# DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS **FOR**

O'DONNELL SQUARE

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Foster Ave. W26/Sect. 03/Black 6570 C/Lot 024

BECHRONT COPRY Land Records Medics 645 sect. 63/Black 6570 C/Lot 025

W26/Sect. 03/Black 6570 C/Lot 025

Oldham St. W21d Sect. 03/Black 6570/Lot 024

#### O'DONNELL SQUARE HOMEOWNERS ASSOCIATION, INC.

#### DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

THIS DECLARATION, is made on the date hereinafter set forth by GREEKTOWN, LLC, a VIRGINIA limited liability company, hereinafter referred to as "Declarant".

#### WITNESSETH:

WHEREAS, Declarant is the owner, in fee simple, of all of that certain real property, located in the City of Baltimore, State of Maryland, shown on the plat attached as "Exhibit A" hereto and made a part hereof (the "Project"); and

WHEREAS, it is the intention of the Declarant to develop the Project as a residential community to be known as O'Donnell Square (the "Community"), and to insure a uniform plan and scheme of development, and Declarant desires to adopt, impose and subject a portion of the Project known as "Phase I" as shown on the record plat attached hereto and made a part hereof as "Exhibit B" (as well as certain additional real property which it may subject to the legal operation and effect of the Declaration, as more particularly described on the legal description attached hereto and made a part thereof as "Exhibit "C") to certain covenants, conditions, easements and restrictions set forth herein, as well as any subsequent covenants, conditions, easements and restrictions which are promulgated or adopted in accordance with, or which become a part of this Declaration by one or more Declarations of Annexation as provided herein (collectively the "Covenants") for the following purposes:

- 1. To insure uniformity in the development of the Lots (as hereinafter defined) in the Community;
- 2. To facilitate the sale of the land in the Community by the Declarant, its successors and assigns, by reason of its ability to assure such purchasers uniformity;
- 3. To make certain that the Covenants shall apply uniformly to all enumerated Lots for the mutual advantage of the Declarant, the Owners, and any Mortgagee (as such capitalized terms are defined herein) and to all those who may in the future claim title through any of the above.
- 4. To provide for the benefit of the Owners, for the preservation of the value and amenities in the Community, and for the maintenance of certain reserved open spaces, common areas and community facilities, including but not limited to, easements, charges and liens, hereinbelow set forth, and for the creation of an association to be delegated and assigned the powers of maintaining and administering the Common Area (as hereinafter defined), and enforcing all applicable covenants and restrictions, and

collecting and disbursing the assessments and charges hereinafter created, which association shall be incorporated under the laws of the State of Maryland, as a non-profit corporation, without stock, for the purpose of exercising the functions as aforesaid.

NOW, THEREFORE, Declarant hereby declares that all of the real property described on Exhibit "B" attached hereto shall be held, conveyed, hypothecated, encumbered, sold, leased, rented, used, occupied and improved subject to the covenants, conditions, restrictions and easements set forth below (the "Covenants"), which are for the purpose of protecting the value and desirability of, and which shall run with such real property and be binding on all parties having any right, title or interest in all or any portion of the real property described on Exhibit "B" hereto, and any other real property described on Exhibit "C" attached hereto that shall be annexed within the jurisdiction of the Association in accordance with Article 2 hereof, their heirs, personal representatives, successors, transferees and assigns, as well as occupants, guests and invitees, and which shall inure to the benefit of each Owner thereof.

# ARTICLE 1 DEFINITIONS

The following words, when used in this Declaration, shall have the following meanings:

<u>Section 1.1.</u> "Association" shall mean and refer to O'Donnell Square Homeowners Association, Inc., a nonstock Maryland corporation, its successors and assigns.

<u>Section 1.2.</u> "Board of Directors" or "Board" shall mean and refer to the governing body of the Association as more fully described in the Bylaws and Articles of Incorporation of the Association.

<u>Section 1.3.</u> "Builder" shall mean any person or entity which acquires Lot(s) for the purpose of improving such Lot with a Living Unit and reselling such improved Lot(s) to Owners, including contract sellers, but excluding the Declarant and those who hold any interest merely as security for the performance of an obligation.

Section 1.4. "Common Area" shall mean and refer to all real property owned or leased by the Association, together with the improvements located thereon, intended to be devoted to the common use, benefit and enjoyment of the Owners, including, but not limited to, reserved open spaces, maintenance areas, easements for ingress, egress, drainage, utilities and other purposes, non-tidal wetlands, buffer areas, forest buffer, steep slopes, private streets, parking areas, stormwater detention facilities, and any other real property or other facilities in which the Association acquires a right of use for the benefit of the Association and its members, saving and excepting, however so much of such real property previously conveyed or to be conveyed to the Mayor and City Council of Baltimore City, a municipal corporation of the State of Maryland (the "City"). Common Area shall include, without limitation, those areas designated on the Plat as "Common

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Area", "H.O.A. Area" or H.O.A. "Open Space" and those areas designated on the Plat as "#198 South Macon Street, Lot 1/3, 29,346 SQ.FT./0.6737AC" and "#199 South Macon Street, Lot 24/25, 26,603 SQ.FT./0.6109 AC.".

- <u>Section 1.5.</u> "Common Expenses" shall mean and refer to the actual and estimated expenses of operating the Association, including, without limitation, maintaining the Common Area in good condition and repair in accordance with Article 9 hereof, maintaining the Lot Frontage Area in accordance with Article 9 hereof, and establishing a reasonable reserve for such expenses, all as may be found to be necessary or appropriate by the Declarant during the Declarant Control Period and, thereafter, by the Board of Directors of the Association, pursuant to this Declaration, the Bylaws and the Articles of Incorporation of the Association.
- Section 1.6. "Declarant" shall, subject to the provisions of Section 12.10 below, mean and refer to Greektown, LLC, a Virginia limited liability company, its successors and assigns; provided, however, that no successor or assignee of Declarant shall have any rights or obligations of Declarant hereunder unless such rights and obligations are specifically assigned or transferred to any such successors or assigns by an instrument in writing.
- <u>Section 1.7.</u> "Declarant Control Period" shall mean and refer to the period commencing on the date of this Declaration and continuing until the date on which the Class B Membership is converted into a Class A Membership pursuant to the terms of Article 4 hereof.
- <u>Section 1.8.</u> "Eligible Mortgage Holder" shall mean a holder, insurer or guarantor of a First Mortgage (as defined in Section 1.13 below) on a Lot who has submitted a written request for notice from the Association of amendments to the Association documents or other significant matters which would affect the interests of the mortgagee.
- <u>Section 1.9.</u> "Land Records" shall mean and refer to the Land Records of Baltimore City, Maryland.
- <u>Section 1.10.</u> "Lot Frontage Area" shall mean and refer to any portion of the front yard of any Lot that contains grass, shrubs, bushes, trees or other planted material or sidewalks; provided, however, that Lot Frontage Area shall not include any steps, railings or other entry features on a Lot.
- Section 1.11. "Living Unit" shall mean and refer to any residential dwelling unit situated upon a Lot.
- <u>Section 1.12.</u> "Lot" shall mean and refer to any plot of land designated as a separate subdivided lot of record upon any recorded subdivision plat of the Property upon which the planned or actual improvements are primarily intended for use and occupancy as a Living Unit. The term Lot shall not include Common Areas designated on the Plat.

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<u>Section 1.13.</u> "Member" shall mean and refer to every person, group of persons, corporation, partnership, trust, or other legal entity, or any combination thereof, who holds any class of membership in the Association.

Section 1.14. "Mortgagee" shall mean the holder of any recorded mortgage, or the party secured or beneficiary of any recorded deed of trust, encumbering one or more of the Lots. "Mortgage", as used herein, shall include deeds of trust. "First Mortgage", as used herein, shall mean a mortgage with priority over all other mortgages. As used in this Declaration, the term "mortgagee" shall mean any mortgagee and shall not be limited to institutional mortgagees. As used in this Declaration, the term "institutional mortgagee" or "institutional holder" shall include banks, trust companies, insurance companies, mortgage insurance companies, savings and loan associations, trusts, mutual savings banks, credit unions, pension funds, mortgage companies, Federal National Mortgage Association ("FNMA"), Government National Mortgage Association ("GNMA"), Federal Home Loan Mortgage Corporation ("FHLMC"), all corporations and any agency or department of the United States Government or of any state or municipal government, or any other organization or entity which has a security interest in any Lot. In the event any mortgage is insured by the Federal Housing Administration ("FHA") or guaranteed by the Department of Veterans Affairs ("VA"), then as to such mortgage the expressions "mortgagee" and "institutional mortgagee" include the FHA or the VA as the circumstances may require, acting, respectively, through the Federal Housing Commission and the Secretary of Veterans Affairs or through other duly authorized agents.

<u>Section 1.15.</u> "Owner" shall mean and refer to the record owner, whether one or more persons or legal entities, or the combination thereof, of fee simple title to any Lot. If more than one person or legal entity, or combination thereof, hold the record title to any one Lot, whether it is in a real property tenancy, or partnership relationship, or otherwise, all shall be deemed a single Owner and shall become a single Member of the Association, by virtue of ownership of such Lot. The term Owner shall include contract sellers, but shall not mean, refer to, or include contract purchasers, nor shall it include the holder of any deed of trust or mortgage covering any Lot held solely for the purpose of securing performance of an obligation or the payment of a debt.

<u>Section 1.16.</u> "Plat" shall mean and refer to that certain plat entitled "Subdivision Plat of Greektown Redevelopment Phase One", which plat is recorded among the Land Records of Baltimore City, Maryland at Plat No. FMC 4116, as well as such other plats as are recorded among said Land Records with regard to the Property or any other real property subjected to the legal effect of this Declaration.

<u>Section 1.17.</u> "Project" as used in this Declaration shall refer to that certain real property described on <u>Exhibit "A"</u> attached hereto.

<u>Section 1.18.</u> "Property" shall mean and refer to that certain real property described on <u>Exhibit "B"</u> attached hereto, and such additions thereto as may hereafter be brought within the jurisdiction of the Association pursuant to Article 2 of this

Declaration, as described on Exhibit "C" attached hereto.

# ARTICLE 2 DECLARANT'S RIGHT TO SUBJECT PROPERTY TO DECLARATION

- <u>Section 2.1.</u> Property Subject to this Declaration. The Property which is and shall be held, conveyed, hypothecated, encumbered, sold, leased, rented, used, occupied and improved subject to this Declaration is located in Baltimore City, State of Maryland, and is more particularly described on <u>Exhibit "B"</u> attached hereto and by this reference made a part hereof.
- (a) Annexations. In addition to the Property described on Exhibit Section 2.2. "B" hereto, that certain real property owned by Declarant contiguous to the Property and described on Exhibit "C" attached hereto, as well as any additional real property contiguous to or in the vicinity of the Property, may be annexed within the jurisdiction of the Association by the Declarant without the consent of the Class A Members of the Association, if any, for a period of fifteen (15) years from the date of recordation of this Declaration by the Declarant; provided, however, that if the Declarant is delayed in the improvement and development of the Property on account of a sewer, water or building permit moratorium or any other cause or event beyond the Declarant's control, then the aforesaid fifteen (15)-year period shall be extended by a period of time equal to the length of the delays or an additional five (5) years, whichever is less. The scheme of this Declaration shall not, however, be extended to include any such real property unless and until the same is annexed within the jurisdiction of the Association by the recordation of a Supplementary Declaration as provided in this Section. Except as otherwise provided above with respect to annexations of real property by the Declarant, the Association shall have the right to annex real property within the jurisdiction of the Association and subject it to this Declaration provided such annexation is consented to by the Class B Member (if any) and two-thirds (2/3) of the Class A Members and a Supplementary Declaration is recorded as provided in this Section.
- (b) Any annexations of real property made pursuant to this Article, or otherwise, shall be made by recording a Supplemental Declaration among the Land Records, which Supplemental Declaration shall extend the scheme of the within Declaration of Covenants, Conditions and Restrictions to such annexed property. Any Supplemental Declaration made pursuant to the provisions of this Article, or otherwise, may contain such complementary or supplemental additions and modifications to the covenants, conditions and restrictions set forth in this Declaration as may be considered necessary by the maker of such Supplemental Declaration to reflect the different character or use, if any, of the annexed property, including, without limitation, a partial or complete waiver of all or any portion of such covenants, conditions and/or restrictions with respect to the annexed property.
- (c) Although Declarant presently intends to develop the Community contemplated by this Declaration including, without limitation, parcels of real property intended to be annexed to the Property hereafter, exclusively as residential townhouse

dwelling units, the Declarant expressly reserves the right to change existing or future plans or designs for Greektown, as to those portions of the residential community not yet included in the Property and made subject to the legal operation and effect of this Declaration.

