

A decorative graphic on the right side of the page features three overlapping circles in various shades of blue. Two thin blue lines intersect at the top right, forming a triangular shape that frames the circles. The circles are arranged in a descending staircase pattern from top right to bottom right.

# Carrolltowne Home Owner's Association

Introduction, General Information, Declaration of  
Covenants, Easements, Charges and Liens and  
associated documents

Carrolltowne Home Owner's Association  
PO Box 463  
Eldersburg, MD 21784

**August 2021**

## **Contents**

Introduction .....	3
Our Carrolltowne Neighborhood.....	4
The History of Carrolltowne.....	5
Good Neighbors Keep Good Neighbors.....	6
Summary of the Architectural Covenants of the Carrolltowne Association, Inc. ....	7
Declaration of Covenants, Easements, Charges and Liens .....	11
Definitions.....	13
Name.....	15
Lots and Commons .....	15
The Association .....	17
Ownership of, and rights in, the Commons .....	18
Assessments .....	21
Expansion of the Community .....	25
Architectural Committee and control.....	26
Use of Lots.....	33
Rights of Mortgagees.....	35
General.....	36
Amendments.....	40
Declaration and Grant of Easements .....	61
The Carrolltowne Association, Incorporated By-Laws .....	86

## **Introduction**

Welcome to Carrolltowne!

The Carrolltowne Homeowner's Association would like to welcome you to the area, and thank you for choosing to become a part of our neighborhood. The Carrolltowne Subdivision is a planned community of 259 homes in Eldersburg, Maryland. It is conveniently located off Liberty Road, next to a branch of the Carroll County Public Library. Carrolltowne Elementary School is walking distance from all the homes. Oklahoma Middle School is less than a mile away and Liberty High School is about two miles away.

The Carrolltowne Homeowners Association was established, certified and documented with the Register of Deeds on June 3, 1977. The purpose of the Association is to help maintain and preserve the value of the properties within Carrolltowne, while maintaining a pleasurable place to live.

To maintain the quality of our neighborhood, the covenants and bylaws govern Carrolltowne. To help summarize the covenants, included in this PDF is a "Summary of Architectural Covenants" which answers the most common questions to assist in your future planning. Authorized construction and changes to the existing residence is subject to final approval by the approval by the board or architectural committee.

Home ownership in Carrolltowne automatically makes you a member of the Carrolltowne HOA. This is an HOA set up specifically to maintain the common areas that make Carrolltowne an attractive place to live. These include a children's playgrounds and a large storm water management field.

We invite you to visit our website: <https://carrolltownehoa.communitysite.com/> for more information. The association also has a Facebook page. The board has quarterly meetings at the Eldersburg Public Library. We invite you to join us and become involved. Please note the correct post office box is listed on the first page of this PDF. Please disregard any other post office box numbers referenced in this document.

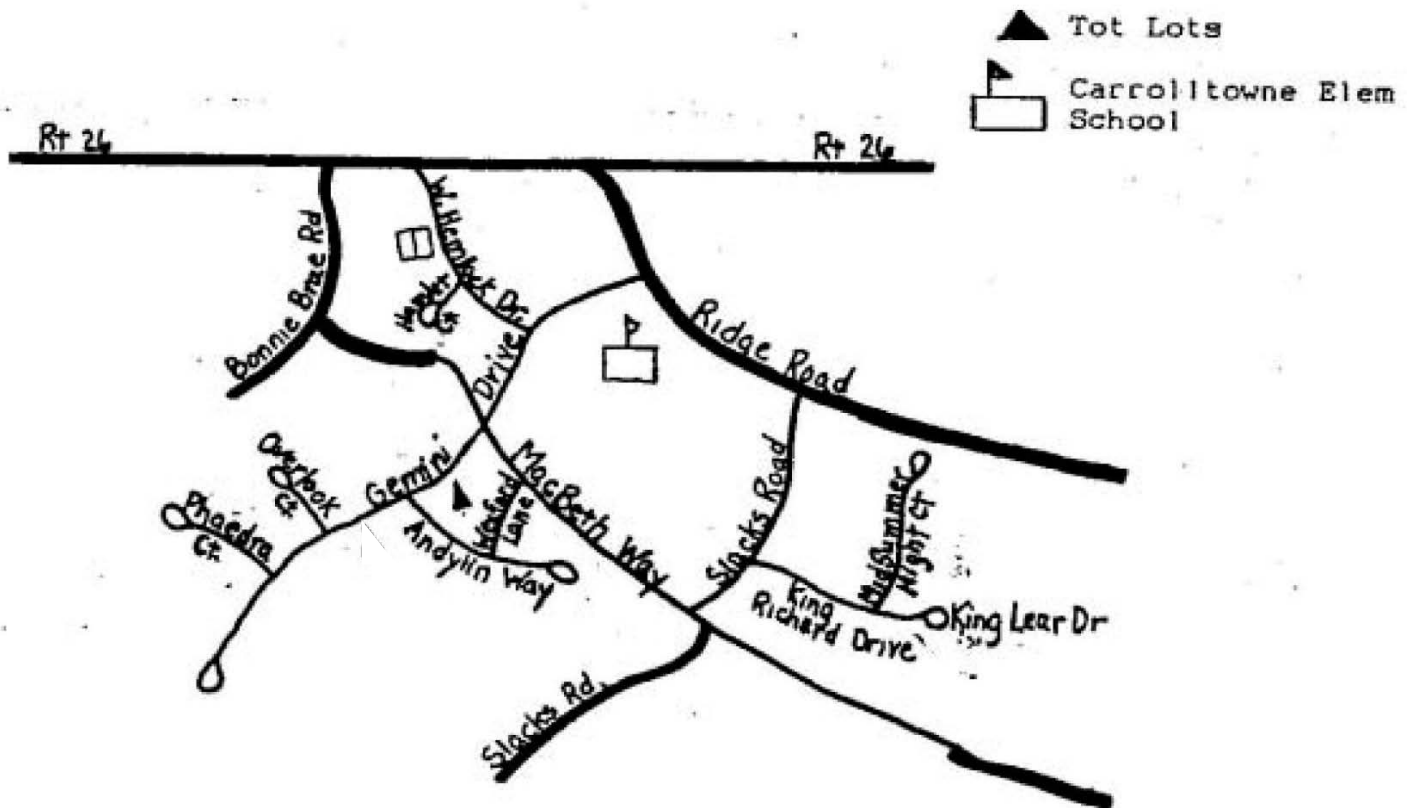
We hope you find our neighborhood a great place to live. We look forward to meeting you, and encourage your participation in our activities and functions at Carrolltowne.

## Our Carrolltowne Neighborhood

The following map details our Carrolltowne neighborhood which include MACBETH WAY from BONNIE BRAE's boundaries to the BRIMFIELD neighborhood sign. The neighborhood includes only that portion of SLACKS ROAD from RIDGE ROAD to MACBETH WAY. All the streets in Carrolltowne are indicated on the map. The bold-lined streets are not part of Carrolltowne.

The Development also has one tot lot (playgrounds). The GEMINI-ANDYLIN-WEXFORD tot lot, has two marked pathways; one is off WEXFORD LANE and bordered by two rows of bushes; the other is off ANDYLIN WAY and is a flagstone pathway.

The playgrounds at Carrolltowne Elementary School are also available for our community to use. There is a blacktop path off MACBETH WAY leading to the back of the school and a blacktop path off SLACKS ROAD leading to the side of the school building.



## **The History of Carrolltowne**

The 190 acres which is now known as Carrolltowne was formerly part of the rural countryside in Southern Carroll County. Almost the entire property was crop land, primarily cornfields, and had been actively farmed for many years.

Dr. Phillips, a prominent local dentist, sold his land in the early 1970's to a joint venture consisting of Commercial Credit Development Corporation and a local shopping center developer. The purchase price was approximately \$5,000 per acre. The joint venture successfully rezoned the property to a PUD (planned unit development) based on the concept of a totally planned community with open space, retail, and various residential uses. The rezoning was not without opposition as the neighboring communities were suspicious about the type and quality of housing that Carrolltowne would bring.

A condition of the rezoning was the dedication of the 20-acre elementary school site and reservation of the police and fire station site at the corner of West Hemlock and Liberty Road. Although there has been no fire station erected, the Carrolltowne Elementary school was opened in 1976 and a joint library branch and satellite county office building were built in 1984.

The original joint venture split up shortly after the rezoning. In settlement, Commercial Credit took all the residential land in Carrolltowne, and its partner took the 33 acres of commercial land.

The first phase of the Carrolltowne Mall was begun shortly after the school. The second phase, which included K-Mart, opened just before Christmas 1978.

The first residential activity in Carrolltowne was begun in August 1977, in which 55 lots were recorded, developed and sold to Washington Homes. A second group of 58 lots were sold to the Ryland Group, Inc. The third section of homes was started in the spring of 1979 with some of these being developed by Stevens Homes, Peach Realty, and Masonry Contractors. The remaining section II Parcel of 56 lots was developed by Security Development in 1988. On the other side of Ridge Road are 45 acres of land designated for a high density residential community. A 40 unit townhouse rental project was erected in 1986.

Our community stands as an example of cooperation, dedication, and activism in Southern Carroll County. Our residents are active in all concerns facing our county now and in the future. From our many voices which are heard at County Budget hearings and other current local concerns, you will find that belonging to the Carrolltowne Community Association draws respect from the administrators of the Carroll County Government.

## **Good Neighbors Keep Good Neighbors**

To maintain a desirable community, it is extremely important that the residents uphold certain responsibilities which are assumed when one takes ownership. No matter which window you may look from, you will always have the view of either front or rear of your neighbors' houses. They will be looking at yours also. How's the view?

Every season brings new delights and old annoyances. Here is a check list to help you present a pleasant facade to the neighborhood.

### **FALL**

Where are your leaves and shrub trimmings? Yard waste can be bagged or bundled for removal by the trash company. Burning leaves is not allowed in Carroll County. Lawn sparse? Fall is the best time to plant new grass seed. Trim needs painting? Don't wait until the wood rots. A good coat of paint every 4-5 years protects your investment and will make you "house proud." Don't neglect broken windows.

### **WINTER**

It snowed last night? Get busy and remove the snow from your walk and in front of your house. Snow should be removed from sidewalks within 24 hours or you may be fined by the county. Children going to and from school should NOT be forced to walk in the icy streets. The law makes no exceptions, so make necessary arrangements if you plan to go away. Most important, when shoveling walks and parking spaces, do not throw snow into the street. Pile it on your lawn and you will get your reward next spring. Be a good sport and clear the entire width of the walk, not just a narrow path.

### **SPRING**

It's April 15th, do you know where your children are? Could they be playing field hockey on some else's new lawn -- trampling the young tulips, smashing into delicate dogwood saplings and snapping them off. Talk to your children and remind them to respect other's property.

### **SUMMER**

School is out! Windows are open. Sounds carry -- do what you can to keep down the noise. Neighbors cooking out? Are you considerate enough to not be using a power mower, hammering the screen door or tuning the sports car directly beside their grill? Do your neighbors love your pets? They will if you train them and keep your yard clean. Neighbors who don't have dogs aren't too happy with neighbors who have barking dogs, especially early in the morning.

**WINDY?** Wind blown trash accumulates in every season; be ready to pick up your share daily.

**PARKING PROBLEMS? BE FAIR.** We would all like to park directly in front of our house.

**FEEDING THE BIRDS?** Have a proper feeder so you won't be feeding rats.

**REMEMBER, GOOD NEIGHBORS KEEP GOOD NEIGHBORS.**

## Summary of the Architectural Covenants of the Carrolltowne Association, Inc.

### PURPOSE

Filed in the land records of Carroll County is the "Declaration of Covenants, Easements, Changes, and Liens" for our properties. One way these Covenants affect us is that they limit the things we can do to the exterior of our properties without prior approval of the Architectural Committee of the Homeowner's Association (essentially ourselves). The Covenants also set down, in legal terms, things that we are not allowed to do at all.

The purpose of these guidelines is to translate our legal do's and don'ts into plain English for the residents of Carrolltowne. To develop these guidelines, our Architectural Committee reviewed the Covenants. The Architectural Committee and the Board of Directors (your neighbors) want to ensure that everyone has as much freedom as possible to use and improve their properties, and to help keep Carrolltowne the attractive community it has always been.

### IMPROVEMENTS ALLOWED - NO ADVANCE APPROVAL REQUIRED

The Architectural Committee has developed the following list of improvements that can be made without requesting the Committee's prior approval. These improvements must be constructed and located just as they are stated; otherwise the Architectural Committee must be contacted before starting work. Remember... as the property owner, you are responsible for applying for, paying for, and properly displaying all necessary Carroll County building permits for the proposed improvements. THIS DOCUMENT IS NOT A BUILDING PERMIT.

- Storage sheds with less than 150 square feet of floor space, swing sets, sandboxes, decks, and patios, if;
  - They are located in the rear yard area, behind the line running along the back wall of the house, *and*
  - They are constructed and colored to be compatible with the exterior of the house, with the exception of children's play equipment.
- Exterior painting, and roof replacements, if compatible with existing exterior colors of the house, *and* the exterior colors of adjacent houses. If you live in a semidetached home, you *must* contact the Architectural Committee *before* changing any exterior color.
- Vegetable gardens if,
  - they are located in the rear yard area of the property and do not extend beyond the side sight lines of the house, *and*
  - are neatly maintained, weeded and not over 250 square feet in area.
- Rock gardens, if the rocks are left in their natural colors.
- Fences, if
  - They are located in the rear yard area of the property, behind the line running along the back wall of the house, *and*
  - they are not higher than four feet (4') *and*
  - they are constructed of wood.
- Short sections of ornamental wooden fence in the front corners of properties.
- Hedges or plantings used to form a property divider are permitted if neatly trimmed and maintained, and are located along the rear and side property lines only, and do not extend farther forward on the property than a line running along the front wall of the house.
- Standard sized TV antennas attached to the house. The Telecommunications Act passed by Congress removes the previous restrictions on satellite dish-type antennas, up to thirty-nine inches or one meter (39" or 1m) which previously existed in the Covenants. Dishes larger than thirty-nine inches (39") are still prohibited. When installing such dishes, the Committee asks that every possible

effort be made to minimize the visual impact of the installation to the neighboring properties and passers-by, and that the installation be made as far to the rear of the property as possible without degradation of signal reception.

- Basketball backboards, if attached to the garage, carport, the rear wall of the house, or adjacent to the parking pad or driveway.

### *IMPROVEMENTS WHICH ARE GENERALLY ALLOWED, FOR WHICH ADVANCE APPROVAL IS REQUIRED*

Any improvements other than the ones described in the preceding section above must be approved in advance. Some examples of the types of improvements that require advance approval are, but not limited to;

- Driveways and parking pads, including the widening of existing facilities
- Fireplaces
- Garages
- Permanent barbecues
- Swimming pools, three feet or greater in depth, whether above or below ground
- ALL OTHER EXTERIOR BUILDING ALTERATIONS OR ADDITIONS WHICH ARE VISIBLE FROM THE OUTSIDE OF THE HOUSE.

To request approval of a proposed improvement you must submit the following information to the Architectural Committee. Please remember when submitting your requests that the Committee meets monthly, and although emergency decision are sometimes possible, sufficient time should be allowed for the Committee to evaluate your request.

- Rough or hand drawings and/or a copy of your site survey (do not send us the original) showing the dimensions of the improvement for which the approval is requested and its location relative to the owner's dwelling, to the boundaries of the lot on which it is to be built, and its location relative to any improvements on adjacent lots, *and*
- A description of the material to be used in constructing or installing such improvements, *and*
- The colors of such improvements, *and*
- Any other pertinent information needed by the Architectural Committee in its consideration of such request.

Requests for approval can be sent to The Carrolltowne Association, Inc. PO Box 463, Eldersburg, Maryland 21784, or given to any member of the Architectural Committee or the Board of Directors.

### DISALLOWED IMPROVEMENTS

The following types of improvements are NOT permitted in the Covenants and will **NOT** be approved;

- Awnings of any type or description, other than on the rear wall of the house.
- Chain link fences
- Exterior clotheslines of any type or description, whether temporary or permanent.
- Plastic or artificial yard ornaments and decorations in front yard areas; including but not limited to such things as plastic geese, pink flamingos, religious statuary, cement deer, trolls, etc.
- Dish antennas larger than thirty-nine inches or one meter (39' or 1 m), and other oversized television or radio antennas whether attached to the house or free standing, such as amateur radio antennas.
- More than one storage shed per residence.



## OTHER PROHIBITED USES OF A NON-IMPROVEMENT NATURE

Our association Covenants also include some “prohibited uses” for which the Architectural Committee is responsible for overseeing. Like the other architectural guidelines, these were established to help maintain and to enhance the appearance and value of Carrolltowne homes. Any exemptions to these uses must be approved by the Architectural Committee and the Board of Directors. *Since these restrictions are largely based upon the Carroll County zoning laws, exemptions from them would be extremely doubtful and very difficult to obtain.*

- Each home is to be used as a SINGLE FAMILY residence. Absolutely no professional or commercial use is permitted.
- All structures must be kept in good repair and appearance. Each home must maintain a lawn of no longer than four inches (4”) in length and landscaping must be kept neatly maintained.
- When improvements are undertaken, all building materials and refuse must be kept out of sight and odor-free.
- No “wild” or “barnyard animals or fowl may be kept on any property. No more than two dogs and/or cats may be kept in a single Dwelling or on a lot.
- Absolutely NO house trailer, trailer, camper, camping trailer, boat, boat trailer, or truck (other than pickup or van) may be parked on any lot, driveway, parking pad, street or parking area within the boundaries of the Carrolltowne community.
- No unlicensed vehicle, or vehicle with expired tags may be kept on any lot, driveway, parking pad, street or parking area within the boundaries of the Carrolltowne community.
- No vehicle may be habitually parked on portions of a Carrolltowne lot other than the driveway, parking pad, or street. Ample provisions exist for driveway enlargements, and vehicles parked on lawns seriously detract not only from the appearance of your own property, but from the overall appearance of the community.
- The use of any Carrolltowne property in such a way as to constitute a nuisance as to community as a whole is prohibited. This prohibition includes but is not limited to; maintaining compost or refuse piles which emit noxious odors, loud and offensive parties and behaviors, failure to remove pet waste and to dispose of the same in a sanitary manner, and similar activities.
- The storage of any time of lumber, metals, masonry, or other such bulk materials upon any Carrolltowne property is prohibited, except such building or bulk materials which are then currently being employed in the construction of approved additions or improvements to the property. Such materials are to be immediately removed upon conclusion of said construction.

## **WHAT HAPPENS WHEN COVENANT VIOLATIONS ARE REPORTED OR SEEN. AND THE LEGAL RIGHTS OF THE ARCHITECTURAL COMMITTEE AND THE CARROLLTOWNE ASSOCIATION TO CORRECT THEM?**

Most covenant violations are seen from the public roads and sidewalks, and thus do not require a close inspection by a member of the Architectural Committee or the Board of Directors. Some violations however are maintained upon properties in areas which cannot be easily seen from public areas, and do require inspection. The Covenants of the Association grant the legal right to any agent of the Association to enter upon any property for the purposes of inspection of suspected Covenant violations and the exteriors of Dwellings, after having provided the property owner with written notice of their intention not earlier than five (5) days prior to the date of inspection.

If covenant violations are in fact present on a property, the Architectural Committee will advise the property owner (or the resident tenant) in writing of such violations, and the property owner (or the resident tenant) shall then have fifteen (15) days to remove any violations, or cease any prohibited activities, so as to terminate the violation.

If, after the fifteen (15) day period is over, the violations have not been removed, or reasonable steps are not in evidence of the owner's (or tenant's) attempts to remove or cease such violations, then any agent of the Association may enter upon such property and take such steps as may be necessary to terminate such violations. The owner of the property shall be held personally liable to the Association for any costs of such action being taken. In other words, if the Association has to pay for the removal of a junk car (for instance), then the Association will generate a lien against the property in the same way a lien would be taken if the property owner didn't pay the Association dues.

So much for the legal rights of the Association and its officers. Fortunately, these are worst-case scenarios, and over the years there has evolved a neighborly approach to solving Covenant violations. When violations are seen by, or brought to the attention of, the Architectural Committee, a member of the Committee visits the property owner or the tenant of the property, and informs them in what we hope is a reasonable and neighborly way of the problem. Generally situations are corrected after that visit, and the matter ends happily. Sometimes however the committee must send a written notice of a Covenant violation, and this is done after about two or three weeks after the initial visit. That letter gives the owner or tenant fifteen (15) days specified in the Covenants to correct the violation. If, after 15 days have elapsed, and in violation is still present, and no effort has been made to correct it, or the owner or tenant has made it clear that such action will not be taken, then the Committee send one final letter, written in slightly stronger terms to the owner or tenant, granting them a grace period of five (5) additional days to correct the violation. This letter informs the owner or tenant that the issue will be referred to the Board of Directors for further action should they persist in the maintenance of the violation. The Board of Directors may, at their discretion, vote to take full legal action allowed by the Covenants against the property owner or tenant, as described above.

**These guidelines are for the benefit of all members of the Carrolltowne Association and the Architectural Committee reserves the right to waive, modify, or supplement them as it deems in the best interest of our Association members.**

**THE ARCHITECTURAL COMMITTEE  
THE CARROLLTOWNE ASSOCIATION, INC.**

<sup>1</sup>CARROLLTOWNE

**DECLARATION OF COVENANTS, EASEMENTS, CHARGES AND LIENS**

Exhibits

- A. Description of Parcel I
- B. Schedule of Lots contained within Parcel I
- C. Description of Parcel II

---

<sup>1</sup> Liber 668 page 685

<sup>2</sup>CARROLLTOWNE

DECLARATION OF COVENANTS,  
EASEMENTS, CHARGES AND LIENS

THIS DECLARATION OF COVENANTS, EASEMENTS, CHARGES AND LIENS, made this 2nd day of June 1977, by COMMERCIAL CREDIT DEVELOPMENT CORPORATION, a corporation organized and existing under the law of Delaware, having an address at 300 St. Paul Place, Baltimore, Maryland 21202 (hereinafter referred to as "the Developer").

WITNESSETH, THAT WHEREAS the Developer is the owner of all of that land, situate and lying in Carroll County, Maryland, which is hereafter more particularly described, and which has been subdivided into the residential lots and common areas which are hereinafter referred to, together with the improvements thereon and the appurtenances thereto; and

WHEREAS the Developer intends to create upon the said land a residential community consisting of the said residential lots and common areas, the latter containing such common improvements and other facilities for the benefit of such community as are hereinafter more particularly described; and

WHEREAS the Developer intends by this Declaration to provide for the preservation of the values and amenities in such community and for the maintenance of such common areas, common improvements and other facilities, (a) by insuring the proper use and appropriate development and improvement of such residential lots and common areas; (b) by protecting the respective owners of such residential lots and common areas against any development or other use of any<sup>3</sup> of the same in any manner which may depreciate their value; (c) by guarding against the erection upon any of such residential lots and common areas of any building or other improvement constructed through the use of improper or unsuitable materials; (d) by securing and maintaining proper setbacks of such buildings or other improvements from the roadways and sidewalks which are contained within such community; (e) by enforcing high standards of maintenance and operation of such common areas, common improvements and other facilities for the benefit of the owners of such residential lots and of any other residents of such community, and (f) by granting and reserving rights, easements and other privileges, and providing a means for the accumulation and use of funds, to further the aforementioned purposes, all in order to provide adequately for a residential community of the highest quality and character; and

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

WHEREAS the Developer desires to reserve the right, to be exercised at the Developer's sole discretion,<sup>4</sup> (subject to the approval of the Carroll County Planning and Zoning Commission), to subject additional tracts of land, together with the improvements thereon and the appurtenances thereto, to the operation and effect of such covenants, easements, charges and liens, and thereby to expand the land, improvements and appurtenances which are hereby subjected to the same.

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

---

<sup>2</sup> Liber 668 Page 686

<sup>3</sup> Liber 668 Page 687

<sup>4</sup> Liber 668 Page 688

described in Exhibit A hereto, the outlines of which have been set forth on that certain plat prepared by Century Engineering, Inc., entitled "Carrolltowne, Section 1A", dated January 7, 1977, and intended to be recorded among the Land Records of the said County simultaneously with the recordation there among of this Declaration.

TOGETHER WITH all of the improvements thereon and all of the rights, alleys, ways, waters, privileges, appurtenances and advantages, to the same belonging or in any way appertaining (all of which tract, improvements and appurtenances are hereinafter referred to collectively as Parcel 1").

SUBJECT TO the operation and effect of any and all instruments which have been recorded among the said Land Records prior to the recordation there among of this Declaration.

UPON THE TERMS and subject to the conditions which are hereinafter set forth:

## Definitions

<sup>5</sup>Section I. Definitions.

(a) (i) As used in the provisions of this Declaration, each of the following terms shall be deemed to have the meaning which is hereinafter in this Section ascribed to it:

(1) "Annual Assessment" shall have the meaning which is ascribed to it by the provisions of section 6(b) hereof.

(2) "the Architectural Committee" shall mean the entity which is referred to in the provisions of Section 8 hereof.

(3) "Assessment" shall mean an Annual Assessment or a Special Assessment.

(4) "Assessment Lien" shall mean a lien created and existing pursuant to the provisions of Section 6(d) hereof.

(5) "the Association" shall mean the entity which is referred to in the provisions of Section 4 hereof.

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

(7) "the Board of Directors" shall mean the board of directors of the Association.

(8) "Builder" shall mean each person who acquires a Lot from the Developer or from another Builder not for the purpose of occupying such Lot as a residence, but for the purpose of, in the ordinary course of such person's business, constructing one or more Dwellings upon such Lot and selling or leasing such Dwelling or Dwellings to another person for such other person's occupancy thereof as a residence.

(9) "By-Laws" shall mean the by-laws of the Association, as from time to time amended.

(10) "the Code" shall mean the Annotated Code of Maryland (in each instance of reference whichever edition shall contain the most recent codification of the statute to which reference is made), as from time to time amended.

(11) "the Commons" shall have the meaning which is ascribed to it by the provisions of section 3 hereof.

(12) "the Community" shall mean the aggregate of (A) Parcel I and (B) each Future Parcel which, at the time with respect to which reference is made, has been included<sup>6</sup> within the Community through an expansion thereof pursuant to the provisions of Section 7 hereof.

(13) "the Community Plat" shall mean the record plat hereinabove referred to, together with any amendatory plat thereto which at any time hereafter has become effective pursuant to the provisions of this Declaration and applicable law.

(14) "Contract Purchaser" shall mean any person who has entered into a contract (other than a land installment contract, as that term is defined by the provisions of title 10, section 10-101(b) of the Real Property Article of the Code, which at such time has been recorded among the Land Records) which, at the time with respect to which reference is made, entitles such person to purchase

---

<sup>5</sup> Liber 668 Page 689

<sup>6</sup> Liber 668 Page 690

a Lot from the Developer, a Builder or any other owner, but who does not hold the legal title of record to such Lot.

(15) "the Conversion Period" shall have the meaning which is ascribed to it by the provisions of Section 4 hereof.

(16) "this Declaration" shall mean this instrument, as from time to time amended.

(17) "Dedicated Roadway Area" shall mean each of those portions of either the land described in Exhibit A hereto or of any Future Parcel which, by the Community Plat or otherwise, are dedicated to the said county or any other governmental body having jurisdiction over the Community, either (i) prior to or simultaneously with the recordation of this Declaration among the Land Records, or (ii) thereafter pursuant to the provisions of Section 5 hereof.

(18) "the Developer" shall mean (A) the person who is hereinabove named as such, (B) such person's heirs, personal representatives and successors, (C) each person to whom such named person or any other person who is the Developer has expressly assigned his rights as the Developer hereunder in the manner set forth in the provisions of section 11(b) hereof, and (D) each such assignee's heirs, personal representatives and successors; provided, that no Owner, Builder, Mortgagee, Lessee or Contract Purchaser shall, merely by virtue of its status as such, be deemed to be the Developer.

(19) "Dwelling" shall mean a "dwelling", as that term is defined by the provisions of Section 20.11 of the zoning ordinance of the said County, as amended from time to time.

(20) "Future Parcel" shall have the meaning which is ascribed to it by the provisions of Section 7 hereof.

(21) "the General Commons" shall have the meaning which is ascribed to it by the provisions of Section 3(c) hereof.

<sup>7</sup>(22) "the Land Records" shall mean the Land Records of the said County.

(23) "Lessee" shall mean any lessee or sublessee of any Lot from either the Developer or any other Owner or person.

(24) "the Limited Commons" shall have the meaning which is ascribed to it by the provisions of Section 3(c) hereof.

(25) "Lot" shall have the meaning which is ascribed to it by the provisions of section 3(h) hereof.

(26) "Majority" shall mean more than fifty percent (50%).

(27) "Members" shall have the meaning which is ascribed to it by the provisions of Section 4 hereof.

(28) "the Membership" shall mean all of the Members.

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

(30) "Mortgagee" shall mean the party secured by a Mortgage.

(31) "Mortgagee in Possession" shall mean any person who, at the time with respect to which reference is made, is either (A) a Mortgagee which has possession of a Lot as a result of a default under a Mortgage held by such person, or (B) the Owner of a Lot as the result of the

---

<sup>7</sup> Liber 668 Page 691

conveyance to such person of the mortgagor's equity of redemption therein either as the result of a foreclosure proceeding under a Mortgage securing such person and covering such Lot, or in lieu of such foreclosure proceeding.

(32) "Mortgagor" shall mean the Owner of a Lot, the legal title to which is subject to the lien of a Mortgage.

(33) "Notice Address" shall have the meaning which is ascribed to it by the provisions of Section 11 hereof.

<sup>8</sup>(34) "Multiple Dwelling Lot" shall mean a Lot which is designated as such by, or pursuant to, the provisions of Section 3(b) hereof.

(35) "Owner" shall mean any person or combination of persons (including, by way of example rather than of limitation, the Developer and any Builder) who (A) holds the legal title to a Lot under a deed or other instrument, or (B) is the purchaser of a Lot under a land installment contract (as that term is defined by the provisions of title 10, section 10-101(b) of the Real Property Article of the Code), if and only if such deed, other instrument or land installment contract has been recorded among the Land Records at the time with respect to which reference is made; provided, that (A) no Lessee or Contract Purchaser shall, merely by virtue of such person's status as such, be deemed to be an Owner; and (B) no Mortgagee shall be deemed to be an Owner unless, at the time with respect to which reference is made, such Mortgagee has acquired of record the Mortgagor's equity of redemption in such Lot.

