up truck

or any other permitted vehicle shall be temporarily or permanently parked or stored in the open on any Lot, or on any street or parking area within, or other portion of, the Commons.

9.2.2. no machinery shall be placed or operated on any Lot, except for such machinery as is customarily utilized in constructing or occupying a private residence.

9.2.3. no profession or home industry shall be conducted on any Lot which generates more than five (5) visits to the home each week.

9.2.4. no burning of trash or leaves and no lumber, metals, bulk materials, refuse or trash shall be kept, stored or allowed to accumulate on any Lot; provided, that

(a) building materials being utilized in the construction, reconstruction or repair of any Structure in accordance with the provisions of Section 8 may be stored thereon while such activities are being carried on, and

(b) if trash or other refuse from such Lot is disposed of by being collected and carried away on a regular and recurring basis, containers containing the same may be placed in the open on any day on which a collection is to be made, at a place on or adjacent to such Lot which affords access thereto to the person making such collection (but further provided, that such containers shall be stored at all other times so that they are not visible from elsewhere within the Community.

9.2.5. no tree having a diameter of three inches or more, as measured at a point two feet above the ground level, shall be removed from any Lot except by the Developer or Builder.

9.2.6.(a) no chain link fence shall be erected or maintained on any Lot, other than around a swimming pool or tennis court located thereon.

(b) no fence or wall shall (i) exceed seventy-two inches in height unless it fully or partially enclosed any above-ground or in-ground swimming pool, tennis court, patio or open garden court, or is a retaining wall required by the topography of such Lot or any adjacent portion of the Community, or (ii) interfere with any underground or surface drainage structure, pipe or ditch, or (iii) be located in the front yard of a Lot.

9.2.7. no livestock, poultry, or other animal, bird or insect of any kind shall be raised, bred or kept on any Lot, either temporarily or permanently (except that two (2) or fewer dogs, cats or other household pets may be kept on a Lot if not

kept, bred or maintained thereon for any commercial purpose and provided that no "Pit Bull" dogs may be kept on any Lot).

9.2.8. no structure shall be erected, placed, altered or permitted to remain on any Lot nearer to any street than the minimum building setback line for the Lot as shown on the Plat therefor. Except for greenhouses, all structures and additions erected on any Lot shall be of a similar design, character, materials, and color as the existing Dwelling on the Lot.

9.2.9. the front yard of each Lot shall be kept only as a lawn, including trees, flowers and shrubs, and no fences, or any other structures shall be erected on the front yard of any Lot. No trees or shrubs shall be located on any Lot which block the view of operators of motor vehicles so as to create a traffic hazard.

9.2.10. no exterior clothes dryer lines or clothes drying apparatus shall be erected, installed or maintained on the exterior of any Lot.

9.2.11. no structure, planting or other material shall be placed or permitted to remain upon any Lot which may damage or interfere with any easement for the installation or maintenance of utilities, or which may unreasonably change, obstruct or retard direction or flow of any draining channels.

9.2.12. no advertising or display signs of any character shall be placed or maintained on any part of the Property or upon any Dwelling, except customary security warning signs not larger than eight (8) inches by eight (8) inches may be attached to the Dwelling. Customary "For Rent" or "For Sale" signs shall be permitted. This provision shall not be applicable to any advertising or display signs erected by the Developer or Builder.

9.3. Nuisances. No noxious or offensive activity shall be carried on upon any Lot, no odor shall be permitted to emanate therefrom, and no condition shall be maintained thereon, so as to render any Lot or portion thereof unsanitary, unsightly, unreasonably offensive or detrimental, or a nuisance, to any of the Community, any occupant thereof or any property.

9.4. Repair of Structures. Each Owner shall at all times keep his Lot and the exterior of all Structures thereon in good condition and repair and adequately painted or otherwise finished.

9.5. Landscaping. Except for patios, walkways, flower gardens, hedges and trees, which shall be neatly maintained, all unimproved open areas on any Lot shall be maintained in lawns, which shall be kept mowed to a height not exceeding four inches.