Section 2.3. "Common Areas". Declarant shall grant and convey to the Association, and the Association shall take and accept from Declarant, the Common Area, not later than the date the first Lot shown on the Plat which is improved by a Living Unit is conveyed to an Owner. The Common Area shall be conveyed to the Association free of any mortgages, judgment liens or similar encumbrances, but shall be subject to the lien of taxes not yet due and payable, all easements and restrictions of record, utility easements serving or otherwise encumbering the Property and any exceptions which would be disclosed by an accurate surveyor's physical inspection of such property. Notwithstanding the foregoing, during the Declarant Control Period Declarant shall have, and thereafter, the Board of Directors shall have, the right to dedicate, transfer, or convey all or any portion of the Common Area, with or without consideration, to any successor association, governmental body, district, agency or authority, or to any public or private utility, provided that it shall promote the interests of the Community, of the Members, or of both.

# ARTICLE 3 PROPERTY RIGHTS

- <u>Section 3.1.</u> Owners' Easements of Enjoyment. Every Owner shall have a non-exclusive right and easement of use, access and enjoyment in and to the Common Area and facilities located thereon, including, without limitation, an easement for the use and enjoyment of the open space areas, parks, private streets, alleys, parking areas, walking trails and walkways, if any, within the Common Area, which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:
- (a) the right of the Association to suspend an Owner's voting rights and right to use the Common Area or any facilities situated thereon (i) for any period during which any assessment against such Owner's Living Unit remains unpaid, and (ii) after notice and an opportunity for a hearing, for a period not to exceed sixty (60) days for any infraction of its published rules and regulations; provided, however, that the obligation of such Owner to pay assessments shall continue unabated during such period of suspension of voting rights or right to utilize the Common Area;
- (b) the rights of the Board of Directors and Declarant, respectively, to dedicate, sell or transfer all or any part of the Common Area to any public agency, authority, or utility pursuant to Section 2.3 above;
- (c) the right of the Association to limit the number of guests of Owners utilizing the Common Area and any facilities thereon;
- (d) the right of the Association to establish uniform rules and regulations pertaining to the use of the Common Area and any facilities thereon;

- (e) the rights of the Association, the Declarant, utility companies and other Owners with respect to the easements established by this Declaration;
- (f) the right of the Association, in accordance with its Articles of Incorporation and Bylaws, and with the consent of two-thirds (2/3) of the Members, to borrow money for the purpose of improving the Common Area and any facilities thereon in a manner designed to promote the enjoyment and welfare of the Members and in aid thereof to mortgage any of the Common Area and any facilities thereon;
- (g) the right of the Association to take such steps as are reasonably necessary to protect the property of the Association against mortgage default and foreclosures; provided, however, that the same are in conformity with the other provisions of this Declaration;
- (h) the rights of the Declarant, as more fully set forth in Section 8.1 of this Declaration, to grant easements, to utilize reserved rights and easements, and to otherwise utilize the Common Area as it deems appropriate in connection with the development of the Project; and
- (i) the right of the Association, at any time or times, consistent with the then existing zoning ordinances of Baltimore City, and pursuant to a recorded subdivision or resubdivision plat, to transfer or convey portions of the Common Area to Declarant or a Builder for purposes of adjusting the boundary lines of one or more Lots and/or the Common Area.
- Section 3.2. Limitations. (a) Any other provision of this Declaration to the contrary notwithstanding, the Association shall have no right to suspend the right of any Member of the Association to use the Common Area for necessary, ordinary and reasonable vehicular and pedestrian ingress and egress to and from such Owner's Lot, to suspend the right of any Member to use the Common Area or any facilities situated thereon if such use has been prescribed or recommended to that Member by a licensed physician or other licensed health care provider in connection with a course of medical treatment provided to that Member by or at the direction of such physician or other health care provider, or to suspend any easement over the Common Area for storm water drainage, electrical energy, water, sanitary sewer, natural gas, telephone service or similar utilities and services to the Lots.
- (b) The Common Area shall not be mortgaged or conveyed without the consent of at least two-thirds (2/3) of the Class A Members.
- <u>Section 3.3.</u> Delegation of Use. Any Owner may delegate, in accordance with the Bylaws and rules and regulations of the Association, such Owner's right of enjoyment to the Common Area and facilities to the members of such Owner's family, such Owner's tenants, social invitees, or contract purchasers who reside within the Property.

# ARTICLE 4 THE ASSOCIATION, MEMBERSHIP AND VOTING RIGHTS

- <u>Section 4.1.</u> Purpose and Role of the Association. Except as otherwise provided in the Declaration, Bylaws, and Articles of Incorporation (collectively, the "Governing Documents"), the Association shall be responsible for the management, operation and control of the Common Areas.
- <u>Section 4.2.</u> Membership in the Association. Every Owner of a Lot shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Living Unit which is subject to assessment.
- <u>Section 4.3.</u> Voting Rights. The Association shall have two (2) classes of voting membership:
- Class A With the exception of the Declarant (until expiration of the Class B Membership as provided below), every person, group of persons, corporation, partnership, trust or other legal entity, or any combination thereof, who is an Owner of any Lot which is part of the Property shall be a Class A Member ("Class A Member") of the Association; provided, however, that any such person, group of persons, corporation, partnership, trust or other legal entity, or any combination thereof, who holds such interest solely as security for the performance of an obligation shall not be a Class A Member solely on account of such interest. Each Class A Member shall be entitled to one (1) vote for each Lot owned. Each Class A Member who is not also a Builder is hereinafter referred to as a "Class A Non-Builder Member". When more than one (1) person or entity holds an interest in any Lot, all such persons and entities shall be Members; however, the vote for such Lot shall be exercised as those persons or entities determine, but in no event shall more than one (1) vote be cast with respect to any Lot.

The voting right appurtenant to each Lot, shall be exercised by or at the direction of the Owner of that Lot, and may not be assigned or otherwise transferred to such Owner's lessees or tenants.

- <u>Class B</u> The Class B Member shall be the Declarant. The Class B Member shall be entitled to three (3) votes for each Lot it owns, but shall pay only such assessments and other charges as are specifically set forth herein as pertaining to Declarant; provided that the Class B membership shall automatically cease and be converted into a Class A membership upon the first to happen of the following events:
- (i) the date on which seventy-five percent (75%) of the Lots subject to this Declaration are owned by Class A Non-Builder Members; or
- (ii) fifteen (15) years from the date of recordation of this Declaration by the Declarant; provided, however, that if the Declarant is delayed in the improvement and development of the Property on account of a sewer, water or building permit

moratorium or any other cause or event beyond the Declarant's control, then the aforesaid fifteen (15) year period shall be extended by a period of time equal to the length of the delays or an additional five (5) years, whichever is less.

Upon the lapse or termination of the Class B memberships as provided for in this Article, the Declarant shall thereafter become a Class A Member of the Association as to each and every Lot in which the Declarant then holds the interest otherwise required for such Class A membership. At such time, the Declarant shall call a meeting of the Members of the Association as provided in the Bylaws for special meetings to advise the membership of the termination of the Class B Membership. The Declarant shall continue to retain all other rights reserved to the Declarant in the Governing Documents, notwithstanding the lapse and surrender of the Class B Membership.

# ARTICLE 5 COVENANT FOR MAINTENANCE ASSESSMENTS

Section 5.1. Creation of the Lien and Personal Obligation of Assessments. There are hereby created assessments for Common Expenses as may be from time to time specifically authorized by the Board of Directors to be commenced at the time and in the manner set forth in this Article 5. Each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (i) annual assessments or charges, and (ii) special assessments for capital improvements. The annual and special assessments, together with interest, costs, late fees and reasonable attorneys' fees, shall be a charge on the Lot (including all improvements thereon) and shall be a continuing lien upon the property against which each such assessment is made, provided the requirements of the Maryland Contract Lien Act, if applicable, have been fulfilled. Each such assessment, together with interest, costs, late fees and reasonable attorneys' fees, shall also be the personal obligation of the person who was the Owner of the Lot at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to a prior Owner's successors in title unless expressly assumed by such successors. Notwithstanding the foregoing, as to any Lot owned by an Owner who is also a Builder (a "Builder Owner"), the Builder Owner shall not be obligated to commence payment of annual assessments or charges and special assessments for capital improvements for such Lot until that date which is three hundred sixty-six (366) days following substantial completion of a Living Unit on such Lot, at which time the Builder Owner shall commence paying annual assessments or charges and special assessments for capital improvements for such Lot at a rate equal to one hundred percent (100%) of the assessments established for Lots owned by the other Class A Members. Lots previously owned by Builder Owners shall be subject to the obligation to pay the full amount of annual assessments or charges and special assessments for capital improvements at a rate equal to one hundred percent (100%) of the assessments established for Lots owned by Class A Members commencing upon the transfer or conveyance of any such Lot from a Builder Owner to any other Owner (other than the Declarant).

#### Section 5.2. Purpose of Assessments

- (a) The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents in the Property and for the improvement, maintenance, repair and replacement of the Common Area and Lot Frontage Area, the payment of real estate taxes, assessments and utility services for the Common Area, management fees, administration expenses, insurance and all other costs and expenses incurred by the Association in the proper conduct of its activities, including, without limitation, reserves for replacements or contingencies, and charges accruing under any cross-easement or other agreement (including, without limitation, any such agreement for the maintenance of any storm water management facility). The assessments may also be used for the maintenance, repair and replacement of any property or facilities serving or appurtenant to the Property which the Association is obligated or elects to maintain whether or not such property or facilities are owned by the Association or are located within the Property (including, without limitation, any property or facilities which the Association is authorized to maintain pursuant to this Declaration).
- (b) The assessments levied by the Association shall also be used for maintenance, repair and replacement (including reserves) of any and all storm water management facilities, including, without limitation, drainage pipes, infiltration trenches, ponds, basins, swales, berms, out-flow control devices, drainage areas, filters, inlets, oil/grit separators and underground facilities, if any, whether such storm water management facilities are located within the Property or not, as long as such storm water management facilities are designed to benefit or serve any portion of the Property or are required or intended to be maintained by the Association pursuant to any easement, agreement or the direction of any governmental authority or agency. The Association shall not refuse to accept the conveyance of any such facilities from the Declarant. Such storm water management facilities may also benefit property not within the jurisdiction of the Association and the maintenance of such facilities may be set forth in a cross-easement or other agreement, in which event the Association shall maintain the facilities pursuant to such agreement.
- <u>Section 5.3.</u> Annual Assessments; Budgets. Until January 1 of the year immediately following the first conveyance of a Lot to a Class A Non-Builder Member, the applicable annual assessment shall be the amount established by the Declarant in its sole discretion; provided that the initial annual assessment shall not exceed \$672 per Lot. Thereafter, the Board of Directors shall from time to time set the annual assessment at an amount sufficient to meet the Common Expenses of the Association. Without limiting the generality of the foregoing, the Association shall, at all times, levy and collect annual assessments in sufficient amounts to (a) maintain the Common Area and Lot Frontage Area in accordance with sound property management standards, and (b) establish necessary reserves for the future repair and replacement of any capital improvements within the Common Area and Lot Frontage Area. The Board of Directors shall determine the amount of the annual assessment before the beginning of each fiscal year in connection with preparation of the Association's annual budget, and may do so at more

frequent intervals should circumstances so require. Annual assessments shall be levied and collected on an annual basis; provided that, upon resolution of the Board of Directors, installments of annual assessments may be levied and collected on a monthly, quarterly, semi-annual or annual basis. Any Class A Member may prepay one or more installments of any annual assessment levied by the Association without premium or penalty. In no event shall the Declarant be obligated to fund any operating deficits of the Association.

