

DECLARATION OF  
COVENANTS, CONDITIONS AND RESTRICTIONS  
WORTHINGTON MEWS HOMEOWNERS ASSOCIATION  
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WORTHINGTON MEWS HOMEOWNERS ASSOCIATION, INC.

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS (this "Declaration") made this 7<sup>th</sup> day of MARCH, 1997, by THOMAS BUILDERS AT CROMWELL FOUNTAIN, LLC (hereinafter referred to as the "Declarant") and the WORTHINGTON MEWS HOMEOWNERS ASSOCIATION, INC., (hereinafter referred to as the "Association"), which joins herein for the purpose of consenting to the legal operation and effect of this Declaration upon its interest.

RECITALS:

A. The Declarant owns all that land located within the Fifth Election District of Anne Arundel County, Maryland and shown as Phase One on a plat entitled "Phase One, Plat Two of Three, Section IV, Cromwell Fountain" and recorded among the Land Records of Anne Arundel County, Maryland (the "Land Records"), in Plat Book 191, Page 18, Plat No. 10093, and more particularly described in Exhibit B, attached hereto and incorporated by reference herein.

B. The property above described is a part of a larger parcel of land known as Cromwell Fountain (the "Master Association") upon which certain covenants, conditions, restrictions, easements, charges and liens were imposed by a certain Cromwell Fountain Open Space Declaration of Covenants and Cross Easements, recorded among the Land Records of Anne Arundel County, Maryland in Book 4659, page 852, et seq., as amended.

C. Declarant desires to establish covenants, conditions and restrictions upon that property hereinafter referred to as the "Land" and more particularly described on Exhibit A attached hereto and made a part hereof by this reference and each and every portion thereof, which will constitute a general scheme for the management of the Land and for the use and occupancy thereof, all for the purpose of enhancing and protecting the value, desirability and attractiveness of the Land and enhancing the quality of life therein.

D. Declarant intends to develop the Land as a planned unit development to be known as "Section Worthington Mews". Declarant may, but shall not be required to, annex additional property to Worthington Mews. Notwithstanding the foregoing, each Owner who takes title subject to this Declaration acknowledges that there is no assurance that the proposed development of Section Worthington Mews will be completed.

E. Declarant may add all or any of the real property described in Exhibit B attached hereto and incorporated herein to the Land already subject to this Declaration by Annexation (as hereinafter defined), and said additional property so annexed will thereupon be subject to this Declaration, become a part of and included within the definition of the Land, and be developed as a part of Section Worthington Mews.

F. Worthington Mews Homeowners Association, Inc., a nonprofit, non-stock corporation, has been incorporated under the laws of the State of Maryland for the purpose of exercising the powers and functions set forth herein.

G. Declarant covenants and agrees that it will hereafter hold and convey title to all of the Land subject to certain protective covenants, conditions and restrictions hereinafter set forth.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, that the Declarant does hereby establish, impose, covenant, agree and declare that all of the property is, and shall be, held, conveyed, encumbered, hypothecated, leased, rented, used, occupied and improved subject to the following limitations, covenants, conditions, restrictions, easements, liens and charges which are hereby declared and agreed to be in furtherance of a general plan for the subdivision, improvement, protection, maintenance and sale of all of the property and all of which are declared and agreed to be for the purpose of enhancing, maintaining and protecting the value and attractiveness of the property and every part thereof. All of the limitations, covenants, conditions, restrictions, easements, liens and charges are equitable servitudes and shall run with the land and shall be binding upon and inure to the benefit of all parties having or acquiring any right, title or interest, in the property or any part thereof, and shall be binding on and inure to the benefit of each successor-in-interest of such parties. The Declarant hereby declares that all of the property described in Exhibit A shall be subject to this Declaration and shall constitute the initial increment of land subject to this Declaration. The Declarant hereby declares that, pursuant to Article IV hereof, all or any portion of the real property described on Exhibit B may be annexed and become subject to this Declaration and, upon such annexation, such annexed property shall be subject to the limitations, restrictions, easements, covenants, conditions, liens and charges of this Declaration.

#### ARTICLE I DEFINITIONS

The following words when used in this Declaration (unless the context otherwise requires) shall have the following meanings:

1.1. Annexable Property shall mean any or all of the real property described on Exhibit B which may be made subject to this Declaration by Annexation pursuant to the provisions set forth in Article IV hereof.

1.2. Annexation shall mean the process by which the additional real property described in Exhibit B attached hereto may be made subject to this Declaration as set forth in Article IV.

1.3. Association shall mean and refer to the Worthington Mews Homeowners Association, Inc., its successor and assigns.

1.4. Board shall mean the governing body of the Association as established pursuant to this Declaration and the articles of incorporation and bylaws for the Association.

1.5. Builder or Builders shall mean a person, persons, entity or entities, including successors and assigns, which shall, in the ordinary course of business, construct a dwelling on a Lot and sell or lease it to another person to occupy as such person's residence.

1.6. Common Area shall mean and refer to those areas of land, and Improvements thereto, which may be annexed into the Community and which is intended to be devoted to the common use and enjoyment of the Record Owners of the Lots. Common Area shall also include any other real property, Improvements or other facilities in which the Association acquires a right of use for the benefit of the Association and its members.

1.7. Community shall mean and refer to all of the land hereby made subject to this Declaration or hereafter made subject to this Declaration by an instrument in writing, duly executed and recorded among the Land Records.

1.8. Declarant shall mean and refer to Thomas Builders At Cromwell Fountain, LLC, and any successors or assigns thereof to whom Declarant shall expressly (i) convey or otherwise transfer all of their rights, title and interest in the Land, the Property, or the lands thereof, as an entirety, without reservation of any kind, or (ii) transfer, set over and assign all of their right, title and interest under this Declaration, or any amendment or modification thereof.