(36) "Parcel" shall mean Parcel I or any Future Parcel.

(37) "Parcel I" shall have the meaning which is hereinabove ascribed to it.

(38) "Parcel II" shall have the meaning which is ascribed to it by the provisions of Section 7 hereof.

(39) "person" shall mean any natural person, trustee, corporation, partnership or other legal entity.

(40) "the Rules and Regulations" shall mean the rules and regulations which are adopted by the Association pursuant to the provisions of section 5(c) (iii) hereof, as from time to time in effect.

(41) "Special Assessment" shall have the meaning which is ascribed to it by the provisions of section 6(b) hereof.

(42) "Structure" shall have the meaning which is ascribed to it by the provisions of Section 8 hereof.

(43) "Use" shall have the meaning which is ascribed to it as used in the provisions of the zoning ordinance of the said County, as amended from time to time.

(ii) Any other term to which meaning is specifically ascribed by any or the provisions of this Declaration shall for purposes of this Declaration be deemed to have such meaning.

## **Name**

Section 2. Name.

The Community shall be known as "Carrolltowne".

## **Lots and Commons**

<sup>9</sup>Section 3. Lots and Commons.

(a) The Community shall be comprised of all of those areas which are referred to in the provisions of section 3(b) hereof (each of which is hereinafter referred to as a "Lot") and (ii) all of those areas which are referred to in the provisions of Section 3(c) hereof (hereinafter referred to as "the Commons").

(b) Lots.

(i) (1) So long as the Community has not been expanded pursuant to the provisions of Section 7 hereof, the Community shall contain fifty-five (55) Lots.

---

<sup>8</sup> Liber 668 Page 692

<sup>9</sup> Liber 668 Page 693

(2) From and after any such expansion, and until any further such expansion, the Community shall contain that number of Lots which equals the total of (A) the number of Lots contained therein immediately prior to such expansion, and (B) each of those Lots which is contained in its entirety within the land thereby added to the Community (as set forth on such subdivision or other plat as is recorded among the Land Records in connection with such expansion or the subdivision of such land), and is designated as a Lot in the amendatory instrument by which, pursuant to the said provisions, such expansion is effected.

(ii) The location, dimensions and configuration of each Lot contained within Parcel 1 are shown on the Community Plat, and are designated in a schedule which is attached hereto as Exhibit B.

(iii) Each Lot shall have and be known by a number corresponding to the number which is shown with respect to such Lot on the Community Plat.

(iv) Lot which is designated as a "Multiple Dwelling Lot" on the Community Plat or in any amendatory instrument by which, pursuant to the provisions of Section 7 hereof, such Lot is added to the Community through an expansion thereof shall be a Multiple Dwelling Lot.

(c) Commons.

(i) The Commons (A) shall consist of all of the land which from time to time is contained within the Community but not contained within any Lot or Dedicated Roadway Area, together with all of the improvements thereon (including, by way of example rather than of limitation, any and all sidewalks (if not contained within a Dedicated Roadway Area), curbs, storm water retention basins, buildings, fencing, swimming pools, tennis or other racquet courts, tot lots, ball diamonds and playgrounds which from time to time exist upon such land), and all of the rights, alleys, ways, waters, privileges, appurtenances and advantages, to the same belonging or in any way appertaining; and (B) shall be comprised of the Limited Commons and the General Commons.

<sup>10</sup>(ii) The Limited Commons.

(A) The Limited Commons consist of those portions of the Commons which, by the provisions of this Declaration, the Community Plat or any instrument by which, pursuant to the provisions of Section 7 hereof, such portions of the Commons have been added to the Community, are (by shading or otherwise) designated as such and as being reserved hereunder for the exclusive use of the Owners of one or more, but less than all, of the Lots.

(B) The right to the use of the Limited Commons shall be, and is hereby, so reserved and restricted to the respective such Owner or Owners in accordance with such designation.

(iii) The General Commons.

The General Commons shall consist of all of the Commons other than the Limited Commons.

(iv) (A) Prior to the earlier to occur of (1) the second (2nd) anniversary of the date hereof, or (2) any expansion of the Community pursuant to the provisions of Section 7 hereof, it immediately following such expansion the Community would contain more than one hundred fifty (150) Lots, the Developer shall construct within the Commons (and/or upon any land which, as a result of such expansion, would become part of the Commons) two (2) tennis courts.

(B) Prior to any expansion of the Community pursuant to the provisions of Section 7 hereof, if immediately following such expansion the Community would contain more than two hundred fifty (250) Lots, the Developer shall construct within the Commons (and/or upon any land which, as a result of such expansion, would become part of the Commons) two (2) additional tennis courts.

(C) Prior to any expansion of the Community pursuant to the provisions of Section 7 hereof the Developer shall construct upon any land which, as a result of such expansion, would become part of the Commons, such childrens' playground areas as are shown as lying within such land on the unrecorded recreational facilities plan for the Community which heretofore has been approved by the Developer and the Carroll County Planning & Zoning Commission.

---

<sup>10</sup> Liber 668 Page 694



(D) Any such tennis courts or children's' playground areas may be constructed by the Developer in such manner, to such specifications and (as to such tennis courts) at such location or locations, all as the Developer selects in the exercise of the Developer's sole discretion (and without the necessity of obtaining the consent thereto or the Association or of any Owner), provided that the same have been approved by any governmental authority having jurisdiction over the Community, if and to the extent that such approval must under applicable law be given if such improvements are to be so constructed.

(E) Each facility which is referred to in the foregoing provisions of this paragraph (ii) shall automatically become part of the Commons for all purposes of this Declaration upon the later to occur of

<sup>11</sup>(1) the completion of the construction of such facility, or  
the inclusion within the Commons of the land upon which such facility is constructed.

## The Association

### Section 4, The Association.

#### (a) Authority.

The affairs of the Community shall be governed by The Carrolltowne Association, Incorporated, a nonstock corporation organized and existing under the law of Maryland.

#### (b) Membership.

The membership of the Association shall be comprised of and limited to all of those persons (each of whom is herein referred to as a "Member") who, either alone or in combination with one or more other persons, constitutes an Owner, including, by way of example rather than of limitation, the Developer and any Builder during such times as the Developer or such Builder is an Owner.

#### (c) Voting.

(i) (A) (1) During the Conversion Period, the Membership shall be comprised of the class A Membership and the class B Membership.

(2) The class A Membership shall consist of all or the Members other than the Developer and any Builder; and the class B Membership shall consist of the Developer and each Builder.

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

(ii) (A) During the Conversion Period each class A Member, and thereafter each Member,

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

<sup>12</sup>(2) who, in combination with one or more other persons, is the owner of a Lot shall, jointly with such other persons, be entitled to cast one vote in the affairs of the Association for each such Lot (which vote shall be exercised as such persons determine among themselves, provided that in no event may such persons cast fractional votes or cast with respect to any such Lot more than one such vote); but

(3) anything contained in the foregoing provisions of this subparagraph (A) to the contrary notwithstanding, where such Lot is a Multiple Dwelling Lot, each Member who, alone or in combination with one or more other persons, as aforesaid, is the Owner of such Lot shall, alone or jointly, as the case may be, be entitled to cast \_\_\_\_\_ vote in the affairs of the Association for each Dwelling which such Lot may contain under the provisions of Section 9(a)(i)(B) hereof.

(B) During the Conversion Period,

---

<sup>11</sup> Liber 668 Page 695

<sup>12</sup> Liber 668 Page 696

(1) each Class B Member shall be entitled to cast four votes in the affairs of the Association for each Lot of which it is the Owner; and

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

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

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

(iii) The Conversion Period shall consist of a period commencing upon the date hereof and terminating upon the earlier to occur of (A) the Developer's termination thereof by recording among the Land Records an instrument expressly providing for such termination and making specific reference to this paragraph; and (B) the tenth (10th) anniversary of the date hereof.

(d) Fidelity bonds. Each director, officer and employee of the Association, any manager of the Commons, and any director, partner, officer or employee of such manager, whose duties as such require him to handle or be responsible for funds of the Association or in the possession or control of the Association through any trust or other arrangement, shall prior to his commencement of such duties furnish the <sup>13</sup>Association with a fidelity bond covering his said activities, in form and amount and with a corporate surety which are reasonable and appropriate under the circumstances and are satisfactory to the Board of Directors. The premium for any such bond shall be paid by the Association.

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

## **Ownership of, and rights in, the Commons**

### Section 5. Ownership of, and rights in, the Commons.

#### (a) Property rights in and to the Commons.

(i) (A) The Developer shall be entitled to convey to the Association the legal title to the Commons or any portion thereof at any time hereafter, and/or to retain the legal title to all or any portion of the Commons until such time as the Developer has completed any improvements which the Developer intends to make to the same, or until such earlier or later time as, in the sole and absolute judgment of the Developer, the Association is able to maintain the same in accordance with the provisions of this Declaration; provided that the Developer shall convey to the Association the legal title to that portion of the Commons which is contained within Parcel 1 by not later than the first (1st) anniversary of the date upon which this Declaration is recorded among the Land Records, and convey to the Association the legal title to any portion of the Commons which is contained within any Future Parcel or portion thereof which has been added to the Community by an expansion thereof pursuant to the provisions of Section 7 hereof, within two (2) years after such expansion.

(B) Subject to the operation and effect of the provisions or Sections 5(a) (ii) and 5(c) hereof, the Association shall not convey to any person either the legal title to, or any easement, leasehold or other right of use or enjoyment in the Commons or any portion thereof, without the express written consent thereto of the Owners or two-thirds (2/3) in number of the Lots.

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

---

<sup>13</sup> Liber 668 Page 697

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

(B) grant, convey or dedicate (1) to any one or more public or quasi-public governmental bodies or utility companies, any and all licenses, easements and/or rights-of-way in, over and through the Commons for the <sup>14</sup>construction, installation, use, operation, maintenance, repair and replacement of any and all sanitary, sedimentary control or storm sewer lines, drains, culverts, ponds or pumping stations, water lines, mains or pumping stations, electrical lines or cables, telephone or television lines or cables, gas lines or mains, and other similar facilities, for similar or other purposes, all as the Developer or the Association considers appropriate for the provision of any utility or utility service to Parcel I (and/or to any Future Parcel, regardless of whether it then or at any time there- after forms part of the Community), and (2) to the said County or any other governmental body, any land improved by any roadway then forming part of the Commons; provided, that no such grant, conveyance or dedication shall be made unless the entity to which the same is to be made has agreed with, or provided reasonable assurances to, the Developer or the Association, in a bona fide manner, that following its acceptance of the same it will operate and maintain the same for the use and enjoyment of the Owners and any other members of the general public who may thereafter be entitled to use and enjoy the same; and further provided that, upon such grant, conveyance or dedication, that portion of the Commons which is the subject of the same shall no longer form part of the Commons.

(C) ) grant a Mortgage pursuant to the provisions of Section 5(c) (i) hereof.

(D) ) convey the legal title to, or any interest in, any or all of the Commons to or at the direction of any governmental or quasi-governmental authority either (A) through the condemnation thereof or the exercise of any power or eminent domain with respect to the same, or (B) made under threat of such condemnation or exercise and in lieu thereof; provided that upon such grant, conveyance or dedication, that portion of the Commons which is the subject of the same shall no longer form part of the Commons.

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

(F) grant or reserve, by or to the Developer, for the benefit of any Future Parcel or portion thereof (whether or not such Future Parcel then or at any time thereafter forms part of the Community), an easement in, over and through the Commons for the construction, installation, use, operation, maintenance, repair and replacement or any facilities or roadways of the types which are enumerated in the provisions of section 5(a) (ii) (B) hereof.

(G) enter into a contract with (1) the Owner of all or any portion of any Future Parcel which has not then been added to the Community pursuant to the provisions of Section 7 hereof, or (2) any community association or home Owners association having jurisdiction over such land, or (3) any council of unit Owners having jurisdiction over such land (if such land has been subjected to a condominium regime pursuant to the provisions of title II of the <sup>15</sup>Real Property Article of the Code), pursuant to which such Owner, the members of such association or council, or any other occupants of such land, and their families and guests, may use and enjoy all or any portion or the Commons for such consideration, during such period, upon such terms and subject to such conditions as are set forth in the provisions or such contract, all as the Developer or the Association considers appropriate.

(iii) Easement and license benefiting Lots and burdening Commons.

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

---

<sup>14</sup> Liber 668 Page 698

<sup>15</sup> Liber 668 Page 699

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

(2) each street and walkway which from time to time forms part of the Commons.

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

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

(2) any admission or other fee which the Association may then charge for such use has been paid;

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

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

(iv) Development easements. The Developer and each Builder shall have, and Hereby reserves, a perpetual easement for ingress and egress in, over and through the roadways which from time to time form part of the Commons, to and from each public roadway which at the time of such exercise abuts the Community, from and to each Parcel (whether or not, at the time of such exercise, such Parcel is contained within the Community), for access by (A) the Developer; (3) any Builder; (C) any contractor, subcontractor, real estate agent or broker being utilized by the Developer or any Builder; and (D) the agents, employees, invitees, licensees, visitors, designees and guests of any of the same, all for <sup>16</sup>any purpose whatsoever consistent with applicable law in connection with the construction, replacement, repair, maintenance, development, marketing or leasing of any Parcel or improvement thereon (whether or not such Parcel is contained within the Community at the time of such exercise).

(b) Maintenance of the Commons.

(i) The Association shall maintain all of the Commons (including, by way of example rather than of limitation, all of the improvements which are referred to in the provisions of Section 3(c) hereof as being contained within the Commons).

(ii) Without limiting the generality of the foregoing provisions of this paragraph, the Association shall keep all grass growing within the Commons regularly mowed, and shall (unless such maintenance duty is assumed by any governmental authority having jurisdiction there over) maintain each storm water retention or sedimentation pond which exists within the Commons, keeping the same clean and free of debris.

(c) Control of the Commons.

Anything contained in the foregoing provisions of this section to the contrary notwithstanding,

(i) The Association shall be entitled to borrow money for the purpose of improving the Commons in accordance with the provisions of this Declaration, and to secure the repayment of the same by subjecting any or all of the Commons to which it then holds the legal title to the lien of a Mortgage, provided that anything contained in the provisions of such Mortgage to the contrary notwithstanding, should there occur a default in the performance of the borrower's obligations thereunder, the Mortgagee's remedies thereunder on account of such default shall, with respect to so much of the Commons as is covered by such lien, be limited to those of (A) taking possession of any or all of the same, (3) thereafter charging admission or other fees as a condition to the continued use

---

<sup>16</sup> Liber 668 Page 700

thereof by the Members, and (C) if necessary and if not prohibited by applicable law, opening the enjoyment thereof to the general public or any segment thereof until such debt has been satisfied.

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

(iii) The Association shall be entitled

(A) to adopt reasonable rules and regulations governing the use of the Commons by Members, their family members and guests or any other person, and

(B) to charge reasonable admission and other fees for the use of the Commons (other than those streets and walkways which are subject to the easement<sup>17</sup> created by the provisions of Section 5(a) (iii) (A) hereof); and

(C) ) to suspend the right of any Member or his family members and guests to use the Commons under the provisions of section 5(a) (iii) (B) hereof (but not his right to use such streets and walkways),

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

(2) for any period (not exceeding in length thirty (30) days plus the time during which such infraction continues) for any infraction of the Rules and Regulations.

(d) Management of the Commons.

The Association shall be entitled to enter into an agreement with any person for such person to provide management services for the Association with respect to the Commons, so long as such agreement

(i) ) expressly provides that the Association may, without having to obtain the consent of any other party thereto, terminate such agreement for cause at any time provided that the Association has given to each other party thereto written notice of its intention to do so by not later than thirty (30) days prior to the effective date of such termination;

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

(iii) if provision is made therein for a renewal of such agreement from time to time by the a agreement or the parties thereto, provides that no such renewal provision and no such renewal or combination of renewal; made pursuant thereto shall be effective to bind the Association to such agreement for longer than one (1) year from the date of such renewal or combination or renewals (and, to the extent that any such agreement does not expressly so provide, it shall be deemed expressly so to provide).

## **Assessments**

### Section 6. Assessments.

(a) Right to levy Assessments.

The Association shall be entitled to obtain funds for payment of the Association's current expenses incurred in performing its obligations under the provisions<sup>18</sup> of this Declaration, and for the creation of reserves for the payment of its future such expenses, by from time to time levying an Assessment (each of which is hereinafter referred to as an "Assessment") against each Owner and his respective Lot, all upon the terms, for the purposes and subject to the conditions which are set forth in the provisions or the Articles of Incorporation, the By-Laws and this Declaration,

(b) Procedure for levying Assessments.

Any determination by the Association to levy Assessments and/or as to the respective amounts thereof shall be made in the following manner:

---

<sup>17</sup> Liber 668 Page 701

<sup>18</sup> Liber 668 Page 702

(i) Classes of Assessments. The Assessments shall consist of annual Assessments (hereinafter referred to as "Annual Assessments") and Special Assessments (hereinafter referred to collectively as "Special Assessments").

(ii) Period of Assessments.

(A) Each Assessment shall be made with respect to one at those periods of one year (each of which is hereinafter referred to as an "Assessment Year") which are co-extensive with those calendar years during which this Declaration remains in effect; provided, that the initial Assessment Year shall commence upon the date of the recordation of this Declaration among the Land Records, and shall terminate on the thirty-first (31st) day of December next succeeding such date.

(B) Not more than one Annual Assessment shall be levied with respect to a Lot for any Assessment Year.

(iii) Allocation of Assessments among Lots,

(A) Subject to the revisions of Sections 6(b)(iii)(8) and 6(b)(iv) hereof, (1) the respective amounts or any Annual Assessments made for an Assessment Year shall be equal; (2) the respective amounts of any Special Assessments made for an Assessment Year shall be equal; and (3) no Assessment may be levied for an Assessment Year against one Lot unless Assessments are levied for such Assessment Year against all of the Lots (other than those Lots which are exempt from the levying of Assessments under the provisions of section 6(h) hereof); provided, that if a Lot is a Multiple Dwelling Lot, each Assessment levied against it (other than a Special Assessment for the Limited Commons located on such Lot, levied under the provisions of Section 6(b)(iv) hereof) shall be in an amount equaling the product obtained by multiplying (i) the number of Dwellings permitted on such Lot under the provisions of section 9(a)(i)(B) hereof, by (ii) the amount which such Assessment would be were such Lot not a Multiple Dwelling Lot.

(B) If at any time during an Assessment Year a Lot is subjected to the operation and effect of this Declaration as the result of an expansion of the Community pursuant to the provisions of Section 7 hereof, the Association shall be deemed, automatically and without the necessity of further action by the Association, to have levied against<sup>19</sup> such Lot for such Assessment Year any Annual Assessment or Special Assessment which the Association has made against the Lots for such Assessment Year, and the respective amount of such Annual Assessment and Special Assessment shall be determined with respect to such Assessment Year in accordance with the foregoing provisions of this paragraph (iii) as if such Lot formed part of the Community at the commencement of such Assessment Year, but shall then be reduced to a fraction thereof, the numerator of which shall be the number or days remaining in such Assessment Year as of the date of such expansion, and the denominator of which shall be three hundred sixty-five (365); provided, that the Association shall then be entitled, in the exercise of its sole discretion, to increase or decrease with respect to all of the Lots the amount or the Assessments which may theretofore have been levied against the Lots for such Assessment year to reflect any-increase or decrease in its said expenses which may result from such expansion, so long as the respective amounts by which such Assessments are so increased or decreased are determined by application of the method set forth in the provisions of paragraph (iii)(A) hereof.

(iv) Use of proceeds of Special Assessments.

(A) The Association may levy against each Lot for an Assessment Year one or more Special Assessments (in addition to any Annual Assessment), the proceeds of which shall be used to defray any or all of the cost to the Association of the construction, reconstruction, repair or replacement of any of the Commons and/or any improvements or personal property related thereto which the Association has determined to incur.

---

<sup>19</sup> Liber 668 Page 703

(B) The Association may levy against each Lot to which, under the provisions of Section 3(c) hereof, the use and enjoyment of any portion of the Limited commons is restricted, for any Assessment Year, one or more Special Assessments (in addition to any Annual Assessment or any other Special Assessment), the proceeds of which shall be used to defray any or all or the cost to the Association of the construction, reconstruction, repair or replacement of that portion of the Limited commons and/or any improvements or personal property related thereto which the Association has determined to incur.

(V) Adoption by Board of Directors; notice of Assessment; when Assessments become due and payable.

(A) By not later than sixty (60) days prior to the commencement of an Assessment Year, the Board of Directors shall adopt a budget for the Association for <sup>20</sup>such Assessment Year, which budget shall set forth for such Assessment Year (1) the aggregate amount of the Annual Assessments to be levied, and (2) the respective amount of the Annual Assessment to be levied with respect to each Lot. By not later than forty-five (45) days prior to the commencement of such Assessment Year, the Board of Directors shall cause a copy of such budget to be provided to each Owner at its Notice Address.

(B) such Annual Assessments (or the initial installment thereof, if payable in monthly installments hereunder) shall be due and payable upon the first (1st) day of such Assessment Year, without the necessity of further action by the Association.

(C) ) If the Association levies a Special Assessment, it (or the initial installment thereof, if payable in installments hereunder) shall be due and payable on the later of

(1) the first (1st) day of the Assessment Year with respect to which it has been levied; and

(2) such later date as is specified therefor by the Association.

(D) ) Anything contained in the foregoing provisions of this paragraph to the contrary notwithstanding, if under the provisions of section 6(b) (iii) (B) hereof a Lot may not have any Assessment levied against it at the commencement of an Assessment Year but thereafter during such Assessment Year becomes eligible for such levy, the Assessment thus levied shall be due and payable upon the later of

(1) the date upon which such Assessment would have become due and payable were such Lot contained within the Community at the commencement of such Assessment Year, or

(2) the date upon which such Lot first becomes eligible for such levy.

(vi) Payment of Assessments in installments.

The Association may permit the Annual Assessments and/or any Special Assessments which are levied for any Assessment Year to be paid to the Association in monthly or other installments in accordance with a schedule which shall be determined by the Association prior to the commencement of such Assessment Year, in which event such Assessments shall be payable in such manner,

(c) Personal liability of owners for Assessments.

(i) ) Each Owner shall be personally liable for each Assessment (or each installment thereof, if payable in installments which becomes due with respect to a Lot while he is the Owner thereof. An Owner may not avoid such<sup>21</sup> liability (A) by waiving any right to the use of the Commons or otherwise which he may hold under the provisions of this Declaration or otherwise, (B) by abandoning or otherwise terminating his use of such Lot, or (C) by conveying the title to his Lot.

(ii) An Owner shall not be personally liable for any Assessment (or any such installment thereof) which becomes due with respect to a Lot

---

<sup>20</sup> Liber 668 Page 704

<sup>21</sup> Liber 668 Page 705

(A) before he becomes the Owner thereof (notwithstanding that such Assessment remains a lien upon the title to such Lot while held by such Owner, pursuant to the provisions of section 6(d) hereof), or

(B) after he ceases to be the Owner thereof,

(d) Lien of Assessment; priority thereof.

(i) ) Each Assessment made with respect to a Lot shall constitute a lien (herein referred to as an "Assessment Lien") upon the title to such Lot, from the time when such Assessment (or the initial installment thereof, if Payable in installments) first becomes due, until such Assessment has been paid, such Assessment Lien may be enforced and foreclosed by the Association in the same manner and subject to the same requirements as are specified by the law of Maryland for the foreclosure of mortgages or deeds of trust containing a power of sale or an assent to a decree, and covering real property situate and lying in the said county.

(ii) An Assessment Lien shall be subordinate to the lien of any Mortgage covering the Lot with respect to which such Assessment has been levied, if and only if such Mortgage has been recorded among the Land Records prior to the date upon which a statement (hereinafter referred to as a "Statement of Lien") covering such Assessment (or any installment thereof, if payable in installments) have been recorded there among pursuant to the following provisions of this subsection.

(iii) (A) At any time following the levying of an Assessment with respect to a Lot and prior to the Association's receipt of payment in full of the same, the Association may execute, enseat, acknowledge and record among the Land Records a statement of Lien either (i) with respect to such Assessment, or (ii) with respect to any installment thereof, if payable in installments hereunder, and if the Association elects to make such statement of Lien applicable to such installment rather than to such Assessment in full.

(B) Such form shall be as determined by the Association in the exercise of its sole discretion, so long as it designates (1) such not by number, (2) the Owner thereof, (3) the amount of such Assessment or installment thereof, and (4) the Assessment Year with respect to which such Assessment is levied.

<sup>22</sup>(e) Accrual of interest on unpaid Assessments.

Each Assessment (or each installment thereof, if payable in installments) shall bear interest on the unpaid balance thereof from the thirtieth (30th) day after it first becomes due and payable, until paid, at the lesser of (i) the rate of twelve percent (12%) per annum, or (ii) the highest rate of interest which from time to time is permitted by applicable law to be charged with respect to the same.

(f) Right of Association to seek recovery of unpaid Assessments.

(i) The Association shall be entitled to recover in an action at law or in equity, from any person who is liable for the payment of an Assessment, a money Judgment for any or all of such Assessment, including, by way of example rather than of limitation, the amount of any deficiency as a result of any such foreclosure sale for which such person is liable, all without waiving the Assessment Lien therefor. In any such action the Association may recover, in addition to that portion of such Assessment for which such person is liable, the full amount of any interest which has accrued thereon through the date of such recovery, and of any costs which the Association has incurred in obtaining such recovery (including, by way of example rather than of limitation, that of reasonable attorney's fees).

(ii) Anything contained in the foregoing provisions of this subsection to the contrary notwithstanding, no such action or proceeding may be brought to foreclose upon such Assessment Lien or otherwise to recover any of such Assessment.

(A) unless it is brought by the third (3rd) anniversary of the date upon which such Assessment (or the initial installment thereof, if payable in installments) first becomes due and payable, and



(B) unless a written notice of the Association's intention to initiate the same is given to both the then-Owner of the Lot with respect to which such Assessment has been levied, and any person against whom any such action or proceeding is to be brought, by not later than ten (10) days prior to the date upon which such action or proceeding is initiated.

(g) Certificate as to payment or non-payment of Assessments.

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

<sup>23</sup>(h) Portions of the Community exempted from Assessment.

Anything contained in the foregoing provisions of this section to the contrary notwithstanding, no Assessment may be levied with respect to the (1) Commons, (ii) any Dedicated Roadway Area, or (iii) other portion of the Community to the extent of (A) any easement or other interest therein held by any government; or quasi-governmental authority or public utility company under the provisions of Section 5 hereof or otherwise, or (B) any interest therein which has been exempted from real property taxation by the law of Maryland, upon the terms and to the extent of such exemption,

**Expansion of the Community**

Section 7. Expansion of the Community.

(a) The Developer hereby reserves, for a period of ten (10) years immediately following the date hereof, the right (which shall be exercisable at the sole discretion of the Developer, but only in accordance with the provisions of this section) to expand the Community by subjecting to the operation and effect of this Declaration, and thereby adding to the Community, all or any portion or portions of that Parcel of land, situate and lying in the said County, which is more particularly described in Exhibit C hereto, together with all of the respective improvements thereon and all of the respective rights, alleys, ways, waters, privileges, appurtenances and advantages, to the same belonging or in any way appertaining (which Parcel, together with such improvements thereon and appurtenances thereto, is hereinafter sometimes referred to as "Parcel II" or as a "Future Parcel").

(b) Any such expansion shall be accomplished by, and shall be and become effective upon and only upon, the amendment of this Declaration by the recordation of an appropriate amendatory instrument among the Land Records, which

(i) shall set forth a legal description of the Future Parcel or portion thereof being added to the Community; and

(ii) shall, if such Future Parcel or portion thereof has been subdivided into residential Lots and open spaces in accordance with the applicable laws and regulations governing the subdivision of land in the said County,

(A) describe such residential Lots and open spaces by reference to them as designated on the plat or plats which, pursuant to the said laws and regulations, are recorded among the Land Records in connection with such subdivision,

(B) designate each of such residential Lots as a Lot and the remainder of such Future Parcel or portion thereof as part of the Commons, for purposes of this Declaration, and

<sup>24</sup>(C) designate such plat or plats as amendatory plats to the Community Plat for purposes of this Declaration; and

(iii) expressly subject the same to the operation and effect of this Declaration.

(c) (i) Except to the extent that the form and contents of any such amendatory instrument or subdivision plat are dictated by applicable law, they may be determined by the Developer in the

---

<sup>23</sup> Liber 668 Page 707

<sup>24</sup> Liber 668 Page 708

exercise of its sole discretion, and the effectiveness or neither any such expansion nor the execution, ensembling, acknowledgment, delivery or recordation of any such instrument or plat shall be conditioned upon the consent thereto or joinder therein by any person (including, by way of example rather than of imitation, the Association or any Owner) other than the Developer, The Developer shall be entitled to execute, enseat, acknowledge, deliver and/or record any such instrument or plat, and/or to take any other action with respect thereto, to the extent that such action is, in the opinion at the Developer's legal counsel, necessary or desirable in order to effectuate the provisions of this Section.

(ii) without limiting the generality of the foregoing provisions of this subsection, the Developer may by the provisions of any such amendatory instrument or subdivision plat, or at any time prior to the conveyance to the Association of such land, if any, as is added to the Commons by such expansion, reserve for the benefit of any Future Parcel or portion thereof (regardless of whether it ever forms part of the Community) such easement rights or the type set forth in the provisions of Section 9 hereof as the Developer determines to reserve in the exercise of its sole discretion, all without the necessity of obtaining any other person's consent thereto or joinder therein.

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

### **Architectural Committee and control**

#### Section 8. Architectural Committee and control.

##### (a) Architectural Committee.

(i) The Board of Directors shall from time to time designate three or more individuals to constitute a committee to be known as "the Architectural Committee".

(ii) The affirmative vote of a Majority of the Membership of the Architectural Committee shall be required in order for the Architectural Committee

(A) to recommend to the Board of Directors the adoption or promulgation of any of the Rules and Regulations which are hereinafter in this section referred to:

<sup>25</sup>(B) to make any finding, determination, ruling or order; or

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

(iii) Unless such decision is reversed or modified by the Board of Directors upon the written application of any Owner which is made to the Board of Directors in writing within ten (10) days after the date upon which the Architectural Committee makes such decision, the decision of the Architectural Committee on those matters which are referred to in the provisions of subparagraphs (B) and (C) of the preceding paragraph shall be final.