9.6. Right of Entry. The Association and the Developer shall each have the right to enter on any Lot and (a) trim or prune any tree, hedge or other planting whose height or location on such Lot is, in the Association's judgment unreasonably detrimental to any adjoining property, or obscures the view of street traffic from any Lot, or (b) cure any violation of the provisions of this Section, all provided that such Owner is given fifteen (15) days' prior written notice of such action, except in the case of an emergency, in which event only such notice need be given as is reasonable under the circumstances. In such event, such Owner shall pay to the Association the amount of any and all reasonable expenses incurred by the Association in taking such action, within ten (10) days after such Owner's receipt of written demand therefor from the Association. Such Owner shall be personally liable to the Association for such expenses, to the same extent as he is liable for an Assessment levied against such Lot, and the Association shall have a lien therefor which is enforceable in the same manner as an Assessment Lien imposed upon such Lot.

Section 10. Rights of Mortgagees.

10.1 General.

10.1.1. Regardless of whether a Mortgagee in Possession of a Lot is its Owner, (a) such Mortgagee in Possession shall have, in addition to its rights hereunder as a Mortgagee, all of the rights under the provisions of this Declaration, the Community Plat, the Articles of Incorporation, the By-Laws and applicable law which would otherwise be held by such Owner, subject to the operation and effect of anything to the contrary contained in its Mortgage, and (b) the Association and each other Owner or person shall be entitled, in any matter arising under the provisions of this Declaration and involving the exercise of such rights, to deal with such Mortgagee in Possession as if it were the Owner thereof.

10.1.2. Any Mortgagee in Possession of a Lot shall (subject to the operation and effect of the provisions of this Declaration, the Articles of Incorporation, and By-Laws and applicable law) bear all of the obligations under the provisions thereof which are borne by its Owner; provided, that nothing in the foregoing provisions of this paragraph 10.1.2 shall be deemed in any way to relieve any Owner of any such obligation, or of any liability to such Mortgagee in Possession on account of any failure by such Owner to satisfy any of the same.

10.2. Rights of First Refusal. Any Mortgagee in Possession shall be exempt from any right of first refusal or similar restriction held by the Association, and only to the extent that it arises under the provisions of this Declaration, the Articles of Incorporation or the By-Laws, it being the Developer's intention that nothing in the foregoing provisions of this

subsection be deemed in any way to alter or impair the operation and effect of any right of first refusal or similar restrictions given by an Owner or any other person to the Association or any other person but not arising under the provisions of this Declaration, the Articles of Incorporation or the By-Laws.

10.3. Priority over Assessment. A Mortgagee's interest in a Lot under its Mortgage shall be

10.3.1. free of any claim or lien for any Assessment levied against such Lot before such Mortgage is recorded among the Land Records (unless before such recordation a Statement of Lien covering such assessment is recorded among the Land Records pursuant to the provisions of subsection 6.4), other than any claim for a pro rata share of the amount represented by such Assessment which results from any pro rata reallocation of such Assessment among all of the Lots, including such Lot; and

10.3.2. free of any such claim or lien arising after such recordation of such Mortgage, and before such Mortgagee becomes a Mortgagee in Possession of such Lot.

10.4. Inspection; Statement and Notice. A Mortgagee shall, upon request of the Association, and provided that it has furnished the Association with the information referred to in the provisions of subsection 11.12, be entitled to

10.4.1. inspect the Association's books and records during normal business hours;

10.4.2. receive an annual financial statement of the Association within ninety (90) days after the end of any fiscal year of the Association;

10.4.3. be given timely written notice of all meetings of the Membership, and designate a representative to attend all such meetings;

10.4.4. be given timely written notice of the occurrence of any substantial damage to or destruction of the Commons, or if the Commons are made the subject of any condemnation or eminent domain proceeding or the acquisition thereof is otherwise sought by any condemning authority; and

10.4.5. be given written notice by the Association of any default by the Owner of such Mortgagee's Lot in performing such Owner's obligations under the provisions of this Declaration, the Articles of Incorporation or the By-Laws which is not cured within thirty (30) days after such default commences.

10.5. Taxes on Commons. The first Mortgagees may, jointly or singly, pay any or all taxes or other charges which are

in default and which may or have become a charge against any of the Commons, and may pay any or all overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of any such policy, for the Commons. Any first Mortgagee making any such payment shall be owed immediate reimbursement therefor from the Association.