The Board of Directors shall prepare a budget at least thirty (30) days before its adoption. The budget shall provide the information required under Section 11B-112 (c) of the Maryland Homeowners Association Act and shall include the estimated costs of operating the Association during the coming year and shall also include an amount sufficient to establish and maintain a reserve fund in accordance with a reserve fund budget separately prepared by the Board of Directors pursuant to Section 5.10 hereof. The Board of Directors shall cause a copy of the budget, and the amount of the assessments to be levied against each Lot for the following year, to be delivered to each Owner at least thirty (30) days prior to its adoption. The annual proposed budget may be sent to each Owner by electronic transmission, by posting on the Association's homepage (if any), or by including the annual proposed budget in the Association's newsletter, if any. The budget shall be adopted at an open meeting of the Board of Directors. Notice of the meeting at which the proposed annual budget will be considered shall be sent to each Owner. Such notice may be sent to each Owner by electronic transmission, by posting on the Association's homepage (if any), or by including the annual proposed budget in the Association's newsletter, if any. The proposed annual budget and the assessments approved by the Board of Directors at such meeting shall become effective unless a special meeting of the Association is duly held and at such special meeting the budget and the assessments are disapproved by a vote of at least a majority of the votes of both classes of the total Association membership (Class A Members and Class B Member, if any). Notwithstanding the foregoing, however, in the event the membership disapproves the budget or the Board of Directors fails for any reason to determine the budget for any fiscal year of the Association, then and until such time as a budget shall have been determined as provided herein, the budget in effect for the then current fiscal year shall continue for the succeeding fiscal year. The adoption of a budget does not impair the authority of the Association to obligate the Association for expenditures for any purposes consistent with any provision of the Maryland Homeowners Association Act.

Notwithstanding anything contained herein to the contrary, except for an expenditure made by the Association because of a condition that, if not corrected, could reasonably result in a threat to the health or safety of the Owners or a significant risk of damage to the Community, any expenditure that would result in an increase in an amount of assessments for the current fiscal year of the Association in excess of fifteen percent (15%) of the budgeted amount previously adopted shall be approved by an amendment to the budget adopted at a special meeting of the Association duly held for which not less than ten (10) days written notice shall be provided to the Owners.

The Declarant hereby establishes a working capital fund for the initial operation of the Association. Such working capital fund shall be funded by a one-time assessment

of Five Hundred Dollars (\$500.00) for each Lot and shall be payable by the initial Owner of the Lot that is not a Builder or the Declarant, upon the earlier of closing of the acquisition of such Lot by the aforesaid initial Owner or occupancy of a completed Living Unit on such Lot.

<u>Section 5.4.</u> Special Assessments. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment or special assessments applicable to that year for such purposes as defraying in whole or in part, the cost of any construction or reconstruction, inordinate repair or replacement of a described capital improvement located upon, or forming a part of the Common Area, the Lot Frontage Area or facilities located thereon, including the necessary fixtures and personal property related thereto, or for such other purpose as the Board of Directors may deem appropriate; provided that any such assessment shall be approved by two-thirds (2/3) of each class of Members.

#### Section 5.5. Uniform Rate of Assessment

- (a) Except as otherwise provided in this Declaration, both annual and special assessments must be fixed at a uniform rate for all Lots, and may be collected in advance on a monthly, quarterly, semi-annual or annual basis, or upon such other basis as may be determined by the Board of Directors.
- (b) In the event that the actions or activities of any Owner causes or results in increased expenses for the Association, the Board of Directors may assess such increase in expenses against the Owner and such Owner's Lot, after notice to such Owner and an opportunity for a hearing. For example, and for purposes of illustration only, the Board of Directors may assess the amount of any insurance deductible paid by the Association which amount shall not exceed One Thousand Dollars (\$1,000.00), against any Owner and such Owner's Lot if the Association is required to pay such deductible as a result of the misuse or neglect of the Owner. Such assessment shall be a lien against the Owner's Lot and shall be payable and collectible in the same manner as any other assessments required to be paid to the Association; provided, however, that the Declarant shall not be subject to any assessment based on this Section 5.5(b).
- <u>Section 5.6.</u> Declarant's Exemption From Annual and Special Assessments. Any provision hereof to the contrary notwithstanding, Lots owned by Declarant (hereinafter "Declarant's Lots"), shall not be subject to any annual assessments, special assessments, fees or other charges levied by the Association, and the Declarant shall have no obligation whatsoever to pay any such annual assessments, special assessments, fees or other charges. Lots formerly owned by the Declarant shall cease to be exempt from payment of such annual assessments, special assessments, fees and other charges commencing upon transfer or conveyance of any such Lot from the Declarant to any other Owner.
- <u>Section 5.7.</u> Date of Commencement of Annual Assessments: Due Dates. Unless an earlier commencement date is established by the Board of Directors, the annual

assessments provided for herein shall commence as to all Lots simultaneously with the conveyance of the first Lot to a Class A Member. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall make reasonable efforts to fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association with the status of assessments on the Lots shall be binding on the Association as of the date of its issuance.

Effect of Non-Payment of Assessments; Remedies of the Section 5.8. Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date until paid at a rate determined by the Board of Directors, up to the maximum rate of interest permitted under the laws of the State of Maryland. The Association may also charge a reasonable late fee against any Owner (and/or such Owner's Lot) who is more than fifteen (15) days delinquent in the payment of any assessment, which shall be the greater of fifteen dollars (\$15.00) or one -tenth (1/10<sup>th</sup>) of the total amount of the delinquent payment. The Association may bring an action at law against the Owner personally obligated to pay the same, and/or foreclose the lien against the Lot (and all improvements thereon) provided the provisions of the Maryland Contract Lien Act, if applicable, are substantially fulfilled. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of such Owner's Lot. The Owner shall also be obligated to pay all attorneys' fees, court costs and administrative costs incurred in connection with the collection of assessments if not paid when due.

<u>Section 5.9.</u> Subordination of the Lien to Mortgages; The lien of the assessments provided for herein shall be subordinate to the lien of any First Mortgage or deed of trust. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to a mortgage or deed of trust foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer, except for liens, or claims for a pro-rata share of such assessments resulting from a pro rata reallocation of such assessments to all Lots, including the mortgaged Lot. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof. No amendment to this Section shall affect the rights of the holder of any First Mortgage on any Living Unit (or the indebtedness secured thereby) recorded prior to recordation of such amendment unless the holder thereof (or the indebtedness secured thereby) shall join in the execution of such amendment.

<u>Section 5.10.</u> Reserve Fund Budget and Contribution. The Board of Directors shall annually prepare a reserve fund budget which shall take into account the number and nature of the replaceable assets of the Association included in the Common Area and the facilities located thereon, the expected life of each asset, and the expected repair

or replacement cost of each asset. The Board of Directors shall set the required reserve fund contribution, if any, in an amount sufficient to meet the projected reserve needs of the Association, as shown on the reserve fund budget, with respect both to amount and timing by the imposition of annual assessments over the period of the budget. The reserve fund contribution shall be fixed by the Board of Directors and included within the budget and assessment, as provided in Section 5.3. Such reserve fund contribution shall be payable as part of the general assessment, applicable to all Lots (except as otherwise provided with respect to Lots owned by Declarant in Section 5.6), to the extent such reserve fund will be utilized to replace assets which are determined by the Board of Directors to benefit substantially all Owners. Reserves may also be maintained for operating contingencies and insurance deductibles. A copy of the reserve fund budget shall be distributed to each Owner in the same manner as the operating budget.

<u>Section 5.11</u>. Individual Lot Expenses. Except as may be specifically provided herein, this Declaration does not contemplate that the Association shall have any responsibility for the maintenance or repair of the dwellings or other improvements or appurtenances on the Lots other than the Lot Frontage Area; and the responsibility and duties of the Association for maintenance and repairs shall be limited to the Common Area, the Lot Frontage Area and facilities located thereon. The Owner of any Lot shall, at his own expense, maintain his Lot and dwelling, any and all improvements and appurtenances thereto in good order, condition and repair and in a clean, attractive and sanitary condition at all times.

# ARTICLE 6 ARCHITECTURAL CONTROL

Section 6.1. Architectural Change Approval. No building, fence, wall, mailbox or other structure or improvement of any kind shall be commenced, erected or maintained upon the Property, nor shall any exterior addition to or change or alteration therein be made (including, but not limited to, changes in color, changes or additions to driveways, or walkway surfaces and landscaping modifications) until complete plans and specifications showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by an architectural control committee (the "Architectural Control Committee") composed of three (3) or more representatives appointed by the Board of Directors of the Association; provided that during the Declarant Control Period, Declarant, at its election, may serve as the sole member of the Architectural Control Committee. In the event the Architectural Control Committee fails to approve or disapprove any design and location within thirty (30) days after the plans and specifications for such design and location have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with. Approval by the Architectural Control Committee shall in no way be construed as to pass judgment on the correctness of the location, structural design, suitability of water flow or drainage, location of utilities, or other qualities of the item being reviewed, nor shall such approval be substituted in lieu of applicable governmental approvals and permits or be deemed to constitute a determination as to compliance with local zoning ordinances, governmental guidelines or restrictions. The Architectural Control Committee shall have the right to charge a reasonable fee for reviewing each application in an amount not to exceed the costs actually incurred by the Architectural Control Committee. Any exterior addition to or change or alteration made without application having first been made and approval obtained as provided above shall be deemed to be in violation of this covenant and the addition, change or alteration may be required to be restored to the original condition at the Owner's cost and expense. In any event, no such exterior addition to or change or alteration shall be made without approvals and permits therefore having first been obtained by the Owner from the applicable public authorities or agencies. In addition, no changes, alterations or additions may be constructed which are not in compliance with local zoning ordinances, governmental guidelines or restrictions. Notwithstanding any provision of this Declaration to the contrary, the provisions of this Article 6 shall not be applicable to the Declarant or any part of the Property owned by the Declarant.

Section 6.2. Initiation and Completion of Approved Changes. Construction or alterations in accordance with plans and specifications approved by the Architectural Control Committee pursuant to the provisions of this Article shall be commenced within six (6) months of such approval and completed within twelve (12) months of such approval unless a longer time period is approved by the Architectural Control Committee. In the event construction is not commenced within the period aforesaid, then approval of the plans and specifications shall be conclusively deemed to have lapsed and compliance with the provisions of this Article shall again be required. There shall be no deviations from plans and specifications approved by the Architectural Control Committee without the prior consent in writing of the Architectural Control Committee. Approval of any particular plans and specifications' or design shall not be construed as a waiver of the right of the Architectural Control Committee to disapprove such plans and specifications, or any elements or features thereof, in the event such plans and specifications are subsequently submitted for use in any other instance.

<u>Section 6.3.</u> Certificate of Compliance. Upon completion of any construction or alterations or other improvements or structures in accordance with plans and specifications approved by the Architectural Control Committee in accordance with the provisions of this Article, the Architectural Control Committee shall, at the request of the Owner thereof, issue a certificate of compliance which shall be prima facie evidence that such construction, alteration or other improvements referenced in -such certificate have been approved by the Architectural Control Committee in full compliance with the provisions of this Article and with such other provisions and requirements of this Declaration as may be applicable.

Section 6.4. Architectural Control Committee Rules and Regulations; Appeal of Architectural Control Committee Decision. The Architectural Control Committee may from time to time adopt and promulgate such rules and regulations regarding the form and content of plans and specifications to be submitted for approval and may publish such statements of policy, standards, guidelines and/or establish such criteria relative to architectural styles or details, or other matters, as it may consider necessary or

appropriate. No such rules, regulations, statements, standards, guidelines, criteria or the like shall be construed as a waiver of the provisions of this Article or any other provision or requirement of this Declaration. The decisions of the Architectural Control Committee shall be final except that any Member who is aggrieved by any action or forbearance from action by the Architectural Control Committee may appeal the decision of the Architectural Control Committee to the Board of Directors and upon the request of such Member shall be entitled to a hearing before the Board of Directors. A majority of the Board of Directors shall be required to reverse the decision of the Architectural Control Committee.