##### (b) Architectural control.

(i) No building, fence, wall, sign, tank, pavement, television or radio antenna, or other structure of any kind (each of which is herein referred to as a "Structure") may be commenced, constructed, erected, placed, moved onto, maintained or permitted to remain upon a Lot, nor may any structure existing upon a Lot be altered in any way (other than (A) exterior painting and (B) interior painting or other modifications which are not visible from the exterior thereof) which materially changes the exterior appearance thereof, nor may any use be commenced upon a Lot, unless prior thereto plans and specifications therefor (including a description of any such new Use) (herein referred to collectively as "Plans") have been submitted to and approved in writing by the Architectural Committee,

(ii) Such Plans (A) shall designate by reference to the Community Plat each Lot (or which such Plans have been submitted; (B) shall include a plan of each such not showing the nature, exterior color scheme, kind, shape, height, materials and location (both with respect to each such Lot and with respect to structures located upon adjoining portions of the Community) of all Structures

---

<sup>25</sup> Liber 668 Page 709

then existing or proposed by such Plans to be placed thereon, any existing or proposed front, rear and side setbacks from such Structures, and the location of any existing or proposed parking spaces and driveways upon such Lot; and (C) shall be in such form and shall contain such other information as may be required by the Architectural Committee.

(c) Basis for disapproval.

(i) The Architectural Committee may disapprove any Plans submitted to it whenever, in the opinion of the Architectural Committee, any of the following circumstances exist:

(A) such Plans, or any Structure or Use which is the subject of such Plans, are not in accordance with the provisions of this Declaration;

(B) such Plans do not contain any information which the Architectural Committee may reasonably have required to be contained therein;

<sup>26</sup>(C) any Structure which is the subject of such Plans is incompatible with any Structure or Use existing upon any Lot, due to the former's exterior design, height, hulk, shape, color scheme, finish, style of architecture, configuration, appearance, materials, location or relative cost;

(D) ) any Use which is the subject of such Plans is incompatible with any structure or Use existing upon any Lot;

(E) the existence, size, configuration or location of any parking area which may be proposed for such Lot is (1) incompatible with any existing or proposed use or structure upon such Lot or elsewhere within the Community, or (2) insufficient, inadequate or inappropriate in relation to any structure or use upon such Lot or elsewhere within the Community; and

(F) ) any other set of circumstances which, in the judgment of the Architectural Committee, would render any structure or use which is the subject of such Plans inharmonious with the general plan of improvement of the Community,

(ii) If the Architectural Committee disapproves any Plans or approves the same only upon the satisfaction or any specified condition requiring the modification or such Plans or the taking of any other action, such disapproval or conditional approval shall be accompanied by a statement of the grounds upon which such action was based.

(d) Proposal of certain Rules and Regulations, and statements of policy

(i) The Architectural Committee may propose to the Board of Directors, and the Board of Directors may cause the Association to adopt, (A) certain Rules and Regulations governing the form and content of any Plans which are to be submitted to the Architectural Committee, and (B) statements of policy with respect to approval or disapproval of the architectural styles or details, or other matters, which may from time to time be reflected in Plans presented to the Architectural Committee for approval.

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

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

<sup>27</sup>(e) Effect of Approval. The Architectural Committee's approval of Plans or any Lot for which such Plans have been submitted to it shall not constitute a waiver of the Architectural Committee's right, in its sole discretion, to disapprove such Plans or any of the features or elements included therein if such Plans or any modification thereof are subsequently submitted to it for any other Lot; but

---

<sup>26</sup> Liber 668 Page 710

<sup>27</sup> Liber 668 Page 711

(subject to the operation and effect of the provisions of section B(a)(iii) hereof), as to any Lot for which such Plans have been submitted to it shall be final and may not be revoked or rescinded thereafter.

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

(g) Certificate of compliance and approval.

(i) Upon the completion upon a Lot of the construction or alteration of any structure, or the commencement of any Use thereon, the Association (or the Developer, as to Plans approved by the Developer pursuant to the provisions of section 8(i) hereof) shall, upon written request of the Owner thereof, issue a certificate in a form which is suitable for recordation among the Land Records,

(A) identifying both such Lot and such structure or Use; and

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

(ii) The Association may charge such Owner a reasonable fee for the issuance of such certificate, the Payment of which at the time of the request for such certificate shall be a condition to the Association's obligation hereunder to issue the same.

(iii) The cost of the recordation of any such certificate among the Land Records shall be borne by such Owner.

(h) Removal.

(i) ) If any Structure is altered, erected, placed or maintained, or any new Use commenced upon any Lot, other than in accordance with Plans which have been approved by the Architectural Committee pursuant to the foregoing provisions of this <sup>28</sup>Section, the taking of such action shall be deemed to be in violation of the provisions of this Section and, promptly after the Association has given written notice of such violation to the Owner of such Lot, such Structure shall be removed or restored to its condition prior to such action, and such Use shall cease, so as to terminate such violation.

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

(i) Builders' plans.

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

## Use of Lots

### Section 9. Use of Lots.

#### (a) Uses prohibited absolutely.

(i) ) Subject to the operation and effect of the provisions of Section 9(a) (ii) hereof,

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

(B) (1) no Lot other than n Multiple Dwelling Lot may contain more than one residential structure at any time, which structure may constitute not more than one Dwelling, and may be used only for a single-family residence; and

(2) without altering or impairing any restriction to fewer such Dwellings which may exist under applicable law, no Multiple Dwelling Lot contained within the Community shall contain more than that number of Dwelling; which is specified with respect to such Multiple Dwelling Lot in the declaration of annexation by which such Multiple Dwelling Lot is subjected to the operation and effect of the provisions of this Declaration pursuant to the provisions of Section 7 hereof.

(C) ) no Owner shall use his Lot or shall lease, license or otherwise permit it to be used for transient or hotel purposes; and

(D) ) no trailer, basement, tent, shack, garage, barn, other outbuilding or other Structure of a <sup>29</sup>temporary character which is erected upon any Lot shall be used as a residence, either temporarily or permanently,

(ii) Nothing in the provisions of this subsection shall be deemed in any way to limit or restrict the use of a Lot

(A) by the Developer, any Builder, and their respective agents, employees, officers, contractors and invitees, of the improvements upon each Lot of which the Developer or such Builder is then the Owner as offices or sample dwellings in connection with the Developer's development, construction, replacement, repair, maintenance, marketing or leasing of any or all of the Lots (and of any or all of those portions of any Future Parcel which, by virtue of an expansion of the Community pursuant to the provisions of section 7 hereof, would become Lots), or

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

#### (b) Uses prohibited without approval by Architectural committee.

Subject to the foregoing provisions of this Section, and unless the Architectural Committee has approved the same in the manner set forth in the provisions of Section 8 hereof.

(i) ) no (A) house trailer, trailer, tractor- trailer or other truck (other than a van or "pick-up" truck), boat, boat trailer, camper, recreational bus or any similar item, or (3) (unless current and valid license plates are affixed thereto) automobile or any similar item, shall be stored in the open upon any Lot or upon any street or parking area within the Community, either temporarily or permanently.

(ii) no machinery shall be placed or operated upon any Lot, except for such machinery as is customarily utilized in occupying a private residence.

(iii) profession or home industry shall be conducted upon any Lot (provided, in considering whether to grant such approval the Architectural Committee shall consider whether such Use is compatible with the quality of the residential neighborhood existing within the Community).

(iv) lumber, metals, bulk materials, refuse or trash shall be kept, stored, or allowed to accumulate on any Lot; provided, that

(A) such building materials as are being utilized in the construction, reconstruction or repair of any structure in accordance with the provisions of section 8 hereof may be

stored thereon while such activities are being carried on, and

(B) <sup>30</sup>(B) if trash or other refuse from such Lot is to be disposed of by being collected and carried away on a regular and recurring basis, containers containing the same may be placed in the open on any day upon which a collection is to be made, at such place on or adjacent to such Lot as will afford access thereto to persons making such collection (but further provided, that (1) such containers shall be stored at all other times so that they are not visible from elsewhere within the Community, and (2) the Association may, in its discretion, adopt and promulgate reasonable Rules and Regulations relating to the size, shape, color, number, type and manner of storage of such containers).

(V) no tree having a diameter of two inches or more, as measured from a point two feet above the ground level, shall be removed from any Lot.

(vi) (A) no fence or wall shall be located (1) within the area lying between the front boundary line of a Lot and a line drawn parallel to such line and intersecting that portion of the dwelling which is located upon such not which is the farthest from such front boundary line, or (2) in any case nearer than two feet to any other boundary line of such Lot which is contiguous to a Dedicated Roadway Area (provided, that for purposes of the foregoing provisions of this paragraph (vi) front boundary line of a Lot shall be deemed to mean (1) that boundary line which is contiguous to the Dedicated Roadway Area which adjoins such Lot or (2) if such Lot adjoins more than one Dedicated Roadway; Area, that boundary line which adjoins that Dedicated Roadway Area which is faced by the principal entrance to such dwelling).

(C) no chain link fence shall be erected or maintained upon any not (provided, that such fence may be erected around any swimming pool which is located upon such Lot).

(D) ) no fence or wall shall exceed forty- eight inches in height (provided, that such limitation shall not be applicable to any enclosure of any patio or open garden court, or to any retaining wall which may be required by the topography of such Lot or any adjacent portion of the Community), or shall interfere with any underground or surface drainage structures, pipes or ditches.

(vii) no livestock, poultry, or other animals, birds or insects of any kind shall be raised, bred or kept up on any Lot, either temporarily or permanently (provided, that two (2) or fewer dogs, cats or other household pets may be kept upon a Lot it not kept, bred, or maintained thereon for any commercial purpose).

(c) Nuisances. no noxious or offensive activity shall be carried on upon any Lot, and no odor shall be permitted to emanate therefrom, and nothing shall be done thereon in any other manner, so as to render any Lot or portion thereof unsanitary, unsightly, unreasonably offensive or detrimental, or a nuisance, to any of the Community or to any occupant thereof.

<sup>31</sup>(d) Repair of Structures. Each Structure shall at all times be kept in good condition and repair and adequately painted or otherwise finished.

(e) Landscaping. Except for flower gardens, hedges and trees, which shall be neatly maintained, all open areas upon any Lot shall be maintained in lawns, which shall be kept moved to a height not in excess of four inches. The Association may enter upon any Lot and trim or prune, at the expense of the Owner thereof, any tree, hedge or other planting whose height or location upon the Lot is, in the judgment at the Association, unreasonably detrimental to any adjoining property, obscures the view or street traffic from any Lot, or is unattractive, provided that such Owner is given fifteen (15) days prior written notice of such action.

(f) No limitation on Developer's rights.  
Without limiting the operation and effect of the provisions of Section 9(a)(ii) hereof, nothing in the provisions of this Declaration shall be deemed to prohibit or restrict the Developer or any Builder from taking any action with respect to any Lot of which Developer or such Builder is then the Owner (including, by way of example rather than of limitation, the leasing of such Lot) unless any other person would, were he the Owner of such Lot, be prohibited or restricted in the same manner.

## Rights of Mortgagees

### Section 10. Rights of Mortgagees.

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

(ii) Any Mortgagee in Possession of a Lot shall (subject to the operation and effect of the provisions of this Declaration, the Articles of Incorporation, the By-Laws and applicable law) bear all of the obligations under the provisions of this Declaration, the Articles of Incorporation, the By-Laws and applicable law which are borne by the Owner of such Lot; provided, that, nothing in the foregoing provisions or this paragraph (11) shall be deemed in any way to relieve any Owner of any of such obligations, or of any liability to such mortgagee in Possession on account of any failure by such Owner to satisfy any or the same.

(b) Any Mortgagee of a Lot shall be entitled to written notification by the Association of any default by the Mortgagor of such Lot in the performance of such Mortgagor's obligations under the provisions of this Declaration<sup>32</sup> which have not been cured within thirty (30) days after the commencement of such default, provided that such Mortgagee has notified the Association of its status as such and has supplied the Association with the information with respect thereto which is required by the Articles of Incorporation and the By-Laws to be furnished to the Association, all in the manner which is set forth therein.

(c) Any mortgagee in Possession shall be exempt from any right of first refusal or similar restriction held by the Association, to and only to the extent that such right of first refusal or similar restriction arises under the provisions of this Declaration, the Articles of Incorporation, the By-Laws or applicable law, it being the Developer's intention that nothing in the foregoing provisions of this subsection be deemed in any way to alter or impair the operation and effect of any right of first refusal or similar restriction which at any time may be given by an Owner or any other person to the Association or any other person but which does not arise under the provisions of this Declaration, the Articles of Incorporation, the By-Laws or applicable law.

(d) The interest in a Lot which is held by a Mortgagee; thereof under its Mortgage shall be

(i) free of any claim or lien for any Assessment which is levied with respect to such Lot prior to the recordation of such Mortgage among the Land Records (unless prior to such recordation a Statement of Lien covering such Assessment is recorded among the Land Records pursuant to the provisions of Section 6(d) hereof), other than any claim for a pro rata share of the amount represented by such Assessment which results from any pro rata reallocation of such Assessment among all of the Lots, including such Lot; and

(ii) free of any such claim or lien arising during the period following such recordation of such Mortgage, and before such Mortgagee's having become a mortgagee in Possession of such Lot.

(e) Unless each first Mortgagee of each Lot which would be effected by such action has given its prior written approval thereof, the Association shall not by act or omission

(i) seek to abandon, partition, subdivide, encumber, sell or transfer the Commons (provided, that the granting of easements for utilities or for other purposes consistent with the intended use of the Commons shall not be deemed to be a transfer, for purposes of the foregoing provisions of this Section), or

(ii) use any proceeds derived from hazard insurance, and paid to the Association on account of any damage to or destruction of any of the improvements included within the Commons,

---

<sup>35</sup> Liber 668 Page 719

for other than the repair, replacement or reconstruction or such improvements, except to the extent and in the manner provided by the Articles of Incorporation<sup>33</sup> the By-Laws or applicable law in the case of substantial loss to the Commons.

(f) ) A Mortgagee shall, upon request of the Association, and provided that such Mortgagee has provided the Association with the notice and information which are referring to in the provisions of Section 11(1) hereof, be entitled

(i) ) to inspect the books and records of the Association during normal business hours;

(ii) to receive an annual audited financial statement of the Association within ninety (90) days following the end of any fiscal year of the Association; and

(iii) be given written notice of all meetings of the Membership, and to designate a representative to attend all such meetings.

(g) ) Should there occur any substantial damage to or destruction of the Commons, or if the Commons should be made the subject of any condemnation or eminent domain proceeding or the acquisition thereof is otherwise sought by any condemning authority, any Mortgagee shall, provided that it has provided the Association with the notice and information which are referred to in the provisions of Section 11(i) hereof, be entitled to timely written notice thereof.

## **General**

### Section 11. General.

(a) Effectiveness. This Declaration shall become effective upon and only upon its having been executed, sealed and acknowledged by the Developer, and recorded among the Land Records.

(b) Assignment.

(i) The Developer shall be entitled at any time to assign to any person any or all of its right, title and interest hereunder (including, by way of example rather than of limitation, the Developer's rights under, or held pursuant to, the provisions of sections 4 and 7 hereof) by an instrument which makes specific reference to this subsection and is executed, sealed, acknowledged and delivered by the Developer and such assignee and recorded among the Land Records.

(ii) The Developer may from time to time hereafter permit any of the rights which the Developer then holds under the provisions of this Declaration to be exercised on the Developer's behalf by any of its officers, directors, employees or other agents.

(iii) Any lease or licensing agreement which may be entered into by an Owner or any other person as landlord and covering a Lot, or by the Association and covering any portion of the Commons, shall be in writing, and she I expressly provide (A) that the terms of the lease or license hereby created shall in all respects be subject<sup>34</sup> to the Operation and effect of the provisions of this Declaration the operation and effect of the-provisions of this Declaration, and (B) that any failure by the Lessee or licensee thereunder to comply with such provisions shall constitute a default under such agreement, To the extent that any such agreement does not expressly so provide, it shall be deemed expressly so to provide.

(c) Amendment and termination.

(i) ) Subject to the provisions of Section 7 hereof, this Declaration and the Community Plat may be amended or terminated by and only by an instrument or plat which has been executed, sealed and acknowledged by or on behalf of at least two-thirds (2/3) of the Owners (one of which must, during the Conversion Period, be the Developer) and Carroll County Planning & Zoning Commission, and recorded among the Land Records.

(ii) This Declaration, as amended from time to time, shall remain in full force and effect (A) for a period of forty (40) years immediately following the date hereof, and (B) hereafter for successive periods of ten (10) years each until, prior to the expiration of any such period of ten (10) years, there is recorded among the Land Records an instrument which, expressly and by specific reference to this Declaration, and in the manner set forth in the foregoing provisions of this

<sup>36</sup> Liber 668 Page 720



subsection, terminates the operation and effect of this Declaration, in which event such termination shall be effective as of the date specified for the same in the provisions of such instrument or, if none is specified, upon the expiration of such ten (10) year period.

(iii) Anything contained in the foregoing provisions of this Declaration to the contrary notwithstanding, the Developer shall be entitled, without obtaining any consent thereto of any Owner or Mortgagee, to amend any of the provisions of this Declaration or the Community Plat if and only if such amendment shall (in the Developer's reasonable opinion) be necessary in order to correct obvious typographical or mathematical errors therein.

(d) Waiver. The Developer shall not be deemed to have waived the exercise of any right which the Developer holds hereunder unless such waiver is made either expressly and in writing or pursuant to a provision of this Declaration which expressly permit such waiver to be made in any other manner (and, without limiting the generality of the foregoing, no delay or omission by the Developer in exercising any such right shall be deemed to constitute a waiver of the exercise thereof). No such waiver made with respect to any instance involving the exercise of any such right shall be deemed to constitute a waiver with respect to any other instance involving the exercise of such right, or with respect to other such rights.

(e) Applicable law. This Declaration shall be given effect and construed by application of the law of Maryland, and any action, suit or proceeding arising hereunder shall be brought in the courts of Maryland: provided,<sup>35</sup> that if any such action, suit or proceeding shall be based upon a cause of action, right or remedy created or existing under or by virtue of the Constitution, laws or treaties of the United States of America, or if there shall exist a diversity of citizenship between or among the parties thereto, so that it is to be brought in a United States District Court, it shall be brought in the United States District Court for the District of Maryland.

(f) Headings. The headings of the sections and subsections hereto are provided herein for and only for convenience of reference, and shall not be considered in construing the contents of such sections or subsections.

(g) Severability. No determination or adjudication by any court, governmental or administrative body or agency or otherwise that any provision of this Declaration or of any amendment hereto is invalid or unenforceable in any instance shall affect the validity or the enforceability (i) of any other Provision of this Declaration, of such amendment or of any other such amendment, or (ii) of such provision in any other instance which is neither within the Jurisdiction of such court, body or agency nor controlled by its said determination or adjudication. Each and every provision hereof and of each such amendment shall be and remain valid and enforceable to the fullest extent allowed by law, and shall be construed wherever possible as being consistent with applicable law.

(h) Construction.

As used herein,

(i) ) all references made herein in the neuter, masculine or feminine gender shall be deemed to have been made in all such genders; and

(ii) all references made herein in the singular or plural number shall be deemed to have been made, respectively, in the plural or singular number as well,

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

---

<sup>35</sup> Liber 668 Page 719

(j) Exhibits. Each and every document, Plat or other writing which is referred to herein as being attached hereto as an exhibit or is otherwise designated herein as an exhibit hereto is hereby made a part hereof.

(k) General plan of development.

(i) The provisions of this Declaration shall conclusively be deemed to be part of a general plan or scheme of development and use for the Community and, as<sup>36</sup> such, to be covenants running with, binding upon, benefiting and burdening the respective title to each Lot and to the Commons. If any Owner or other person shall fail to comply with any of the provisions, such failure shall give rise to a cause of action for the recovery of damages, injunctive relief, or both, in any or all of the Developer, the Association and each Owner, and their respective heirs, personal representatives, successors and assigns.

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

(iii) The liability of each of the persons, who, together with one or more other persons, are an Owner for the adherence to the terms and the satisfaction of the conditions hereof shall be joint and several.

(l) Notices.

(i) ) Any notice, demand, consent, approval, request or other communication or document which is to be provided by or on behalf of Developer or the Association to any person hereunder shall be in writing, and (A) shall be deemed to have been provided or delivered forty-eight (48) hours after having been deposited as certified or registered mail in the United States mails, postage prepaid, return receipt requested, and addressed (1) if the addressee is an Owner or Mortgagee: who (in accordance with the provisions of the Articles of Incorporation and the By-Laws) has notified the Association of its status as such and furnished the Association with its address, to such person's said address (herein referred to as such person's "Notice Address"), and (2) if the addressee either (I) has not furnished the Association with its address, as aforesaid, or (II) is any other person, to such address in the United States of America as is used by the United States Postal Service for the delivery of mail to such person, or (B) shall be deemed to have been provided upon actual hand or other delivery to such person.

(ii) Anything contained in the foregoing provisions of this subsection to the contrary notwithstanding, unless an Owner or a Mortgagee has notified the Association of its status as such and has furnished the Association with its address in accordance with the provisions of the Articles of Incorporation or the By-Laws, such person shall have no right under the provisions of the same or of this Declaration (A) to be given any notice, demand, consent, approval, request or other communication or document by the Association, or (B) to participate in the consideration of or cast any vote upon any question voted upon by the Membership, or (C) otherwise to be recognized as such by the Association or any Owner.

---

<sup>36</sup> Liber 668 Page 720

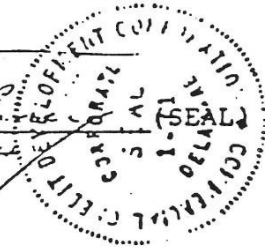
IN WITNESS WHEREOF; the Developer has caused this Declaration to be executed and ensealed on its behalf by its <sup>37</sup>duly authorized representatives, the day and year first above written.

Attest:

Commercial Credit Development Corporation,  
a corporation organized and existing under the  
law of Delaware

Mr. Margaret E. Cantacod

by John F. Tracy



STATE OF MARYLAND: CITY OF BALTIMORE: TO WIT:

I HEREBY CERTIFY that on this 2nd day of June, 1977, before me, the subscriber, a Notary Public for the state and county aforesaid, personally appeared John F. Tracy known to me or satisfactorily proven to be the person whose name is subscribed to the foregoing instrument, who acknowledged that he is the President of COMMERCIAL CREDIT DEVELOPMENT CORPORATION, a corporation organized and existing under the law of Delaware, and the entity named in the foregoing instrument as "the Developer", that he has been duly authorized to execute, and has executed, the said instrument on behalf of the said entity and that the same is its act and deed.

As WITNESS my hand and Notarial Seal.



A R Fromm Jr  
Notary Public

My commission expires on July 1, 1978.

**DECLARATION OF COVENANTS, EASEMENTS CHARGES AND LIENS**

**EXHIBIT A**  
**DESCRIPTION OF PARCEL I**

BEGINNING for the same at a point on the westerly right-of-way line of Relocated Ridge Road, Eighty (80) feet wide, at the intersection formed at the end of the North 84°-04'-36" West, 40.53 feet plat line of Parcel 'B' of said road as shown on a plat entitled "Carrolltowne, Ridge Road (Relocated)" and intended to be recorded among the Land Records of Carroll County, Maryland, with the end of the Thirty-Fifth or South 26°-11'42" East, 62.72 foot line of the property conveyed to the Carroll County Board of Education by Deed recorded among the aforesaid Land Records in Liber 663, Folio 797 and shown on a plat entitled "Boundary Outline, Carrolltowne Elementary School" dated January 24, 1977, thence running with and binding on the outlines of said property, reversely, and the southerly right of way line of proposed Gemini Drive, (formerly known as Linlee Drive) as shown on a plat of subdivision entitled "Carrolltowne, Section 1-A" as revised May 19, 1977 and intended to be recorded among the aforesaid Land Records and with all bearings referred to the datum of the State of Maryland Plane Coordinate System;

(1) North 26°-11'-42" West, 62.72 feet and

(2) North 71°-11'-42" West. 388.89 feet to intersect the northeasterly corner of Lot 1 as shown on the aforesaid plat thence running with and binding on the easterly line of said Lot 1 end the outlines of said Board of Education property;

(3) South 18°-46'-27" West, 130.16 feet to the southeast corner of <sup>39</sup>said Lot 1; thence running with and binding on the southerly lines of Lots 1 through 6, inclusive and the outlines of the Board of Education property the following three bearings and distances, Viz:

(4) North 78°-13'-34" West, 164.69 feet,

(5) South 63°-20'-18" West, 150.71 feet and

(6) South 38°-28'-18" West, 24.59 feet to the southwesterly corner at said Lot 6; thence running with the southwesterly line of said Lot 6 and continuing reversely along the outlines of said Board of Education Property;

(7) North 51°-31'41" West, 100.50 feet to intersect the southeasterly right-of-way line of Gemini Drive; thence running with said southeasterly right-of-way line and the outlines of said Board of Education Property reversely,

(8) South 38°-26'-42" West. 19.82 feet to the northwesterly corner of Lot 7; thence running with and binding on the northerly line of said Lot 7; and continuing reversely along the outlines of said Board of Education Property;

(9) South 51°-31'-41" East, 100.49 feet to the easterlymost corner of said Lot 7; thence running with and binding on the easterly lines of Lots 7 through 11, inclusive, and Lot 13 and continuing reversely along the outlines of the Board of Education Property, the following three bearings and distances viz:

(10) South 38°-23'-18" West, 38.62 feet; thence

(11) South 27°-26'-05" West. 300.65 feet to the common rear corner of Lots 11 and 13; thence

<sup>40</sup>(12) South 30°-28'-49" East, 45.76 feet to the easterly corner of said Lot 13; thence running with the southeasterly line of said Lot 13 and continuing reversely along the outlines of said Board of Education Property

---

<sup>38</sup> Liber 688 Page 722

<sup>39</sup> Liber 668 Page 723

<sup>40</sup> Liber 668 Page 724

(13) South 57°-49'-01" West. 125.02 feet to intersect the north-easterly right-of-way line of Macbeth Way, Sixty (60) feet wide and the line of division between the aforementioned property of the Carroll County Board of Education and the property of Commercial Credit Development Corporation thence leaving the outline: of the Board of Education Property and running with the southerly end of Macbeth Way

(14) South 71°-28'-17" West, 61.97 feet to the easterly corner of Lot 45; thence running with the southeasterly lines of Lots 45 through 47, inclusive, the following three bearings and distances, viz:

(15) South 56°-07'-35" West. 75.78 feet; thence

(16) South 45°-40'-05" West, 79.62 feet; thence

(17) South 53°-10'-15" West. 79.62 feet: to the southerly corner of lot 47; thence running with the westerly line of said Lot 47.

(18) North 33°-04'-40" West. 103.44 feet to intersect a curved southerly right-of-way line of said Gemini Drive; thence running with said southerly right-of-way line

(19) 356.08 feet along the arc of a curve deflecting to the right having a radius of 505.00 feet and a long chord bearing and distance of South 77°-07'-19 West. 348.75 feet to the westerlymost corner of said Gemini Drive; thence binding on the westerly end of said Gemini Drive,

(20) North 07°-19'-19" East, 50.00 feet to the northerlymost corner of said Gemini Drive; thence running with part of the curved northerly right-of-way<sup>41</sup> any line of said Gemini Drive.

(21) 36.08 feet along the arc of a curve deflecting to the left having a radius of 455.00 feet and a long chord bearing and distance of South 84°-57'-00" East, 36.07 feet to the southwesterly corner of Lot 55; thence running with the westerly line of said Lot 55.

(22) North 08°-30'-00" East, 148.60 feet to intersect the common rear corners of Lots 55 and 48 as shown on the aforesaid plat entitled "Carrolltowne Section 1-A" and Lot 1 as shown on a plat of subdivision entitled "Bonnie Brae, Section 2" recorded among the aforesaid Land Records in Plat Book 9, Folio 31; thence running with the line of division between Lot 1, Bonnie Brae, Section 2 and Lot 48, "Carrolltowne, Section 1-A".

(23) North 13°-08'-27" East, 194.90 feet to intersect the southerly right-of-way line of the aforementioned Macbeth Way; continuing thence on the same bearing and the said line of division between the two subdivisions.

(24) North 13°-08'-27" East, 60.00 feet to intersect the northerly right-of-way line of Macbeth Way and the common front corners of Lot 44, Section 1-A, "Carrolltowne" and Lot 16, Section 2, Bonnie Brae; continuing thence on the name bearing and the said line of division between subdivisions

(25) North 13°-08'-27" East. 135.00 feet to the common rear corners of said Lot 44 and Lot 30. Section 1-A "Carrolltowne"; continuing thence on the name bearing and the said line of division between said Lot 30, Section 1-A, "Carrolltowne" and Lots 16 and 12, Section 2. Bonnie Brae subdivision.

(26) North 13°-08'-27" East, 140.70 feet to the northwesterly corner of said Lot 30; thence running with the line dividing Lots 29, 24 and 23, Section 1-A, "Carrolltowne" subdivision from Lots 11, 10, 9 and 8, Section 1, <sup>42</sup> "Bonnie Brae" subdivision, a plat of which is recorded among the aforesaid Land Records in Plat book 7, Folio 67.

(27) North 13°-08'-27" East. 404.66 feet to the northwesterly corner of said Lot 23, Section 1-A, "Carrolltowne" thence running with the northerlymost line of said Lot 23, Lot 22, the north end of West Hemlock Drive, Sixty (60) feet wide. Lot 21 all in Section 1-A, "Carrolltowne" subdivision.

(28) South 76°-51'-33" East. 299.99 feet to intersect the line of division between the property of Commercial Credit Development Corporation and the property conveyed to Carrolltowne Associates by Deed recorded Among the aforesaid Land Records in Liner 589, Folio 759; thence running with

---

<sup>41</sup> Liber 668 Page 725

<sup>42</sup> Liber 668 Page 726

the line of division between the property of Carrolltowne Associates and Lots 21, 19 and 14, Section 1-A, "Carrolltowne"

(29) South 71°-11'-42" East, 645.76 feet to intersect to the easterlymost corner of Lot 19; said corner also being the point of tangency of a curve on the northerly right-of-way line of the aforesaid Gemini Drive, Fifty (50) feet wide; thence running with said northerly right-of-way line and the aforesaid property of Carrolltowne Associates

(30) South 71°-11'-42" East. 513.84 feet to a point on the westerly right-of-way line of the aforementioned Ridge Road (Relocated), said point being the end of the North 13°-08'-15" East, 94.81 feet plot line of Parcel 'B' of the aforesaid plat entitled "Ridge Road (Relocated)", said point also being the beginning of the North 71°-11'-42" West, 38.44 feet plat line of Parcel 'A' of the abovementioned plat; thence running with the westerly right-of-way line of Relocated Ridge Road.