10.6. Approval by Federal Housing Administration and Veterans Administration. Until the Class B Membership terminates pursuant to the provisions of Section 4, the consent or approval of the Federal Housing Administration and/or the Veterans Administration shall be obtained to any of the following actions taken while a Mortgage is in effect which is insured by such entity:

10.6.1. an expansion of the Community pursuant to the provisions of Section 7;

10.6.2. a dedication of any portion of the Commons to public use; and

10.6.3. an amendment of this Declaration.

Section 11. General.

11.1. Effectiveness. This Declaration shall become effective on and only on its having been executed and acknowledged by the Developer, and recorded among the Land Records.

11.2. Assignment.

11.2.1. Each person comprising the Developer shall be entitled at any time to assign to any person any or all of its respective right, title and interest as "the Developer" hereunder (including, by way of example rather than of limitation, the Developer's rights under, or held pursuant to, the provisions of Section 4, 5, 7 and 8) by an instrument which makes specific reference to this subsection, and is executed and delivered by such person comprising the Developer and such assignee and recorded among the Land Records.

11.2.2. Each person comprising the Developer may from time to time hereafter permit any right which it then holds under the provisions of this Declaration to be exercised on its behalf by any of its officers, directors, employees, agents or other authorized persons.

11.3. Amendment and Termination.

11.3.1. Except as is otherwise provided in this Declaration, this Declaration and the Community Plat may be amended or terminated by and only by an instrument or plat (a) executed by

Owners (or the President of the Association on behalf of Owners) of at least ninety percent (90%) of the Lots (one of which must, during the Development Period, be the Developer) for twenty (20) years from the date of this Declaration, and thereafter Owners of seventy-five percent (75%) of the Lots and (b) recorded among the Land Records.

11.3.2. This Declaration, as amended from time to time, shall remain in full force and effect (a) until the fortieth (40th) anniversary of the date hereof, and (b) thereafter until there is recorded among the Land Records an instrument which, expressly and by specific reference to this paragraph 11.3.2, and in the manner set forth in the foregoing provisions of the subsection, terminates the operation and effect of this Declaration as of a date specified in the provisions of such instrument, in which event such termination shall be effective as of such date.

11.3.3. Anything contained in the provisions of this Declaration to the contrary notwithstanding, the Developer may, without obtaining the consent thereto of any Owner or other person, amend this Declaration or the Community Plat if and only if such amendment is (in the Developer's reasonable opinion) necessary to correct obvious typographical, mathematical or similar errors therein.

11.4. Waiver. The Developer shall not be deemed to have waived the exercise of any right which it holds hereunder unless such waiver is made expressly and in writing (and, without limiting the generality of the foregoing, no delay or omission by the Developer in exercising any such right shall be deemed a waiver of its future exercise). No such waiver made as to any instance involving the exercise of any such right shall be deemed a waiver as to any other such instance, or any other such right.

11.5. Applicable Law. This Declaration shall be given effect and construed by application of the law of Maryland, and any action or proceeding arising hereunder shall be brought in the courts of Maryland; provided, that if any such action or proceeding arises under the Constitution, laws or treaties of the United States of America, or if there is a diversity of citizenship between the parties thereto, so that it is to be brought in a United State District Court, it shall be brought in the United State District Court of the District of Maryland.

11.6. Headings. The headings of the sections, subsections, paragraphs and subparagraphs hereof are provided herein for and only for convenience of reference, and shall not be considered in construing their contents.

11.7. Severability. No determination by any court, governmental or administrative body or otherwise that any provision of this Declaration, the Community Plat or any amendment thereof

is invalid or unenforceable in any instance shall affect the validity or enforceability of (a) any other such provision, or (b) such provision in any instance not controlled by such determination. Each such provision shall be valid and enforceable to the fullest extent allowed by, and shall be construed wherever possible as being consistent with, applicable law.

11.8. Construction. All references made herein (a) in the neuter, masculine or feminine gender shall be deemed to have been made in all such genders; (b) in the singular or plural number shall be deemed to have been made, respectively, in the plural or singular number as well; and (c) to any Section, subsection, paragraph or subparagraph shall, unless therein expressly indicated to the contrary, be deemed to have been made to such Section, subsection, paragraph or subparagraph of this Declaration.