- <u>Section 6.5.</u> Exterior Appearance. Except as specifically provided herein to the contrary, and without limiting the generality of this Article 6, the following shall apply to every Lot and Living Unit within the Property, unless otherwise expressly provided by the Architectural Control Committee or the Board of Directors:
- (a) no storm windows may be installed in any structures or dwellings on Lots;
- (b) the installation of any storm door(s) must receive prior approval of the Architectural Control Committee, including, but not limited to, the style, color and material of said storm door(s). Storm doors must be of the same design as the Living Unit, must be full view clear glass and must match the front door or the trim around the front door;
- (c) the color of the exterior of all structures or dwellings on Lots including, without limitation, garage doors, all sidings, gutters, downspouts, brick, trim, exterior wood decks, fences and gates, if any, shall not be changed or altered without the approval of the Architectural Control Committee;
  - (d) no fences may be erected on any Lot; and
- (e) no radio aerial, antenna or satellite or other signal receiving dish, or other aerial or antenna for reception or transmission, shall be placed on any Lot, except on the following terms:
- (i) An Owner may install, maintain and use on its Lot one (or, if approved, more than one) Small Antenna (as hereinafter defined) on the Lot at such location, and screened from view from adjacent Lots in such a manner and using such trees, landscaping or other screening material, as are approved by the Architectural Control Committee, in accordance with this Declaration. Notwithstanding the foregoing terms of this subsection, (1) if the requirement that a Small Antenna be installed on the Lot in a particular approved location would impair such Small Antenna's installation, maintenance or use, then it may be installed, maintained and used at another approved-location on the Lot where such installation, maintenance or use would not be impaired; (2) if and to the extent that the requirement that such Small Antenna be screened would result in any such impairment, such approval shall be on terms not requiring such screening; and (3) if the prohibition against installing, maintaining and using more than

one Small Antenna would result in any such impairment, then such Owner may install additional Small Antennas as are needed to prevent such impairment (but such installation shall otherwise be made in accordance with this subsection).

- (ii) In determining whether to grant any approval pursuant to this Section, the Architectural Control Committee shall not withhold such approval, or grant it subject to any condition, if and to the extent that doing so would result in an impairment.
- (iii) As used herein, (i) "impair" has the meaning given it in 47 Code of Federal Regulations Part I, section 1.4000, as hereafter amended; and (ii) "Small Antenna" means any antenna (and accompanying mast, if any) of a type, the impairment of the installation, maintenance or use of which is the subject of such regulation. Such antennae are currently defined thereunder as, generally, being one (1) meter or less in diameter or diagonal measurement and designed to receive certain types of broadcast or other distribution services or programming.

Notwithstanding anything to the contrary contained in this Section 6.5, the provisions of this Section shall not apply to any Lot owned by Declarant, provided that any variance from the items set forth above shall not be material.

Section 6.6 Approval by Declarant During Declarant Control Period.

Notwithstanding anyting to the contrary contained in this Article 6, a Builder shall not be required to obtain the approval of the Architectural Control Committee as to any plans and specifications previously approved in writing by the Declarant.

# ARTICLE 7 USE RESTRICTIONS

In addition to all other covenants contained herein, the use of the Property and each Lot and Living Unit therein are subject to the following:

Section 7.1. Permitted Uses. The Lots shall be used for residential purposes exclusively, and no building shall be erected, altered, placed or permitted to remain on any such Lot other than one used as a dwelling, except that the use of a dwelling unit for a "No-impact home-based business", as defined in §11B-111.1 of the Maryland Homeowners Association Act, as amended (the "Act"), shall be permitted, provided that: (i) before any dwelling unit may be used for a no-impact home-based business the Owner and/or resident of such dwelling unit shall notify the Association, in writing, at least thirty (30) days prior to the opening of the no-impact home-based business; and (ii) in no event shall the Common Area be used by or in connection with any permitted no-impact home-based business. Nothing contained in this Article, or elsewhere in this Declaration, shall be construed to prohibit Declarant or any Builder from the use of any Lot or dwelling, or the improvements thereon, for promotional or display purposes, or as "model homes", a sales and/or construction office, or for any other lawful purpose.

Section 7.2. Prohibited Uses and Nuisances. Except for the activities of the

Declarant or a Builder during the construction and development of the Property, or except with the prior written approval of the Board of Directors of the Association or the Declarant, or as may be necessary in connection with reasonable and necessary repairs or maintenance to any dwelling or upon the Common Area or facilities located thereon:

- (a) Nothing shall be done upon the Property (a) in violation of any zoning, health, fire, noise control, police, or other governmental law or regulation, including, without limitation, the National Flood Insurance Act of 1968 and any regulations adopted thereunder, or (b) which constitutes an annoyance or nuisance to the Community or other Owners. Any violation of any law, order, rule, regulation or requirement of any governmental authority or agency shall be remedied by and at the sole cost and expense of the Owner whose Lot is the subject of such violation. Without limiting the generality of the foregoing, no speaker, horn, whistle, siren, bell, amplifier or other sound device, except such devices as may be used exclusively for security purposes, shall be located, installed or maintained upon the exterior of any dwelling or upon the exterior of any other improvements constructed upon any Lot.
- the maintenance, keeping, boarding or raising of animals, livestock, or poultry of any kind, regardless of number, shall be and is hereby prohibited on any Lot or within any dwelling, or other part of the Property, except that this shall not prohibit the keeping of no more than two (2) of any combination of the following domestic pets: (i) small or medium size dogs weighing no more than seventy-five (75) pounds, (ii) cats, (iii) caged birds or (iv) other small domestic animals as pets provided (i) they are not kept, bred or maintained for commercial purposes; (ii) such domestic pets are not a source of annoyance or nuisance to the Community or other Members; and (iii) such pets are maintained in strict conformance to all laws and ordinances. The Board of Directors shall have the authority, after hearing, to determine whether a particular pet is a nuisance or a source of annoyance to other Members, and such determination shall be conclusive. Pets shall be attended at all times and shall be registered, licensed and inoculated as may from time to time be required by law. Pets shall not be permitted upon the Common Area unless accompanied by a responsible person and unless they are carried or leashed. Each Living Unit Owner shall be responsible for removing animal waste left upon the Common Area by his or her pet. The Board of Directors shall have the right to adopt such additional rules and regulations regarding pets as it may from time to time consider necessary or appropriate.
- (c) no burning of any trash and no accumulation or storage of litter, lumber, scrap metals, refuse, bulk materials, waste, new or used building materials, or trash of any other kind shall be permitted on any Lot or other part of the Property.
- (d) except for parking within garages, and except as herein elsewhere provided, no junk or inoperable vehicle or other vehicle on which currently valid registration plates are not displayed, commercial vehicles used to transport tangibles other than people, or on which are displayed commercial messages ("Commercial Vehicles"), truck, (as defined by the Maryland Department of Motor Vehicles and/or by common usage and practice except for light pickup trucks of three-quarter (3/4) ton

capacity or less used for non-commercial purposes), trailer, camp truck, house trailer, recreational vehicle, boat or other similar vehicles, machinery or equipment of any kind or character (except for such equipment and machinery as may be reasonable, customary and usual in connection with the use and maintenance of any dwelling and except for such equipment and machinery as the Association may require in connection with the maintenance and operation of the Common Area) shall be kept upon the Property or upon the, public or private streets or alleys adjacent to the Property, nor shall the repair or extraordinary maintenance of automobiles or other vehicles be carried out thereon.

- (e) no Lot shall be divided or subdivided and no portion of any Lot (other than the entire Lot) shall be transferred or conveyed for any purpose. The provisions of this subsection shall not apply to Declarant, provided that the Declarant has complied with any applicable zoning and subdivision ordinances and obtained all required governmental and quasi-governmental approvals and, further, the provisions hereof shall not be construed to (i) prohibit the granting of any easement or right-of-way to any municipality, political subdivision, public utility or other public body or authority, or to the Association, Declarant, or any other individual or entity for any purpose, or (ii) prohibit minor boundary line adjustments between adjoining Lot Owners if done in accordance with applicable zoning ordinances, governmental guidelines and restrictions.
- (f) no tree, hedge or other landscape feature shall be planted or maintained on any Lot without the prior written approval of the Architectural Control Committee pursuant to Article 6 of this Declaration. Without limiting the generality of the foregoing,(i) no tree, hedge or other landscape feature shall be planted or maintained on any Lot in a location which obstructs sight-lines for vehicular traffic on public streets or on private streets and roadways and (ii) no wire or other lawn edging, fencing or other treatment shall be placed or maintained on any Lot.
- (g) no decorative lawn ornament or other exterior artistic feature or element, no structure of a temporary character, and no storage shed, trailer, tent, shack, barn, pen, kennel, run, stable, or other building shall be erected, used or maintained on any Lot at any time.
- (h) except for entrance signs, directional signs, signs for traffic control or safety, community "theme areas" and such sales and promotional sign or signs as may be maintained by or with the written consent of the Declarant or the Association, and except as may be expressly permitted pursuant to the Maryland Homeowners Association Act, no signs or advertising devices of any character shall be erected, posted or displayed upon, in or about any Lot or dwelling; provided, however, that one temporary real estate sign not exceeding three (3) square feet in area may be erected upon any Lot or attached to any dwelling placed upon the market for sale or rent; provided that no such temporary real estate sign may be placed in any window. Any such temporary real estate sign shall be removed promptly following the sale or rental of such dwelling.
- (i) no water pipe, sewer pipe, gas pipe, drainage pipe, cable or other similar transmission line shall be installed or maintained upon any Lot above the surface

of the ground and no wire, cable or other similar transmission line may be attached to the exterior of any structure on any Lot; provided, however, that such transmission lines, wires or cables providing utility services to any Lot (including, but not limited to, electricity, telephone, gas, water and cable television) shall be permitted. Except during periods of actual use, no hose shall be stored or placed in the front or side yard of any dwelling unless screened from public view.

- (j) no play equipment, including, without limitation, basketball backboards, basketball hoops and other equipment associated with either adult or juvenile recreation, shall be installed or maintained on any Lot or attached in any manner to the exterior of any dwelling.
- (k) 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 the direction or flow of any drainage channels.
- (l) vegetable gardens shall be maintained only within the rear yard of any Lot, and shall be maintained in a neat and attractive manner.
- (m) lawn furniture shall be used and maintained in rear yards or decks only and shall be maintained in a neat and attractive manner.
- (n) no equipment or machinery (including, without limitation, equipment or machinery for use in connection with the maintenance of any dwelling) shall be stored in the front, rear or side yard of any Lot.
- (o) no garbage or trash containers shall be kept on the front or side yard of any Lot and shall be stored in the garage. Trash and garbage containers shall not be permitted to remain in public view except on days of trash collection and the evening prior to such days of trash collection. No incinerator shall be kept or maintained upon any Lot.
- (p) no Member shall make any private, exclusive or proprietary use of any of the Common Area and no Member shall engage or direct any employee of the Association on any private business of the Member during the hours such employee is employed by the Association, nor shall any Member direct, supervise or in any manner attempt to assert control over any employee of the Association.
- (q) bed sheets, plastic sheets, newspapers, plastic storm windows or other similar window treatments shall not be hung or placed in or on any window on any Living Unit located on the Property.
- (r) no exterior lighting, emanating from a Lot, shall be directed outside the boundaries of the Lot.

- (s) no drying or airing of any clothing or bedding shall be permitted outdoors and within any Lot except on clotheslines.
- (t) no garage or outbuilding properly erected on a Lot shall at any time be used for human habitation, temporarily or permanently, nor shall any structure of a temporary character be used for human habitation. No garage may be altered, modified or changed in any manner which would inhibit or in any way limit its function as a parking area for vehicles Except when being used for entrance or exit, garage doors shall be maintained in a closed position at all times.
- (v) no exterior decorations including, without limitation, decorative lighting, may be affixed to the exterior of a Living Unit or otherwise maintained on a Lot without the prior written approval of the Architectural Control Committee, other than seasonal decorations affixed to the exterior of a Living Unit or maintained on a Lot between November 30<sup>th</sup> of one year and January 10<sup>th</sup> of the immediately succeeding year.