1.9. Improvement shall mean and refer to all structures and appurtenances thereto of every type and kind, including but not limited to, residences, and other buildings, outbuildings, walkways, pedestrian and bicycle trails, utility installation, swimming pools, garages, carports, roads, driveways, parking areas, fences, screening walls, retaining walls, awnings, patio and balconies stairs, decks, landscaping, hedges, slopes, windbreaks, the exterior surfaces of any visible structure, paintings, planted trees and shrubs, antennae, poles, signs, solar or wind powered energy systems or equipment, heater or air conditioning and heating fixtures or equipment; the demolition or destruction by voluntary action of any structure or appurtenance thereto of every type and kind; the grading, excavation, filling or similar disturbance to the surface of the land including, without limitation, change of grade, change of ground level, change of drainage pattern or change of stream bed; landscaping, planting, clearing or removing of trees, shrubs, grass or plants; and any change or alteration of any previously approved Improvement including any change of exterior appearance, color or texture.

1.10. Lot and/or Lots shall mean and refer to those areas of land shown and defined as parcels or plots of ground (exclusive of the Common Area) and designated by numerals on the Plat which is or are now subject or hereafter made subject to the Declaration.

1.11. Master Association shall mean and refer to the property known as Cromwell Fountain upon which certain covenants, conditions, restrictions, easements, charges and liens were imposed by that Cromwell Fountain Open Space Declaration of Covenants and Cross Easements, recorded among the Land Records in Book 4659, page 852, et seq., as amended.

1.12. Mortgage means any mortgage or deed of trust encumbering any Lot or any or all of the Common Area, and any other security interest existing by virtue of any other form of security instrument or arrangement, provided that such mortgage, deed of trust or other form of security instrument, and an instrument evidencing any such other form of security arrangement, has been



recorded among the Land Records.

1.13. Mortgagee shall mean and refer to the mortgagee or beneficiary under any Mortgage.

1.14. Plat shall mean and refer to the plat entitled "Section IV, Cromwell Fountain" as recorded among the Land Records in Plat Book 191, page 17 through 19, Plat No. 10092 through 10094 and any Plats recorded among the Land Records in substitution therefor or amendment thereof, plus any plats hereafter recorded among the Land Records of any additional land that may hereafter expressly be made subject to this Declaration by an instrument in writing, duly executed, and recorded among the Land Records.

1.15. Property shall mean and refer to all of the land shown on and subject to the Plat, including any additional land that may hereafter expressly be made subject to this Declaration by an instrument in writing, duly executed and recorded among the Land Records.

1.16. Record Owner or Owner shall mean, refer to and include the person, firm, corporation, trustee, or legal entity, or the combination thereof, including contract sellers, holding the fee simple, record title to a Lot, or on any additional property subjected to this Declaration under the provisions of Article III hereof, as said Lot is now or may from time to time hereafter be created or established, either in his, her, or its own name, as joint tenants, tenants in common, tenants by entirety, or tenants in copartnership, if the Lot is held in such real property tenancy or partnership relationship. If more than one (1) person, firm, corporation, trustee, or other legal entity, or any combination thereof, hold the record title to any one (1) Lot, whether it is in a real property tenancy, or partnership relationship, or otherwise, all of the same, as a unit, and not otherwise, shall be deemed a single Record Owner and shall be or become a single member of the Association by virtue of ownership of such Lot. The term Record Owner, however, shall not mean, refer to or include any contract purchaser, nor the owner of any redeemable ground rent issuing out of any Lot, nor shall it include the holder of any deed of trust or mortgage covering any Lot designed solely for the purpose of securing performance of an obligation or payment of debt.

## ARTICLE II ARCHITECTURAL CONTROL

2.1. Scope. Except as otherwise provided in this Declaration, there shall be no excavation, construction, building, landscaping, development or other Improvements in the Community, including any change or alteration or exterior addition to any Improvements situated within the Community without compliance with this Article. The Article 28 of the Anne Arundel County Code (hereinafter the "Zoning Regulations") as the same may be amended from time to time, shall in all cases preempt and supersede any inconsistent provisions of this Declaration. Accordingly, the provisions of the Zoning Regulations are incorporated herein by reference, and this Declaration shall be subject to the operation and effect of the Zoning Regulations.

2.2. Exemptions. The following exemptions are hereby granted.

2.2.1. Declarant Exemption. Any building, structure, Improvement, grading, fence, wall or landscaping erected or installed by the Declarant anywhere in the Community or any personal property or fixture which is annexed thereto shall not be subject to the provisions of this Article.

2.2.2. Builder Exemption. A Builder shall be exempt from the provisions of this Article if the Improvements proposed to be constructed by said Builder have been approved in writing by Declarant.

2.3. Administration. The Architectural Standards Committee referred to herein and in the succeeding sections of this Declaration (the "Architectural Standards Committee") shall have all the rights, powers and duties granted to it by the Declarant pursuant to this Declaration or delegated by the Association. The Architectural Standards Committee shall initially be composed of the following members: T. Kevin Carney, Anthony Williams and Toni Williams, each of whom shall act and serve for a term of three (3) years from the date hereof, and thereafter until his or her successor shall be duly appointed. At any time after the expiration of the Development Period (as hereinafter defined in Article IV ) the then Board shall have the power, upon a majority vote of the Board, to appoint new members to, or otherwise change the membership of, the Architectural Standards Committee, so long as the Architectural Standards Committee shall at all times be comprised of three (3) members. In the event of death or resignation of any member of the Architectural Standards Committee during the Development Period, the Declarant shall have the sole right and authority to appoint a successor by a duly executed instrument filed with the Association, designating the name and address of such successor. Declarant may relinquish to the Association their right to designate any successor member of the Architectural Standards Committee prior to the expiration of the Development Period, in the sole discretion of Declarant. At any time, or from time to time, during the Development Period, the initial members of the Architectural Standards Committee may be replaced for any reason with other individuals selected by the Declarant in its sole discretion. All questions shall be decided by a majority of the members of the Architectural Standards Committee, and such majority shall be necessary and sufficient to act in each instance and on all matters. Each member of the Architectural Standards Committee, now or hereafter appointed, shall act without compensation for services performed pursuant to this Declaration.