11.9. Contract Purchasers and Lessees. Nothing in the provisions of this Declaration shall be deemed in any way to condition the effectiveness of any action upon the consent thereto or joinder therein of any Contract Purchaser or Lessee of a Lot, notwithstanding that such effectiveness may be conditioned upon the consent thereto or joinder therein of the Owner of such Lot.

11.10. Exhibits. Each writing or plat referred to herein as being attached hereto as an exhibit or otherwise designated herein as an exhibit hereto is hereby made a part thereof.

11.11. General Plan of Development.

11.11.1. The provisions of this Declaration shall conclusively be deemed to be part of a general plan or scheme of development and use for the real property which, at the time in question, comprises the Community and, as such, to be covenants running with, binding upon, benefiting and burdening the respective titles to each Lot and the Commons; provided, that they shall not be deemed to be part of a general plan or scheme of development and use for, or to be covenants running with, binding upon, benefiting or burdening the title to (or otherwise to be enforceable at law or in equity with respect to),

(a) any Future Parcel or portion thereof unless and until it is added to the Community through an expansion thereof pursuant to the provisions of Section 7, or

(b) any land not within Parcel I or any Future Parcel.

11.11.2. If any Owner or other person fails to comply with any of such provisions, such failure shall give rise to a cause of action for the recovery of damages, injunctive relief, or both, in any or all of the Developer, the Association and each Owner, and their respective heirs, personal representatives, successors and assigns.

11.11.3. Both the Developer, by delivering to the Association a deed conveying to it the title to any or all of the Commons, or to any person a deed conveying to such person the title to a Lot, and the Association or such person, by accepting such delivery, shall be deemed thereby to have agreed with each other and with each other Owner to be bound by the provisions of this Declaration.

11.11.4. Any lease or licensing agreement entered into by an Owner or another person and covering any or all of a Lot, or by the Association and covering any of the Commons, shall be in writing and shall expressly provide that (a) the terms of the lease or license thereby created are in all respects subject to the operation and effect of the provisions of the Declaration, and (b) any failure by the lessee or licensee thereunder to comply with such provisions shall constitute a default under such agreement. To the extent that any such agreement does not expressly so provide, it shall be deemed to do so.

11.11.5. Each person who, together with any other person, is an Owner or a Lessee shall be jointly and severally liable for adhering to the terms and satisfying the conditions hereof.

11.12. Notices.

11.12.1. Any notice, demand, consent, approval, request or other communication or document to be provided hereunder to any person shall be in writing, and (a) shall be deemed to have been provided forty-eight (48) hours after having been deposited as first class mail in the United States mails, postage prepaid, and addressed (i) if the addressee is the Developer, to its address which is set forth hereinabove or to such other address in the United States of America as the Developer may designate from time to time by notice to the Association, (ii) if the addressee is the Association or the Architectural Committee, to the address of the Association's resident agent as set forth in the Articles of Incorporation, or to such other address in the United States of America as the Association may designate from time to time by notice to the Owner, (iii) if the addressee is an Owner (other than the Developer) or a Mortgagee who (in accordance with the provisions of the Articles of Incorporation and the By-Laws) has notified the Association of its status as such and furnished the Association with its address in the United States of American, to such person's said address (herein referred to as such person's "Notice Address"), and (iv) if the addressee either (A) has not so notified the Association and furnished it with its address, as aforesaid, or (B) is any other person, to such address in the United States of American as is used by the United States Postal Service for the delivery of mail to such person or his Lot, or (b) shall be deemed to have been provided upon actual hand or other delivery so such person.

11.12.2. Anything contained in the provisions of this Declaration to the contrary notwithstanding, unless an Owner

or a Mortgagee has notified the Association of its status as such and furnished the Association with its address in accordance with the provisions of the Articles of Incorporation or the By-Laws, such person shall have no right under the provisions thereof or of this Declaration (a) to be given any notice, demand, consent, approval, request or other communication or document by the Association, (b) to participate in the consideration of or cast any vote on any question voted upon by the Membership, or (c) otherwise to be recognized as such by the Association or any Owner.