#### Section 7.3. Leasing and Transfers.

- No portion of a Lot, other than an entire dwelling unit, may be (a) leased or rented. No Owner may lease or rent a dwelling unit for a period of two (2) years following the date on which such Owner acquires title to its Lot. All leases shall be on forms approved by the Association and shall (i) contain provisions advising the tenant of his or her obligation to comply with all provisions of this Declaration, the Bylaws and the rules and regulations of the Association, and (ii) provide that the Association shall have the right to terminate the lease upon default by the tenant in observing any of the provisions of this Declaration, the Bylaws or rules and regulations of the Association, or of any other document, agreement or instrument governing the dwelling units and/or the Property. The Owner(s) of a leased Lot shall notify the Association in writing of the Owners' current address. The Owner(s) of a leased or rented dwelling unit shall be jointly and severally liable with his tenant(s) to the Association to pay any claim for injury or damage to persons or property caused by any action or omission, including, without limitation, the negligence of the tenant(s). Every lease shall be subordinate to any lien filed by the Association, whether before or after such lease was entered into. The minimum term any dwelling unit may be rented or leased shall be six (6) months, and in no event may a transient tenant be accommodated in any dwelling unit.
- (b) Prior to the sale, conveyance or transfer of any Lot or dwelling unit to any person, the Owner shall notify the Association in writing of the name and address of the person to whom the proposed sale, conveyance or transfer is to be made and provide to it such other information as the Association may, reasonably require. Failure to comply with the provisions of this Section 7.3(b) shall not void, prohibit or otherwise invalidate the sale, conveyance or transfer of any Lot or dwelling unit, nor may it have any affect upon any mortgage or deed of trust thereon.
- Section 7.4. House Rules, Etc. There shall be no violation of any reasonable rules for the use of the Common Area and community facilities or "house rules" or other

community rules and regulations not inconsistent with the provisions of this Declaration which may from time to time be adopted by the Board of Directors of the Association and promulgated among the membership by the Board in writing, and the Board of Directors is hereby and elsewhere in this Declaration authorized to adopt such rules and regulations.

<u>Section 7.5.</u> Exemptions. None of the foregoing restrictions shall be applicable (i) to Declarant or its officers, employees, agents and assigns, in its development, marketing, leasing and sales activities within the Property, or (ii) to the Association, its officers, employees and agents, in connection with the proper maintenance, repair, replacement and improvement of the Common Area and any facilities situated thereon.

### ARTICLE 8 DECLARATION OF EASEMENTS AND RIGHTS

- <u>Section 8.1.</u> Declaration of Easements and Rights. The following easements and rights are hereby declared or reserved:
- (a) For a period of fifteen (15) years from the recordation of this Declaration, Declarant reserves the right to grant easements, both temporary and permanent, to all public authorities and utility companies over any part of the Common Area, in connection with providing, repairing and maintaining utility services to the Property.
- (b) Each Lot within the Property is hereby declared to have an easement, not exceeding one foot (1') in width, over all adjoining Lots and Common Area for the purpose of accommodating any encroachment due to engineering errors, errors in original construction, settlement or shifting of the building, roof overhangs, gutters, architectural or other appendages, draining of rainwater from roofs, or any other similar cause. There shall be valid easements for the maintenance of said encroachments so long as they shall exist, and the rights and obligations of Owners shall not be altered in any way by said encroachment, settlement or shifting; provided, however, that in no event shall a valid easement for encroachment be created in favor of an Owner or Owners if said encroachment occurred due to the willful misconduct of said Owner or Owners. In the event a structure on any Lot is partially or totally destroyed and then repaired or rebuilt, the Owners of each Lot agree that minor encroachments over adjoining Lots shall be permitted and that there shall be valid easements for the maintenance of said encroachments so long as they shall exist.
- (c) There is hereby reserved unto the Declarant (and its successors and assigns to whom such easement has been specifically assigned in writing), for the benefit of the Property and the real property described on Exhibit "C", and for the benefit of the Declarant and its agents, a non-exclusive, perpetual blanket easement upon, across and under the Property (provided such easement does not encroach upon any building within the Property or unreasonably interfere with the use and enjoyment of the Property), for vehicular and pedestrian ingress and egress, curb cuts, slope, and grading easements, as

well as for the installation, replacement, repair and maintenance of all utilities, including, but not limited to, water, sewer, drainage, storm water detention and/or siltation, gas, cable television, telephones and electricity, and further including the right to connect to and use any such utilities which may exist or be located upon the Property from time to time. By virtue of this easement, it shall be expressly permissible to erect and maintain the necessary poles, pipes, lines, service boxes and other equipment on the Property, to affix and maintain electrical or telephone wires and conduits, sewer and water drainage lines, on, above, or below any portion of the Property, including any improvements constructed thereon, and to have construction vehicles, equipment and the like exercise the aforesaid right of ingress and egress over the Property. There is further reserved unto the Declarant the right to erect entry features, promotional and other similar items within the Property provided they do not unreasonably interfere with the use, operation and enjoyment of the Property. There is further reserved unto the Declarant the right to grant specific easements, both temporary and permanent, to any person or entity, including all public authorities and utility companies, over any part of the Property in furtherance of the blanket easement created by this subsection. Further, without limiting the generality of the foregoing, the Declarant reserves the right to unilaterally execute and record such additional easements and agreements as may be necessary in order to give effect to the foregoing easements and other rights, which additional easements and other agreements need not be consented to or joined in by any party having an interest in the Property; provided, however, that if requested by the Declarant, any party having an interest in the Property shall promptly join in and execute such confirmatory easements and other agreements.

- (d) The Property shall be subject to a non-exclusive, perpetual easement and right of passage, for the benefit of the Association membership, for ordinary and reasonable pedestrian ingress and egress over, across and upon any sidewalk (or the replacement thereof) constructed within the Property by the Declarant that may reasonably be deemed to have been constructed or intended for pedestrian use.
- (e) An easement is hereby reserved to Declarant to enter the Common Area (i) for purposes of constructing improvements on the Common Area and for the conduct of all construction and development related activities as may be required or permitted by applicable governmental approvals or permits, and (ii) for purposes of carrying out any obligations it may have, or assume, with respect to the curing of any defects in workmanship or materials in the Property or the improvements thereon.
- (f) For a period of fifteen (15) years from the date of conveyance of the first Lot, Declarant reserves a blanket easement and right on, over and under the Property to establish, maintain, change and correct drainage of surface water in order to maintain reasonable standards of health, safety and appearance; provided, however, that Declarant shall have no obligation to exercise such right. Such right expressly includes the right to cut any trees, bushes or shrubbery, make any gradings of the soil, or to take any other similar action reasonably necessary, following which Declarant shall restore the affected property to its original condition as near as practicable. Declarant shall give reasonable notice of intent to take such action to all affected Owners, unless in the

opinion of Declarant an emergency exists which precludes such notice. There is further reserved unto Declarant the right to grant specific easements, both temporary and permanent, to any person or entity, including all public authorities and utility companies, over any part of the Property in furtherance of the blanket easement created by this subsection.

- (g) The rights and duties with respect to sanitary sewer and water, storm drains, downspouts, yard drains, cable television, electricity, gas and telephone lines and facilities shall be governed by the following:
- (i) Whenever water, sanitary sewer and water, storm drains, downspouts, yard drains, electricity, gas, cable television or telephone connections, lines, cables or any portion thereof, are or have been installed within the Property, the Owner of any Lot, and the Association shall have the right, and are hereby granted an easement to the extent necessary therefor, to enter upon or have a utility company enter upon any portion of the Property in which said installations lie, to repair, replace and generally maintain said installations.
- (ii) The right granted in subsection (i) above shall be only to the extent necessary to entitle the property of the Owner or Association serviced by said installation to its full and reasonable use and enjoyment, and provided further that anyone exercising said right shall be responsible for restoring the surface of the easement area so used to its condition prior to such use.
- (iii) In the event of a dispute between Owners with respect to the repair or rebuilding of said connections, or with respect to the sharing of the cost thereof, upon written request of one of such Owners addressed to the Association, the matter shall be submitted to its Board of Directors, or its designated committee, who shall decide the dispute, and the decision of the Board, or its designated committee, shall be final and conclusive as to the parties.
- (iv) Each Lot is hereby subject to an easement upon and across such Lot for the drainage and discharge of water from any storm drain or downspout situated on another Lot and the Owner of such Lot may not alter or obstruct such drainage or flow of water to the detriment of any Lot or the Common Area.
- (h) The Association shall have an easement to enter any portion of the Property for the performance of its duties hereunder, including, without limitation, the Lot Frontage Area, or other similar areas of the Property.
- (i) With respect to any step, patio, deck, downspout or yard drain or other similar structure that may benefit any Lot and is constructed by Declarant and which may encroach upon any portion of the Common Area, there is hereby reserved for the benefit of the Lot that such step, patio, deck, downspout, drain or other structure serves, a perpetual easement for the location, maintenance, repair and use of such structure or items within the Common Area, but only to the extent that Declarant's

original construction thereof encroaches within the Common Area. The Owner of the Lot benefiting from such easement agrees to maintain such structure or item and to indemnify and hold the Association harmless from any loss, liability or damage arising out of or resulting from the use, enjoyment and benefit of the easement granted hereby.

- established for the benefit of all Owners, such that no Owner shall take any action which would in any way interfere with utility services being provided to other Owners within the Project. If a Lot contains any utility pipes, ducts, conduits, wires or the like which are for the benefit, in whole or in part, of other Owners within the Project, then the Owner of such Lot shall promptly, at his expense, repair any damage to such utilities caused by the Owner, or such Owner's tenants, lessees, agents, guests, invitees, licensees or family members.
- (k) The Association, its agents and employees, shall have an irrevocable right and an easement to enter the Lots for the purposes of exercising the rights and fulfilling the obligations established by this Declaration and any Supplementary Declarations recorded hereafter. The interior of any dwelling situated on a Lot may not be entered by the Association or its agents or employees except in the case of an emergency to protect the Common Area, other Lots or persons from injury or damage.
- (l) Declarant reserves the right to modify or alter the size, number, type and location of the Common Area and Lots, as well as the improvements thereon, as it deems necessary or desirable in conjunction with the development of the Project. Without limiting the generality of the foregoing, Declarant reserves the right to resubdivide all or a portion of the Project, to convey Common Area, to modify the site plans, to construct improvements on the Common Area, and to take whatever other action with respect to the Common Area and the Lots as the Declarant may deem necessary or desirable, so long as any such activity conforms to the applicable land use ordinances and is approved by the applicable governmental and quasi-governmental authorities.
- (m) The Association is hereby granted a non-exclusive easement and right of passage on, through, over, under and across the Lots and Common Area to maintain, repair and replace any storm water management area or facilities situated within the Lots or Common Area, including, without limitation, drainage pipes, infiltration trenches, ponds, basins, swales, berms, out-flow control devices, drainage areas, filters, inlets, oil/grit separators and underground facilities, if any.
- (n) Portions of the Property may be subject to conservation and/or wetlands easements and restrictions establishing one or more natural conservation or wetlands areas within the Property for purposes of restricting clearing, grading and other disturbances within such areas, subject to the terms of such easements and the regulations of any applicable federal, state or local governmental authority or agency. Such natural conservation areas may include, without limitation, stream buffers, wetlands, flood plain, forest conservation areas and reforestation areas, as designated on the Development Plan.

The Association and the Owners shall conduct their activities in accordance with such easements and restrictions.

<u>Section 8.2.</u> Association Easements. The Board of Directors of the Association shall have the right to grant easements, rights-of-way, licenses and similar interests over any part of the Common Area for any lawful purpose which the Board determines, in its sole discretion, to be in the best interests of the Association.