(31) South 13°-08'-15" West. 94.81 feet to the point of beginning. CONTAINING in All 17.3879 Acres of land.

### <sup>43</sup>CARROLLTOWNE

#### DECLARATION OF COVENANTS. EASEMENTS, CHARGES AND LIENS

#### EXHIBIT B

#### Lots contained within Parcel 1

Lots numbered 1 through 55, as shown on a plat prepared by Century Engineering, Inc., entitled "Carrolltowne Section 1A", dated January 7, 1977, and intended to be recorded among the Land Records simultaneously with the recordation there among of this Declaration.<sup>44</sup>

<sup>45</sup>right-of-way the following two (2) bearings and distances, viz:

(5) South 60°-03'-00" East 860.57 feet to a point of curvature; thence

(6) 308.26 feet along the arc of a curve deflecting to the left, having a radius of 10830.06 feet And a long chord bearing and distance of South 60°-51'-55.5" East 308.26 feet to intersect the line of division between this property and the westerly boundary of Ridgely Park; thence running with and binding on said line of division

(7) South 27°-01'-18" West 1479.35 feet to an iron pipe net; thence

(8) South 61°-19'-18" West 1173.02 feet; thence

(9) South 45°-37'-18" West 1314.39 feet to a stone found at the southeasternmost corner of this property; thence running with and binding on the southerly outline of this property the following eight bearings and distances, viz:

(10) North 43°-52'-40" West 128.70 feet; thence

(11) North 02°-04'-20" East 646.68-feet to a point set 16.64 feet south of and 1.57 feet west of a concrete monument found; thence

(12) North 01°-35'-20" East 661.55 feet; thence

(13) South 30°-33'-20" West 239.72 feet; thence

(14) North 67°-45'-40" West 1344.25 feet; thence

<sup>46</sup>(15) South 60°-10'-20" West 493.72 feet to a stone found; thence

---

<sup>43</sup> Liber 688 Page 727

<sup>44</sup> Liber 668 Page 726 missing

<sup>45</sup> Liber 668 Page 729

(16) North 25°39'-10" West 545.01 feet; thence

(17) North 78°-39'-50" West 198.00 feet to a point set 12.7 feet north of and 13.6 feet west of a stone found; thence

(18) North 21°-35'-10" East 516.23 feet to a point set 3.73 feet east of and 4.46 feet north of a stone found; thence running with the southerly outlines of Section 2, Bonnie Brae subdivision, a plat of which is recorded among the aforesaid Land Records in Plat Book 9, Folio 31, the following four (4) bearings and distanced, viz:

(19) South 73°-01'-46" East 699.46 feet, passing 1.15 feet north of a stone found at 282.63 feet, 0.78 feet north of an iron pipe found at 302.91 feet and 1.24 feet north of an iron pipe found at 587.64 feet; thence running

(20) North 05°-38'-06" West 194.70 feet; thence

(21) South 54°-01'-59" East 33.00 feet to a point set 1.46 feet north of and 2.1 feet east of a stone found; thence

(22) South 71°-31'-59" East 881.10 feet to the southeasternmost corner of said Section 2 of Bonnie Brae subdivision; thence running with and binding on the easterly lines of Lot 1, MacBeth Way, and Lot 16 as shown on the aforesaid plat of Section 2 of Bonnie Brae recorded in Plat Book 9, Folio 31 and the easterly outline of Section 1 of Bonnie Brae subdivision as shown on a plat <sup>47</sup>recorded among the aforesaid Land Records in Plat Book 7, Folio 67, and the easterly line of the aforesaid land conveyed to Metro Land Co., Inc. by deed recorded in Liber 396, Folio 340.

(23) North 24°-17'-09" East 2165.01 feet to the point of beginning.

CONTAINING in all 155.8549 acres of land, including the 0.7811 acre parcel of land formerly acquired by the State Roads Commission for the Old Ridge Road right-of-way and now reverted back to the Owners. Saving and excepting however, the following three parcels of land that have previously been conveyed, viz:

(A) 18.761 acre parcel of land conveyed to The Board of Education of Carroll County, Maryland, by deed recorded among the aforesaid Land Records in Liber 663, Folio 797;

(B) 17.3879 acre parcel of land as shown on a plat of subdivision entitled "Carrolltowne, Section 1-A" recorded or intended to be recorded among the aforesaid land records immediately prior hereto;

(C) ) 0.861 acre parcel of ground known as "Parcel B" and shown on a plat of subdivision entitled "Carrolltowne, Ridge Road (Relocated)", intended to be recorded prior hereto

LEAVING a net total area of 113.8450 acres of land.

---

<sup>46</sup> Liber 668 Page 730

<sup>47</sup> Liber 668 Page 731

## AMENDMENTS

### <sup>48</sup>FIRST AMENDMENT OF DECLARATION OF COVENANTS EASEMENTS CHARGES AND LIENS

THIS FIRST AMENDMENT OF DECLARATION OF COVENANTS, EASEMENTS, CHARGES AND LIENS (hereinafter referred to as "this Amendment"), dated January 16, 1977 by and between COMMERCIAL CREDIT DEVELOPMENT CORPORATION, a corporation organized and existing under the law of Delaware (hereinafter referred to as "the Developer"), and WASHINGTON HOMES, INC., a corporation organized and existing under the law of Maryland (hereinafter referred to as "Washington Homes"),

WITNESSETH, THAT WHEREAS, by an instrument entitled "Declaration of Covenants, Easements, Charges and Liens" (hereinafter referred to as "the Declaration"), dated June 2, 1977, and recorded among the Land Records of Carroll County, Maryland, in Liber 668 at folios 685, et seq., made by the Developer, the Developer subjected to the operation and effect of the Declaration all of that real property, situate and lying in the said County, which is therein and hereinafter referred to as "Parcel I", consisting of certain residential lots (each of which is therein and hereinafter referred to as a "Lot"), common areas and roadway areas; and

WHEREAS, no real property other than that comprising Parcel I has been subjected to the operation and effect of the Declaration; and

WHEREAS, either the Developer or Washington Homes is the Owner (as that term is defined by the provisions of the Declaration) of each Lot contained within Parcel I and, accordingly, the Developer and Washington Homes are together entitled by the provisions of the Declaration to amend the same, and desire by this Amendment to do so;

<sup>49</sup>Now, THEREFORE, the Developer and Washington Homes hereby agree that the provisions of the Declaration be amended in the Following manner:

#### Section 1. Amendments.

(a) The following provisions are hereby inserted in section 1(a) (i) of the Declaration, immediately following the conclusion of clause (24) thereof:

(24A) "Limited Assessment" shall have the meaning ascribed to it by the provisions of Section 6(b) hereof.

(b) The following sentence shall be inserted in the provisions of section 4(b) of the Declaration, immediately following the present conclusion thereof:

An Owner's Membership in the Association shall be appurtenant to his Lot, and may not be separated from his Ownership thereof.

(c) The words "Class A" shall be inserted immediately before the word "Member" in the provisions of Section 4(c)(ii)(A)(3) of the Declaration, and the word "one" shall be inserted immediately before the word "vote" in the said provisions.

(d) The provisions of section 4(c) (ii) (B) (1) of the Declaration are hereby deleted, and the following provisions are hereby inserted therein in their place:

(1) each Class B Member shall be entitled to cast three votes in the affairs of the Association for each vote which it would be entitled to cast, were it a class A Member; and

(e) The provisions of section 4(c) (iii) of the Declaration are hereby deleted, and the following paragraph is hereby inserted therein in their place:

(iii)(A) The Conversion Period shall consist of a period commencing upon the date hereof and terminating upon the date upon which the total number of votes held by the <sup>50</sup>Class A Membership becomes equal to the total number of votes held by the Class B Membership; provided, that anything contained in the foregoing provisions or this paragraph

---

<sup>48</sup> Liber 693 Page 33

<sup>49</sup> Liber 693 Page 34

<sup>50</sup> Liber 693 Page 35



(iii)(A) to the contrary notwithstanding, it at any time or from time to time following such termination the Community is expanded pursuant to the provisions of Section 7 hereof, the Conversion Period shall recommence as of the time at which such expansion occurs, and shall terminate thereafter upon the date upon which the total number of votes held by the Class A Membership becomes equal to the total number of votes held by the Class B Membership.

(B) Anything contained in the provisions of this Declaration to the contrary notwithstanding, the Conversion Period shall, if not then already terminated, terminate without thereafter re-commencing on the earlier to occur of (1) the Developer's termination thereof by recording among the Land Records an instrument expressly providing for such termination and making specific reference to this paragraph, and (2) the fifth (5th) anniversary or the date hereof.

(f) The provisions of Section 5(a) (i) (A) are hereby deleted, and the following paragraph is hereby inserted therein in their place:

(A) The Developer shall be entitled to convey to the Association the legal title to the Commons or any portion thereof at any time hereafter, and/or to retain the legal title to all or any portion of the Commons until such time as the Developer has completed any improvements which the Developer intends to make to the same, or until such earlier or later time as, in the sole and absolute judgment of the Developer, the Association is able to maintain the same in accordance with the provisions of this Declaration: provided that the Developer shall convey to the Association the legal title to that portion of the Commons which is contained within Parcel 1 by not later than the date upon which the Developer or any Builder conveys to any person (other than the Developer or a Builder) the legal title to any not contained within such Parcel, and shall convey to the Association the legal title to any portion of the Commons contained within any Future Parcel or portion thereof which is added to the community by an expansion thereof by not later than the date upon which the Developer or any Builder conveys to any person <sup>51</sup>(other than the Developer or a Builder) the legal title to any Lot contained within such Parcel,

(g) The provisions of Section 6(a) and (b) of the Declaration are hereby deleted, and the following provisions are hereby inserted therein in their place:

(a) Right to levy Assessments.

The Association shall be entitled to obtain funds for payment of the Association's current expenses incurred in performing its obligations under the provisions of this Declaration, and for the creation of reserves for the payment of its future such expenses, by from time to time levying an Assessment (each of which is hereinafter referred to as an "Assessment") against each Owner and his respective Lot, all upon the terms, for the purposes and subject to the conditions which are set forth in the provision: of this Declaration, the Articles of Incorporation and the By-Laws.

(b) Procedure for legging Assessments.

Any determination by the Association to levy Assessments and/or of the respective amounts thereof shall be made in the following manner:

(i) Classes of Assessments.

(A) The Assessments shall consist of Annual Assessments (each of which us hereinafter referred to as an "Annual Assessment", Special Assessments (each of which is herein-after referred to as a "Special Assessment") and limited Assessments (each of which is hereinafter referred to as a "Limited Assessment"),

(B) (1) The proceeds of the Annual Assessments may be used by the Association to defray any cost incurred by the Association in accordance with, or for any other

purpose permitted by, the provisions of this Declaration, the Articles of Incorporation and the By-Laws.

(2) The proceeds of any Special Assessments shall be used to defray any cost incurred by the Association in the construction, reconstruction, repair or replacement of any of the common: or any other Association Property.

(3) The proceeds of any Limited Assessments shall be used for the purposes which are set forth in the provisions of Section 6(b) (iii) (D) hereof.

<sup>52</sup>(ii) Period of Assessments.

(A) Each Assessment shall be made with respect to one or those calendar years (each of which is hereinafter referred to as an "Assessment Year") during which this Declaration remains in effect: provided, that the initial Assessment Year shall commence upon the date of the recordation of this Declaration among the Land Records, and shall terminate on the thirty-first (31st) day of December next succeeding such date.

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

(iii) Allocation of Assessments among Lots.

(A) Except as is otherwise provided in this subsection (b), (1) the respective amounts of any Annual Assessments levied for an Assessment Year shall be equal, (2) the respective amounts of any Special Assessments levied for an Assessment Year shall be equal, (3) the respective amounts of any Limited Assessments levied for an Assessment Year shall be equal, and (3) no Assessment at one class may be levied for an Assessment Year against one not unless an Assessment of such class is at the same time levied for such Assessment Year against each Lot which is not exempt from such levy under the provisions of Section 6(b)(iii)(D) or (E) hereof.

(B) if a Lot is a Multiple Dwelling Lot, each General Assessment or Special Assessment levied against it shall be in an amount equaling the product obtained by multiplying the number of Dwellings permitted on such Lot under the provisions of section 9 (a) (i) (B) hereof by the amount which such Assessment would be were such not a Multiple Dwelling Lot.

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

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

(2) the respective amount of each such Assessment shall be determined in accordance with the foregoing provisions of this paragraph iii at the commencement of such Assessment Year, but shall then be reduced to a fraction thereof, <sup>53</sup>the numerator of which shall be the number of days remaining in such Assessment Year as of the date of such expansion, and the denominator of which shall be three hundred sixty-five (365).

(D) (i) if a Lot is, one to which, either alone or together with other Lots, the use and enjoyment of any of the Limited Commons is restricted under the provisions or section J(c)(ii) hereof, the Association may levy against such Lot and against each a! such other Lots, if any, one or more Limited Assessments, the proceeds of which shall be used to defray any or all of the cost to the Association of the construction, reconstruction maintenance, operations, repair or replacement of so much of the Limited Commons, the use and enjoyment of which is restricted to such Lots, such levy shall be made equally among such Lots, except to the extent that (A) a different method of allocation is prescribed by any instrument by which such Lots are added to the Community through

---

<sup>52</sup> Liber 693 Page 37

<sup>53</sup> Liber 693 Page 38

an expansion thereof, or (B)(whether or not such different method of allocation has been so prescribed by such instrument) all of the Owners or those Lots to which the use and enjoyment or such portion of the Limited Commons is restricted, as aforesaid, unanimously agree to a different method of allocation provided that such agreement is set forth in an instrument making specific reference to this Section which is executed by each such Owner and each Mortgagee of any such Lot, and recorded among the Land Records prior to the levy of such Limited Assessment.

(ii) if a Lot is not one to which, either alone or together with other Lots, the use and enjoyment of such portion of the Limited commons is restricted, the Association may not levy against such Lot any Limited Assessment, the proceeds of which are to be used to defray any or all of the said cost of such construction, reconstruction, maintenance, operation, repair or replacement or such portion,

(E) Until the earliest to occur of (1) the acquisition of the legal title to a Lot hereafter by a person other than the Developer or any Builder: (2) the issuance by the said county of a certificate of occupancy for the first Dwelling hereafter constructed upon such Lot, or (3) the second (2nd) anniversary of the date upon which such Lot is first subjected to the operation and effect of this Declaration, each General Assessment, Special Assessment or Limited Assessment levied against it shall be in an amount equaling twenty percent (20%) of the amount which such Assessment would be, but for the provisions of this subparagraph (E).

<sup>54</sup>(F) Anything contained in the provisions of this section to the contrary notwithstanding, no Assessment may be levied against

- (1) the Commons,
- (2) any Dedicated Roadway Area,
- (3) any other portion of the Community to the extent or (I) any easement or other

interest therein hold by any governmental or quasi-governmental authority or public utility company under the provisions of this Declaration or otherwise, or (II) any interest therein which is then exempt from real property taxation by the law of Maryland, upon the terms and to the extent of such exemption.

(iv) Adoption by Board of Directors; notice of Assessment: when Assessments become due and payable.

(A) By not later than the sixtieth (60th) day prior to the commencement of an Assessment Year, the Board of Directors shall adopt a budget for the Association for such Assessment year, which shall set forth (1) the aggregate amount of the Annual Assessments to be levied, and (2) the respective amount of the Annual Assessment to be levied against each Lot, By not later than the forty-fifth (45th) day prior to the commencement of such Assessment Year, the Association shall provide a copy of such budget to each Owner at its Notice Address.

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

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

(D) Any Special Assessment or Limited Assessment (or the initial installment thereof, if payable in installments) shall be due on the later of (1) the first (1st) day of the Assessment Year for which it is levied: or (2) any later date specified therefor by the Association (and any subsequent installments thereof shall be due on the respective dates set forth in such schedule).

(E) Anything contained in the foregoing provisions of this paragraph to the contrary notwithstanding, if a Lot is exempt from such levy at <sup>55</sup>the commencement of an Assessment Year but

---

<sup>54</sup> Liber 693 Page 39

<sup>55</sup> Liber 693 Page 40

during such Assessment Year becomes eligible for such levy, the Assessment thus levied shall be due on the later of

(1) the date on which such Assessment would have been due were such Lot contained within the Community at the commencement of such Assessment Year, or

(2) the date on which such Lot becomes eligible for such levy,

(v) Limitations upon Annual Assessments.

(A) Without approval by the Membership, other than pursuant to the provisions of section 6(b) (v) (B) hereof, the Association may not levy against any not an Annual Assessment in an amount which,

(1) for the initial Assessment Year, exceeds one Hundred and 00/100 Dollars (\$100.00);

or

(2) for any Assessment Year thereafter, exceed: one hundred five percent (105%) of the maximum amount permitted to be levied as an Annual Assessment for the immediately preceding Assessment Year.

(B) With approval by the Membership.

(1) The Association may levy against each Lot for An Assessment Year that portion or an Annual Assessment which exceeds the maximum sum which the Association may levy for such Assessment Year without approval by the Membership, as aforesaid, after and only after having been authorized to do so by two-thirds of the votes cast on such question by those Members of each Class of Membership who are present and voting on such question at a Membership Meeting held in accordance with the provisions of clause (2) of this subparagraph (B).

(2) The Association shall send to each Member at its Notice Address a written notice of the date, time and place of any Membership Meeting at which such question is to be considered by not later than the thirtieth (30th) and not more than the sixtieth (60th) day prior to such date. The presence at such date, time and place, in person or by proxy, of Members holding at least sixty percent (60%) of the total number of votes then held by, respectively, the Class A Membership and (if any) the Class B Membership shall be required to constitute a quorum (or such <sup>56</sup>Membership Meeting, If such quorum does not exist thereat, the Association may call another Membership Meeting for such purpose for a date which is not more than sixty (60) days after the first said date, by sending to each Member at its Notice Address a written notice of the date, time and place thereof in the same manner as that set forth herein-above, The presence of such date, time and place, in person or by proxy, of Members holding at least thirty percent (30%) of the total number of votes then held by, respectively, the Class A Membership and (if any) the class B Membership shall then be required to constitute a quorum for such Membership Meeting.

(h) The following provisions are hereby inserted in section 10 of the Declaration, immediately following the present conclusion thereof:

(h) Obtaining approval by Federal Housing Administration and Veterans Administration.

During the period prior to the termination of the Class 3 Membership pursuant to the provisions of Section 4 hereof, the consent or approval of the Federal housing Administration and/or the Veterans Administration shall be obtained to any of the following actions which are taken while a Mortgage is in effect which is insured by such entity:

(i) ) an expansion of the community pursuant to the provisions of section 7 hereof:

(ii) a dedication of any portion of the Commons to public use; and

(iii) an amendment or this Declaration.

Section 2. Effect of this Amendment.

Except as is herein-above set forth, the provisions of the Declaration shall remain in full force and effect, as if this Amendment had not been made.

<sup>57</sup>IN WITNESS WHEREOF, the Developer and Washington Homes have each caused this amendment to be executed and ensealed on its behalf by its duly authorized representatives, the day and year first above written

ATTEST:


COMMERCIAL CREDIT DEVELOPMENT CORPORATION, a corporation organized and existing under the law of Delaware,

*Christina Ann Davis*  
Assistant Secretary

by *John F Tracy* (SEAL)

WASHINGTON HOMES, INC., a corporation organized and existing under the law of Maryland,

*John F Tracy*  
SFC

by *John F Tracy* (SEAL)  


STATE OF MARYLAND CITY OF BALTIMORE: TO WIT:

I HEREBY CERTIFY that on this 16th day of January, 1977, before me, the subscriber, a Notary Public for the state and county aforesaid, personally appeared John F Tracy, known to me or satisfactorily proven to be the person whose name is subscribed to the foregoing instrument, who acknowledged that he is the President of COMMERCIAL CREDIT DEVELOPMENT CORPORATION, a corporation organized and existing under the law of Delaware and the entity named in the foregoing instrument as "the Developer", that he has been duly authorized the execute, and has executed, the said instrument on behalf of the said entity for the purposes therein set forth, and in the same is its act and deed.

AS WITNESS my hand and Notarial Seal.

*A.R.F. [Signature]*  
Notary Public

Notary Public

My commission expires on: July 1, 1978.

STATE OF Maryland County of Prince George TO WIT:

I HEREBY CERTIFY that on this 17 day of January, 1977, before me, the subscriber, a Notary Public for the state and county aforesaid, personally appeared Lawrence M Breneman known to me or satisfactorily proven to be the person whose name is subscribed to the foregoing instrument, who acknow-

CARROLLTOWNE  
SECOND AMENDMENT OF DECLARATION OF COVENANTS, EASEMENTS, CHARGES AND  
LIENS

THIS SECOND AMENDMENT OF DECLARATION OF COVENANTS, EASEMENTS, CHARGES AND LIENS (hereinafter referred to as "this Amendment"), made this 23rd day of June 1978, by COMMERCIAL CREDIT DEVELOPMENT CORPORATION, a corporation organized and existing under the law of Delaware (hereinafter referred to as "the Developer").

WITNESSETH, THAT WHEREAS, by a Declaration of Covenants, Easements, Charges and Liens (hereinafter referred to as "the Declaration") dated June 2, 1977, and recorded among the Land Records of Carroll County, Maryland, in Liber 668 at folios 685 et seq., made by the Developer (as amended by an instrument entitled "First Amendment of Declaration of Covenants, Easements, Charges and Liens", dated January 16, 1977, and recorded among the said Land Records in Liber 693 at folios 33 et seq., made by the Developer and Washington Homes, Inc.), the Developer subjected to the operation and effect of the Declaration all of that tract of land, situate and lying in the said County, which is described in Exhibit A thereto, together with the improvements thereon and the appurtenances thereto, all as is more particularly set forth in the provisions of the Declaration (all of which tract, improvements and appurtenances are hereinafter and therein referred to collectively as "Parcel I");

WHEREAS by the provisions of the Declaration, the Developer has reserved, for a period of seven (7) years after the date thereof, the right (which is exercisable at the Developer's sole discretion, but only in accordance with such provisions) to expand the land, improvements thereon and appurtenances thereto which from time to time are subject to the operation and effect of the Declaration (all of which land, improvements and appurtenances are hereinafter and therein referred to collectively as "the Community") by subjecting to the operation and effect of the Declaration, and thereby adding to the Community, all or any portion or portions of any one or more of those parcels of land, situate and lying in the said County (together with the improvements thereon and the appurtenances thereto) which are hereinafter and in the Declaration referred to as "Future Parcels"; and

WHEREAS, the said period of seven (7) years not having expired, the Developer intends by this Amendment to subject an additional portion of the Future Parcels to the operation and effect of the Declaration, as aforesaid,

NOW, THEREFORE, the Developer hereby subjects to the operation and effect of the Declaration all of those tracts of land, situate and lying in the said County, which consist of (a) the fifty-eight (58) Lots numbered 56 through 113, as shown on a plat (consisting of five (5) sheets) prepared by Evans, Hagan & Holdefer, Inc., entitled "Section 1-B, Carrolltowne" and recorded among the said Land Records in Plat Book 19 at folios 26 et seq. (which plat is hereby designated as an amendatory plat to the Community Plat [as that term is defined by the provisions of the Declaration], and is hereinafter referred to as "the Amendatory Plat"), (b) the area designated as "Common Open Space" on Sheet 5 of the Amendatory Flat, and (c) the roadways designated as "Gemini Court", "Gemini Drive", "Overlook Court" and "Phaedra Court" on the Amendatory Plat,

EXCLUDING THEREFROM, HOWEVER, all of that parcel of land designated as "Parcel A" on Sheet 3 of the Amendatory Plat, which parcel is not being subjected to the operation and effect of the Declaration, as aforesaid.

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

SUBJECT TO the operation and effect of any and all instruments which have been recorded among the said Land Records prior to the recordation there among of this Amendment, and which

pertain to any or all of the Additional Property,

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

Section 1. Definitions.

As used herein, the terms "Dedicated Roadway Area", "Lot", "Owner" and "the Commons" shall be deemed to have the meanings ascribed to them by the provisions of the Declaration.

Section 2. Lots and Commons.

(a) The Community shall hereafter include a total of one hundred and thirteen (113) Lots, consisting of

(i) ) the fifty-five (55) Lots which were included within the Community by the recordation of the Declaration among the said Land Records, and

(ii) the fifty-eight (58) additional Lots numbered 56 through 113, as aforesaid, the location within the Community and the dimensions of each of which are shown on the Amendatory Plat.

(b) The Commons shall hereafter include all of the Additional Property which does not constitute part of any Lot or of any Dedicated Roadway Area.

Section 3. General.

(a) Effectiveness. This Amendment shall become effective upon and only upon its having been executed <sup>58</sup>and acknowledged by the Developer, and recorded among the said Land Records.

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

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

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

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

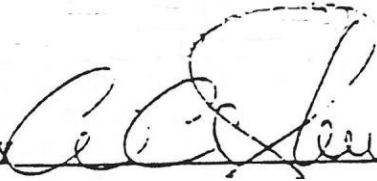
(f) ) General plan of development. The provisions of the Declaration and of this Amendment shall conclusively be deemed to be part of a general plan or scheme of development and use for the Community and, as such, to be covenants running with, binding upon, benefiting and burdening the respective titles to each Lot, the Commons and the Dedicated Roadway Areas, all upon the terms and subject to the conditions which are set forth in the provisions of the Declaration (including, by way of example rather than of limitation, those of Section 11(k) thereof). The Lots, Commons and Dedicated Roadway Areas, if any, included within the Community by the recordation of this Amendment among the said Land Records shall in all respects be subject to the operation and effect of the Declaration, to the same extent and in the same manner as if such Lots and Commons were included therein by the recordation of the Declaration among the said Land Records.

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

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

ATTEST:

COMMERCIAL CREDIT DEVELOPMENT CORPORATION, a corporation organized and existing under the law of Delaware.

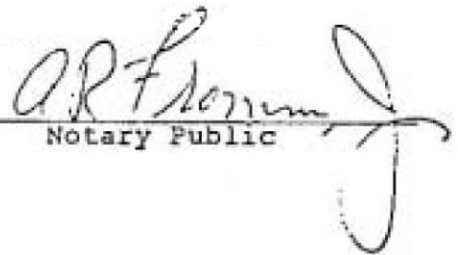
by  (SEAL)

State of Maryland: City of Baltimore TO WIT:

I HEREBY CERTIFY that on this 23rd day of June, 1978, before me, the subscriber, a Notary Public for the state and county aforesaid, personally appeared W. P. Stevens, known to me or satisfactorily proven to be the person whose name is subscribed to the foregoing instrument, who acknowledged that he is the Assistant Vice President of COMMERCIAL CREDIT DEVELOPMENT CORPORATION, a corporation organized and existing under the law of Delaware and the entity named in the foregoing instrument as "the Developer", that he has been duly authorized to execute, and has executed, the said instrument on behalf of the said entity, and that the same is its act and deed.

AS WITNESS my hand and Notarial Seal

My commission expires on July 1, 1982

  
Notary Public



CARROLLTOWNE

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

THIS THIRD AMENDMENT OF DECLARATION OF COVENANTS, EASEMENTS, CHARGES AND LIENS (hereinafter referred to as "this Amendment"), made this 12th day of March, 1979, by COMMERCIAL CREDIT DEVELOPMENT CORPORATION, a corporation organized and existing under the law of Delaware (hereinafter referred to as "the Developer"),

WITNESSETH, THAT WHEREAS, by a Declaration of Covenants, Easements, Charges and Liens (hereinafter referred to as "the Declaration") dated June 2, 1977, and recorded among the Land Records of Carroll County, Maryland, in Liber 668 at folios 685 et seq., made by the Developer (as amended by an instrument entitled "First Amendment of Declaration of Covenants, Easements, Charges and Liens", dated January 16, 1977, and recorded among the said Land Records in Liber 693 at folios 33 et seq., made by the Developer and Washington Homes, Inc.), the Developer subjected to the operation and effect of the Declaration all of that tract of land, situate and lying in the said County, which is described in Exhibit A thereto, together with the improvements thereon and the appurtenances thereto, all as is more particularly set forth in the provisions of the Declaration (all of which tract, improvements and appurtenances are hereinafter and therein referred to collectively as "Parcel I"); and

WHEREAS, by the provisions of the Declaration, the Developer has reserved, for a period of seven (7) years after the date thereof, the right (which is exercisable at the Developer's sole discretion, but only in accordance with such provisions) to expand the land, improvements thereon and appurtenances thereto which from time to time are subject to the operation and effect of the Declaration (all of which land, improvements and appurtenances are hereinafter and therein referred to collectively as "the Community") by subjecting to the operation and effect of the Declaration, and thereby adding to the Community, all or any portion or portions of any one or more of those parcels of land, situate and lying in the said County (together with the improvements thereon and the appurtenances thereto) which are hereinafter and in the Declaration referred to as "Future Parcels"; and

WHEREAS, by a previous amendment to the Declaration (hereinafter referred to as "the Prior Amendment") which has been recorded among the said Land Records, the Developer has subjected one portion of the Future Parcels to the operation and effect of the Declaration; and

WHEREAS, the said period of seven (7) years not having expired, the Developer intends by this Amendment to subject certain additional portions of the Future Parcels to the operation and effect of the Declaration, as aforesaid,

NOW, THEREFORE, the Developer hereby subjects to the operation and effect of the Declaration all of those tracts of land, situate and lying in the said County, which consist of (a) Lots numbered 114 through 178, (b) the area designated as "Open Space Parcel 'A'" and (C) the roadways designated as "MacBeth Way", "Fwammer Lane" and "Andylin Way", all as shown on a plat (consisting of four (4) sheets) prepared by Century Engineering, Inc., entitled "Carrolltowne, Section 2-A", dated August 23, 1978, and recorded among the said Land Records in Plat Book \_\_\_\_\_ at folios \_\_\_\_\_ et sea. (which plat is hereby designated as an amendatory plat to the Community Plat, as that term is defined by the provisions of the Declaration, and is hereinafter referred to as "the Amendatory Plat"),

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

SUBJECT To the operation and effect of any and all instruments recorded among the said Land Records prior to the recordation there among of this Amendment, and pertaining to any or all of the Additional Property,

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

Section 1. Definitions.

As used herein, the terms "Dedicated Roadway", "Lot", "Owner" and "the Commons" shall be deemed to have the meanings ascribed to them by the provisions of the Declaration.