11.13. Waiver of Reversionary Right. The provisions of this Declaration shall not be construed as conditions subsequent, or as creating a possibility of reverter, and no provision hereof shall be deemed to vest in the Developer or any other person any reversionary right with respect to any Lot. Any such reversionary right is hereby expressly waived.

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

WITNESS or ATTEST:

✓✓ SECURITY DEVELOPMENT CORPORATION

James R. Madley III

By Stewart D. Young (SEAL)
Stewart D. Young, Vice President
The Developer

STATE OF MARYLAND: COUNTY OF Carroll: TO WIT:

I HEREBY CERTIFY that on this 2nd day of February, 1994, before me, the subscriber, a Notary Public for the state and county aforesaid, personally appeared STEWART D. YOUNG, 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 Security Development Corporation, the entity named in such instrument as "the Developer", that he has been duly authorized to execute, and has executed, such instrument on its behalf for the purposes therein set forth, and that the same is its act and deed.

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

Elizabeth C. Bullis
Notary Public

My commission expires on 8/12/96.

CONSENT AND AGREEMENT OF TRUSTEES AND BENEFICIARY

ELIZABETH M. WRIGHT and ELLEN H. W. BOYER, Trustees, and THE BANK OF BALTIMORE, which is organized and existing under federal law, who are, respectively, the trustees and the beneficiary under a Deed of Trust dated September 3, 1993 and recorded among the Land Records of Howard County, Maryland, in Liber 2975 at folio 559 et seq., from Security Development Corporation hereby consent to the execution, acknowledgment and recordation among the said Land Records of the foregoing Declaration by the person named therein as "the Developer", and join in the foregoing Declaration for the express purpose of subjecting all of their respective right, title and interest under such Deed of Trust in and to the real property described in such Declaration to the operation and effect of such Declaration.

Nothing in the foregoing provisions of this Consent and Agreement of Trustees and Beneficiary shall be deemed in any way to create between the person named in such Declaration as "the Developer" and any of the under signed any relationship of partnership or joint venture, or to impose upon any of the undersigned any liability, duty or obligation whatsoever.

IN WITNESS WHEREOF, each of the said trustees and beneficiary has executed and ensealed this Consent and Agreement of Trustees and Beneficiary or caused it to be executed and ensealed on its behalf by its duly authorized representatives, as of the 15th day of March, 1994.

WITNESS:

[Signature]
[Signature]

Elizabeth M. Wright (SEAL)
Elizabeth M. Wright, Trustee
Ellen H. W. Boyer (SEAL)
Ellen H. W. Boyer, Trustee

ATTEST:

[Signature]

THE BANK OF BALTIMORE
By: Ellen H. W. Boyer (SEAL)
Ellen H.W. Boyer, Vice President

STATE OF MARYLAND: COUNTY OF BALTIMORE : TO WIT:

I HEREBY CERTIFY that on this 15th day of March, 1994, before me, a Notary Public for the state and county aforesaid, personally appeared Elizabeth M. Wright, known to me or satisfactorily proven to be the person whose name is subscribed to the foregoing instrument, who acknowledged that she has executed it as 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.

PATRICIA G. MURRAY
NOTARY PUBLIC STATE OF MARYLAND
My Commission Expires July 9, 1997

Patricia G. Murray
Notary Public

My commission expires on 7/9/97.

STATE OF MARYLAND: COUNTY OF BALTIMORE : TO WIT:

I HEREBY CERTIFY that on this 15th day of March, 1994, before me, a Notary Public for the state and county aforesaid, personally appeared Ellen H.W. Boyer, known to me or satisfactorily proven to be the person whose name is subscribed to the foregoing instrument, who acknowledged that she has executed it as 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.

PATRICIA G. MURRAY
NOTARY PUBLIC STATE OF MARYLAND
My Commission Expires July 9, 1997

Patricia G. Murray
Notary Public

My commission expires on 7/9/97.

STATE OF MARYLAND: COUNTY OF BALTIMORE : TO WIT:

I HEREBY CERTIFY that on this 15th day of March, 1994, before me, a Notary Public for the state and county aforesaid, personally appeared Ellen H.W. Bover, known to me or satisfactorily proven to be the person whose name is subscribed to the foregoing instrument, who acknowledged that she is the Vice President of THE BANK OF BALTIMORE, and that she has been duly authorized to execute, and has executed, such instrument on its behalf for the purposes therein set forth, and that it is her act and deed.