# ARTICLE 9 MAINTENANCE

Section 9.1. Owners' Maintenance. Except as otherwise specifically provided in this Declaration, each Owner shall keep each Lot owned by such Owner, and each Living Unit and all other improvements therein or thereon, in good order and repair and free of debris. Notwithstanding anything contained in Section 9.2 to the contrary, each Owner shall be responsible for snow and ice removal from all sidewalks located on its Lot. Each Painted or stained exterior surfaces of townhouses shall be repainted or restained by the Owner, all in a manner and with such frequency as is consistent with good property management and in compliance with this Declaration. In the event an Owner of any Lot in the Property shall fail to maintain the Lot and the Living Unit and improvements situated thereon, the Association or its agent shall have the right (but not the obligation) to enter upon said Lot to repair, maintain and restore the Lot and the Living Unit and any improvements erected thereon. The Association shall also have the right (but not the obligation) to enter the Lots to correct drainage. Whenever entry is not required in an emergency situation, the Association shall afford the Owner reasonable notice and an opportunity to cure the problem prior to entry. All costs related to such correction, repair or restoration shall be collectible from the Owner of such Lot in the same manner as assessments as provided in Article 5 herein.

Section 9.2. Association Maintenance. Commencing with the conveyance of the first (1<sup>st</sup>) Lot to an Class A Non-Builder Member, the Association shall maintain, repair and replace the Common Area, and all improvements and facilities situated thereon, and the Lot Frontage Area on each Lot including, without limitation, the sidewalks (other than snow and ice removal), grass, shrubs, bushes, trees or other planted materials located within such Lot Frontage Area (other than landscaping items such as flowers, shrubs, bushes, trees or other planted materials installed by an Owner pursuant to Section 7.2(f) above), and shall keep the Common Area, and such improvements and facilities, and the Lot Frontage Area in, good order at all times. Without in any way limiting the foregoing, the Association shall be responsible for seeding and mowing lawns and trimming shrubbery located within the Lot Frontage Area on each Lot. The Association shall also maintain such other property, both real and personal, as the Association is obligated or elects to maintain pursuant to this Declaration, or any easement, agreement or the direction of any governmental authority or agency. The Association may, upon resolution of the Board, maintain, repair and replace any rightsof-way, entry strips and entrance features or improvements that are situated within or appurtenant to and serving the Project, including, without limitation, any landscaping and

other flora and improvements situated upon such areas. The expenses of all such maintenance, repair and replacement shall be a Common Expense of the Association, including, but not limited to, reserves for the maintenance, repair and replacement of any such property or improvements. The Association shall also maintain any portion of any Lot that it is obligated or elects to maintain pursuant to this Declaration, any easement or other agreement.

The Association shall be responsible for the maintenance, repair and replacement of any storm water management area or facilities situated within the Common Area including, without limitation, drainage pipes, infiltration trenches, ponds, basins, swales, berms, out-flow control devices, drainage areas, filters, inlets, oil/grit separators and underground facilities, if any. The Association shall also be responsible for the maintenance, repair and replacement of any storm water management area or facilities which serve and/or benefit the Property whether or not located within the Common Area if the Association is responsible therefor pursuant to any easement, agreement or the direction of any governmental authority or agency. Such responsibility may be in the form of contributing the Association's share of the maintenance costs of any storm water management area, facility or equipment pursuant to an easement or agreement which shall be a Common Expense of the Association. The Board of Directors may enter into any such easements and/or other agreements as the Board may deem necessary or desirable for purposes of allocating and/or sharing the costs associated with the maintenance of any storm water management areas, facilities and/or equipment which serve and/or benefit the Property. The Association shall not refuse to accept the conveyance of any such storm water management area, facilities or equipment from the Declarant.

<u>Section 9.3.</u> Additional Maintenance Responsibilities. The Association may, in the discretion of the Board of Directors, assume additional maintenance responsibilities upon all or any portion of the Property. In such event, all costs of such maintenance shall be assessed only against those Owners residing within the portion of the Property receiving the additional services. This assumption of responsibility may take place either by contract or because, in the opinion of the Board, the level and quality of service then being provided is not consistent with the community-wide standard.

# ARTICLE 10 INSURANCE

Section 10.1. Individual Coverage. By virtue of taking title to a Lot, each Owner covenants and agrees with all other Owners and with the Association that each individual Owner shall carry blanket all risk casualty insurance on the Living Unit and all other structures located upon the Lot. At a minimum, such coverage shall provide coverage against loss or damage by fire or other hazards in an amount sufficient to cover the full replacement cost of any repair or reconstruction work in the event of damage or destruction from any insured hazard. The Board of Directors of the Association, or its duly authorized agent, shall have the authority to obtain insurance for all or any of the Living Units located on the Property, unless the Owners thereof have supplied proof of

adequate coverage to the Board of Directors' satisfaction. The Board of Directors and the Association shall incur no liability to any Owner or Mortgagee in the event that the Board of Directors or the Association shall elect not to exercise their authority to obtain such insurance for all or any of the Living Units located on the Property. In the event the Board of Directors obtains insurance for any Lot or Living Unit pursuant to this Section, the cost thereof shall be assessed against the Lot benefiting from such insurance and shall be collectible in the same manner as any other assessment under Article 5 of this Declaration. Each Owner further covenants and agrees that in the event of a partial loss or damage and destruction resulting in less than total destruction to the Living Unit and other structures constructed on the Lot, the Owner shall proceed promptly to repair or to reconstruct the Living Unit and other damaged structures in a manner consistent with the original construction. Each Owner of a Lot covenants and agrees that in the event that such Living Unit is totally destroyed, the Owner shall proceed promptly to repair or to reconstruct the Living Unit in a manner consistent with the original construction, unless approval to do otherwise is obtained from the Architectural Control Committee or the Board of Directors.

Section 10.2. Required Coverage. The Board of Directors of the Association, or its duly authorized agent, shall be required to obtain, maintain and pay the premiums, as a Common Expense, upon a policy of hazard insurance covering the Common Area and the facilities located thereon, and any property required to be insured by the Association pursuant to any easement or lease agreement (except land, foundation, excavation and other items normally excluded from coverage) including fixtures and building service equipment, to the extent that they are a part of the Common Area of the Association or such other property which the Association may insure, as well as common personal property and supplies.

The hazard insurance policy shall afford, as a minimum, protection against loss or damage by fire and all other perils normally covered by the standard extended coverage endorsement, as well as all other perils which are customarily covered with respect to projects similar in construction, location and use, including all perils normally covered by the standard "all risk" endorsement, where such is available, and shall name the Association as a named insured. The insurance should cover one hundred percent (100%) of the current replacement cost (less a reasonable deductible) of the insured property. Coverage need not include land, foundations, excavations or other items that are usually excluded from insurance coverage. Unless a higher maximum amount is required pursuant to the law of the State of Maryland, the maximum deductible amount for coverage of the Common Area is the lesser of Five Thousand Dollars (\$5,000.00) or one percent (1%) of the policy face amount. The funds to cover this deductible amount should be included in the Association's operating reserve account.

Each hazard insurance policy must be written by a hazard insurance carrier which has a current rating by the Best's Key Rating Guide of B/Ill or better (or its equivalent). Each insurer must be specifically licensed or authorized by law to transact business within the State of Maryland. The policy contract shall provide that no

assessment may be made against the mortgagee, and that any assessment made against others may not become a lien on the mortgaged Lot superior to the First Mortgage.

The hazard insurance policy must provide that the insurance carrier shall notify the Association and each mortgagee named in the mortgagee clause in writing at least ten (10) days before it cancels or substantially changes the Association's coverage. In addition, each Eligible Mortgage Holder shall receive timely written notice of any lapse, material modification or cancellation of any insurance policy covering the Common Area.

All policies of hazard insurance must contain or have attached the standard mortgagee clause commonly acceded by private institutions as mortgage investors in the area in which the mortgaged premises are located. The following endorsements are also required: (i) an Inflation Guard Endorsement (if reasonably available); (ii) a Construction Code Endorsement if the Common Area is subject to a construction code provision which would become operative and require changes to undamaged portions of any structures, even when only part of a structure is destroyed by an insured hazard or peril, and (iii) a Steam Boiler and Machinery Coverage Endorsement if any structure within the Common Area has central heating or cooling, which should provide for the insurer's minimum liability per accident per location to be at least equal to the lesser of Two Million Dollars (\$2,000,000.00) or the insurable value of the structure(s) housing the boiler or machinery.

If the Common Area is located in a Special Flood Hazard Area designated as A, AE, AH, AO, Al-30, A-99, V, SE, or S1-30 on a Flood Insurance Rate Map, the Association must maintain a "master" or "blanket" policy of flood insurance on the Common Area. The amount of flood insurance shall be at least equal to the lesser of one hundred percent (100%) of the insurable value of all structures and improvements situated in such Special Flood Hazard Area or the maximum coverage available under the applicable National Flood Insurance Administration program. Unless a higher deductible amount is required under the laws of the State of Maryland, the maximum deductible amount for flood insurance policies shall be the lesser of Five Thousand Dollars (\$5,000.00) or one percent (1%) of the policy's face amount. The funds to cover this deductible amount should be included in the Association's operating reserve account.

The Association shall obtain and maintain a comprehensive general liability policy of insurance covering all of the Common Area, public ways and any other areas that are under the Association's supervision. The policy shall also cover any commercial space owned by the Association, even if such space is leased to others. The policy should provide coverage for bodily injury (including death) and property damage that results from the operation, maintenance or use of the Common Area and any legal liability that results from law suits related to employment contracts in which the Association is a party. Supplemental coverage to protect against additional risks should also be obtained, if required by a mortgagee. Such insurance policy shall contain a "severability of interest" endorsement which shall preclude the insurer from denying the claim of an Owner because of negligent acts of the Association or other Owners.

Liability coverage shall be at least One Million Dollars (\$1,000,000.00) per occurrence, for bodily injury and property damage, unless higher amounts of coverage are required by a mortgagee. The liability policy must provide that the insurance carrier shall notify the Association in writing at least ten (10) days before it cancels or substantially modifies the Association's coverage.

Section 10.3. Fidelity Coverage. Fidelity insurance shall be purchased by the Board of Directors not later than the time of the first conveyance of a Lot to an owner other than the Declarant and shall keep the fidelity insurance in place for each year thereafter. The fidelity insurance shall provide for, at a minimum, the indemnification of the Association against loss resulting from acts or omissions arising from fraud, dishonesty or criminal acts by any officer, director, managing agent, or other agent or employee charged with the operation or maintenance of the Association who controls or disbursed funds held or administered by the Association, whether or not they receive compensation for their services. Where the Board of Directors has delegated some or all of the responsibility for the handling of funds to a management agent, such management agent shall be covered by its own fidelity insurance policy which must provide the same coverage as fidelity insurance maintained by the Board of Directors. Except for fidelity insurance that a management agent obtains for its personnel, all other fidelity insurance policies should name the Association as the insured and should have their premiums paid as a Common Expense by the Association. Fidelity insurance obtained by a management agent shall name the Association as an additional insured. The total amount of fidelity coverage required shall be sufficient to cover the maximum funds (including reserve funds) that will be in the custody of the Association or management agent at any time while the fidelity insurance policy is in force, and shall at least equal the lesser of (a) the sum of three (3) months aggregate annual assessments on all Lots within the Association, plus any reserves, and the total amount held in all investment accounts of the Association at the time the fidelity insurance is issued and (b) Three Million Dollars (\$3,000,000.00). The total liability of the fidelity insurance to all insured persons under the fidelity insurance may not exceed the sum of the fidelity insurance. As used herein, "fidelity insurance" means either a fidelity insurance policy or a fidelity bond. Fidelity insurance policies should contain waivers by the insurers of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees", or similar terms or expressions. The fidelity insurance policies should provide that they cannot be canceled or materially modified (including cancellation for non-payment of premium) without at least ten (10) days prior written notice to the Association. A copy of the fidelity insurance policy or fidelity bond shall be included in the books and records kept and made available by or on behalf of the Association under Section 11B-112 of the Maryland Homeowners Association Act.