Section 2. Lots and Commons.

2.1. The Community shall hereafter include a total of one hundred seventy-eight (178) Lots, consisting of

2.1.1. the one hundred thirteen (113) Lots which were included within the Community by the recordation of the Declaration and the Prior Amendment among the said Land Records, and

2.1.2. the sixty-five (65) additional Lots numbered 114 through 178, as aforesaid, the location within the Community and the dimensions of each of which are shown on the Amendatory Plat.

2.2. The Commons shall hereafter include (in addition to the real property which was included within the Commons by the recordation of the Declaration and the 'Prior Amendment among the said Land Records) all of the Additional Property which is not part of any Lot or of any Dedicated Roadway.

Section 3. General.

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

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

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

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

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

3.6. General Plan of Development. The provisions of the Declaration and of this Amendment shall conclusively be deemed to be part of a general plan or scheme of development and use for the Community and, as such, to be covenants running with, binding upon, benefiting and burdening the respective titles to each Lot, the Commons and the Dedicated Roadways, all upon the terms and subject to the conditions which are set forth in the provisions of the Declaration (including, by way of example rather than of limitation, those of subsection 11.11 thereof); provided, that the same shall not be deemed covenants running with, binding upon, benefiting or burdening the title to (or otherwise to be enforceable at law or in equity with respect to) (a) any Future Parcel or portion thereof unless and until it is added to the Community through an expansion thereof pursuant to the provisions of Section 7 of the Declaration, or (b) any land not contained within Parcel I or any Future Parcel. The Lots, Commons and Dedicated Roadways, if any, included within the Community by the recordation of this Amendment among the said Land Records shall in all respects be subject to the operation and effect of the Declaration, to the same extent and in the same manner as if such Lots, Commons and Dedicated Roadways were included therein by the recordation of the Declaration among the said Land Records.

3.7. Effect of this Amendment. The provisions of the Declaration shall for all purposes thereof be, and are hereby, amended in the manner set forth in the provisions of this Amendment. Except as is set forth therein, however, the provisions of the Declaration shall hereafter remain in full force and

effect, as if this Amendment had not been made.

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

ATTEST:

COMMERCIAL CREDIT DEVELOPMENT  
CORPORATION, a corporation organized and existing  
under the law of Delaware

organized and existing under the  
law of Delaware

*W. B. Keuprtin*  
*Secretary*

*Wynne A. Stevens* (SEAL)  
Asst. Vice President  
The Developer

STATE OF Maryland: CITY OF BALTIMORE: TO WIT:

I HEREBY CERTIFY that on this 12th day of March, 1979, before me, the subscriber, a Notary  
Public for the state and county aforesaid, personally appeared W.A. Stevens, known to me or  
satisfactorily proven to be the person whose name is subscribed to the foregoing instrument, who  
acknowledged that he is the Asst. Vice Pres. of COMMERCIAL CREDIT DEVELOPMENT  
CORPORATION, a corporation organized and existing under the law of Delaware and the entity  
named in such instrument as "the Developer", that he has been duly authorized to execute, and has  
executed, such instrument on its behalf for the purposes therein set forth, and that the same is its act  
and deed.

AS WITNESS my hand and Notarial Seal  
Notary Public

hand and Notarial Seal  
*AR Fromm*  
Notary Public  
on July 1, 1982.

My commission expires on JULY 1 1982.

CARROLLTOWNE  
FOURTH AMENDMENT OF DECLARATION OF COVENANTS, EASEMENTS, CHARGES AND  
LIENS

THIS FOURTH AMENDMENT OF DECLARATION OF COVENANTS, EASEMENTS, CHARGES AND LIENS, (hereinafter referred to as "this Amendment"), made this 15th day of October, 1986, by THE CARROLLTOWNE ASSOCIATION, INCORPORATED, a nonstock Corporation organized and existing under the law of Maryland (hereinafter referred to as "the Association").

WITNESSETH, THAT WHEREAS, by Covenants, Easements, Charges and Liens dated June 2, 1977, and recorded among the Land Records of Carroll County, Maryland, in Liber 668 at Folios 685 et seq., made by Commercial Credit Development Corporation, a corporation organized and existing under the law of Delaware ("the Developer"), as amended by a First Amendment of Declaration of Covenants, Easements, Charges and Liens dated January 16, 1978, and recorded among the said Land Records in Liber 693 at Folios 033 et seq., a Second Amendment of Declaration of Covenants, Easements, Charges and Liens dated June 23, 1978, and recorded among the said Land Records in Liber 708 at folios 544 et seq., and a Third Amendment of Declaration of Covenants, Easements, Charges and Liens dated March 12, 1979, and recorded among the said Land Records in Liber 737 at folios 84 et seq. (hereinafter collectively referred to as "the Declaration"), the Developer subjected to the operation and effect of the Declaration all of that land, situate and lying in the said County, which is described in Exhibit A thereto, together with the improvements thereon and the appurtenances thereto, all as is more particularly set forth in the provisions of the Declaration (all of which land, improvements and appurtenances are hereinafter and therein referred to collectively as "Parcel 1"); and

WHEREAS, by the provisions of subsection 11(c) of the Declaration, the provisions of the Declaration may be amended or terminated by and only by an instrument or plat (a) executed, sealed and acknowledged by or on behalf of at least two-thirds (2/3) of the Owners of the Lots (one of which must, during the Conversion Period, be the Developer), and by The Carroll County Planning and Zoning Commission and (b) recorded among the said Land Records; and

WHEREAS the Conversion Period has terminated prior to the date hereof; and

WHEREAS, this Amendment has been approved by at least two-thirds (2/3) of the Owners,

NOW, THEREFORE, the Developer hereby declares that the Declaration shall be and, by this Amendment, is hereby amended in the manner hereinafter set forth:

Section 1. Amendment of Declaration.

1.1. The provisions of Exhibit A to the Declaration are hereby amended by the addition thereto of all of that tract of land, situate and lying in the said County, which is more particularly described in Exhibit A hereto (hereinafter referred to as "Additional Parcel I"), it being intended by the provisions of this Amendment to subject Additional Parcel I to the operation and effect of the provisions of the Declaration as if it had always been subjected thereto.

1.2. Anything to the contrary contained herein notwithstanding, the Association shall be deemed, automatically and without the necessity of further action by the Association, to have levied against the Lots in Additional Parcel I for the Assessment Year during which this Amendment is recorded among the said Land Records any Annual Assessment or Special Assessment which the Association has made against the Lots in Parcel I for such Assessment Year, and the respective amount of such Annual Assessment and Special Assessment shall be determined with respect to such Assessment Year in accordance with the provisions of paragraph (iii) of Section 6(b) of the Declaration as if such Lot formed part of the Community at the commencement of such Assessment Year, but shall then be reduced to a fraction thereof, the numerator of which shall be the number of days remaining in such Assessment year as of the date of the recordation of this Amendment, and the denominator of which shall be three hundred sixty-five (365): provided, that the Association shall then be entitled, in the exercise of its sole discretion, to increase or decrease with respect to all of the Lots the amount of the Assessments which may theretofore have been levied against the Lots for

such Assessment Year to reflect any increase or decrease in its said expenses which may result from subjecting the Lots in Additional Parcel I to the operation and effect of this Declaration, so long as the respective amounts by which such Assessments are so increased or decreased are determined by application of the method set forth in the provisions of paragraph (iii)(A) of Section 6(b) of the Declaration.

1.3. From and after the date hereof, the term "Parcel I" as used in the provisions of the Declaration shall mean Parcel I as described in Exhibit A to the Declaration, as such Exhibit is amended by the provisions of this Amendment.

Section 2. General.

2.1. Definitions. Capitalized terms contained herein shall have the meanings ascribed to them by the provisions of the Declaration, unless otherwise specifically set forth herein.

2.2. Effectiveness. This Amendment shall become effective on and only on its having been executed and acknowledged by each person named herein as a party hereto, and recorded among the said Land Records.

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

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

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

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

2.7. General Plan of development. The Provisions of the Declaration and of this Amendment shall conclusively be deemed to be part of a general plan or scheme of development and use for the Community and, as such, to be covenants running with, binding upon, benefiting and burdening the respective titles to each Lot, the Commons and the Dedicated Roadways, all upon the terms and subject to the conditions set forth in the provisions of the Declaration, as such provisions are amended hereby; provided, that the same shall not be deemed covenants running with, binding upon, benefiting or burdening the title to (or otherwise to be enforceable at law or in equity with respect to) any land or improvements not within Parcel I as described in Exhibit A to the Declaration, as such Exhibit is amended by the provisions of this Amendment.

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

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

WITNESS or ATTEST:

THE CARROLLTOWNE ASSOCIATION,  
INCORPORATED, a corporation organized and  
existing under the law of Maryland,  
the law of Maryland,

*[Handwritten Signature]*

by *Janice Kehli Lawler* (SEAL)

STATE OF MARYLAND: COUNTY OF CARROLL: TO WIT:

I HEREBY CERTIFY that on this 15th day of October, 1986, before me, the subscriber, a Notary Public for the state and county aforesaid, personally appeared Janice Kahrl Lawler, known to me or satisfactorily proven to be the person whose name is subscribed to the foregoing instrument, who acknowledged that he is the President of THE CARROLLTOWNE ASSOCIATION, INCORPORATED, a nonstock corporation organized and existing under the law of Maryland and the entity named in such instrument as "the Association", that he has been duly authorized to execute, and has executed, such instrument on its behalf for the purposes therein set forth, and that the same is its act and deed.

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

*Bonny M Jett*  
Notary Public

My commission expires on 7/1/90

CONSENT OF CARROLL COUNTY PLANNING AND ZONING COMMISSION

The Carroll County Planning and Zoning Commission hereby joins in this Amendment for the express purpose of consenting to this Amendment.

IN WITNESS WHEREOF, The Carroll County Planning and Zoning Commission has executed and ensealed this Consent or caused it to be executed and ensealed on its behalf by its duly authorized representatives, this \_\_\_ day of \_\_\_\_\_, 1986.

WITNESS or ATTEST:

THE CARROLL COUNTY PLANNING AND ZONING COMMISSION, a body corporate and politic organized and existing under law of Maryland,  
\_\_\_\_\_ by \_\_\_\_\_ (SEAL)

STATE OF MARYLAND: COUNTY OF CARROLL: TO WIT:

I HEREBY CERTIFY that on this \_\_\_ day of \_\_\_\_\_, 1986, before me, a Notary Public for the state and county aforesaid, personally appeared \_\_\_\_\_ known to me or satisfactorily proven to be the person whose name is subscribed to the foregoing instrument, who acknowledged that he is the \_\_\_\_\_ of THE CARROLL COUNTY PLANNING AND ZONING COMMISSION, a body corporate and politic organized and existing under the law of Maryland, that he has been duly authorized to execute, and has executed, such instrument on its behalf for the purposes therein set forth, and that the same is its act and deed.

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

My commission expires on

CONSENT AND AGREEMENT OF OWNER OF RECORD

COMMERCIAL CREDIT DEVELOPMENT CORPORATION, a corporation organized and existing under the law of Delaware, the Owner of record of all of that real property described in Exhibit A to the foregoing Amendment, hereby joins therein for the express purpose of subjecting all of its right, title and interest in and to such real property to the operation and effect thereof, to the end that its fee simple estate in and to such real property be subject to the operation and effect of such Amendment.

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

IN WITNESS WHEREOF, the undersigned has executed and ensealed this Consent and Agreement of Owner of Record or caused it to be executed and ensealed on its behalf by its duly authorized representatives, this 20th day of October 1986

WITNESS OR ATTEST:

COMMERCIAL CREDIT DEVELOPMENT CORPORATION, a corporation organized and existing under the law of Delaware,

*Barbara A. Dillow*

by *Janet L. Leitzel* (SEAL)

STATE OF MARYLAND: CITY OF BALTIMORE: TO WIT:

I HEREBY CERTIFY that on this 20th day of October, 1986, before me, a Notary Public for the state and city aforesaid, personally appeared Janet L. Leitzel, known to me or satisfactorily proven to be the person whose name is subscribed to the foregoing instrument, who acknowledged that she is the Vice President of COMMERCIAL CREDIT DEVELOPMENT CORPORATION, a corporation organized and existing under the law of Delaware, that he has been duly authorized to execute, and has executed, the foregoing instrument on behalf of the said entity for the purposes therein set forth, and that the same is its act and deed.

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

Notary Public  
Barbara A. Dillow

*Barbara A. Dillow*  
Notary Public  
Barbara A. Dillow

My Commission expires on July 1, 1990.

CARROLLTOWNE  
DECLARATION OF COVENANTS, EASEMENTS, CHARGES AND LIENS  
EXHIBIT A  
Additional Parcel I

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

(a) Lots numbered 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199 and 200 on a plat (consisting of two (2) sheets) prepared by Kidde Consultants, Inc., entitled "Carrolltowne P.U.D., Section 2B", and intended to be recorded among the Land Records of Carroll County, Maryland simultaneously with the recordation there among of this Declaration;

(b) the lot designated as "Parcel 'A'" on the said plat; and

(c) the lot designated as "Parcel 'B'" on the said plat; and

(d) the roadways designated as "Macbeth Way" and "Slacks Road" on the said plat.

CARROLLTOWNE

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

THIS FIFTH AMENDMENT OF DECLARATION OF COVENANTS, EASEMENTS, CHARGES AND LIENS (hereinafter referred to as "this Amendment"), made this 1st day of December 1987, by Security Development Corporation, a Maryland corporation (hereinafter referred to as "the Declarant"),

WITNESSETH, THAT WHEREAS, by a Declaration of Covenants, Easements, Charges and Liens dated June 2, 1977, and recorded among the Land Records of Carroll County, Maryland, in Liber 668 at folios 685 et seq., made by Commercial Credit Development Corporation, a corporation organized and existing under the law of Delaware (the Developer"), as amended by a First Amendment of Declaration of Covenants, Easements, Charges, and Liens dated January 16, 1978 and recorded among the said Land Records in Liber 693 at folios 033 et seq., a Second Amendment of Declaration of Covenants, Easements, Charges and Liens dated June 23, 1978, and recorded among the said Land Records in Liber 708 at folios 544 et seq., and a Third Amendment of Declaration of Covenants, Easements, Charges and Liens dated March 12, 1979, and recorded among the said Land Records in Liber 737 at folios 84 et seq., and a Fourth Amendment of Declaration of Covenants, Easements, Charges and Liens dated October 15, 1986 and recorded among the said Land Records in Liber 980 at folios 761 et seq., (hereinafter collectively referred to as "the Declaration"), the Developer subjected to the operation and effect of the Declaration all of that land, situate and lying in the said County, which is described in Exhibit A thereto, together with the improvements thereon and the appurtenances thereto, all as is more particularly set forth in the provisions of the Declaration (all of which land, improvements and appurtenances are hereinafter and therein referred to collectively at "Parcel 1"); and

WHEREAS, by the provisions of subsection 11(c) of the Declaration, the provisions of the Declaration may be amended or terminated only by an instrument or plat (a) executed; sealed and acknowledged by or on behalf of at least two-thirds; (2/3) of the Owners of the Lots (one of which must, during the Conversion Period, be the Developer), and by the Carroll County Planning and Zoning Commission (b) recorded among the said Land Records; and

WHEREAS the Conversion Period has terminated prior to the date hereof; and

WHEREAS, this amendment has been approved by at least two-thirds (2/3) of the Owners,

NOW, THEREFORE, the Developer hereby declares that the Declaration shall be and, by this Amendment, is hereby amended in the manner hereinafter set forth:

Section 1. Amendment of Declaration.

1.1. The provisions of Exhibit A to the Declaration are hereby amended by the addition thereto



of all of that tract of land, situate and lying in the said County, which is more particularly described in Exhibit A hereto (hereinafter referred to as "Additional Parcel 1"), it being intended by the provisions of this Amendment to subject additional Parcel 1 to the operation and effect of the provisions of the Declaration as if it had always been subjected thereto.

1.2. Anything to the contrary contained herein; notwithstanding, the Association shall be deemed, automatically and without the necessity of further action by the Association, to have levied against the Lots in Additional Parcel 1 for the Assessment Year during which this Amendment is recorded among the said Land Records any Annual Assessment or Special Assessment which the Association has made against the Lots in Parcel 1 for such Assessment Year, and the respective amount of such Annual Assessment and Special Assessment shall be determined with respect to such Assessment Year in accordance with the provisions of paragraph (iii) of section 6(b) of the Declaration as if such Lot formed part of the Community at the commencement of such Assessment Year, but shall then be reduced to a fraction thereof, the numerator of which shall be the number of days remaining in such Assessment Year as of the date of the recordation of this Amendment, and the denominator of which shall be three hundred sixty-five (365); provided, that the Association shall then be entitled, in the exercise of its sole discretion, to increase or decrease with respect to all of the Lots the amount of the Assessments which may thereto fore have been levied against the Lots for such Assessment Year to reflect any increase or decrease in its said expenses which may result from subjecting the Lots in Additional Parcel 1 to the operation and effect of this Declaration, so long as the respective amounts by which such Assessments are so increased or decreased are determined by application of the method set forth in the provisions of paragraph (iii)(A) of section 6(b) of the Declaration

1.3. From and after the date hereof, the term "Parcel 1" as used in the provisions of the Declaration shall mean Parcel I as described in Exhibit A to the Declaration, as such Exhibit is amended by the provisions of this Amendment.

## Section 2. General.

2.1. Definitions. Capitalized terms contained herein shall have the meanings ascribed to them by the provisions of the Declaration, unless otherwise specifically set forth herein.

2.2. Effectiveness. This Amendment shall become effective on and only on its having been executed and acknowledged by each person named herein as a party hereto, and

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

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

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

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

2.7. General plan of development. The provisions of the Declaration and of this Amendment shall conclusively be deemed to be part of a general plan or scheme of development and use for the Community and, as such, to be covenants running with, binding upon, benefiting and burdening the respective titles to each Lot, the Commons and the Dedicated Roadways, all upon the terms and subject to the conditions set forth in the provisions of the Declaration, as such provisions are amended hereby; provided, that the same shall not be deemed covenants running with, binding upon, benefiting or burdening the title to (or otherwise to be enforceable at law or in equity with respect to)

any land improvements not within Parcel I as described in Exhibit A to the Declaration, as such Exhibit is amended by the provision of this Amendment.

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

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

WITNESS or ATTEST:

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

Joan K. McLowan

BY: James R. Morley, Jr. (SEAL)  
PRESIDENT

THE CARROLLTOWNE ASSOCIATION, INCORPORATED, a corporation organized and existing under the law of Maryland

Paul J. Horner

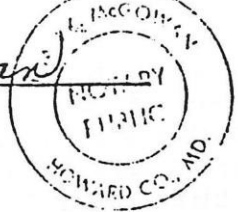
BY: Mark Blatichford (SEAL)  
(President)

STATE OF MARYLAND: COUNTY OF HOWARD: TO WIT:

I HEREBY CERTIFY that on this 25th day of March, 1988, before me, a Notary Public for the state and county aforesaid, personally appeared James R Morley, Jr., known to me or satisfactorily proven to be the person whose name is subscribed to the foregoing instrument, who acknowledged that he is the President of Security Development Corporation, a corporation organized and existing under the law of Maryland, that he has been duly authorized to execute, and has executed, the foregoing instrument on behalf of the said entity for the purposes therein set forth, and that the same is its act and deed.

IN WITNESS WHEREOF, I have set my hand and Notarial Seal, the day and year first above written. Notary Public My Commissions expires on July 1, 1990

Joan K. McLowan  
Notary Public



STATE OF MARYLAND: COUNTY OF HOWARD: TO WIT:

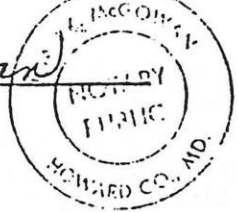
I HEREBY CERTIFY that on this 25th day of March, 1988, before me, the subscriber, a Notary Public for the state and county aforesaid, personally appeared Mark Blatichford, known to me or satisfactorily proven to be the person whose name is subscribed to the foregoing instrument, who acknowledged that he is the President of THE CARROLLTOWNE ASSOCIATION, INCORPORATED, a nonstock corporation organized and existing under the law of Maryland, and the entity named in such instrument at "the Association", that he has been duly authorized to execute, and has executed, the

foregoing instrument on its behalf for the purposes therein set forth, and that the same is its act and deed.

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

Notary Public

My Commissions expires on July 1, 1990

*Joan K. McGowan*  
Notary Public  


CONSENT OF CARROLL COUNTY PLANNING AND ZONING COMMISSION

The Carroll County Planning and zoning Commission hereby joins in this Amendment for the express purpose of consenting to this Amendment.

IN WITNESS WHEREOF, The Carroll County Planning and Zoning Commission as executed and ensealed this Consent or caused it to be executed and ensealed on its behalf by its duly authorized representatives, this \_\_\_ day of \_\_\_, 198\_\_ .

WITNESS or ATTEST \_\_\_\_\_

THE CARROLL COUNTY PLANNING AND ZONING COMMISSION, a body corporate and politic organized and existing under the law of Maryland,

By: \_\_\_\_\_(SEAL)

STATE OF MARYLAND: COUNTY OF CARROLL: TO WIT:

day of \_" ,

I HEREBY CERTIFY that on the \_\_\_ day of \_\_\_ 198\_ , before me, a Notary Public for the state and county aforesaid, personally appeared \_\_\_\_\_ known to me or satisfactorily proven to be the person whose name is subscribed to the foregoing instrument, who acknowledged that he is the \_\_\_\_\_ of THE CARROLL COUNTY PLANNING AND ZONING COMMISSION, a body corporate and politic organized an existing under the law of Maryland, that he has been duly authorized to execute, and has executed, such instrument on its behalf for the purposes therein set forth, and that the same is its act and deed.

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

\_\_\_\_\_  
Notary Public

My commission expires on \_\_\_\_\_.

EXHIBIT "A"

Carrolltowne described as follows:

BEGINNING for the same at a point at the end of the South 09°42'35" East, 893.09 feet line of a plat entitled "Plat A, Section 2B, Carrolltowne P.U.D.," dated June 9, 1986 and intended to be recorded among the Land Records of Carroll County, Maryland thence running with and binding on the lines of said plat as now surveyed

1) North 09°42'35" West, 893.09 feet to the westerly right of way line of Slacks Road fifty (50) wide as shown on the plat entitled "Plat B", Section 2B, Carrolltowne P.U.D.," thence continuing along the lines of said plat and said westerly right of way line

2) South 80°17'25" Nest, 20.00 feet, thence leaving said westerly right of way line and running with and binding on the lines of a plat entitled "Amended Plat of Carrolltowne, Section 2—A," dated January 8, 1980 and recorded among the said Land Records in Plat Book 22 at Folio 69

3) North 09°42'35" west, 112.61 feet, thence leaving the lines of said plat and running with and binding on the lines of the property of the Carroll County Board of Education the seven (7) following courses and distances:

4) North 83°14'39" East, 150.00 feet

5) North 56°23'47" East, 161.52 feet

6) North 42°55'31" East, 68.86 feet

7) South 47°04'29" East, 100.00 feet

8) North 42°55'31" East, 10.00 feet

9) North 47°04'29" West, 100.00 feet and

10) North 42°55'31" East, 284.16 feet, thence leaving the lines of the Board of Education and running for the five following courses and distances:

11) South 47°04'29" East. 158.00 feet

12) North 42°55'31" East, 18.67 feet

13) South 47°04'29" East, 107.79 feet

14) North 41°13'39" East, 70.00 feet and

15) South 39°38'33" East, 291.14 feet, thence South 50°21'27" West, 260.87 feet and South 34°34'48" West, 1001.86 feet to the place of beginning containing 13.546 acres of land, more or less.

## 59DECLARATION AND GRANT OF EASEMENTS

THIS DECLARATION AND GRAND OF EASEMENTS AND AGREEMENT (hereinafter referred to as "this Agreement"), made this 19th day of March 1975, by and between COMMERCIAL CREDIT DEVELOPMENT CORPORATION, a Delaware corporation having an address at 300 St. Paul Place, Baltimore, Maryland 21202 (hereinafter referred to as "CCDC") and TAG NOMINEE, INC., a Maryland corporation having an address at 2505 Blaustein Building, Baltimore, Maryland 21202 (hereinafter referred to as "TAG"),

WITNESSETH, THAT WHEREAS TAG is the owner of all of that real property, situate and lying in Carroll County, Maryland, described in Exhibit A hereto and identified as the "Carrolltowne Town Center" on the Plat attached hereto as Exhibit B (hereinafter referred to as "the Towne Center Property"); and

WHEREAS, CCDC is the owner of all of that real property, situate and lying in Carroll County, Maryland, described in Exhibit C hereto and identified on Exhibit B as "Carrolltowne Future Residential Area" (hereinafter referred to as "the Residential Property"), the Towne Center Property and the Residential Property being described together in Exhibit D hereto and shown on Exhibit E hereto and being hereinafter collectively referred to as "the Entire Property": and

WHEREAS CCDC and TAG have agreed to create certain easements over the Towne Center Property and the Residential Property, respectively, all as is hereinafter set forth,

NOW, THEREFORE, for and in consideration of the premises and of the payment by each party hereto to the other of the sum of Five Dollars (\$5.00), and for other good <sup>60</sup>and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto do hereby grant, covenant and agree as follows:

### ARTICLE I. DEFINITIONS.

Section 1.1. As used herein, the following terms shall be deemed to have the meanings which are hereinafter ascribed to them:

(a) "Benefited Property" shall mean the parcel which is granted herein the benefit of a particular casement established hereunder, and "Benefited Owner" shall mean the Owner of a Benefited Property or portion thereof from time to time.

(b) "Burdened Property" shall mean that parcel or portion thereof which is burdened by any particular easement granted hereunder and "Burdened Owner" shall mean the Owner of a Burdened Property or portion thereof from time to time.

(c) "Owner" shall mean any person having title of record in and to any Burdened Property or portion thereof or Benefited Property or portion thereof and any Mortgagee, Lessee or other person or entity to whom an Owner may have conferred or assigned any rights hereunder.

(d) "Plat" shall mean that certain plat entitled "Carrolltowne Easement Plan" dated December 31, 1974 and revised March 10, 1975 which is attached as Exhibit B hereto.

### ARTICLE II. GRANT OF EASEMENTS.

#### Section 2.1. General Provisions as to Grant of Easements.

The following provisions shall apply generally to all easements granted hereunder:

(a) The words "in" and "within" as related to any easement shall, as the context may require, be deemed <sup>61</sup>to mean "across", "in", "on", "over", "through", "under", and/or "within".

(b) The grant of a particular easement hereunder shall bind upon and burden only that portion of the Entire Property as shall be specified herein or that portion of the Entire Property which shall actually have been designated as an easement area on the Plat as referred to herein, as the

---

<sup>59</sup> Liber 589 Page 723

<sup>60</sup> Liber 589 Page 724

<sup>61</sup> Liber 589 Page 725

case may be.

(c) Unless a contrary intent is clearly indicated, the entire Towne Center Property shall be benefited by any easement granted hereunder and burdening all or any portion of the Residential Property, and the entire Residential Property shall be benefited by any easement granted hereunder and burdening all or any portion of the Towne Center Property.

(d) Unless a contrary intent is clearly indicated all easements granted hereunder shall be deemed to be non-exclusive and the benefit of any or all of the same may from time to time hereafter be conferred upon and enjoyed by the property of the granting party.

(e) Unless a contrary intent is clearly indicated, the right to the use of an easement which benefits a portion of the Entire Property shall be deemed to be granted to all owners, tenants, mortgagees, and other persons who hold any interest in such portion.

(f) ) All easements granted hereunder shall run with, bind upon and burden the land and shall exist by virtue of this agreement without the necessity of any further confirmation thereof.

(g) ) All easements granted hereunder shall be irrevocable and perpetual, subject to the provisions of Section 7.1 hereof.

<sup>62</sup>(h) The granting of an easement hereunder shall not prohibit the Burdened owner from dedicating the Burdened Property in question or any portion thereof, or the facilities which lie therein, to Carroll County or to any other governmental body provided that the Benefited Owner is, following such dedication, permitted to continue to enjoy the benefit thereof upon the payment of customary governmental charges therefor.

#### Section 2.2. Easements to Ridge Road Relocated.

(a) TAG hereby grants to CCDC for the benefit of the Residential Property an easement in and to those portions of the Towne Center Property as are shown as "Ridge Road Relocated" on the Plat, and CCDC hereby grants to TAG for the benefit of the Towne Center Property an easement in and to those portions of the Residential Property as are shown as "Ridge Road Relocated" on the Plat, for purposes of pedestrian and vehicular traffic, ingress and egress and such utilities as may be installed within the said portions of the Entire Property, including the right to connect to water, sewer, telephone, electric, gas and other lines and conduits, provided that the consent of the County or utility in question shall have been obtained.

(b) The parties hereto hereby agree that Ridge Road Relocated will be dedicated to Carroll County.

#### Section 2.3. Easements to Future West Hemlock Road and to Phaedra Road.

(a) CCDC hereby grants to TAG for the benefit of the Towne Center Property an easement in and to those portions of the Residential Property as are shown as "Future West Hemlock Road" and "Phaedra Lane" on the Plat, and which run parallel to Liberty Road and are contiguous to the Towne Center Property. Such easements may be used for the purposes <sup>63</sup>of pedestrian and vehicular traffic, ingress and egress and such utilities as may be installed within the said portions of the Residential Property, including the right to connect to water, sewer, telephone, electric, gas, and other lines and conduits, provided that the consent of the County or utility in question shall have been obtained.

(b) CCDC hereby agrees that Future West Hemlock Road and Phaedra Lane will be dedicated to Carroll County.

#### Section 2.4. Grant of Sanitary Sewer Easement.

(a) CCDC hereby grants to TAG an easement for the benefit of the Towne Center Property to construct, install, maintain, operate and use a sanitary sewer line (hereinafter referred to as "the Sanitary Sewer") in the portion of the Residential Property as is shown as "Sanitary Sewer Easement" on the Plat, together with a construction easement over those portions of the Residential Property as are shown as "Temporary Construction" areas on the Plat.

---

<sup>62</sup> Liber 589 Page 726

<sup>63</sup> Liber 589 Page 727

(b) The parties hereto hereby agree that the Sanitary Sewer will be dedicated to Carroll County, and that until time as the Sanitary Sewer shall have been so until such dedicated, CCDC shall have the right to relocate the Sanitary Sewer, subject to the provisions of Section 2.9 hereof.