2.4. Duties. It shall be the duty of the Architectural Standards Committee to consider and act upon such proposals or plans submitted to it pursuant to the terms hereof, to administer any Architectural Standards promulgated by the Board to perform other duties delegated to it by the Association and to ensure that any Improvements constructed within the Community conforms to plans approved by the Architectural Standards Committee. The Architectural Standards Committee may establish reasonable rules for the submission of plans and specifications including, without limitation, the number of sets of plans to be submitted; and may assess a fee, not in excess of one-sixth of the then Annual Assessment in connection with the review of plans. The Architectural Standards Committee, in its own name or on behalf of the Association, may exercise all available legal and equitable remedies to prevent or remove any unauthorized and unapproved construction of Improvements within the Community or any portion thereof. Notwithstanding the foregoing, the Architectural Standards Committee may delegate its plan review responsibilities to one or more members of the Architectural Standards Committee. Any such delegation must be made in writing and filed with the Board of the Worthington Mews Homeowners Association, Inc. Upon such delegation, the approval or disapproval of plans and specifications by such persons shall be equivalent to approval or disapproval by the entire Architectural Standards Committee. Unless any such rules regarding submission of plans are complied with, such plans and specifications shall be deemed not submitted.

2.5. Address. The address of the Architectural Standards Committee shall be the principal office of the Association or any other place as may be designated by the Board pursuant to the Bylaws, as may be amended from time to time, which are attached hereto as Exhibit C. Such

address shall be the place for the submittal of plans and specifications and the place where the current Architectural Standards, if any, shall be kept.

2.6. Effect of Architectural Standards Committee. The establishment of an Architectural Standards Committee and the procedures herein for architectural approval shall not be construed as changing any rights or restrictions upon Owners to maintain, repair, alter, modify or otherwise have control over the Owner's respective Lot(s) and the Dwelling(s) and other Improvements situated thereon, as may otherwise be specified in this Declaration, the Bylaws or any Association Rules.

2.7. Meetings. The Architectural Standards Committee shall meet from time to time as necessary to properly perform its duties hereunder. Unless otherwise provided for herein, the vote or written consent of a majority of the members of an Architectural Standards Committee shall constitute an act by such Architectural Standards Committee unless the unanimous decisions of its members is otherwise required by this Declaration. The members of the Architectural Standards Committee shall be entitled to reimbursement for reasonable expenses incurred by them in the performance of any Architectural Standards Committee function, but shall otherwise receive no compensation for services rendered unless agreed to by 75% or more of the Voting Power.

2.8. Approval and Conformity of Plans. The Board shall, from time to time, adopt and promulgate Architectural Standards to be administered through the Architectural Standards Committee. The Architectural Standards shall include, among other things, those restrictions and limitations upon the Owners set forth below.

2.8.1. Limitation on Improvements. If the Architectural Standards so provided, no Improvements shall be commenced, erected or maintained upon the Property, nor shall there be any addition to or change in the exterior of any Dwelling, structure or other Improvement, unless plans and specifications therefor have been submitted to and approved by the appropriate Architectural Standards Committee in accordance with the procedures set forth in the Architectural Standards.

2.8.2. Time Limitations. The Architectural Standards may set forth time limitations for the completion of any Improvements for which approval is required pursuant to the Architectural Standards.

2.8.3. Conformity of Plans and Specifications. The Architectural Standards may provide for the conformity of completed Improvements to plans and specifications approved by the Architectural Standards Committee and to the Architectural Standards; provided, however, unless notice of noncompletion or noncompliance identifying the violating Lot and its Owner and specifying the reason for the notice executed by the appropriate Architectural Standards Committee, shall be filed of record and given to such Owner within sixty (60) days after the expiration of the time limitations established pursuant to Subsection 2.8.2 above or unless legal proceedings shall have been instituted to enforce compliance or completion within said sixty (60) day period, the completed Improvements approved by the Architectural Standards Committee shall be deemed to be in compliance with the Architectural Standards of the Association.

2.8.4. Other Limitations. The Architectural Standards may include such other limitations and restrictions as the Master Association's Board in its reasonable discretion shall adopt including, without limitation, regulations of the following: construction, reconstruction, exterior addition, change or alteration to or the maintenance of any building, structure, wall or fence,

including, without limitation, the nature, kind, shape, height, materials, exterior color and surface and location of any dwelling, structure or other Improvements of any kind.

2.9. Time Period for Review of Plans and Specifications. If the Architectural Standards Committee fails to approve or disapprove such plans and specifications within sixty (60) days after the same have been duly submitted in accordance with any rules regarding such submission adopted by such Architectural Standards Committee, the Owner requesting said approval may submit a written notice sent via certified, return-receipt requested mail, to the Architectural Standards Committee advising the Architectural Standards Committee of its failure to act. If the Architectural Standards Committee fails to approve or disapprove any such plans and specifications within thirty (30) days after the receipt of said notice from such Owner, said plans shall be deemed approved.

2.10. Appeal. The decision of the Architectural Standards Committee or designee shall be final, binding and non-appealable unless the same is appealed, in writing. The written appeal must be sent to the Board of Directors of the Association via certified, return-receipt requested mail within 30 days of the date of the decision of the Architectural Standards Committee. There shall be no right to appeal such a decision to the Association or Master Association.

2.11. Waiver. The approval by the Architectural Standards Committee of any plans, drawings or specifications for any work done or proposed, or for any other matter requiring the approval of the Architectural Standards Committee under this Declaration, shall not be deemed to constitute a waiver of any right to withhold approval of any similar plan, drawing, specification or matter subsequently submitted for approval.