<u>Section 10.4.</u> Repair and Reconstruction of Common Area After Fire or Other Casualty. In the event of damage to or destruction of any portion of the Common Area covered by insurance payable to the Association as a result of fire or other casualty, the Board of Directors shall arrange for the prompt repair and restoration thereof, and shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration, as appropriate. Promptly after a casualty causing damage or destruction

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of any portion of the Common Area for which the Association has the responsibility of maintenance, repair, and/or replacement, the Board of Directors shall obtain reliable and detailed estimates of the cost to place the damaged portions of the Common Area in as good a condition as existed prior to the casualty. Such costs may include, without limitation, professional fees and premiums for such bonds as the Board of Directors may desire.

- as a part of the original construction of improvements upon the Townhouse Lots, and any subsequent addition thereto, and placed on or adjacent to the dividing line between any such Lots shall constitute a party wall for the mutual benefit of the Owners of such Lots. To the extent not inconsistent with the provisions of this Declaration, the general rules of law regarding party walls and of liability for property damage resulting from negligence or willful acts or omissions shall apply thereto. Owners of contiguous Lots who have a party wall or party fence shall both have the right to use such wall or fence provided that such use by one Owner does not interfere with the use and enjoyment of the same by the other.
- (a) Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use.
- (b) Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any Owner who has use of the wall may restore it, and the other Owners who thereafter make use of the wall shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding negligent or willful acts or omissions.
- (c) Weatherproofing. Notwithstanding any other provision of this article, an Owner who by his negligent or willful act causes a party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements and any damages caused thereby.
- (d) Right to Contribution Runs with Land. The right of any Owner to contribution from any other Owner under this Section shall be appurtenant to the land and shall pass to such Owner's successors in title.
- (e) Structural Integrity. There shall be no impairment of the structural integrity of any party wall or party fence without the prior written consent of all Owners having an interest therein, the first mortgagees of each such Owner, and the Architectural Review Committee (as if such impairment of structural integrity were an addition, alteration or improvement).

# ARTICLE 11 MANAGEMENT

- <u>Section 11.1.</u> Management Agent. The Board of Directors may employ for the Association a management agent or manager (the "Management Agent") at a rate of compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall from time to time authorize in writing, including, but not limited to, the following:
- (a) to establish (with the approval of the Board of Directors of the Association) and provide for the collection of the annual maintenance assessments and any other assessments provided for in this Declaration and to provide for the enforcement of liens therefore in a manner consistent with the law and the provisions of this Declaration; and
- (b) to provide for the care, upkeep, maintenance and surveillance of the Common Area and community facilities; and
- (c) to designate, hire and dismiss such personnel as may be required for the good working order, maintenance and efficient operation of the Common Area and community facilities; and
- (d) to promulgate (with the approval of the Board of Directors of the Association) and enforce such rules and regulations and such restrictions or requirements, "house rules" or the like as may be deemed proper respecting the use of the Common Area and community facilities; and
- (e) to provide such other services (including legal and accounting services) for the Association as maybe consistent with law and the provisions of this Declaration.

The compensation paid to the Management Agent shall be a Common Expense of the Association. Nothing contained herein shall prohibit the Board of Directors from employing an affiliated or related entity of the Declarant as the Management Agent.

<u>Section 11.2.</u> Duration of Management Agreement. Any management agreement entered into by the Association shall provide, inter alia, that such agreement may be terminated for cause by either party upon thirty (30) days written notice thereof to the other party. The term of any such management agreement shall not exceed one (1) year; provided, however, that the term of any such management agreement may be renewable by mutual agreement of the parties for successive one (1)-year periods.

Any Management Agreement entered into while the Declarant is in control of the Association must be terminable, without cause, any time after transfer of control, on not less than thirty (30) nor more than ninety (90) days notice, and no charge or penalty may be associated with such termination.

#### **ARTICLE 12**

#### **GENERAL PROVISIONS**

Section 12.1. Common Area Responsibility. The Association, subject to the rights of the Owners as set forth in this Declaration, shall be responsible for the exclusive management and control of the Common Area and community facilities located thereon, and any property, real or personal, which the Association is delegated the responsibility for pursuant to any easement or lease agreement, and all improvements thereon (including, without limitation, furnishings and equipment related thereto, private drainage facilities and common landscaped areas), and shall keep the Common Area, facilities located thereon, and such other property in good, clean, attractive, and sanitary condition, order, and repair, pursuant to the terms and conditions hereof. The Association shall accept title to any real estate or personal property offered to the Association by the Declarant.

<u>Section 12.2.</u> Personal Property and Real Property for Common Use. The Association may acquire, lease, hold, and dispose of tangible and intangible personal property and real property, subject to the requirements of this Declaration. The Board of Directors, acting on behalf of the Association, will accept any real or personal property, leasehold, or other property interests within the Property conveyed to it by the Declarant.

<u>Section 12.3.</u> Implied Rights. The Association may exercise any other right or privilege given to it expressly by this Declaration or the Bylaws or any lease, easement or other agreement or document affecting the Association, and every other right or privilege reasonably to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege.

Section 12.4. Limitation of Liability. The Association shall not be liable for any failure of any services to be obtained by the Association or paid for out of the Common Expense funds, or for injury or damage to persons or property caused by the elements or resulting from water which may leak or flow from any portion of the Common Area or community facilities or other property within the control or supervision of the Association, or from any wire, pipe, drain, conduit or the like. The Association shall not be liable to any Member for loss or damage, by theft or otherwise, of articles which may be stored upon the Common Area or other property within the control or supervision of the Association. No diminution or abatement of assessments, as herein elsewhere provided for, shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the Common Area or other property within the control or supervision of the Association, or from any action taken by the Association to comply with any of the provisions of this Declaration or with any law or ordinance or with the order or directive of any municipal or other governmental authority.

<u>Section 12.5.</u> Enforcement. Declarant, the Association, or any Owner, or any Mortgagee of any Lot shall have the right to enforce, by any proceeding at law and/or in equity, all restrictions, conditions, covenants, reservations, easements, liens, charges or other obligations or terms now or hereafter imposed by the provisions of this Declaration, or the Articles of Incorporation or Bylaws of the Association or any rule or

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regulation promulgated by the Association pursuant to its authority as provided in this Declaration, the Articles of Incorporation or Bylaws. Failure by Declarant, the Association or by any Owner or by any mortgagee of any Lot to enforce any covenants or restrictions herein contained or any provision of the Bylaws, Articles of Incorporation or rules and regulations of the Association shall in no event be deemed a waiver of the right to do so thereafter. There shall be and there is hereby created and declared to be a conclusive presumption that any violation or breach or attempted violation or breach of any of the within covenants or restrictions or any provision of the Bylaws or Articles of Incorporation of the Association cannot be adequately remedied by action at law or exclusively by recovery of damages. If Declarant, the Association, or any Owner or Mortgagee of any Lot, successfully brings an action to extinguish a violation or otherwise enforce the provisions of this Declaration or the Articles of Incorporation or Bylaws of the Association, the costs of such action, including legal fees, shall become a binding, personal obligation of the Owner committing or responsible for such violation, and such costs shall also be a lien upon the Lot of such Owner, provided that the requirements of the Maryland Contract Lien Act are substantially fulfilled.

Without limiting the generality of the foregoing, and in addition to any other remedies available, the Association after reasonable notice, in writing, provided to the Owner, may enter any Lot to remedy any violation of the provisions of this Declaration, the Bylaws, Articles of Incorporation or rules and regulations of the Association provided, however, that the Association may not enter the interior of any dwelling unit except in an emergency. The costs of such action shall become a binding, personal obligation of the Owner otherwise responsible for such violation and shall also be a lien upon the Living Unit of such Owner.

None of the provisions of this Declaration shall obligate or be construed to obligate Declarant, or its agents, representatives or employees, to undertake any affirmative action to enforce the provisions of this Declaration or any provision hereof, or to undertake any remedial or corrective action with respect to any actual or asserted violation hereof.

- <u>Section 12.6.</u> Fines. In addition to the means for enforcement provided elsewhere herein, the Association shall have the right to levy fines against an Owner or such Owner's guests, relatives, lessees or invitees, in the manner set forth herein, and such fines shall be collectible as any other assessment such that the Association shall have a lien against the Lot of such Owner as provided in this Declaration, the Bylaws and the Articles of Incorporation and such fine(s) shall also become the binding personal obligation of such Owner.
- (a) The Board of Directors or the Architectural Control Committee shall be charged with determining whether there is probable cause that any of the provisions of this Declaration, the Bylaws, Articles of Incorporation or the rules and regulations of the Association, regarding the use of the Living Units, Lots, Common Area or other Association property, are being or have been violated. In the event that the Board of Directors or the Architectural Control Committee determines an instance of such

probable cause the Board shall provide written notice to the person alleged to be in violation, and the Owner of the Lot which that person occupies or is visiting if such person is not the Owner, of the specific nature of the alleged violation and of the opportunity for a hearing before the Board of Directors upon a request made within five (5) days of the sending of the notice. The notice shall also specify, and it is hereby provided, that each recurrence of the alleged violation or each day during which it continues shall be deemed a separate offense, subject to a separate fine not to exceed a reasonable amount established by the Board for each offense. The maximum amount of the fine for each violation shall be One Hundred Dollars (\$100.00) with a cumulative fine for recurrence of the violation not to exceed Five Hundred Dollars (\$500.00). The notice shall also specify, and it is hereby provided, that in lieu of requesting a hearing, the alleged violator or Owner may respond to the notice within five (5) days of its sending, acknowledging in writing that the violation occurred as alleged and promising that it will henceforth cease and will not recur, and that such acknowledgment and promise, and performance in accordance therewith, shall terminate the enforcement activity of the Association with regard to such violation.

- (b) If a hearing is timely requested, the Board of Directors or the Architectural Control Committee shall hold the same, and shall hear any and all defenses to the charges, including any witnesses that the alleged violator, Owner or the Board of Directors may produce. Any party at the hearing may be represented by counsel.
- (c) Nothing herein shall be construed as a prohibition of or limitation on the right of the Association to pursue any other means of enforcement of the provisions of this Declaration, the Bylaws, Articles of Incorporation or rules and regulations of the Association, including, but not limited to, legal actions for damages or injunctive relief.

Section 12.10. Changes and Modifications by Declarant. The Declarant shall have the right, for a period of fifteen (15) years following the date of recordation of this Declaration, without the consent of the Members of the Association or any other party, to modify, amend or change any of the provisions of this Declaration as the Declarant may deem necessary or desirable to correct errors or omissions herein. Subject to the provisions of Section 2.2 above, all other amendments to this Declaration shall require the approval of seventy-five percent (75%) percent of each class of the then Members of the Association, unless a smaller percentage is hereafter permitted by Maryland law, and no amendments may be made to any rights granted or reserved to Declarant without consent of Declarant. Notwithstanding the foregoing, until the date of transfer of a Lot with a completed Living Unit to a purchaser for value (not a Builder), Declarant shall have the right, subject to the approval of each Builder that is a Class A Member, such approval not to be unreasonably withheld, conditioned or delayed, but without the consent of any other Members of the Association or any other party, to modify, amend or change any of the provisions of this Declaration as the Declarant may deem necessary or desirable.

Section 12.11. Casualty Losses. In the event of substantial damage or

destruction to any of the Common Area or the community facilities located thereon, the Board of Directors of the Association shall give prompt written notice of such damage or destruction to the Eligible Mortgage Holders who hold First Mortgages of record on the Lots or Condominium Units. No provision of this Declaration or the Articles of Incorporation or the Bylaws of the Association shall entitle any Member to any priority over the holder of any First Mortgage of record on his or her Lot with respect to the distribution to such Member of any insurance proceeds paid or payable on account of any damage or destruction of any of the Common Area.

<u>Section 12.12.</u> Condemnation or Eminent Domain. In the event any part of the Common Area is made the subject matter of any condemnation or eminent domain proceeding, or is otherwise sought to be acquired by any condemning authority, then the Board of Directors of the Association shall give prompt written notice of any such proceeding or proposed acquisition to the Eligible Mortgage Holders who hold First Mortgages of record on the Lots. No provision of this Declaration or the Articles of Incorporation or the Bylaws of the Association shall entitle any Member to any priority over the holder of any First Mortgage of record on his or her Lot with respect to the distribution to such Member of the proceeds of any condemnation or settlement relating to a taking of any of the Common Area.