Section 2.5 Easement for Private Sewage Disposal System.

(a) CCDC hereby grants to TAG for the benefit of the Towne Center Property a temporary easement for the disposal of sanitary sewage, including a private dry well system, in that portion of the Residential Property as is known as "Private Sewage Disposal System Easement" on the Plat. It is contemplated that the easement granted hereunder <sup>64</sup>will be utilized only until such time as TAG is able to tie into the Sanitary Sewer, the easements to which are granted a under the preceding section, and TAG agrees so to tie into the Sanitary sewer at the earliest possible time. The easement granted hereunder shall terminate when TAG ties into the Sanitary Sewer, and in any event, the easement granted hereunder shall terminate four (4) years from the date hereof unless, commencing with the fourth (4th) anniversary of the date hereof. TAG shall pay to CCDC the annual sum of Two Thousand. Five Hundred Dollars (\$2,500.00) (which annual sum shall be payable in equal monthly installments in advance on the said anniversary and on the first day of each calendar month thereafter) in which event the easement granted hereunder shall terminate after any such payment or installment thereof shall first become in arrears, provided CCDC shall have given thirty (30) days prior written notice to TAG of such non-payment and TAG shall have failed to make payment during such thirty (30) day period.

(b) Until such time as the easement granted under the provisions of Section 2.5(a) hereof shall be discontinued, CCDC shall have the right to relocate the Private Sewage Disposal system Easement as provided in Section 2.9 hereof.

(c) Upon the cessation of the Private Sewage Disposal Easement, TAG shall cause all underground tanks, lines and other equipment (hereinafter collectively referred to as "Equipment") to be removed at its expense unless it shall reasonably appear that the Equipment will not interfere with any improvements to be undertaken within the area theretofore burdened by such easement. Such intended improvements shall to the extent reasonably possible and without adding substantially to the cost thereof be so planned so as not to require such removal.

<sup>65</sup>Section 2.6. Reservation of Easements.

CCDC hereby expressly reserves the right to connect to the Sanitary Sewer any and all improvements located on the Residential Property, the right to dedicate the Sanitary Sewer to Carroll County or any other governmental body and the right to construct, reconstruct, repair and maintain the Sanitary Sewer, provided that such rights are exercised in a manner so as not to interfere with the connection to and use of the Sanitary Sewer by TAG.

Section 2.7. Easements for Storm Drainage.

(a) CCDC hereby grants to TAG easements in those portions of the Residential Property as are shown as "Revertible Storm Drain Easements" and as "Retention Pond" on the Plat, and TAG hereby grants to CCDC an easement in that portion of the Towne Center Property as is shown as "Storm Drain Easement (Residential)" on the Plat (such easements being hereinafter collectively referred to as "the Storm water Easements" and the facilities constructed within the Storm Water Basements from time to time being collectively referred to as the "Storm water Facilities") for use for the disposal of storm water, including the right to construct, install, maintain, and operate storm water disposal lines in the aforesaid easement areas and together with the construction easements therefor as are shown on the Plat. Each Owner shall have the right to relocate so much of the Storm Water Easements as shall burden its portion of the Entire Property, subject to the conditions of Section 2.9 hereof. It is expressly understood that each Burdened Owner shall be entitled to connect to that portion of the Storm Water Easements as to which the other Owner is a Benefited Owner, provided that such connections do not interfere with the use of the Storm Water

---

<sup>64</sup> Liber 589 Page 728

<sup>65</sup> Liber 589 Page729

Easements by such Benefited Owner. ,

<sup>66</sup>(b) Each of the Storm Water Easements shall terminate as to each such easement at such time, if any, as the storm water for which such easement is granted shall be disposed of in another manner. The size of the Retention Pond as shown on the Plat may be reduced or adjusted by CCDC provided that the Retention Pond as so adjusted shall have adequate capacity to satisfy the drainage needs of the Towne Center Property as shown on plans approved by the County from time to time.

Section 2.8. Construction and Obligation to Restore.

(a) Each Benefited Owner shall perform any work which such Benefited Owner shall be entitled hereunder to perform on the Burdened Property in the following manner: (i) reasonable notice thereof shall be given to the Owner of the Burdened Property; (ii) the party performing such work shall use first class materials and shall perform such work in accordance with all applicable codes and governmental requirements; (iii) such work shall be performed in a manner so as not to interrupt the business of the Owner, any tenant or other occupant and so as not to interfere other than to the minimum extent necessary with the enjoyment of such Burdened Property; and (iv) the surface of the ground (except for that covered by the Retention Pond) shall be restored as promptly as is possible to its condition immediately preceding the commencement of such work. The Burdened Owner shall cooperate with the Benefited Owner by signing all applications for permits and approvals required to be signed by the owner of the property.

(b) No Owner shall be required to improve any easement area on its portion of the Entire Property for the benefit of any other owner, subject to the agreement of the parties under Article III hereof.

(c) All work to be performed by either party pursuant to this Agreement shall comply with all applicable <sup>67</sup>laws, ordinances, rules and regulations, and no work shall be commenced by a benefited Owner on the Burdened Property until such time as the Benefited Owner shall evidence to the Burdened owner that all necessary governmental permits and approvals have been obtained.

Section 2.9. Right to Relocate.

Any Burdened Owner shall be entitled at any time, at its own expense, to relocate any utilities located on its Burdened Property, subject to the following conditions:

(a) The Burdened owner shall give to the Benefited Owner thirty (30) days notice of its intention to relocate the utility in question, which notice shall be accompanied by the proposed plans and specifications for such relocation.

(b) Any Benefited owner receiving such notice shall, within thirty (30) days after its receipt thereof, either approve or disapprove the proposed relocation, provided that such approval may not be withheld if (i) the utility as so relocated would have a capacity at least equal to that of the utility immediately prior to such relocation; (ii) the proposed relocation would not materially interfere with, or increase the cost of the operation and maintenance of, the Benefited Property; (iii) such proposed relocation will not require any modification of the relocated utilities on the Benefited Property unless such modification is undertaken by and at the cost of the relocating party; (iv) such proposed relocation will not interrupt the use of the utility service upon the Benefited Property; and (v) such relocation will not obstruct any roadway or parking area.

(C) ) If any Benefited Owner receiving such notice shall fail to disapprove such proposed relocation within thirty (30) days, such approval shall automatically be deemed to have been granted.

<sup>68</sup>(D) The work performed in connection with such relocation shall be performed in accordance with the provisions of Section 2.B(c) hereof.

Section 2.10. Indemnification.

(a) Any owner exercising any right of enjoyment of any easement under this Agreement shall defend, indemnify and save all other Owners harmless from and against any and all claims,

---

<sup>71</sup> Liber 589 Page 735

<sup>72</sup> Liber 589 Page 736



liability and demands of any nature whatsoever arising from injury or death to persons or damage to property as a result of the exercise by such Owner of any of the easements herein granted.

(b) Each Benefited Owner shall carry contractual indemnity insurance covering its obligations hereunder in such amounts as shall be customary in the industry and shall, upon request, furnish certificates thereof to the burdened Owner.

### ARTICLE III. CONSTRUCTION OF FACILITIES AND SHARING OF THE COST THEREOF.

#### Section 3.1. Mutual Cooperation.

If Carroll County or any other governmental authority shall require as a condition to the development by any owner of such owner's portion of the Entire Property that work be performed on any other owner's portion of the Entire Property, such other owner shall permit such work to be performed, and shall grant to the developing Owner the easements necessary therefor, provided that the Benefited Owner shall bear the entire cost of such work and provided that such easement shall not more than insubstantially affect the value or the usefulness of the Burdened Property.

#### Section 3.2. Liberty Road.

(a) TAG shall undertake and complete, at no expense to CCDC (except as provided in Section 3.5 with respect <sup>69</sup> to Storm Sewer Facilities serving the Residential Property), any and all improvements which, pursuant to the provisions of any and all public works agreements or otherwise, are required to be made to that segment of Liberty Road which abuts the Towne Center Property.

(b) CCDC shall undertake and complete, at no expense to TAG, any and all improvements which, pursuant to the provisions of any and all public works agreements or otherwise, are required to be made to those segments of Liberty Road which abut the Residential Property.

(c) The improvements which are referred to in the foregoing provisions of this Section are anticipated to include the installation of utilities, paving, sidewalks, storm drainage and traffic signalization; provided, that anything contained in the foregoing provisions of this Section to the contrary notwithstanding, to the extent that Carroll County or any other governmental authority should require the installation of any traffic light or other traffic signalization device at the intersection of Liberty Road and Ridge Road Relocated (as referred to in the provisions of Section 3.3 hereof), TAG shall undertake and complete, or cause to be undertaken and completed, at no expense to CCDC, the installation of the same; but further provided, that promptly upon the commencement of the construction by CCDC or its successors or assigns, of one or more residences upon the Residential Property, which residences are intended to be accessible from Liberty Road over Ridge Road Relocated (or at such time thereafter as TAG shall accomplish such installation), CCDC will reimburse TAG for one-half (1/2) of any expense which shall have been incurred by TAG in accomplishing such installation.

#### <sup>70</sup>Section 3.3. Ridge Road Relocated.

TAG shall undertake, at its sole cost and expense, the development of Ridge Road Relocated as set forth in that certain Public Works Agreement dated as of December 17, 1974, and as shown on a certain plat entitled "Relocated Ridge Road", dated February 27, 1974, and revised as of August 15, 1974. CCDC shall undertake, at its sole cost and expense, the development of the remaining portions of Ridge Road Relocated which are shown on the Flat at such time and in such manner as the same shall be required by Carroll County, which development shall include that of the traffic circle which shall be constructed when the County shall require such work to be done and shall be located in the vicinity of the school site, provided that so much of the cost of developing the said traffic circle as shall be allocable to the acquisition and installation of one or more pedestrian tube walkways under the surface of such traffic circle shall be shared equally by TAG and CCDC. Nothing herein shall prevent TAG from proceeding with the construction which would otherwise be undertaken by CCDC under the provisions of the preceding sentence, in which event CCDC shall contribute its share of the cost thereof, but CCDC shall not be required to contribute any such sum until such time as CCDC would have been required to undertake such construction under the provisions of the

<sup>69</sup> Liber 589 Page 733

<sup>70</sup> Liber 589 Page 734

preceding sentence.

Section 3.4. The Sanitary Sewer.

It is contemplated that Carroll County will construct the Sanitary Sewer referred to in Article II hereof, and that neither party shall be required to contribute thereto. Each party shall pay its own connection fees.

<sup>71</sup>Section 3.5. Storm Water Facilities.

All of the Storm water Facilities shall be undertaken by TAG without contribution from CCDC, except that CCDC shall pay the full cost of any Storm Water Facilities which serves only the Residential Property, including any expansion of the Retention Pond, and CCDC's equitable share of the cost of any Storm water Facilities serving both the Residential Property and the Town Center Property.

Section 3.6. Future West Hemlock Road and Phaedra Road.

CCDC shall undertake, at its solo cost and expense, the development of that portion of the Entire Property as is shown as "Phaedra Road" on the Plat, at such time and in such manner as the same shall be required by Carroll County. TAG shall not be entitled to the benefit of direct access (by any curb cut or otherwise) from the Towne Center Property to Phaedra Road; provided, that if either Carroll County or any other governmental body should require such direct access as a condition to such development of Phaedra Road, or should TAG request that such direct access be provided, TAG shall contribute to CCDC one-half of the cost of such development of Phaedra Road.

Section 3.7. West Hemlock Road.

CCDC shall undertake the development of that portion of the Entire Property which constitutes so much of "West Hemlock Road" as shall lie between Liberty Road and Phaedra Road, all as is shown on the Plat at such time and in such manner as the same shall be required by Carroll County. TAG shall contribute to CCDC one-half (1/2) of the cost of such road including the water line within the roadway up to the southerly entrance to the Towne Center Property.

<sup>72</sup>Section 3.8. St. Andrew's way.

CCDC shall undertake, at its sole cost and expense, the development of that portion of the Entire Property as is shown as "St. Andrew's Way" on the Plat, at such time and in such manner as the same shall be required by Carroll County.

Section 3.9. Additional Sizing of Sanitary Sewers and Storm Drains on the Residential Property.

If CCDC shall be required by Carroll County or any other governmental agency to increase the size of the Sanitary Sewer or the Storm Water Facilities on any portion of the Residential Property in order to serve the Towns Center Property, or if such increase in size shall be requested by TAG, TAG shall, in either event, pay for any and all added cost and expense arising from any such increase in size.

ARTICLE IV. MAINTENANCE AND REPAIR.

Section 4.1. Shared-Cost Facilities.

(a) With respect to those of the facilities which are referred to in the provisions of Article III hereof, the cost of the installation of which is to be shared by the parties hereto in the manner set forth therein, the cost of the maintenance and upkeep thereof shall be shared by the parties hereto in the same proportion as is shared the said cost thereof, as aforesaid, until such time, if any, as the facility in question shall have been accepted for dedication. With respect to any such facility, the cost of the maintenance of which shall be shared pursuant to the foregoing provisions of this Section, the owner of the Burdened Property shall be responsible for the maintenance thereof.

---

<sup>71</sup> Liber 589 Page 735

<sup>72</sup> Liber 589 Page 736

(b) With respect to the Retention Pond, CCDC shall maintain the Retention Pond and the parties shall share the cost of maintenance based on a proportionate use basis, the proportionate share of each party being a fraction of such maintenance cost, the numerator of which is the calculated flow from the Property of the party in question, and the denominator <sup>73</sup>of which is the total calculated flow from the Property owned by both parties. Such calculated flow shall be determined by an engineer certified to practice in the State of Maryland.

Section 4.2. Cost of Maintenance of Other Facilities.

Except as in set forth in the provisions of Section 4.1 hereof, any party which shall have installed any facility pursuant to an easement granted under the provisions of Article II hereof or is otherwise the Benefited Party with respect thereto shall maintain such facility at its sole cost and expense, without contribution from the other party.

Section 4.3. Self-Help.

Each Benefited Owner shall be entitled, upon reasonable notice unless an emergency makes such notice impracticable, to enter upon any Burdened Property for the purpose of making such repairs and undertaking such maintenance and similar action as shall render the easement burdening the same usable for its intended purposes.

ARTICLE V. Payment.

Section 5.1. Payment of Initial Cost.

(a) Any contribution toward the cost of the construction of any facility which, under the provisions of Article 111 hereof, is required to be made by either party to the other shall, as construction progresses, be made in an amount not in excess of ninety percent (90%) of such party's share of such cost, as shown by actual invoices therefore, payable in installments not more frequently than monthly. The remaining ten percent (10%) of such party's said share shall be paid within sixty (60) days after such construction shall have been completed.

(b) Any contribution not made within thirty (30) days after the same shall be due and payable shall bear interest following such thirty (30) day period at the rate provided in Section 5.2. In the event of dispute the undisputed portion of any statement shall be paid within such thirty (30) day period and the disputed portion shall bear such interest <sup>74</sup>if it shall be determined that the disputed portion was owed by the party in question.

Section 5.2. Cost of Maintenance.

With respect to those of the costs of maintenance which are to be shared by the parties hereto under the provisions of Article IV hereof, each party hereto shall be entitled to submit statements to the other party hereto not more frequently than quarterly and not less frequently than annually, which statements shall be supported by actual invoices or other appropriate cost data, and such statements shall be paid within thirty (30) days after such submission thereof and shall thereafter be due and payable with interest thereon at the lesser of (a) the highest annual rate then permitted under applicable law, and (b) the annual rate then charged by Maryland National Bank to its prime commercial customers plus two percent (2%) per annum.

Section 5.3. Mechanics' Liens.

Either party hereto shall, as a precondition to any such payment, be entitled to have the other party hereto furnish the first said party with evidence that the work for which such payment is being made is then free of mechanics' liens.

Section 5.4. Definition of Cost.

The terms "cost" or "cost of construction" and "cost of maintenance" wherever used in this Declaration, shall refer to the actual cost and expense incurred with respect to the name, including all professional and similar fees and overhead not exceeding ten percent (10%), but excluding any profit.

---

<sup>73</sup> Liber 589 Page 737

<sup>74</sup> Liber 589 Page 738

Wherever the cost of a road or street is to be shared hereunder, such cost shall be deemed to include not only the cost of the roadway itself but all curbs, gutters, pavements, street lights and utilities therein, if any, and storm drainage directly related to the roadway itself.

Section 5.5. General Provisions: Plans, Specifications and Contract.

(a) Before either party hereto shall commence the <sup>75</sup>construction of any facility, to the cost of which the other party hereto shall be required hereunder to contribute, the first party shall cause plans and specifications therefor to be submitted to the other party for the latter's approval (which approval shall not be unreasonably withheld and which shall be granted unless the facility in question or the installation or construction thereof shall not be in accordance with good planning, shall fail to comply with the provisions of any law, regulation, ordinance or public works agreement, or shall fail to furnish adequate capacity or utility for the other party). If the other party shall fail to disapprove such plans and specifications within thirty (30) days after such party's receipt of the same, such other party shall conclusively be deemed to have approved such plans and specifications.

(b) Construction contracts to be utilized in connection with such construction or installation shall similarly be submitted by the first such party to the other such party for approval, the criteria for which shall be limited to whether or not the contractor is a qualified contractor and whether or not the contract is in accordance with good construction practices.

ARTICLE VI. Ridge Road Relocation and Exchange of Parcels.

Section 6.1. General Background.

As a result of the present location of Ridge Road Relocated and Future West Hemlock Road vis a vis the Towne Center Property and the Residential Property, there currently exist two triangular parcels of land, one owned by CCDC and located between the east boundary of west Hemlock Road and the Towne Center Property at the intersection of Liberty Road, and the other owned by TAG and located south of the southerly boundary of Ridge Road Relocated. Such parcels are identified on Exhibit D as Parcel X and Parcel Y, respectively.

Section 6.2. Relocation of Ridge Road.

It is the intention of the parties that the location <sup>76</sup> of Ridge Road will be relocated so as to include all or substantial portions of Parcel Y and the deletion of certain pedestrian underpasses (referred to together as the "Changes"). Each party agrees to consent to such Changes. In the event such Changes are approved, the parties agree to enter into an appropriate amendment hereto consenting thereto.

Section 6.3. Conveyance of Parcel X and Y.

(a) As soon as the requisite subdivision approvals for the conveyance have been obtained, CCDC agrees to convey to TAG, without consideration, the fee simple title to Parcel X free and clear of any Mortgages or similar encumbrances.

(b) If the Changes are not promptly approved, and if TAG will suffer no loss in the number of parking spaces which may be counted toward zoning requirements for parking on the Towne Center Property as a result thereof, as soon as requisite subdivision approvals for conveyance have been obtained, TAG shall agree to convey to CCDC, without consideration, fee simple title to Parcel Y, free and clear of any Mortgages or similar encumbrances.

(c) Each grantee shall bear the expense of any and all transfer or documentary stamp taxes and recordation charges arising from such conveyance to it.

ARTICLE VII. LIMITATION ON PERPETUAL EASEMENTS.

Section 7.1. Limitation of Perpetual Easements.

With respect to such of the foregoing easements as are in this Agreement granted for use of roads and vehicle and pedestrian access which are declared to be "perpetual", each such easement shall, notwithstanding such characterization, expire, terminate and be extinguished when the use thereof shall have ceased and it is reasonable to believe that the use thereof will not thereafter be

---

<sup>75</sup> Liber 589 Page 739

<sup>76</sup> Liber 589 Page 740

resumed. Any assertion that the easement in question has ceased, terminated or been extinguished in accordance with the foregoing shall be deemed to have been made when notice to that effect citing this Section, shall have been given by registered or certified mail by any Burdened Owner to all Benefited Owners <sup>77</sup>and such assertion shall conclusively be deemed to have been agreed to and accepted by any Benefited owner receiving such notice unless such Owner shall, within thirty (30) days after such receipt, by notice to the Burdened Owner sending such notice, deny such assertion and give its reasons therefor. Funding the resolution of any dispute with regard to whether such easement shall have ceased, terminated or been extinguished, such easement shall be deemed to continue until there shall have been either a judicial determination of such dispute or a release of such easement by all Benefited Owners.

#### ARTICLE VIII. Miscellaneous.

##### Section 8.1. Special Provisions to Mortgages

Except to the extent of any judgment or similar lien for payment of a sum due hereunder created prior to the date of the Mortgage, no Mortgagee of either party shall be personally liable for any obligations with respect to contributions due from one party hereunder to the other toward the cost of construction.

##### Section 8.2. Limitation of Liability.

(a) Except as otherwise expressly provided herein, notwithstanding anything in this Agreement to the contrary contained, as to any successor or assignee of a party hereto or of any portion of the Entire Property, it is specifically understood and agreed that with respect to monetary payments required to be made under this Agreement there shall be no personal liability against any such successor or assignee except for those payments owed by such party for the period during which such party holds title and in any event, such liability shall extend to and be limited to the interest in the land and improvements thereon. Notwithstanding the provisions of this subsection (a) obligation with respect to payments under this Agreement shall not bind upon or extend <sup>78</sup>to any portion of the Residential Property which shall have been conveyed to a third party (i.e., not a party to this Agreement) by CCDC or its successors provided CCDC delivers to TAG an instrument in recordable form pursuant to which CCDC agrees to be bound for all monetary payments which otherwise might have been payable by the Owner thereof.

(b) Notwithstanding the provisions of Section 8.1 and (a) above, if a shopping center shall be constructed on the Towne Center Property, TAG and its successors and assigns shall be bound to complete the first phase of Ridge Road as required by the Public Works Agreement.

(c) Upon the sale or other transfer of any portion of the Entire Property, the liability of the Owner of such portion for any maintenance or other charges payable hereunder shall be limited as follows:

(i) if the parcel in question is a part of the Towne Center Property, such charges shall be limited to a fraction of the charges payable with respect to the Entire Town Center Property, the numerator of which is the acreage of the parcel in question and the denominator of which is 33 less the acreage, if any, dedicated to Carroll County or any other governmental authority: or

(ii) if the parcel in question is a part of the Residential Property, such charges shall be limited to a fraction of the charges payable with respect to the entire Residential Property, the numerator of which is the acreage of the parcel in question and the denominator of which is 138 less the acreage, if any, dedicated to Carroll County or any other governmental authority after the date hereof.

---

<sup>77</sup> Liber 589 Page 741

<sup>78</sup> Liber 589 Page 742

### Section 8.3. Estoppel Certificates.

Each party agrees, within Fifteen (15) days after request by any owner to furnish an estoppel certificate setting <sup>79</sup> forth the sums, if any, claimed to be owed by the requesting party under this Agreement.

### Section 8.4. Notices.

All notices required or permitted to be given hereunder, and all documents required or permitted to be delivered hereunder, shall be in writing, and (a) shall be deemed to have been given or delivered forty-eight (48) hours after being deposited as certified or registered mail in the United States mails, postage prepaid, return receipt requested, to the address of the party in question as is set forth hereinabove or to such other address in the United States of America as such party may designate from time to time by notice to the other, or (b) shall be deemed to have been given upon hand or other delivery to the party in question.

### Section 8.5. General.

(a) Effectiveness. This Agreement shall be and become effective upon and only upon the full and complete execution and delivery hereof by each of the parties hereto.

(b) Complete Understanding. This Agreement represents the complete understanding between the parties hereto as to the subject matter hereof, and supersedes all prior negotiations, representations, warranties, statements or agreements, either written or oral, between or among the parties hereto as to the same.

(c) Amendment. This Agreement may be amended by, and only by, written instrument executed, acknowledged and delivered by each of the parties hereto. No other person, firm or entity such as, without limitation, assignees of any portion of the Entire Property, shall be required to join therein or to consent thereto provided no such amendment shall be binding upon the property of such assignee unless such assignee shall have consented thereto.

<sup>80</sup>(d) Waiver. No party hereto shall be deemed to have waived the exercise of any right existing hereunder unless such waiver is made either expressly and in writing or pursuant to other provisions of this Agreement (and, without limiting the generality of the foregoing, no delay or omission by any party hereto in exercising any such right shall be deemed to constitute a waiver of the exercise thereof). No such waiver made with respect to one or more instances involving the exercise of any such right shall be deemed to constitute a waiver with respect to other instances involving the exercise of such right, or with respect to other such rights.

(e) Applicable Law. This Agreement shall be given effect, and shall be construed, by application of the law of Maryland, and any suit or proceeding brought hereunder shall be brought in the courts of Maryland; provided, that if such suit or proceeding shall arise under the Constitution, statutes or treaties of the United States of America, or if there shall exist a diversity of citizenship among the parties thereto, so that such suit or proceeding shall be brought in a United States District Court, such suit or proceeding shall be brought in the United States District Court for the District of Maryland.

(f) Time of Essence. Time shall be of the essence of this Agreement.

(g) Headings. The headings of the sections and subsections hereof are provided herein for convenience of reference only, and shall not be considered in construing the contents of any such section or subsection. .

(h) Construction. As used herein,

(i) ) the term "person" shall be deemed to mean a natural person, a corporation, a partnership and any other <sup>81</sup>form of legal entity:

(ii) all references made herein in the neuter, masculine or feminine gender shall be deemed to have been made in all such genders; and

---

<sup>79</sup> Liber 589 Page 743

<sup>80</sup> Liber 589 Page 744

<sup>81</sup> Liber 589 Page 745

(iii) references made herein in the singular or plural number shall be deemed to have been made, respectively, in the plural or singular number as well.

(i) Exhibits. Each and every document or other writing which is referred to herein as being attached hereto as an exhibit or is otherwise designated herein as an exhibit hereto in hereby made a part hereof.

(j) Assignment. This instrument shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns hereunder.

Section 8.6. No Agency.

Nothing contained in this Agreement shall be deemed to create or to authorize the creation of any relationship of landlord and tenant, of principal and agent, of partnership, of joint venture or of any association between the parties hereto.

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed and acknowledged on their respective behalves by their duly authorized officers, the day and year first above written.

ATTEST

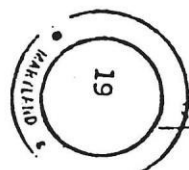
COMMERCIAL CREDIT DEVELOPMENT CORPORATION a Delaware corporation  
TAG NOMINEE, INC., a Maryland corporation



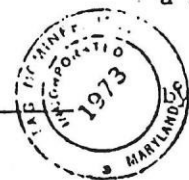
*John F. Tracy*  
Secretary

by *John F. Tracy* (SEAL)

TAG NOMINEE, INC.,  
a Maryland corporation



*John F. Tracy*  
Secretary



*Mark Loken, President* (SEAL)

82STATE OF MARYLAND: COUNTY OF Baltimore: TO WIT:

I HEREBY CERTIFY that on this 19th day of March, 1975, before me, a Notary Public for the state and county aforesaid, personally appeared JOHN F TRACY, known to me or satisfactorily proven to be the person whose name is subscribed to the foregoing instrument, who acknowledged that he is the President of COMMERCIAL CREDIT DEVELOPMENT CORPORATION, a Delaware corporation, that he has been duly authorized to execute, and has executed, the foregoing instrument on behalf of the said corporation for the purposes therein set forth, and that the same is its act and deed.

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

*John F. Tracy*  
Notary Public

My Commission expires on 7/1/1978

STATE OF Maryland: COUNTY OF Baltimore: TO WIT:

I HEREBY CERTIFY that on this 19th day of March, 1975, before me, a Notary Public for the state and county aforesaid, personally appeared MARK LAKEN, known to me or satisfactorily proven to be the person whose name is subscribed to the foregoing instrument, who acknowledged that he is the President of TAG NOMINEE, INC., a Maryland corporation, that he has been duly authorized to execute, and has executed, the foregoing instrument on behalf of the said corporation for the purposes therein set forth, and that the same is its act and deed.