2.12. Estoppel Certificate. Within forty-five (45) days after written demand is delivered to the Architectural Standards Committee by any Owner, and upon payment to the Association of a reasonable fee (as fixed from time to time by the Association), the Architectural Standards Committee shall provide an estoppel certificate, executed by any two (2) of its members, certifying (with respect to any Lot of said Owner) that as of the date thereof either: (a) all Improvements made and other work done upon or within said Lot comply with the provisions of this Article 2, or (b) such Improvements or work do not so comply, in which event the certificate shall also identify the non-complying Improvements or work and set forth with particularity the basis of such noncompliance. Any purchaser from the Owner, or from anyone deriving any interest in said Lot through him, shall be entitled to rely on said certificate with respect to the matters therein set forth, such matters being conclusive as between the Association, Declarant and all Owners and such persons deriving any interest through them.

2.13. Liability. Neither the Architectural Standards Committee nor any member thereof shall be liable to the Association or to any Owner for any damage, loss or prejudice suffered or claimed on account of: (a) the approval or disapproval of any plans, drawings and specifications, whether or not defective, (b) the construction or performance of any work, whether pursuant to approved plans, drawings, and specifications, (c) the development of any property within the Community, or (d) the execution and filing of an estoppel certificate pursuant to Section 2.12 above, whether or not the facts therein are correct, provided that such member has acted in good faith on the basis of such information as may be possessed by him. Any plans and specifications submitted to the Architectural Standards Committee are not approved by the Architectural Standards Committee for architectural or engineering design, and by approving such plans and specifications neither the Architectural Standards Committee, the members thereof, the Association, the Board nor the Declarant assumes liability therefor or for any defect in any structure constructed from such plans and specifications without in any way limiting the generality of the foregoing, the Architectural

Standards Committee, or any member thereof, may, but is not required to consult with or hear the views of any member of the Association with respect to any plans, drawings, specifications or any other proposal submitted to the Architectural Standards Committee.

2.14. Governmental Requirements. The application to and the review and approval by the Architectural Standards Committee of any proposals, plans or other submittals shall in no way be deemed to be in satisfaction of or in compliance with any zoning, building permit process or any other governmental requirements, the responsibility for which shall be solely with the respective Owner.

2.15. Penalties and Fines. The Architectural Standards Committee and/or the Board of Directors shall have the right, but not the obligation, to impose fines upon any Record Owner for non-compliance with the terms of this Declaration or the Architectural Standards. Any such fine shall not exceed ten percent (10%) of the monthly increment of the then Annual Assessment. The fine imposed may be continuing in nature and accrue on a per diem basis for each day in which the violation remains unabated. Any fine imposed by the Architectural Standards Committee shall be a binding, personal obligation of such Record Owner, as an additional assessment on the Lot.

### ARTICLE III USE RESTRICTIONS FOR THE WORTHINGTON MEWS

3.1. Master Association Rights. The Master Association shall expressly be made a third party beneficiary to this Declaration. The Master Association shall have the right to enforce any provisions of this Declaration, to the extent that the Master Association deems it necessary to protect the overall interest in Cromwell Fountain. The Master Association shall not, however, in any event, be considered as having a duty or obligation to enforce any particular provision of this Declaration.

3.2. Permitted Uses and Limitations. The following use restrictions shall apply in the Community.

3.2.1. Residential Use. All Lots, except Common Area Lots shall be known and described as Residential Lots and shall be used for no purpose other than residential purposes except that the following uses shall be permitted as defined and restricted in the Anne Arundel County Zoning Regulations subject to approval by the Architectural Standards Committee: (1) private residence for a home occupation; and (2) accessory retail and service uses. Subject to the provisions of the Section of this Article entitled "No Subdivision of Lots", no building shall be erected, altered, placed or permitted to remain on any Lot other than a building used as a Dwelling or used in conjunction with a Dwelling, including, but not limited to, any buildings adjacent to the Dwelling for use as a garage. Except that a leasing and/or sales office may be maintained by the Declarant or any Builder.

3.2.2. No Commercial Use. The Property shall not be used or caused to be used or allowed or authorized in any way, directly or indirectly, for any business, commercial, manufacturing, mercantile, storing, vending, or other such nonresidential purposes provided, however, that the Association shall have the right to provide or authorize such services on the Common Area as it deems appropriate for the use of the Common Area and the benefit of the Owners; and provided, further that a leasing and/or sales office may be maintained by the Declarant or any Builder.

3.2.3. Rental of Dwelling. An Owner shall be entitled to rent the Dwelling situated on the Owner's Lot, subject to the restrictions contained in this Declaration, including, but not limited to, Subsection 3.2.1. Any rental or leasing agreement shall be in writing, shall be made only to natural persons who actually reside in the Dwelling, shall provide that the lease or rental is subject to this Declaration, the Bylaws, the Articles, and the Rules, and shall provide that any failure to comply with any provisions thereof shall be a default under the terms of the rental or lease agreement. No Owner may lease such Owner's Lot or Improvements thereon for hotel, motel or transient purposes. Any lease which is either for a period of fewer than thirty (30) days or pursuant to which the lessor provides any services normally associated with a hotel, shall be deemed to be for transient or hotel purposes. Any Owner who shall lease his or her Dwelling shall be responsible for assuring compliance by such Owner's lessee with the aforementioned documents provided, however, the obligation of the foregoing sentence shall not apply to Declarant if Declarant leases a Lot for a term of twenty (20) years or more and such lease is recorded. A copy of the lease shall be forwarded to the Association within 30 days of the tenant's occupancy.