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

PATRICIA G. MURRAY
NOTARY PUBLIC STATE OF MARYLAND
My Commission Expires July 9, 1997

Patricia G. Murray
Notary Public

My commission expires on 7/9/97.

CONSENT AND AGREEMENT OF BENEFICIARY

REISTERSTOWN FEDERAL SAVINGS BANK, a corporation organized and existing under the law of Maryland, who is beneficiary under a Mortgage dated January 26, 1994 and recorded among the Land Records of Howard County, Maryland, in Liber 3146 at folio 200 et seq., from Security Development Corporation hereby consents to the execution, acknowledgment and recordation among the said Land Records of the foregoing Declaration by the person named therein as "the Developer", and join in the foregoing Declaration for the express purpose of subjecting all of their respective right, title and interest under such Mortgage in and to the real property described in such Declaration to the operation and effect of such Declaration.

Nothing in the foregoing provisions of this Consent and Agreement of Beneficiary shall be deemed in any way to create between the person named in such Declaration as "the Developer" and any of the under signed any relationship of partnership or joint venture, or to impose upon any of the undersigned any liability, duty or obligation whatsoever.

IN WITNESS WHEREOF, the said beneficiary has executed and ensealed this Consent and Agreement of Beneficiary or caused it to be executed and ensealed on its behalf by its duly authorized representatives, as of the 24th day of March, 1994.

ATTEST:

REISTERSTOWN FEDERAL SAVINGS BANK

[Signature]

BY Suzanne M. Stepl (SEAL)

STATE OF MARYLAND: COUNTY OF [County]: TO WIT:

I HEREBY CERTIFY that on this 24th day of March, 1994, before me, a Notary Public for the state and county aforesaid, personally appeared [Name], known to me or satisfactorily proven to be the person whose name is subscribed to the foregoing instrument, who acknowledged that she is the Authorized Representative of REISTERSTOWN FEDERAL SAVINGS BANK, a corporation organized and existing under the law of Maryland, and that she has been duly authorized to execute, and has executed, such instrument on its behalf for the purposes therein set forth, and that it is her act and deed.

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

[Signature]
Notary Public

My commission expires on _____.

WILLOWOOD

DECLARATION OF COVENANTS,
EASEMENT, CHARGES AND LIENSEXHIBIT ALots and Commons in Parcel I Owned
by Security Development Corporation

- I. Lots. The Lots owned by Security Development Corporation within Parcel I upon which dwellings are intended to be constructed are as follows:
- A. All of those Lots numbered 358, 359, 361 through 367, 369 through 383, 385 through 392, 394 through 402, 404 through 408, and 410 through 432, as shown on a plat consisting of five (5) sheets entitled "Willowood, Section 3, Area 1, Lots 358 thru 433" and recorded in Howard County, Maryland as Plat No. 11148 et seq. (the "Willowood 3/1 Plat").
 - B. All of those Lots numbered 434 through 460, 462 through 467, 469 through 474, 476 through 478, 480 through 492, 494 through 500, and 502 through 509, as shown on a plat consisting of four (4) sheets entitled "Willowood, Section 3, Area 2, Lots 434 thru 509" and recorded in Howard County, Maryland as Plat No. 11153 et seq. (the "Willowood 3/2 Plat"). The Willowood 3/1 Plat and Willowood 3/2 Plat comprise the "Community Plat".
- II. Commons: Among any other lands shown on the Community Plat as comprising the Commons, the lots within Parcel I which comprise Commons are as follows: Lots 360, 368, 384, 393, 403, 409 and 433 as shown on the Willowood 3/1 Plat and Lots 461, 468, 475, 479, 493 and 501 as shown on the Willowood 3/2 Plat.

WILLOWOOD

DECLARATION OF COVENANTS,
EASEMENT, CHARGES AND LIENS

EXHIBIT B

Description of Future Parcels

1. ALL OF THAT LAND, situate and lying in Howard County, Maryland which is described as follows:

those parcels of land which are contiguous with the parcel described in Exhibit A and identified as parcels 203, 204, 205, 428, 432, 433, 434, 435, and 517 on Howard County Tax Map 37.