<u>Section 12.13.</u> Notice to Eligible Mortgage Holders. The Association shall give prompt written notice to each Eligible Mortgage Holder of (and each Owner hereby consents to, and authorizes such notice):

- (a) Any condemnation loss or any casualty loss which affects a material portion of the Common Area or any Lot subject to a First Mortgage or security interest held, insured, or guaranteed by such Eligible Mortgage Holder.
- (b) Any delinquency in the payment of Common Expense assessments or charges owed by an Owner whose Lot is subject to a First Mortgage or security interest held, insured, or guaranteed, by such Eligible Mortgage Holder which remains uncured for a period of sixty (60) days.
- (c) Any lapse, cancellation, or material modification of any insurance policy or fidelity coverage maintained by the Association.

To be entitled to receive notice of the foregoing, the Eligible Mortgage Holder must send a written request to the Association, stating both its name and address and the Lot and Block designation or address of the Lot on which it has (or insures or guarantees) the mortgage. Any Eligible Mortgage Holder or mortgagee who is notified of any matter for which it is entitled to notice as provided herein (such notice to be delivered by certified or registered mail, return receipt requested), and which fails to respond within thirty (30) days of receipt of such notice shall be deemed to have consented, if applicable, to the matter of which the Eligible Mortgage Holder or mortgagee was provided notice.

Section 12.14. Declarant's Power of Attorney. Notwithstanding any provision to the contrary contained in the Articles of Incorporation or Bylaws of the Association or this Declaration, the Declarant hereby reserves for itself, its successors, transferees and assigns, for a period of fifteen (15) years from the date the first Lot is conveyed to a Class A Member, or until it conveys title to the last Lot, whichever occurs first, the right to execute on behalf of all contract purchasers, Owners, Eligible Mortgage Holders, mortgagees, and other lien holders or parties claiming a legal or equitable interest in any Lot or Common Area, any such agreements, documents, amendments or supplements to this Declaration, the Articles of Incorporation and Bylaws of the Association (the "Documents"), which may be required by FNMA, FHA, VA, FHLMC, GNMA, Baltimore City, Maryland, any governmental or quasigovernmental agency or authority having regulatory jurisdiction over the Association, any public or private utility company designated by the Declarant, or as may be required to comply with the Fair Housing Acts, to comply with the Act, to comply with any other applicable laws or regulations

- (a) By acceptance of a deed to any Lot, or by the acceptance of any other legal or equitable interest in the Lots or Common Area, each and every such contract purchaser, Owner, Eligible Mortgage Holder, mortgagee or other lien holder or party having a legal or equitable interest in any Lot or Common Area does automatically and irrevocably name, constitute, appoint and confirm Declarant, its successors, transferees and assigns, as attorney-in-fact for the purpose of executing such agreement, document, amendment, supplement and other instrument(s) necessary to effect the foregoing subject to the limitations set forth herein.
- (b) No such agreement, document, amendment, supplement or other instrument which adversely affects the value of a Lot, or substantially increases the financial obligations of an Owner, or reserves any additional or special privileges for the Declarant not previously reserved, shall be made without the prior written consent of the affected Owner(s) and all owners of any mortgage(s) encumbering the Lots owned by the affected Owner(s). Any such agreement, document, amendment, supplement or instrument which adversely affects the priority or validity of any mortgage which encumbers any Lot or Common Area shall not be made without the prior written consent of the owners of all such mortgages.
- (c) The power of attorney aforesaid is expressly declared and acknowledged to be coupled with an interest in the subject matter hereof and the same shall run with the title to any and all Lots and Common Area and shall be binding upon the heirs, personal representatives, successors, transferees and assigns of any of the foregoing parties. Further, said power of attorney shall not be affected by the death or disability of any principal and is intended to deliver all right, title and interest of the principal in and to said power of attorney. Said power of attorney shall be vested in the Declarant, its successors, transferees and assigns until the initial conveyance of all Lots and Common Area planned to be annexed within the jurisdiction of the Association or the expiration of same.

<u>Section 12.15.</u> Taxes and Assessments. It is the intent of this Declaration that insomuch as the interests of each Owner to use and enjoy the Common Area (and any other property to which such Owner may have a right of use and enjoyment) is an interest in real property appurtenant to each Lot, the value of the interest of each Owner in such Common Area (or other property) shall be included in the assessment for each such Lot and as a result, any assessment directly against such Common Area (or other property if the Association is responsible for the real estate taxes levied thereon) should be of a nominal nature reflecting that the full value of the same should be included in the several assessments of the various Lots.

<u>Section 12.16.</u> Successors of Declarant. Any and all rights, reservations, easements, interests, exemptions, privileges and powers of the Declarant hereunder, or any part of them, may be assigned and transferred (exclusively or non-exclusively) by the Declarant by an instrument, in writing, without notice to the Association. Any such assignment or transfer may be evidenced by an appropriate instrument duly executed by Declarant and recorded among the Land Records; and upon recordation thereof, the transferee or transferees of such rights and powers shall thereupon and thereafter have the right to exercise and perform all of the rights and powers so assigned and transferred by such instrument, in lieu of Declarant, upon and subject, however, to such limitations, conditions, reservations and provisions that may be imposed by or set forth in such instrument or assignment or transfer. No such assignment or transfer shall arise by implication.

<u>Section 12.17.</u> No Dedication to Public Use. Nothing herein contained shall be construed as a dedication to public use or as an acceptance for maintenance of any Common Area or community facilities by any public or municipal agency, authority, or utility and no public or municipal agency, authority or utility shall have any responsibility or liability for the maintenance or operation of any of the Common Area or community facilities.

<u>Section 12.18.</u> Incorporation by Reference on Resale. In the event any Owner sells or otherwise transfers any Lot, any deed purporting to effect such transfer shall contain a provision incorporating by reference the covenants, restrictions, servitudes, easements, charges and liens set forth in this Declaration.

<u>Section 12.19.</u> Declarant Reserved Rights. No amendment to this Declaration, the Bylaws or the Articles of Incorporation may remove, revoke, or modify any right, reservation or privilege of the Declarant without the prior written consent of the Declarant or any successors or assignees.

<u>Section 12.20.</u> Perpetuities. If any of the covenants, restrictions, or other provisions of this Declaration shall be unlawfully void, or voidable for violation of the rule against perpetuities, then such provision shall continue only until twenty-one (21) years after the death of the last survivor of the now living descendants of Elizabeth, II, Queen of England.

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<u>Section 12.21.</u> Captions and Gender. The captions contained in this Declaration are for convenience only and are not a part of this Declaration and are not intended in any way to limit or enlarge the terms and provisions of this Declaration. Whenever the context so requires, the male shall include all genders and the singular shall include the plural.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the undersigned, being the DECLARANT herein, has executed this instrument this \( \sum \frac{1}{2} \) day of January, 2012.

WITNESS:

DECLARANT:

GREEKTOWN LLC,

a Maryland limited liability company

By:

Name: Robert C. Vettle

Title: \( \text{Manager} \)

STATE OF VIRGINIA , to wit:

I HEREBY CERTIFY that on this 18th day of January, 2012, before me, a Notary Public in and for aforesaid jurisdiction, personally appeared Robert C. Kuther known to me (or satisfactorily proven) to be the Manager of GREEKTOWN, LLC, a Maryland limited liability company, and that such person, being authorized to do so, executed the foregoing instrument on behalf of such limited liability company for the purposes therein contained.

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



Notary Public

My Commission Expires: 12/31/2014

#### ATTORNEY CERTIFICATION

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

Patrick M Martyn, Esquire

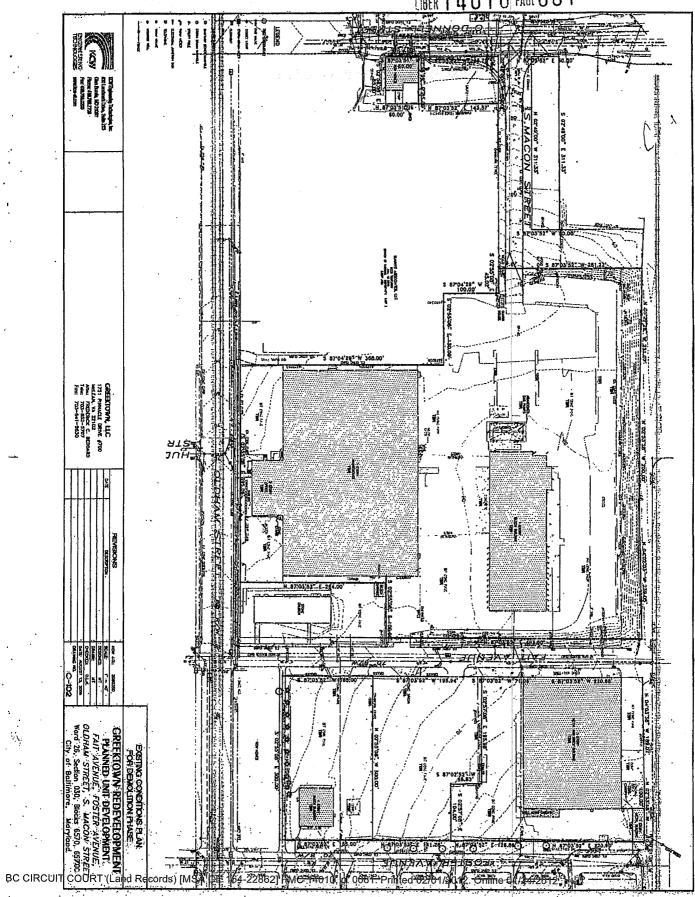
MER 14010 PARCO 60

## Exhibit "A"

**DESCRIPTION OF PROJECT** 

O'DONNELL SQUARE BALTIMORE CITY, MARYLAND

LIBER 14010 PAGE 061



## Exhibit "B"

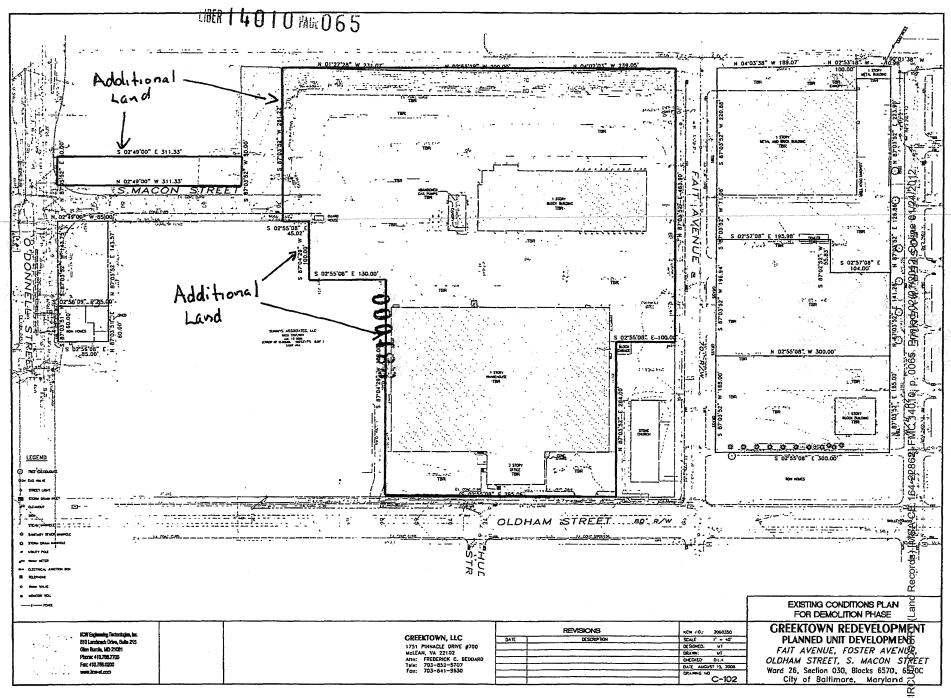
### **DESCRIPTION OF PROPERTY**

BC CIRCUI

#### Exhibit "C"

#### PROPERTY SUBJECT TO FUTURE ANNEXATION

4839-5638-3246, v. 2



BC CIR

000182