3.2.4. Signs. No sign or billboard of any kind shall be displayed to the public view on any Lot or Common Area with the following exceptions:

- (a) signs as may be required by legal proceedings, or the prohibition of which is precluded by law;
- (b) signs as may be used by Declarant or its sales agents in connection with the development of the Community and the sale and marketing of the Lots;
- (c) signs on the Common Area which Declarant deems necessary for the construction of any Improvements and identification signs regarding financing and construction;
- (d) signs on the Common Area as may be required for traffic control and regulation of open areas within the Community; and
- (e) identification signs on the Common Area as may be deemed appropriate by the Board to designate facilities within the Community.
- (f) identification and directional signs placed by Owner or Association, subject to approval of the Architectural Standards Committee.

Notwithstanding the foregoing, Declarant shall not place any signs on the Common Area which substantially interfere with the Owners' use and enjoyment of the Common Area. Declarant may permit Builders to place such signs on the Common Area, as provided for herein, for the same purpose as Declarant deems appropriate, provided such signs have been approved by Declarant. Declarant's rights to so establish signs shall be exercised for a reasonable period of time in conjunction with Declarant's and the Builder's development of the Property, and shall be subject to the approval of the Board as of ten (10) years from the date hereof. Notwithstanding the foregoing, in accordance with the provisions of law, an Owner may display on his Lot not more than one "for sale" or "for lease" sign per Lot so long as such sign shall comply with any reasonable standards promulgated by the Board or Architectural Standards Committee as to the size, color, shape or other qualifications for permitted signs. The provisions and limitations of this subsection shall not apply to any institutional first Mortgagee of any Lot who comes into possession of the Lot by reason of any proceeding, arrangement, assignment or deed in lieu of foreclosure.

3.2.5. Nuisance, Hazards and Waste. No noxious or unreasonably offensive trades or activities shall be carried on upon any Lot or Common Area or any part of the Community and nothing shall be done thereon which may be, or may become a nuisance, disturbance or unreasonable embarrassment to the Community, or which shall unreasonably interfere with the use of each of the Owners of his respective Dwelling or which shall, in any way, increase the rate of insurance, or which constitutes a violation of any law, ordinance or regulation, now or hereafter in effect, imposed by any governmental entity having jurisdiction over the Property. Without limiting the generality of the foregoing, no speaker, horn, whistle, siren, bell, amplifier or other sound device, except such properly maintained and operated devices as may be used exclusively for security purposes, shall be located, installed or maintained upon the exterior of any dwelling or upon the exterior of any other Structure constructed upon any Lot. No snowmobiles, go-carts, motorbikes, trail bikes, other loud engine recreational vehicles or skateboard ramps shall be run or operated upon any Lot or upon any roadways serving the Property. No hazardous, toxic or contaminated materials which are regulated by any federal, state or local agency shall be stored, placed or used on the Property. Within ten (10) days of receipt of written notice from the Association specifying any item which creates such an insurance hazard or constitutes such nuisance, hazard or waste, the Owner shall cause such item to be removed at such Owner's sole cost and expense. If such item is not timely removed, the Association may enter upon such Lot or Common Area, remove or cause to be removed such item and assess the Owner or Association the amount of all costs and expenses therefor.

3.2.6. Temporary Structures. No Structure of a temporary character, including, trailer, mobile home, tent, shack, shed, garage, other outbuildings, etc. shall be kept upon any Lot or Common Area or in any street within the Community, except in connection with work, sales and marketing of Lots or the Community or construction diligently pursued, unless the same shall be approved by the Architectural Standards Committee.

3.2.7. Play/Athletic Equipment. No play or athletic equipment including portable basketball nets, swingsets, play houses, children's play equipment, volleyball nets, horseshoe courts, etc. shall be kept upon any Lot, unless stored daily within a residence, garage or other approved structure or approved by the Architectural Standards Committee.

3.2.8. Outdoor Decorative Items/Lawn Furniture. No windchimes, bird feeders, birdbaths, birdhouses, statues, ornamental structures, etc. shall be kept upon any Lot, approved by the Architectural Standards Committee. Lawn furniture is allowed only in accordance with the requirements/guidelines of the Architectural Standards Committee.

3.2.9. Vehicles. Other than private passenger vehicles, vans, trucks or permitted commercial vehicles in regular operation, no other motor vehicles, house trailer, trailer, boat, or inoperable, unlicensed, junk or junked cars or other similar machinery or equipment of any kind or nature (except for such equipment and machinery as may be reasonable, customary and usual in connection with the use and maintenance of any Lot) shall be kept on the Property. For the purpose hereof, a vehicle shall be deemed inoperable unless it is licensed, contains all parts and equipment, including properly inflated tires, and is in such good condition and repair as may be necessary for any person to drive the same on a public highway. Automobile repairs or maintenance other than routine oil changes or tire repair or changes, are strictly prohibited. Disposal of motor oil shall be accomplished in accordance with all applicable governmental regulations. The foregoing restriction shall not be deemed to prevent temporary parking for washing and polishing and those activities normally incident to washing and polishing of vehicles. No commercial vehicles, as defined by the Anne Arundel County Code, over 3/4 ton rated capacity ("Commercial Vehicles") shall be left parked on any part of the Property, including, without limitation, any street or Lot, longer than is necessary

to perform the business function of such vehicle in the area; it being the express intention of this restriction to prevent the parking of Commercial Vehicles upon the Property, including, without limitation, the streets Common Areas, and Lots in the Community, for a time greater than that which is necessary to accomplish the aforesaid business purpose. However, during construction of dwellings, the Declarant and the Builder may maintain Commercial Vehicles and trailers on the Lots or Property for purposes of construction, and for use as a field or sales office. Commercial Vehicles, trailers, boats, buses, campers or tractors shall not be parked upon any streets or Common Areas, except in areas, if any, specifically designated by the Architectural Standards Committee for such parking.