Return to: Mr. Stewart D. Young
SDC Group, Inc.
P.O. Box 417
Ellicott City, MD 21041

WILLOWOOD

EXHIBIT A

Lots and Commons Owned
by Security Development Corporation

- I. Lots. The Lots owned by Security Development Corporation upon which dwellings are intended to be constructed are as follows.

All of those Lots numbered 358, 359, 361 through 367, 369 through 383, 385 through 392, 394 through 402, 404 through 408, and 410 through 432, as shown on a plat consisting of five (5) sheets, entitled "Willowood, Section 3, Area 1, Lots 358 thru 433", and intended to be recorded among the Land Records of Howard County, Maryland (the "Community Plat").

- II. Commons. Among any other lands shown on the Community Plat as comprising the Commons, the lots which comprise Commons are as follows: Lots 360, 368, 384, 393, 403, 409 and 433 as shown on the Community Plat.

WILLIAM DONALD SCHAEFER
Governor

LLOYD W. JONES
Director

PAUL B. ANDERSON
Administrator



Department of Assessments and Taxation
CHARTER DIVISION

Room 809
301 West Preston Street
Baltimore, Maryland 21201

DOCUMENT CODE 02J BUSINESS CODE 04 COUNTY 63

_____ P.A. _____ Religious _____ Close _____ Stock Nonstock

Merging
(Transferor) _____

Surviving
(Transferee) _____

CODE AMOUNT FEE REMITTED

| | | |
|-----|-----------|--|
| 10 | _____ | Expedited Fee |
| 20 | <u>20</u> | Organ. & Capitalization |
| 61 | <u>20</u> | Rec. Fee (Arts. of Inc.) |
| 62 | _____ | Rec. Fee (Amendment) |
| 63 | _____ | Rec. Fee (Merger, Consol.) |
| 64 | _____ | Rec. Fee (Transfer) |
| 65 | _____ | Rec. Fee (Dissolution) |
| 66 | _____ | Rec. Fee (Revival) |
| 62 | _____ | Foreign Qualification |
| 50 | _____ | Cert. of Qual. or Reg. |
| 51 | _____ | Foreign Name Registration |
| 13 | <u>11</u> | Certified Copy <u>JP</u> |
| 56 | _____ | Penalty |
| 54 | _____ | For. Supplemental Cert. |
| 53 | _____ | Foreign Resolution |
| 73 | _____ | Certificate of Conveyance |
| 76 | _____ | Certificate of Merger/Transfer |
| 75 | _____ | Special Fee |
| 80 | _____ | For. Limited Partnership |
| 83 | _____ | Cert. Limited Partnership |
| 84 | _____ | Amendment to Limited Partnership |
| 85 | _____ | Termination of Limited Partnership |
| 21 | _____ | Recordation Tax |
| 22 | _____ | State Transfer Tax |
| 23 | _____ | Local Transfer Tax |
| 31 | _____ | Corp. Good Standing |
| NA | _____ | Foreign Corp. Registration |
| 87 | _____ | Limited Part. Good Standing |
| 71 | _____ | Financial |
| 600 | _____ | Personal |
| 70 | _____ | Property Reports and late filing penalties |
| 91 | _____ | Change of P.O., R.A. or R.A.A. |
| 99 | _____ | Amend/Cancellation, For. Limited Part. |
| 98 | _____ | Art. of Organization (LLC) |
| 97 | _____ | LLC Amend, Diss, Continuation |
| 96 | _____ | LLC Cancellation |
| 94 | _____ | Reg. Foreign LLC |
| 92 | _____ | Foreign LLC Supplemental |
| | _____ | LLC Good Standing (short) |
| | _____ | Other |

(New Name) _____

- _____ Change of Name
- _____ Change of Principal Office
- _____ Change of Resident Agent
- _____ Change of Resident Agent Address
- _____ Resignation of Resident Agent
- _____ Designation of Resident Agent and Resident Agent's Address
- _____ Other Change

CODE _____

ATTENTION: _____

MAIL TO ADDRESS: _____

James Moxley
PO Box 417
Ellicott City Md
21041

TOTAL FEES 51

Check _____ Cash

NOTE:

Documents on _____ checks

APPROVED BY: [Signature]