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

  
\_\_\_\_\_  
Notary Public

My Commission expires on 7/1/1978

<sup>83</sup>EXHIBIT A  
TO  
DECLARATION AND GRANT OF EASEMENTS

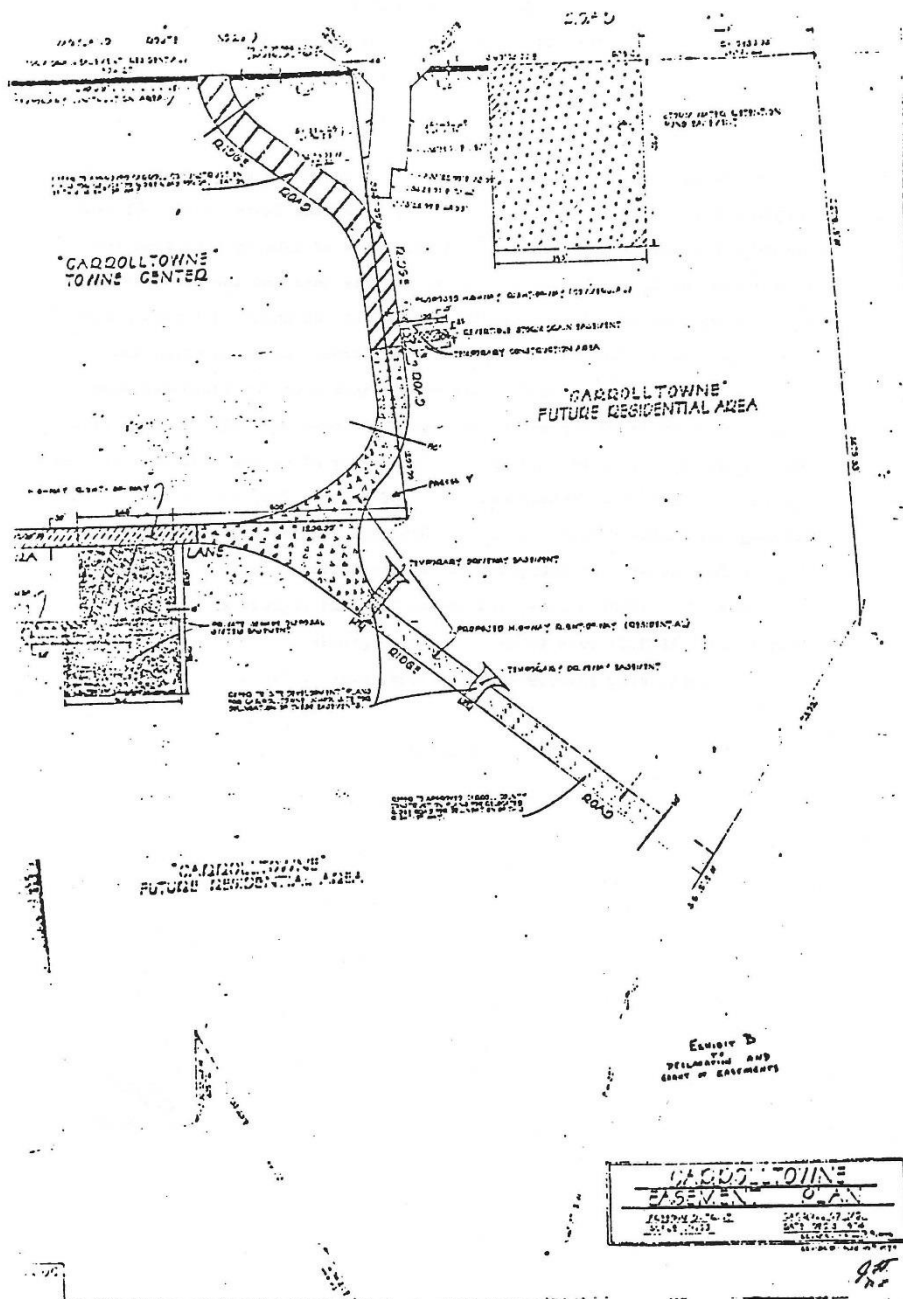
Description of Towne Center Property

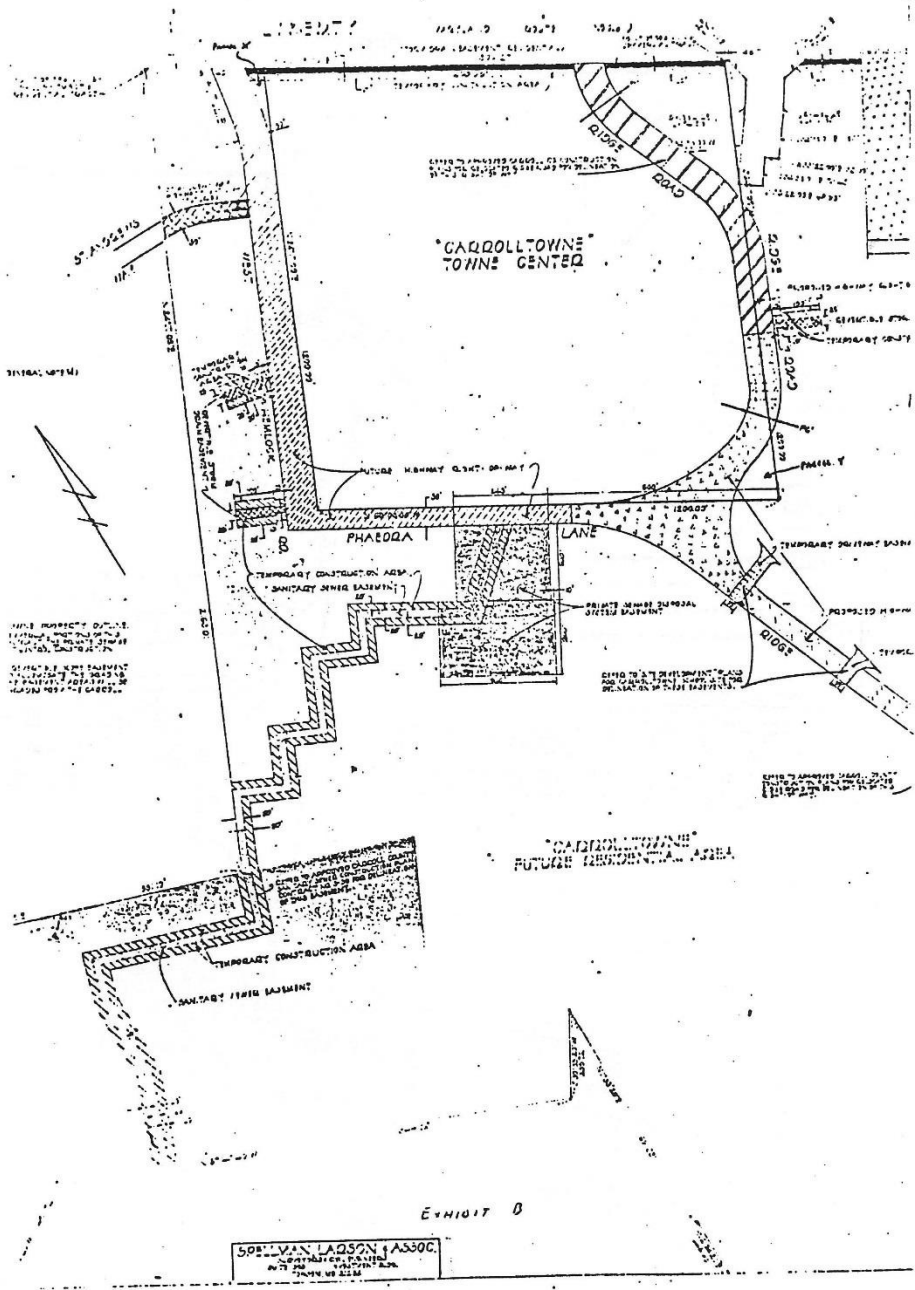
Beginning for the same at a point on the Southwest side of Liberty Road, Maryland State Route Rt. 26, said point being at the distance of 4.81 feet measured Northwesterly along the Southwest side of Liberty Road from the fillet connecting the Southwest side of Liberty Road and the Northwest side or Ridge Road as widened to a width of 100 feet, as shown on a plat prepared for Carrolltowne Joint Venture by Spellman, Larson and Associates Inc. dated March 7, 1975 and running thence and binding on the Southwest side of Liberty Road North 60 Degrees 03 Minutes 00 Seconds West 1200.00 feet to a point distant 301.46 feet measured Southeasterly along the Southwest side of Liberty Road from the Easternmost corner of Section One, Bonnie Brae; thence leaving the Southwest side of Liberty Road and running South 24 Degrees 17 Minutes 09 Seconds West 1200.00 feet, thence South 60 Degrees 03 Minutes 00 Seconds East 1200.00 feet, and thence North 24 Degrees 17 Minutes 09 Seconds East 1200.00 feet to the place of beginning.

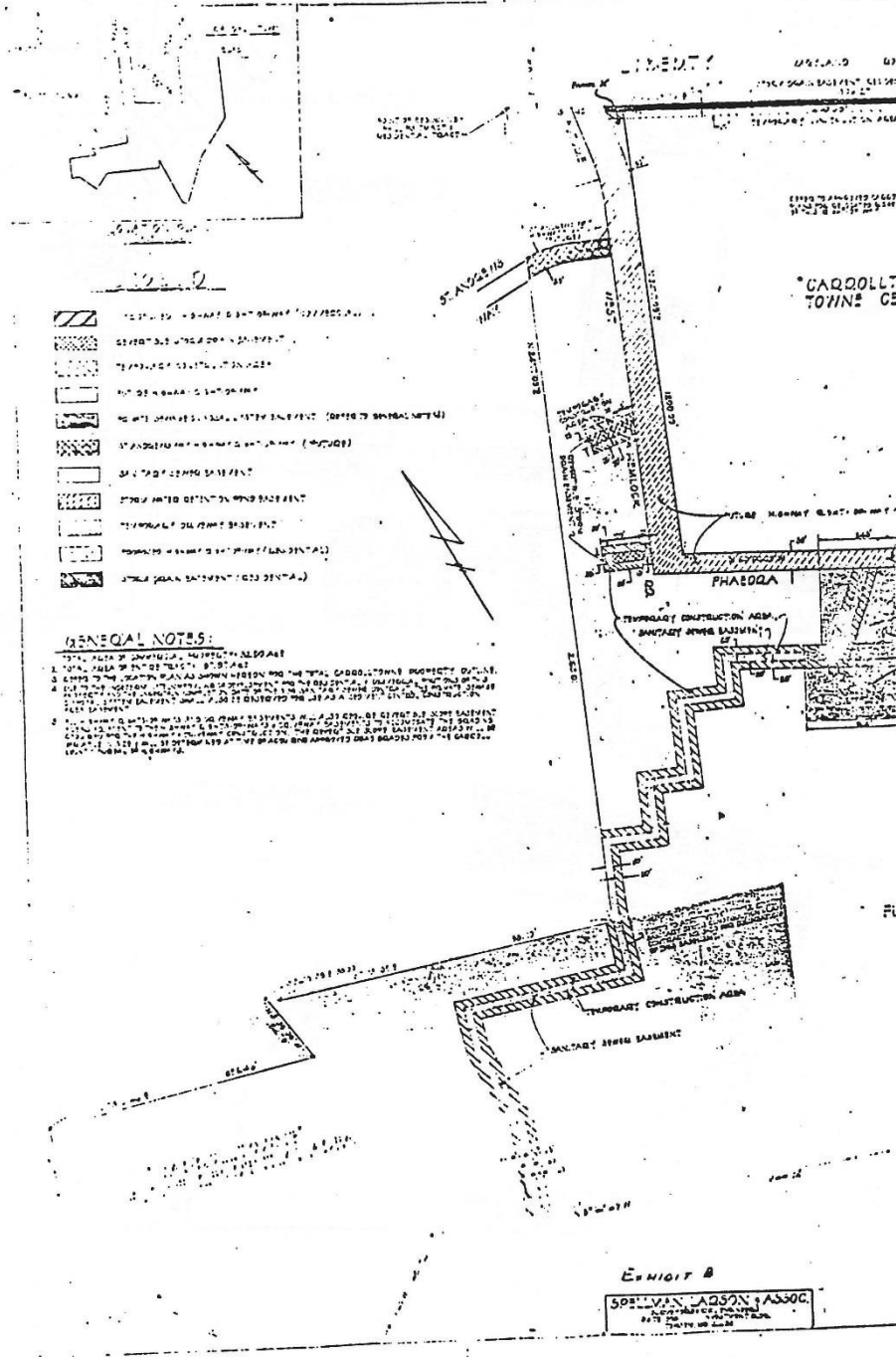
Containing 32.5959 acres of land, more or less.











87 EXHIBIT C  
TO  
DECLARATION AND GRANT OF EASEMENTS  
Description of Residential Property

Beginning for the name at a point on the Southwest side of Liberty Road (Maryland State Route No. 26) as shown on State Roads Commission of Maryland Plat Nos. 1305, 1306 and 1307 said point being at the Easternmost corner of Section One, Bonnie Brae, all as shown on said Plat of Section One, Bonnie Brae, said Plat being recorded among the Flat Records of Carroll County in Plat Book CCC No. 7, folio 67 and running thence and binding on the Southwest side of Liberty Road as shown on the Plats herein referred to South 60 Degrees 03 Minutes 00 Seconds East 301.46 feet, thence leaving the Southwest side of Liberty Road and running South 24 Degrees 17 Minutes 09 Seconds West 1200.00 feet, South 60 Degrees 03 Minutes 00 Seconds East 1200.00 feet and North 24 Degrees 17 Minutes 09 Seconds East 1200.00 feet to the Southwest side of Liberty Road herein referred to, running thence and binding thereon South 60 Degrees 03 Minutes 00 Seconds East 4.81 feet to the fillet connecting the Southwest side of Liberty Road and the Northwest side of Ridge Road as widened to a width of 100 feet, as shown on a plat prepared for Carrolltowne Joint Venture by Spellman, Larsen and Association, Inc. dated March 7, 1975 thence leaving the Southwest side of Liberty Road and binding on Ridge Road as widened and as shown on the plat prepared by Spellman, Larson and Associates, Inc. the nine following courses and distances South 14 Degrees 45 Minutes 00 Seconds East 69.46 feet, Southerly by a curve to the right with a radius of 1382.29 feet the distance of 94.98 feet (the chord of the arc bears South 32<sup>87</sup>

Degrees 39 Minutes 53 Seconds West 94.97 feet), South 34 Degrees 38 Minutes 00 seconds West 192.04 feet, South 55 Degrees 22 Minutes 00 Seconds East 65 feet, North 34 Degrees 38 Minutes 00 Seconds East 73.47 feet, South 55 Degrees 22 Minutes 00 Seconds East 35.00 feet, North 24 Degrees 38 Minutes 00 Seconds East 118.57 feet, Northerly by a curve to the left with a radius of 1482.29 feet the distance of 101.85 feet (the chord of the arc bears North 32 Degrees 39 Minutes 53 Seconds East 101.83 feet) and North 76 Degrees 20 Minutes 00 Seconds East 73.40 feet to the Southwest side of Liberty Road herein referred to, thence binding thereon South 60 Degrees 03 Minutes 00 Seconds East 658.58 feet and Easterly by a curve to the left with a radius of 10830.06 feet the distance of 308.26 feet (the chord of the arc bears South 60 Degrees 51 Minutes 55.5 Seconds West 1479.35 feet, South 61 Degrees 19 Minutes 18 Seconds West 1173.02 feet, South 45 Degrees 37 Minutes 18 Seconds West 1314.39 feet, North 43 Degrees 52 Minutes 40 Seconds West 128.70 feet, North 02 Degrees 04 Minutes 20 Seconds East 646.68 feet, North 01 Degree 35 Minutes 20 Seconds East 661.55 feet, South 30 Degrees 33 Minutes 20 Seconds West 239.72 feet, North 67 Degrees 45 Minutes 40 Seconds West 1344.25 feet, South 60 Degrees 10 Minutes 20 Seconds West 493.72 feet, North 25 Degrees 39 Minutes 10 Seconds West 545.01 feet, North 75 Degrees 39 Minutes 50 Seconds West 198.00 feet, and North 21 Degrees 35 Minutes 10 Seconds East 516.23 feet, thence running to and along the Southern and Eastern outline of the subdivision of Bonnie Brae and still binding on the outline of the plat prepared by Spellman, Larson and Associates, Inc. South 73 Degrees 01 Minute 46 Seconds East 699.46 feet, North 05 Degrees 38 Minutes<sup>89</sup>06 Seconds West 194.70 feet. South 54 Degrees 01 Minute 59 Seconds East 33.00 feet, South 71 Degrees 31 Minutes 59 Seconds East 881.10 feet, and North 24 Degrees 17 Minutes 09 Seconds East 2165.01 feet to the place of beginning.

Saving and excepting from the above described parcel of land, that parcel of land which by deed dated March 22, 1974 and recorded among the Land Records of Carroll County in Liber CCC

---

<sup>87</sup> Liber 589 Page 751

<sup>88</sup> Liber 589 Page 752 Page 2 Description of Residential Property

<sup>89</sup> Liber 589 Page 753 Page 3 Description of Residential Property



No. 565, folio 319 was conveyed by Carrolltowne Joint Venture to Board of Education of Carroll County (according to a survey and description prepared by Joseph D. Thompson and containing 18,056 acres of land, more or less).

Containing a net area of 137.018 acres, more or less.

<sup>90</sup>EXHIBIT D  
TO  
DECLARATION AND GRANT OF EASEMENTS  
Description of Entire Property

Beginning for the same at a point on the Southwest side of Liberty Road (Maryland State Route No. 26) as shown on State Roads Commission of Maryland Plat Nos. 1305. 1306. and 1307 said point being at the Easternmost corner of Section One, Bonnie Brae, all as shown on said Plat of Section One, Bonnie Brae, said Plat being recorded among the Plat Records of Carroll County in Plat Book CCC No. 7, folio 67 and running through and binding on the Southwest side of Liberty Road as shown on the Plats herein referred to South 60 Degrees 03 Minutes 00 Seconds East 1506.27 feet to the fillet connecting the Southwest side of Liberty Road and the Northwest side at Ridge Rand as widened to a width of 100 feet, as shown on a plat prepared for Carrolltowne Joint Venture by Spellman, Larson and Associates, Inc. dated March 7, 1975 thence leaving the Southwest side of Liberty Road and binding on Ridge Road on widened and no shown on the Plat prepared by Spellman, Larson and Associates, Inc. the nine following courses and distances: South 14 Degrees 45 Minutes 00 Seconds West 69.46 feet, Southerly by a curve to the right with a radius of 1382.29 feet the distance of 94.98 feet (the chord of the arc bears South 32 Degrees 39 Minutes 53 Seconds West 94.97 feet). South 34 Degrees 38 Minutes 00 Seconds West 192.04 feet, South 55 Degrees 22 Minutes 00 Seconds East 65.00 feet, North 34 Degrees 38 Minutes 00 Seconds East 73.47 feet, South 55 Degrees 22 Minutes 00 Seconds East 35.00 feet, North 34 Degrees 38 Minutes 00 Seconds East 118.57 feet, Northerly by a curve to the left with a radius of 1482.29 feet the distance of 101.85 feet (the chord of the arc bears North 32 Degrees <sup>91</sup> 39 Minutes 53 Seconds East 101.83 feet) and North 76 Degrees 20 Minutes 00 Seconds East 73.40 feet to the Southwest side of Liberty Road herein referred to, thence binding thereon South 60 Degrees 03 Minutes 00 Seconds East 653.58 feet and Easterly by a curve to the left with a radius of 10830.05 feet the distance of 308.26 feet (the chord of the arc bears South 60 Degrees 51 Minutes 55.5 Seconds East 308.26 feet) thence leaving the Southwest side of Liberty

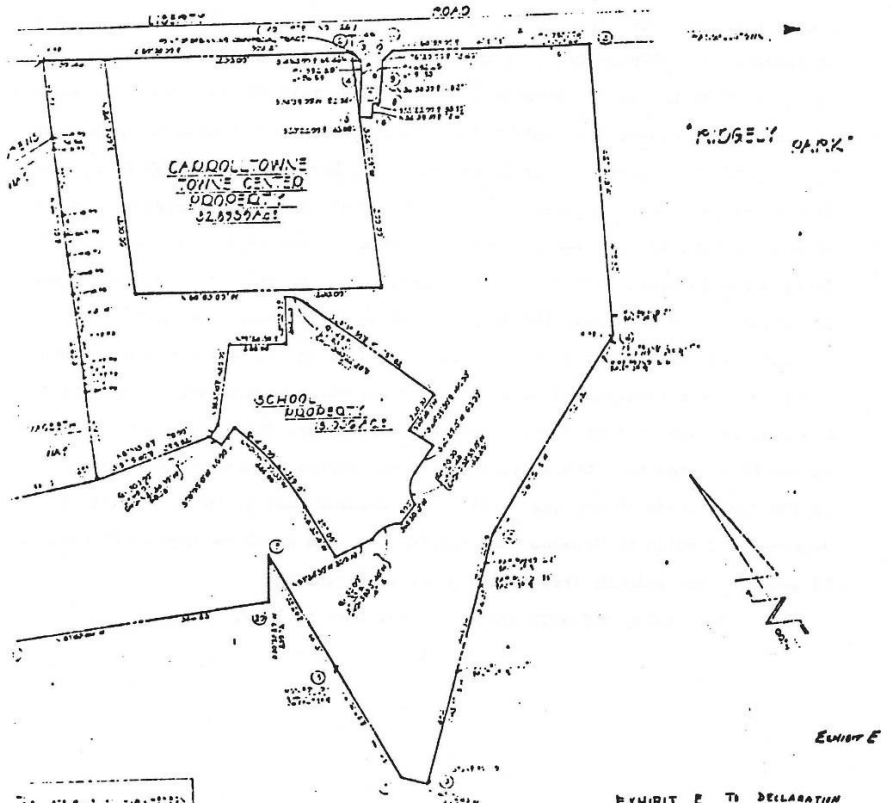
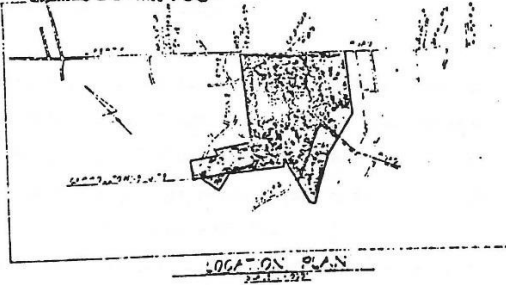
Road and binding on the outline of the plat prepared by Spellman, Larson and Associates, Inc., herein referred to as now surveyed South 27 Degrees 01 Minute 18 Seconds West 1479.35 feet, South 61 Degrees 19 Minutes 18 Seconds West 1173.02 feet, South 45 Degrees 37 Minutes 18 Seconds West 1314.39 feet, North 43 Degrees 52 Minutes 40 Seconds West 128.70 feet, North 02 Degrees 04 Minutes 20 Seconds East 646.68 feet, North 01 Degree 35 Minutes 20 Seconds East 661.55 feet, South 30 Degrees 33 Minutes 20 Seconds West 239.72 feet, North 67 Degrees 45 Minutes 40 Seconds West 1344.25 feet, South 60 Degrees 10 Minutes 20 Seconds West 493.72 feet, North 25 Degrees 39 Minutes 10 Seconds West 545.01 feet, North 78 Degrees 39 Minutes 50 Seconds West 198.00 feet, and North 21 Degrees 35 Minutes 10 Seconds East 516.23 feet thence running to end along the Southern and Eastern outline of the subdivision of Bonnie Brae and still binding on the outline of the plat prepared by Spellman, Larson and Associates, Inc. South 73 Degrees 01 Minute 46 Seconds East 699.46 feet, North 05 Degrees 38 Minutes 06 Seconds West 194.70 feet, South 54 Degrees 01 Minute 59 Seconds East 33.00 feet, South 71 Degrees 31 Minutes 59 Seconds East 831.10 feet, and North 24 Degrees 17 Minutes 09 Seconds East 2165.01 feet to the place of beginning.  
Containing 187.9697 acres of land, more or less.

---

<sup>90</sup> Liber 589 Page 754

<sup>91</sup> Liber 589 Page 755 Page 2 Description of Entire Property

DATA	
100	100
100	100
100	100
100	100
100	100



DATA	
100	100
100	100
100	100
100	100
100	100

EXHIBIT E TO DECLARATION  
AND GRANT OF EASEMENTS

OUTLINE SURVEY PLAT

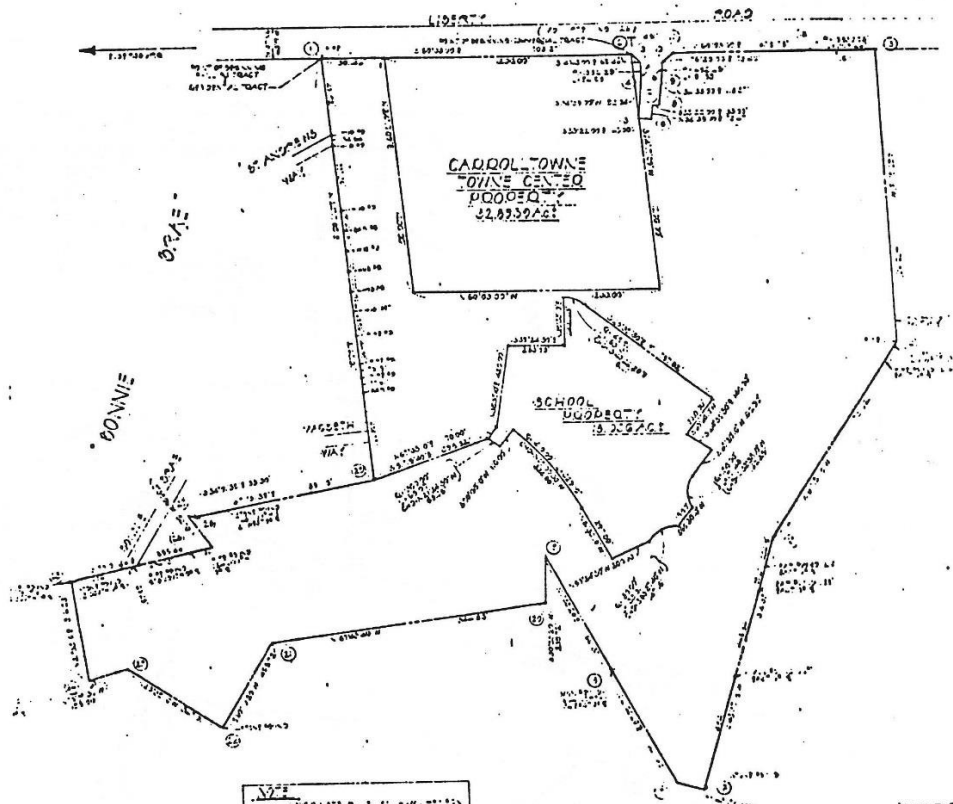
CARROLLTOWNE

9/11



1	100.00	100.00
2	100.00	100.00
3	100.00	100.00
4	100.00	100.00
5	100.00	100.00
6	100.00	100.00
7	100.00	100.00
8	100.00	100.00
9	100.00	100.00
10	100.00	100.00
11	100.00	100.00
12	100.00	100.00
13	100.00	100.00
14	100.00	100.00
15	100.00	100.00
16	100.00	100.00
17	100.00	100.00
18	100.00	100.00
19	100.00	100.00
20	100.00	100.00
21	100.00	100.00
22	100.00	100.00
23	100.00	100.00
24	100.00	100.00
25	100.00	100.00
26	100.00	100.00
27	100.00	100.00
28	100.00	100.00
29	100.00	100.00
30	100.00	100.00
31	100.00	100.00
32	100.00	100.00
33	100.00	100.00
34	100.00	100.00
35	100.00	100.00
36	100.00	100.00
37	100.00	100.00
38	100.00	100.00
39	100.00	100.00
40	100.00	100.00
41	100.00	100.00
42	100.00	100.00
43	100.00	100.00
44	100.00	100.00
45	100.00	100.00
46	100.00	100.00
47	100.00	100.00
48	100.00	100.00
49	100.00	100.00
50	100.00	100.00

CURVE DATA				
STATION	PC	PT	PI	END
1+00.00	1+00.00	1+00.00	1+00.00	1+00.00
1+10.00	1+10.00	1+10.00	1+10.00	1+10.00
1+20.00	1+20.00	1+20.00	1+20.00	1+20.00
1+30.00	1+30.00	1+30.00	1+30.00	1+30.00
1+40.00	1+40.00	1+40.00	1+40.00	1+40.00
1+50.00	1+50.00	1+50.00	1+50.00	1+50.00
2+00.00	2+00.00	2+00.00	2+00.00	2+00.00
2+10.00	2+10.00	2+10.00	2+10.00	2+10.00
2+20.00	2+20.00	2+20.00	2+20.00	2+20.00
2+30.00	2+30.00	2+30.00	2+30.00	2+30.00
2+40.00	2+40.00	2+40.00	2+40.00	2+40.00
2+50.00	2+50.00	2+50.00	2+50.00	2+50.00

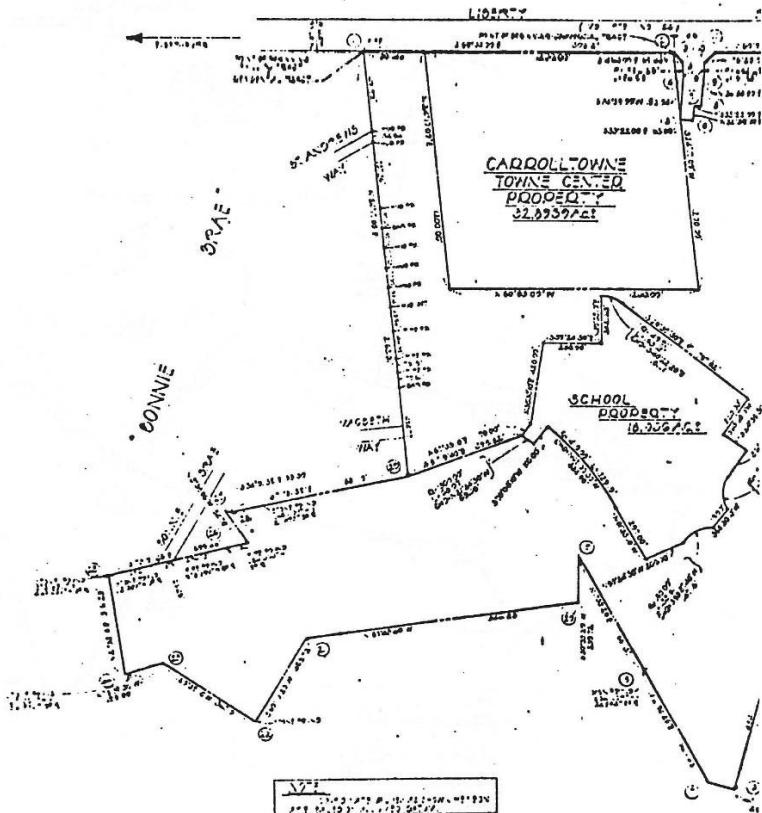


AREA SCHEDULE	
1	RESIDENTIAL AREA
2	COMMERCIAL AREA
3	SCHOOL AREA
4	TOTAL AREA TRACT

EXHIBIT  
C A  
OUTLINE OF  
CARROLL

COORDINATES			
STATION	NORTHING	EASTING	BEARING
1	1000.00	1000.00	0°00'00"
2	1000.00	1000.00	0°00'00"
3	1000.00	1000.00	0°00'00"
4	1000.00	1000.00	0°00'00"
5	1000.00	1000.00	0°00'00"
6	1000.00	1000.00	0°00'00"
7	1000.00	1000.00	0°00'00"
8	1000.00	1000.00	0°00'00"
9	1000.00	1000.00	0°00'00"
10	1000.00	1000.00	0°00'00"
11	1000.00	1000.00	0°00'00"
12	1000.00	1000.00	0°00'00"
13	1000.00	1000.00	0°00'00"
14	1000.00	1000.00	0°00'00"
15	1000.00	1000.00	0°00'00"
16	1000.00	1000.00	0°00'00"
17	1000.00	1000.00	0°00'00"
18	1000.00	1000.00	0°00'00"
19	1000.00	1000.00	0°00'00"
20	1000.00	1000.00	0°00'00"

CURVE DATA				
NO.	R	Δ	L	CHORD
1	1000.00	90°00'00"	314.16	314.16
2	1000.00	90°00'00"	314.16	314.16
3	1000.00	90°00'00"	314.16	314.16
4	1000.00	90°00'00"	314.16	314.16



NOT TO SCALE

AREA SCHEDULE	
1. RESIDENTIAL AREA	12,000 AC
2. COMMERCIAL AREA	32,893.72 AC
3. SCHOOL AREA	10,306.72 AC
TOTAL AREA TRACT	55,199.72 AC

EXHIBIT E

VAN JOHNSON & ASSOC., INC.  
 1000 ...  
 ...

RECORD FOR RECORD ... 1975:4:05 ... PER CHARLES C. CONAWAY, CLK.