3.2.10. Animals. No animals, livestock, or poultry of any kind, including pigeons, shall be raised, bred or kept on any Lot, except that dogs, cats or any household pets, not exceeding two (2) in the aggregate, may be kept as hereinafter provided. Said dogs, cats, and household pets shall (a) not be kept, bred or maintained for any commercial purpose, (b) be kept so as to avoid becoming a nuisance to the neighborhood or to any adjoining property owners, (c) not roam unattended on the Property, and (d) be kept in accordance with all Anne Arundel County Animal Control laws. Household pets shall not include miniature pigs, horses or other hybrid livestock or farm animals. Notwithstanding the foregoing, no animals or fowl may be kept on the Lots which, in the good faith judgment of the Board, or a committee selected by the Board for this purpose, result in an unreasonable annoyance or are obnoxious to residents in the Community. No pet or other animal shall be permitted on the Common Area except as allowed by the Association Rules. The Owner of any pet or animal shall be responsible for the immediate removal and clean-up of such animal's waste in the Common Area. The Owner of any pet or animal shall at no time allow such animal to run unrestrained on Common Area or the streets, sidewalks or pathway areas of the Community and the Owner of such pets shall at all times have full and complete control over such animal. The Board shall have the right, after notice and hearing, to remove animals from the Common Area which it finds constitute a continuing unreasonable nuisance to Owners.

3.2.11. Neat Appearance. Owners shall, at all times, maintain their Lots and all appurtenances thereto in good repair and in a state of neat appearance, including but not limited to, the seeding, watering and mowing of all lawns and yards, keeping all sidewalks, if any, neat, clean and in good repair, and free of ice and snow, the pruning and cutting of all trees and shrubbery and the painting (or other appropriate external care) of all structures on the Lot, all in a manner and with such frequency as is consistent with good property management and maintenance. Each Record Owner is responsible for snow and ice removal, within 12 hours of its accumulation, from the sidewalk and driveway along the front and rear of the Lot to the full width of such Lot whether the sidewalk and/or driveway is contained within the Lot or on abutting Common Area. All weeds, rubbish, debris, or unsightly materials or objects of any kind shall be regularly removed from the Lots and shall not be allowed to accumulate thereon. No oil or other refuse shall be allowed to enter storm drains. No lumber, metals, bulk materials, etc. shall be kept, stored or allowed to accumulate on any Lot, except (i) building material during the course of construction of any approved dwelling or other permitted Structure, and (ii) firewood, which shall be cut and neatly stored at least six (6) inches off the ground and twelve (12) inches away from any wooden structure. No burning of trash shall be permitted on any Lot. If trash or other refuse is to be disposed of by being picked up and carried away on a regular and recurring basis, containers may be placed in the open on any day (or prior evening) that a pick-up is to be made at the end of private driveway serving each set of attached units or at such place designated by the Board of Directors. All refuse containers, woodpiles, storage areas, machinery and equipment shall be prohibited upon any Lot unless obscured from view of adjoining streets, Lots, alleys or Common Area nearest such portion of the Lot from a height of six (6) feet or less and shall comply with any restrictions or standards promulgated by the



Board or the Architectural Standards Committee. If, in the opinion of the Architectural Standards Committee, any Record Owner fails to perform the duties imposed hereunder, the Association, on affirmative action of a majority of the Board of Directors, after fifteen (15) days written notice to such Record Owner to remedy the condition in question, and upon failure of the Record Owner to remedy the condition in question, shall have the right (but not the obligation), through its agents and employees, to enter upon the Lot in question and to repair, maintain, repaint and restore the Lot and the improvements or Structures thereon, and the cost thereof shall be a binding, personal obligation of such Record Owner, as an additional assessment on the Lot.

3.2.12. Antennae. No television, radio, satellite dish, citizens band radio or other broadcasting or receiving apparatus shall be permitted upon any Lot, the Property, or upon any of the buildings constructed on any portion of the Property; except that if installed or approved by Declarant or Board, a community cable television or radio system or other similar equipment for the purpose of emitting or receiving or distributing any form of radio, micro-wave or electromagnetic emission shall be permitted on the Property.

Notwithstanding anything to the contrary contained herein, the following shall apply regarding antennae designed to receive direct broadcast satellite service or video programming services via multipoint distribution services, so long as any such antenna is one meter or less in diameter or diagonal measurement, or antennae designed to receive television broadcast signals (together the "Antennae"):

- (a) the Antennae may be installed only upon property within the exclusive use or control of an Owner and in which the Owner has a direct or indirect ownership interest;
- (b) the Antennae must be painted so that it blends into the background;
- (c) the Antennae must be placed so as to not be visible from the street unless such placement would prevent the receipt of an adequate signal. An adequate signal shall mean a signal which is in accordance with the standards of the industry;
- (d) no Antennae may be maintained if such Antennae are more than twelve feet above the roof line of any residential improvement on any Lot, and
- (e) Antennae must be adequately secured to a structure so as to prevent safety hazards.

Lot owners are not required to obtain the approval of the Architectural Standards Committee prior to the installation of any Antennae which meets the definition set forth above.

3.2.13. Swimming Pools. No swimming pools, whether "in ground", "above ground" or other type, shall be permitted on any Lot, except that temporary children's pools less than 2 feet in depth and 10 feet in diameter shall be permitted so long as the same are stored daily within a residence, garage or other approved structure, unless approved by the Architectural Standards Committee.

3.2.14. Drainage. All drainage of water from any Lot or Common Area and the Improvements thereon shall drain or flow as set forth below.

(a) Any such water may drain or flow into adjacent streets or alleys and shall not be allowed to drain or flow upon, across, or under adjoining Lots, or Common Area unless an easement for such purpose is granted.

(b) All slopes or terraces on any Lot or Common Area shall be maintained so as to prevent any erosion thereof upon adjacent streets or adjoining property.

3.2.15. Garages. No garage doors shall be permitted to remain open except for a temporary purpose, and the Board may adopt rules for the regulation of the opening of garage doors, including the assessment of charges to Owners who violate such rules.

3.2.16. Driveways/Parking. No driveways or parking areas, other than those originally installed by the Builder, shall be permitted on any Lot in the Community unless approved by the Architectural Standards Committee.

3.2.17. Exterior Materials. All primary exterior materials of any Structure constructed on a Lot shall be in material approved by the Architectural Standards Committee.

3.2.18. Clothes Lines. No exterior clothes dryer, clothes pole or similar equipment shall be erected, installed or maintained on any Lot, nor shall articles of clothing, bedding, etc. be hung outside any Structure, unless approved by the Architectural Standards Committee.

3.2.19. Traffic View. No Structure, landscaping, shrubbery or any other obstruction shall be placed on any Lot so as to block the clear view of traffic on any streets, nor shall any planting be done on any corner Lots that will exceed three (3) feet in height (except shade trees which shall be trimmed so that a clear view may be maintained to the height of eight (8) feet) closer than (20) twenty feet from either street line.

3.2.20. Front Lawn. The area within the front of a dwelling shall be kept only as a lawn for ornamental or decorative planting of grass, trees and shrubbery unless approved by the Architectural Standards Committee.

3.2.21. Fences and Walls. No fence, wall or other similar enclosure may, be built on any Lot.

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3.2.22. Lighting and Wiring. The exterior lighting on Lots shall be directed downward and shall not be directed outward from, or extend beyond, the boundaries of any Lot. All wiring on any Lot shall be underground. Exterior lighting, including landscaping accent lighting, which is in addition to lighting installed at the time of original construction at an approved structure is prohibited, unless approved by the Architectural Standards Committee.

3.2.23. No Obstructions. There shall be no obstruction of any Common Area except as permitted herein or as provided by the Association Rules. Nothing shall be placed or stored in the Common Area, except as allowed by the express permission of the Board.

3.2.24. Compliance With Laws, Etc. No Owner shall permit anything to be done or kept in a Lot that violates any laws, ordinances, statutes, rules or regulations of any county, state or federal body.

3.2.25. Fires. There shall be no exterior fires on the Common Area or on Lots, except barbecue fires contained within grills maintained by the Owners on Lots or in receptacles provided by the Master Association or Association. There shall be no permanent outdoor cooking grills or outdoor fireplace on any Lot unless approved by the Architectural Standards Committee.

3.2.26. No Subdivision of Lots. No Lot shall be further subdivided nor shall less than all of any such Lot be conveyed by an Owner thereof, provided, however, this shall not prohibit transfers of parts of Lots between adjoining Lot Owners where the transfer is not for the purpose of creating a new building Lot. The provisions of this subsection shall not apply to the Declarant and Builder, further, the provisions hereof shall not be construed to prohibit the granting of any easement or right-of-way to any municipality, political subdivision, public utility or other public body or authority, or to the Association, the Declarant or any other person for any purpose.

3.2.27. Conservation Easement. Any portion of the Common Area or Lots designated and shown on any recorded subdivision plat of all or a portion of the Property as "Conservation Easement Area" shall remain in a natural, undisturbed state and will not be developed, nor shall improvements be erected thereupon by the Declarant, their successors or assigns, the Association, or any Record Owner, except those of a minor nature necessary for such intended use and permitted by applicable law.

3.2.28. Non-interference with Utilities. No Structure, planting or other material shall be placed or permitted to remain upon any Lot which may damage or interfere with any easement for the installation or maintenance of utilities, or which may unreasonably change, obstruct or retard direction or flow of any drainage channels. No poles and wires for the transmission of electricity, telephone and the like shall be placed or maintained above the surface of the ground on any Lot.

3.2.29. No Hunting. No hunting or discharge of firearms or weapons of any nature whatsoever shall be permitted on the Property or any Lot.

3.2.30. No Excavation. No excavation shall be made on any Lot except for the purpose of building thereon at the time when the building operations are commenced, and no earth or sand shall be removed from any Lot except as a part of such operations.

3.2.31. Tree Removal. No Record Owner shall have the right to remove any of the healthy growing trees located on any of the Lots within the subdivision except upon Architectural Standards Committee approval.

3.2.32. Party Walls.

(a) Each wall which is built as a part of the original construction of the dwellings upon the Lots and placed upon the dividing line between the Lots shall constitute a party wall, and to the extent not inconsistent with the provisions of this Section, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

(b) The cost of reasonable repair and maintenance of a party wall shall be shared by the Record Owners who make use of the wall in proportion to such use.

(c) If a party wall is destroyed or damaged by fire or other casualty, any Record Owner who has used the wall may restore it, and if the other Record Owner(s) thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Record Owner(s) to call for a larger contribution from the other(s) under any rule of law regarding liability for negligence or willful acts or omissions.

(d) Notwithstanding any other provision of this section, any Record Owner who by its negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

(e) The right of any Record Owner to contribution from any other Record Owner under this Section shall be appurtenant to the land and shall pass to each Record Owner's successors in title.

(f) In the event of any dispute arising concerning a party wall, or under the provisions of this Section, each party shall choose one (1) arbitrator, and such arbitrators shall jointly choose one (1) additional arbitrator, and the decision shall be by the majority of the three (3) arbitrators.

(g) Rules applicable to party walls shall also be applicable to the party fences.

3.2.33. Family Day Care. No Lot nor any of the roads, sidewalks or other Common Area may be used for the establishment and operation of a "Family Day Care Home," as such term is defined in Section 11B-111.1 of the Real Property Article of the Annotated Code of Maryland, as amended from time to time (the "Code"). Notwithstanding the foregoing, the prohibition against the use of a Lot as a Family Day Care Home may be eliminated by the affirmative vote of Record Owners having at least fifty-one percent (51%) of the total number of votes then held by all of the Record Owners, in the manner provided in the Bylaws of the Association. In the event the Association approves the use of a Family Day Care Home as hereinabove provided:

(a) the number of Family Day Care Homes operating in the Community shall not exceed seven and one half percent (7.5%) of the total number of Lots in the Community;

(b) in order to assure compliance with subparagraph (i) above, each Family Day Care Home shall register with the Association before opening a Family Day Care Home;

(c) the "Day Care Providers" (as such term is defined in Section 11B-111.1 of the Code) shall pay on a pro rata basis based on the total number of Family Day Care Homes operating in the Community, any increase in insurance costs of the Association that are solely and directly attributable to the operation of the Family Day Care Home therein;

(d) each Family Day Care Home which is registered and operating in the Association shall pay to the Association an annual fee for the use of the Common Area in an amount not to exceed one-sixth of the then Annual Assessment and (v) each Family Day Care Home and Day Care Provider shall otherwise comply with all of the provisions of Section 11B-111.1 of the Code.