<sup>92</sup>FIRST AMENDMENT TO DECLARATION AND GRANT OF EASEMENTS AND AGREEMENT

THIS FIRST AMENDMENT TO DECLARATION AND GRANT OF EASEMENTS AND AGREEMENT ("Amendment") made this 11th day of June, 1977 by and between COMMERCIAL CREDIT DEVELOPMENT CORPORATION, a Delaware corporation having an address at 300 St. Paul Place. Baltimore. Maryland 21202 (hereinafter referred to as "CCDC") and TAG NOMINEE, INC., a Maryland corporation having an address at 2505 Blaustein Building, Baltimore. Maryland 21202 (hereinafter referred to as "TAG"):

WITNESSETH, THAT WHEREAS CCDC AND TAG are parties to a certain Declaration and Grant of Easements and Agreement dated as of the 19th day of March, 1975 and recorded among the land records of Carroll County, Maryland in Liber CCC 589, folio 723 (hereinafter called the "Agreement"); and

WHEREAS the parties desire to amend the Agreement as hereinafter set forth.

NOW THEREFORE, for and in consideration of the payment by each party hereto to the other of the sum of Five Dollars (\$5.00) and for other good and valuable, consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto do hereby grant covenant and agree as follows:

Section 1. Capitalized Terms: Unless otherwise defined herein capitalized terms shall have the same meanings as are set forth in the Agreement.

Section 2. Relocation of Phaedra Road

(a) The parties agree that Ridge Road and Phaedra Road (to be known as Gemini Drive) as shown on the Plat <sup>93</sup>attached as Exhibit B to the Agreement shall be and the same is hereby relocated as shown on the Plat entitled "Carrolltowne Easement Plan - Revised" dated December 2, 1976 prepared by Century Engineering attached hereto and made a part hereof and the Plat attached hereto as Exhibit A is substituted for the Plat attached to the Agreement.

(b) In the event that CCDC desires to use, or sell for non-residential purposes, the triangular shaped parcel of land adjacent to and lying between the Town Center Property and Phaedra Road identified as the "Triangular 'Parcel'" on the Plat attached to this Agreement, TAG shall have a fifteen (15) day right-of-first refusal to purchase the Triangular Parcel at the same price and on the same terms as are offered by any third party purchaser or at appraised value if the Triangular Parcel is developed by CCDC. If CCDC shall place a restriction on the Triangular Parcel restricting its use to residential purposes for at least twenty-five (25) years whether contained in the Declaration of Covenants, Easements, Charges and Liens to be filed against the Residential Property or in a separate instrument, the foregoing right-of-first refusal shall be of no further force or effect and any purchaser from CCDC shall automatically be relieved of the obligation to offer the parcel or portion thereof to TAG.

(c) CCDC agrees to provide, or cause to be provided screening on the rear of any residential lot within the Triangular Parcel adjacent to the Town Center Property to the end that the owner of the Town Center Property shall not be required to provide for any screening which would not have been required had the Town Center Property abutted a public street rather than residential Lots. If TAG shall be <sup>94</sup>required at any time within five (5) years of the date hereof to provide additional landscaping on the Town Center Property as a result of the fact that portions of the Town Center Property abut residential Lots rather than a public street. CCDC shall bear the reasonable cost of such additional landscaping.

Section 3. Cost of Phaedra Road

(a) If TAG does not require any curb cut or access to Phaedra Road, all costs or expenses incidental thereto will be borne by CCDC or persons other than TAG, and TAG will have no

---

<sup>92</sup> Liber 668 Page 318

<sup>93</sup> Liber 668 Page 319

<sup>94</sup> Liber 668 Page 320

responsibility for cost sharing nor will any new requirements be imposed upon TAG by the County or authority, and CCDC will indemnify and reimburse TAG for any cost or expenses related to construction incurred in connection with Phaedra Road.

(b) If TAG desires to have a curb cut into, or access to, Phaedra Road at any time, TAG will pay one-half or the verified costs of constructing the approximately 400 linear feet of Phaedra Road abutting the Town Center Property. In such case, TAG will be responsible for obtaining any County permits and consents to such curb cuts or access. CCDC agrees to cooperate in obtaining such permits and consents and further agrees to submit to TAG a statement in sufficient detail of the cost of the portion of Phaedra Road to which TAG is obligated to contribute.

Section 4. Deletion of Section 2.5

Section 2.5 of the Agreement (Easement for Private Sewage Disposal System) is hereby deleted in its entirety, it being intended that rights of TAG under the Agreement including the Exhibits thereto relating to storm drainage shall not be effected thereby.

<sup>95</sup>Section 5. Easement for Access to Manhole.

CCDC hereby grants to TAG an easement for access to the manhole in the area identified therefore on the Plat attached heretofor the purpose of maintenance, repair, upkeep and use thereof.

Section 6. Parcel X.

CCDC reaffirms its obligation under Section 6.3 of the Agreement to convey Parcel X to TAG without consideration, notwithstanding Parcel Y lies within the right-of-way of Ridge Road and cannot be conveyed to CCDC.

Section 7. Amendment.

This Agreement may be amended by, and only by, written instrument executed, acknowledged and delivered by each of the parties hereto. No other person firm or entity such as, without limitation, assignees (xxxx) mortgagees of any portion of the (xxxx) Property, shall be required to join therein or to consent thereto provided no such amendment shall create any easement or other (xxxx) upon the property of any such assignee or create any interest in the property of any such assignee (xxxx) to any assignee or mortgagee unless such assignee and mortgagee shall have consented thereto.

Section 8. Assignment.

This instrument shall be binding upon and shall (xxxx) to the benefit of the parties hereto and their respective successors and assigns hereunder.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and acknowledged on their respective behalves by their duly authorized officers the <sup>96</sup>day and year first above written.

ATTEST: Original Signature

COMMERCIAL CREDIT DEVELOPMENT CORPORATION a Delaware corporation

TAG NOMINEE INC. a Maryland corporation Original Signature

STATE OF MARYLAND: CITY OF BALTIMORE: TO WIT:

I HEREBY CERTIFY that on this 16th day of June, 1977, before me, a Notary Public for the state and county aforesaid, personally appeared John F. Tracy, known to me or satisfactorily proven to be the person whose name is subscribed to the foregoing instrument, who acknowledged to that he is the President of COMMERCIAL CREDIT DEVELOPMENT CORPORATION, a Delaware corporation, that he has been duly authorized to execute, and has executed, the foregoing instrument on behalf of the said corporation for the purposes therein set forth, and that the same is its act and deed.

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

Original Signature

<sup>95</sup> Liber 668 Page 321

<sup>96</sup> Liber 668 Page 322

Notary Public

My Commission expires July 1, 1978

STATE OF MARYLAND: CITY OF BALTIMORE: TO WIT:

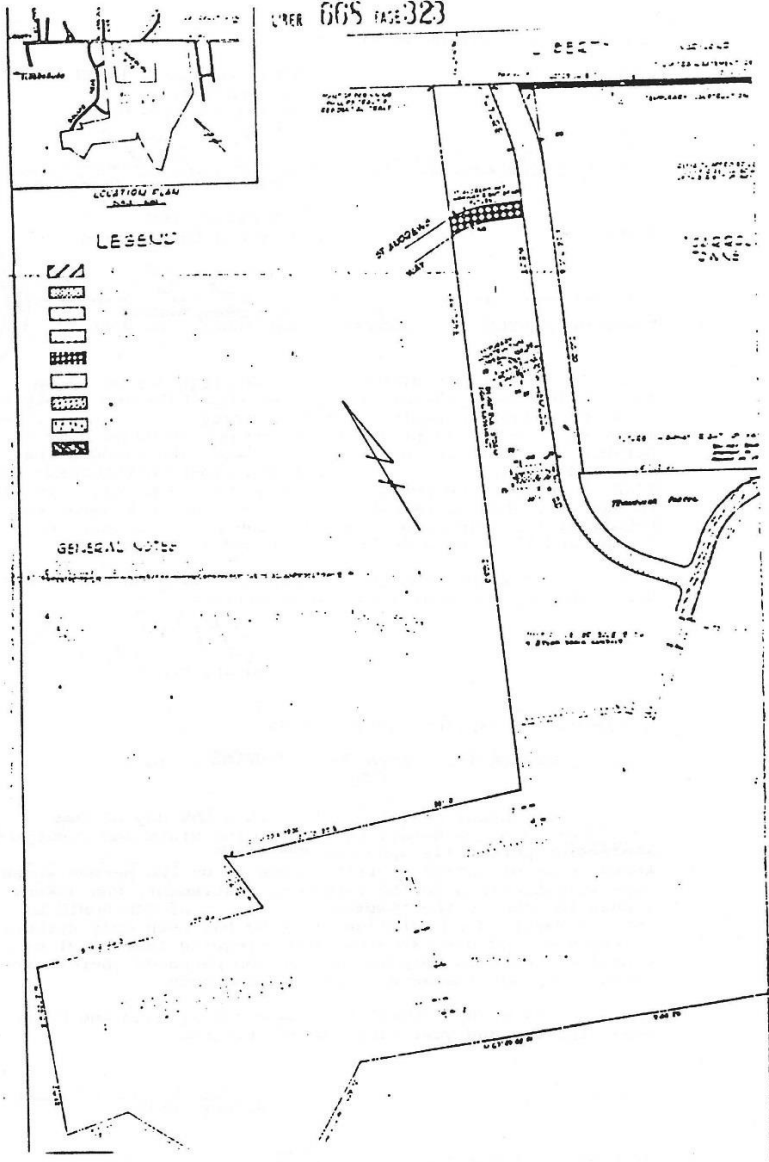
I HEREBY CERTIFY that on this 17th day of June, 1977, before me, a Notary Public for the state and county of Carroll, personally appeared Mark Laken, known to me or satisfactorily proven to be the person whose name is subscribed to the foregoing instrument, who acknowledged to that he is the President of TAG NOMINEE, INC., a Maryland corporation, that he has been duly authorized to execute, and has executed, the foregoing instrument on behalf of the said corporation for the purposes therein set forth, and that the same is its act and deed.

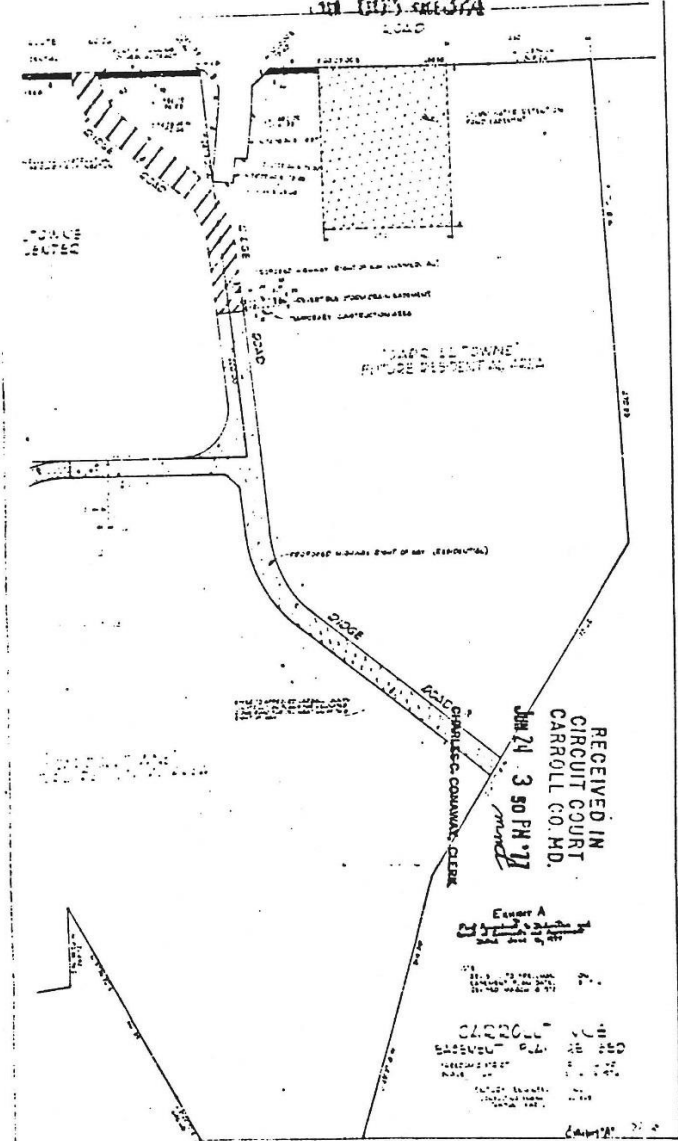
IN WITNESS WHEREOF, I have set my hand and Notarial Seal, the day and year first above written.

Original Signature

Notary Public

My Commission expires July 1, 1978





**THE CARROLLTOWNE ASSOCIATION, INCORPORATED BY-LAWS**

**ARTICLE I. GENERAL PROVISIONS.**

Section 1.1. Definitions.

(a) As used in the provisions of these By-Laws, each of the following terms shall be deemed to have the meaning which is hereinafter in this Section ascribed to it:

(1) "Annual Assessment" shall have the meaning ascribed to it by the provisions of the Declaration.

(2) "Annual Membership Meeting" shall mean an annual meeting of the Membership, held pursuant to the provisions of Section 2.1 hereof.

(3) "the Architectural Committee" shall mean the entity referred to as such in the provisions of the Declaration.

(4) "the Articles of Incorporation" shall mean the Association's articles of incorporation, as filed with the State Department of Assessments and Taxation of Maryland, as from time to time amended.

(5) "Assessment" shall mean an Annual Assessment, a Special Assessment or a Limited Assessment.

(6) "Assessment Lien" shall mean a lien created and existing pursuant to the provisions of Section 6 of the Declaration.

(7) "Assessment Year" shall have the meaning ascribed to it by the provisions of the Declaration.

(8) "the Association" shall mean The Carrolltowne Association, Incorporated, a corporation organized and existing under the law of Maryland.

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

(10) "the Board of Directors" shall mean the board of directors of the Association.

(11) "Board Meeting" shall mean a meeting of the Board of Directors, held pursuant to the provisions of Section 3.7 hereof.

(12) "the Class A Membership" shall have the meaning ascribed to it by the provisions of Section 4 of the Declaration.

(13) "the Class E Membership" shall have the meaning ascribed to it by the provisions of Section 4 of the Declaration.

(14) "the Commons" shall have the meaning ascribed to it by the provisions of the Declaration.

(15) "the Community" shall mean all of that real property, situate and lying in Carroll County, Maryland, which consists of the aggregate of (A) Parcel I and (B) each Future Parcel which, at the time with respect to which reference is made, has been included within the Community through an expansion thereof pursuant to the provisions of the Declaration.

(16) "this Declaration" shall mean the instrument entitled "Declaration of Covenants, Easements, Charges and Liens", dated June 2, 1977, and recorded among the Land Records of Carroll County, Maryland, in Liber 668 at folios 685, et seq., made by Commercial Credit Development Corporation, as from time to time amended.

(17) "the Developer" shall have the meaning ascribed to it by the provisions of the Declaration.

(18) "Director" shall mean a member of the Board of Directors, in his capacity as such.

(19) "Future Parcel" shall have the meaning ascribed to it by the provisions of the Declaration.



(20) "Limited Assessment" shall have the meaning ascribed to it by the provisions of the Declaration.

(21) "Lot" shall have the meaning ascribed to it by the provisions of the Declaration.

(22) "Majority" shall mean more than fifty percent (50%).

(23) "Member" shall mean each person who constitutes a member of the Association under the provisions of the Declaration.

(24) "the Membership" shall mean all of the Members.

(25) "Membership Meeting" shall mean an Annual Membership Meeting or a Special Membership Meeting.

(26) "Mortgage" shall have the meaning ascribed to it by the provisions of the Declaration.

(27) "Nominating Committee" shall mean the committee referred to in the provisions of Section 3.6 hereof.

(28) "Notice Address" shall have the meaning ascribed to it by the provisions of the Declaration.

(29) "Officers" shall mean, collectively, the President, the Vice-President, the Secretary, the Treasurer, each Assistant Secretary, each Assistant Treasurer and the holder of each other office which the Board of Directors may create pursuant to the provisions of Sections 4.1 and 4.4 hereof.

(30) "Owner" shall have the meaning ascribed to it by the provisions of the Declaration.

(31) "Parcel I" shall have the meaning ascribed to it by the provisions of the Declaration.

(32) "person" shall mean any natural person, trustee, corporation, partnership or other legal entity.

(33) "the President" shall mean the president of the Association.

(34) "Rules and Regulations" shall mean the rules and regulations adopted by the Association pursuant to the provisions of Section 5(c) of the Declaration.

(35) "the Secretary" shall mean the secretary of the Association.

(36) "Special Assessment" shall have the meaning ascribed to it by the provisions of the Declaration.

(37) "Special Membership Meeting" shall mean a special meeting of the Membership, held pursuant to the provisions of Section 2.2 hereof.

(38) "the Treasurer" shall mean the treasurer of the Association.

(39) "the Vice-President" shall mean the vice-president of the Association.

(b) Any other term to which meaning is specifically ascribed by any provision of the Declaration shall for purposes of these By-Laws be deemed to have such meaning.

Section 1.2. Principal office. The Association's principal office shall be located at c/o Commercial Credit Development Corporation, 300 St. Paul Place, Baltimore, Maryland 21202, but meetings of Members and Directors may be held at such other places within Carroll County, Maryland, or Baltimore, Maryland, as are from time to time designated by the Board of Directors.

Section 1.3. Fiscal Year. The Association's fiscal year shall begin on the first day of January and end on the 31st day of December of every year, except that the Association's first fiscal year shall begin on the date of its incorporation.

Section 1.4. Status and applicability of By-Laws.

(a) These By-Laws, as from time to time amended, are the by-laws which are referred to as "the By-Laws" in the provisions of the Declaration.

(b) The provisions of these By-Laws shall be applicable to, and shall govern, the administration of the affairs of the Association by or through its Officers, the Board of Directors or the Membership.

## ARTICLE II. MEMBERSHIP MEETINGS.

Section 2.1. Annual Membership Meetings. The first Annual Membership Meeting shall be held on a day which falls within one year from the date of incorporation of the Association. Each

subsequent Annual Membership Meeting shall be held on the same day of the same month of each year thereafter, at the hour of seven o'clock P.M.; provided, that if during any year such day is a Saturday, Sunday or legal holiday, the Annual Membership Meeting for such year shall be held at the same hour on the first day thereafter which is not a Saturday, Sunday or legal holiday.

Section 2.2. Special Membership Meetings. Special Membership Meetings may be called at any time By the President or the Board of Directors, or upon the receipt by the President or the Board of Directors of a written request for such Special Membership Meeting, by Members holding at least twenty-five percent (25%) of the total number of votes held by the Class A Membership.

Section 2.3. Notice of Meetings. Written notice of each Membership Meeting s a e given by, or at the direction of, the Secretary or the person authorized to call such Membership Meeting, by mailing a copy of such notice, postage prepaid, at least fifteen (15) days before such Membership Meeting, to each Member entitled to vote thereat, addressed to such Member's Notice Address. Such notice shall specify the date, time and place of such Membership Meeting and, in the case of a Special Membership Meeting, the purpose thereof.

Section 2.4. Quorum. The presence at the date, time and place of a Membership Meeting as set forth in such notice, in person or by proxy, of Members holding at least ten percent (10%) of the total number of votes held by, respectively, each class of the Membership shall be required to constitute a quorum for such Membership Meeting, except as is otherwise provided in the Articles of Incorporation, the Declaration or these By-Laws. If, however, a quorum does not exist at such date, time and place, a Majority of the Members who are present and entitled to Vote thereat shall have the power to adjourn such Membership Meeting from time to time, without notice other than announcement at such Membership Meeting, until a quorum is present, in person or by proxy, as aforesaid.

Section 2.5. Proxies. At all Membership Meetings each Member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Each proxy shall be revocable by the Member who granted it (subject to the operation and effect of the provisions thereof) and shall automatically cease upon conveyance by such Member of the title to his Lot.

Section 2.6. Informal action.

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

ARTICLE III. THE BOARD OF DIRECTORS.

Section 3.1. Composition; qualifications of Directors.

(a) The Board of Directors shall consist of five (5) Directors.

(b) Each Director (i) shall be a natural person; (ii) shall be at least twenty-one (21) years old; and (iii) shall be either (1) alone or in combination with one or more other persons an Owner, or (2) an officer, director, employee or agent of a corporation, partnership, trust or other legal entity (other than a natural person) which, either alone or in combination with one or more other persons, is an Owner, provided that the Secretary is given such proof of such natural person's status as officer, director, employee or agent of such entity as the Secretary may reasonably require.

Section 3.2. Terms of directorships.

(a) The persons who are named as such in the provisions of the Articles of Incorporation shall serve as Directors until the first Annual Membership Meeting, at which time their terms as Directors shall expire.

(b) (i) At the first Annual Membership Meeting, a successor shall be elected to each such Director. Two such successors shall be elected to serve for a term of three (3) years, two such successors shall be elected to serve for two (2) years, and one such successor shall be elected to serve for one (1) year.

(ii) At each subsequent Annual Membership Meeting, a Director shall be elected to fill the position of that Director whose term expires as of such Membership Meeting, and to serve for a term of three (3) years.

Section 3.3. Removal. Any Director may be removed from the Board of Directors, with or without cause, by the vote of Members holding a Majority of the votes held by all of the Members. In the event of the death, resignation or removal from office of a Director, his successor shall be selected by the remaining Directors and shall serve for the unexpired term of his predecessor.

Section 3.4. Compensation. No Director shall receive compensation {or any service which he may render to the Association. However, any Director may be reimbursed for his payment of actual expenses incurred in the performance of his duties.

Section 3.5. Action taken without a Board Meeting.

The Directors shall have the right to take any action in the absence of a Board Meeting which they could take at a Board Meeting, by obtaining the written approval of all the Directors. Any action so taken and approved shall have the same effect as though taken at a Board Meeting.

Section 3.6. Nomination and election of Directors.

(a) Nomination. Nomination for election to the Board of Directors shall be made by a committee which shall be known as "the Nominating Committee". Nominations may also be made by Members from the floor at the Annual Membership Meeting at which the election is to be held for which such nominations are made. The Nominating Committee shall consist of a chairman, who shall be a Director, and two or more other persons who are Members. The Nominating Committee shall be appointed by the Board of Directors prior to each Annual Membership Meeting, to serve from the close of such

Annual Membership Meeting until the close of the next Annual Membership Meeting, and such appointment shall be announced at each Annual Membership Meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but shall not make fewer nominations than the number of vacancies which are to be filled. Such nominations shall be made from among persons who are qualified to hold directorships under these By-Laws.

(b) Election. Election to the Board of Directors shall be by secret written ballot. At such election the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to cast under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting shall not be permitted.

Section 3.7. Board Meetings.

(a) Regular Board Meetings. Regular Board Meetings shall be held monthly without notice, at such date, time and place as may be fixed from time to time by resolution of the Board of Directors. Should such date fall upon a legal holiday, then such meeting shall be held at the same time on the next day which is not a legal holiday.

(b) Special Board Meetings. Special Board Meetings shall be held when called by the President or any two Directors, after not less than three (3) days' notice to each Director.

(c) Quorum. The presence at such date, time and place of a Majority of the number of Directors shall constitute a quorum for the transaction of business at such Board Meeting. Every act or decision done or made by a Majority of the Directors present at a duly held Board Meeting at which a quorum is present shall be regarded as the act or decision of the Board of Directors.

Section 3.8. Powers and duties of the Board of Directors.

(a) Powers. Except as may be otherwise provided in the Declaration, the Board of Directors shall have the power

(i) ) to adopt and publish Rules and Regulations governing the use of the Commons and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;

(ii) to suspend the voting rights, and the right to use the recreational facilities included within the Commons, of any Member

(A) during any period in which such Member is in default in the payment of any Assessment levied by the Association; and

(B) after notice and hearing, for a period of not longer than sixty (60) days, for such Member's infraction of the published Rules and Regulations;

(iii) exercise for the Association all powers, duties and authority vested in or \_delegated to the Association and not reserved to the Membership by other provisions of these By-Laws, the Articles of Incorporation, the Declaration or applicable law;

(iv) declare any directorship to be vacant in the event that the Director who holds such directorship is absent from three (3) consecutive regular Board Meetings which have been called in accordance with these ByLaws; and

(v) to employ a manager, an independent contractor, or such other employees as the Board of Directors deems necessary, and to prescribe their duties.

(b) Duties. Except as may be otherwise provided in the Declaration, it shall be the duty of the Board of Directors

(i) ) to cause to be kept a complete record of all of its acts and corporate affairs and to present a statement thereof to the Members at each Annual Membership Meeting, or at any Special Membership Meeting when such statement is requested in writing by Members holding at least twenty-five percent (25%) of the total number of votes held by the Class A Membership;

(ii) to supervise all Officers, agents and employees of the Association, and to see that their duties are properly performed;

(iii) more fully provided in the Declaration,

(A) to fix the amount of the Annual Assessment levied against each Lot at least thirty (30) days in advance of each Assessment Year;

(B) to send written notice of each Assessment to every Owner subject thereto at least thirty (30) days in advance of each Assessment Year; and

(C) ) to foreclose the Assessment Lien against any Lot for which any such Assessment is not paid within thirty (30) days after the date upon which it is due, and/or to bring an action at law against the Owner of such Lot, if such Owner is personally obligated to pay the same;

(iv) or to cause an appropriate Officer to issue, upon demand by any person, a certificate setting forth whether or not any Assessment has been paid. A reasonable charge may be made by the Board of Directors for the issuance of such certificates. If a certificate states that an Assessment has been paid, such certificate shall be conclusive evidence of such payment;

(v) to procure and maintain adequate liability and hazard insurance covering all Association Property;

(vi) ause all Officers, agents or employees of the Association having fiscal responsibilities to be bonded, as the Board of Directors may deem appropriate; and

(vii) to cause the Commons to be maintained.

ARTICLE IV. OFFICERS.

Section 4.1. Enumeration of offices. The Officers shall consist of the President, the Vice-President (who shall at all times be members of the\_ Board of Directors), the Secretary, and the Treasurer, and such other Officers as the Board may from time to time by resolution designate and create.

Section 4.2. Election of Officers. The election of Officers shall take place at the first Board Meeting following each Annual Membership Meeting.

Section 4.3. Term. Each Officer shall hold office-for a term of one (13 year unless he shall sooner resign, or be removed or otherwise become disqualified to serve.

Section 4.4. Special Appointments. The Board of Directors may elect such other Officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board of Directors may from time to time determine.

Section 4.5. Resignation and removal. Any Officer may be removed from office with or without cause by the Board of Directors. Any Officer may resign at any time by giving written notice to the Board of Directors, the President or the Secretary. Such resignation shall take effect upon the date of receipt of such notice or at any later time specified therein and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary for it to be effective.

Section 4.6. Vacancies. A vacancy in any office may be filled by appointment by the Board of Directors. The Officer appointed to such vacancy shall serve for the remainder of the term of the Officer whom he replaced.

Section 4.7. Multiple offices. The offices of the Secretary and the Treasurer may be held simultaneously by the same person. Otherwise, no person shall hold simultaneously more than one office, except in the case of special offices created pursuant to the provisions of Section 4.4 hereof.

Section 4.8. Duties. The duties of the Officers shall be as follows:

(a) The President. The President shall preside at all Board Meetings; shall see that all orders and resolutions of the Board of Directors are carried out; shall sign on behalf of the Association all leases, Mortgages, deeds and other written instruments to which it is a party, and shall co-sign on behalf of the Association all checks and promissory notes issued by the Association.

(b) The Vice President. The Vice-President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board of Directors.

(c) The Secretary. The Secretary shall record the votes and keep the minutes of all Board Meetings and proceedings and of all Membership Meetings; shall serve notice of all Board Meetings and of all Membership Meetings; shall keep appropriate, current records showing the names of the Members and their addresses; and shall perform such other duties as are required of him by the Board of Directors.

(d) The Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign on behalf of the Association all checks and promissory notes issued by the Association; shall keep proper books of account for the Association; shall cause an annual audit of the Association's books to be made by a public accountant at the completion of each of its fiscal years; shall prepare an annual budget and a statement of income and expenditures for the Association to be presented to the Membership at each Annual Membership Meeting; and shall deliver a copy of each of the same to each Member.

#### ARTICLE V. COMMITTEES.

The Board of Directors shall appoint the members of the Architectural Committee pursuant to the provisions of the Declaration, and of the Nominating Committee, as provided in these By-Laws. In addition, the Board of Directors shall appoint such other committees as it may deem appropriate in carrying out its purposes.

#### ARTICLE VI. BOOKS AND RECORDS.

The books, records and papers of the Association, the Declaration, the Articles of Incorporation and these By-Laws shall at all times be available for inspection by any Member at the principal office of the Association (where copies may be purchased at reasonable cost) during reasonable business hours.

ARTICLE VII. ASSESSMENTS.

As is more fully provided in the Declaration, each Member is obligated to pay to the Association Annual Assessments and Special Assessments (and, if applicable to such Member's Lot, Limited Assessments) which are secured by a continuing lien upon his Lot. Any Assessment which is not paid when due shall be delinquent. If the Assessment is not paid within thirty (30) days after the due date, the Assessment shall bear interest from the date of delinquency at the rate of six percent (6%) per annum, and the Association may bring an " action at law against the Owner personally obligated to pay the same and/or foreclose the lien against his Lot, and all interest, costs, and reasonable attorney's fees incurred in any such action shall be added to the amount of such Assessment. No Owner may waive or otherwise escape liability for any Assessment by nonuse of the Commons or abandonment of is Lot.

ARTICLE VIII. AMENDMENT AND CONSTRUCTION OF THE BY-LAWS.

Section 8.1. Amendment. These By-Laws may be amended at an Annual Membership Meeting or a Special Membership Meeting by a vote of a Majority of those Members who are present in person or by proxy (provided that a quorum exists for such meeting), except that the Federal Housing Administration or the Veterans Administration shall have the right to veto amendments while there is a Class B Membership.

Section 8.2. Construction. In the case of any conflict between any provision of the Articles of Incorporation and these By-Laws, the provisions of the Articles of Incorporation shall control. In the case of any conflict between any provision of the Declaration and these By-Laws, the provisions of the Declaration shall control.

IN WITNESS WHEREOF, we, being all of the Directors of the Association, have hereunto set our hands, this \_\_\_\_\_ day of \_\_\_\_\_, 1977.

WITNESS:

WITNESS:

*[Handwritten signatures of three witnesses]*

*[Handwritten signature]*  
WYNNE A. STEVENS, Director  
*[Handwritten signature]*  
KEVIN C. KEELTY, Director  
*[Handwritten signature]*  
JOHN J. SELLNER, Director