3.2.34. Awnings and Sun Trellises. Awnings and sun trellises are strictly prohibited in the front and side yards of any Lot and are subject to approval by the Architectural Standards Committee where the same are proposed for rear yards.

3.2.35. Storm Water Facility Maintenance. Upon completion and acceptance of storm water management facilities on the Property, if any, the Association shall be responsible for the maintenance of such facilities in accordance with the rules and regulations of Anne Arundel County.

3.2.36. Anne Arundel County Access Easement. The duly authorized employees and representatives of Anne Arundel County shall have the right to enter upon the Property for the purpose of performing necessary inspection, maintenance and repair to any completed storm water management facility, when such maintenance or repair is not satisfactorily completed by the Association within a reasonable time, and to assess the Association for the costs thereof.

3.2.37. Real Estate Sales or Construction Office. Notwithstanding anything contained herein to the contrary, a real estate sales or construction office or a trailer, with signs, may be erected, maintained and operated on any Lot, or in any Structure now or hereafter located thereon, provided such office or trailer, and signs, are used and operated only in connection with the development and/or initial sale of any Lot or Lots, and/or the initial construction of improvements on any Lot now or hereafter laid out or created in the Community. Nothing herein, however, shall be construed to permit any real estate sales or construction office, trailer, or sign after such initial development, sales, and/or construction is completed. Except as expressly permitted hereinabove, neither any part of any Lot, nor any improvement now or hereafter erected on any Lot, shall be used for any real estate sales or construction office or trailer, nor shall any sign used in conjunction with such uses be erected without prior written approval of the Architectural Standards Committee.

3.2.38. Exemption. The provisions of this Article III shall not be binding upon the Declarant or Builder or their activities upon the Property. Without limiting the generality of the foregoing, the Architectural Standards Committee shall have no authority to review or approve any Structure constructed, alterations performed or maintenance performed or omitted by Declarant or Builder on any Lot.

3.3. Easements. There are hereby established easements over, under and through each Lot and the Common Area, which easements are described in the Article hereof entitled "Declarant Reserved Rights and Obligations".

#### ARTICLE IV PROPERTY SUBJECT TO THIS DECLARATION AND ADDITIONS THERETO

4.1. Existing Property. The real property which is, and shall be, transferred, held, sold, conveyed and occupied subject to this Declaration is located in the Community, and is described on Exhibit A attached hereto, all of which real property is referred to herein as the "Existing Property".

4.2. Additions to Existing Property. The Declarant, its successors and assigns, shall have the right for ten (10) years from the date hereof to bring within the scheme of this Declaration, and to annex to the Community, additional property consisting of the land on the Plat and being (the "Additional Property") more particularly described on Exhibit B. The general plan of development is shown on the Plat, but such plan shall not bind the Declarant, its successors or assigns, to annex all or any part of the Additional Property to the Community, or to adhere to the plan in any subsequent development of the land shown on the Plat.

Additional residential property and Common Area may be annexed to the Community with consent of at least two-thirds (2/3) of each class of members.

The additions authorized under this subsection shall be made by filing among the Land Records one or more amendments to this Declaration with respect to the Additional Property, or any part thereof, which shall extend the scheme of this Declaration to such Additional Property, and which Additional Property shall thereupon become part of the Community. Upon the filing of any amendment to this Declaration, Record Owners of Additional Property shall be subject to the same obligations and entitled to the same privileges as applied to the Record Owners of the Existing Property. The additions authorized under this Section 4.2 may be undertaken from time to time in any one or more amendments, but all additions must be completed within ten (10) years from the date hereof. Such amendments may contain such complementary additions and modifications to this Declaration as may be necessary to reflect the different character, if any, of the Additional Property not inconsistent with the scheme of this Declaration. In no event, however, shall such amendment revoke, modify or add to the Covenants established by this Declaration for the Existing Property as of the date hereof.

Notwithstanding anything to the contrary contained herein, during the Development Period, annexation of Additional Property shall require, if applicable, the prior approval of the United States Department of Housing and Urban Development, Federal Housing Administration, and/or the United States Veterans' Administration ("HUD/FHA/VA").

4.3. De-Annexation. Declarant its successors and assigns, shall have the right for ten (10) years from the date hereof to delete all or any portion of the annexed land from the coverage of this Declaration and rescind any supplementary declaration, provided Declarant is the sole beneficial Owner of all of the real property described in the supplementary declaration to be rescinded. Such deletion shall be effective upon the recordation of a "Notice of Deletion of Territory," signed by Declarant.

## ARTICLE V

### MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

5.1. Membership. Every Record Owner of a Lot shall become and be a member of, and shall have voting rights in, the Association. Membership and voting rights in the Association shall be appurtenant to and may not be separated from ownership of any Lot that is subject to assessment.

5.2. Classes of Membership.

5.2.1. The Association shall have two (2) classes of voting membership;

5.2.1.1. Class A. Except for the Declarant and the Builder, which shall initially be Class B members, the Class A members shall be all Record Owners holding title to one

(1) or more Lots; provided, however, that any Mortgagee or any other person or entity who holds such interest solely as security for performance of an obligation shall not be a Class A member solely on account of such interest. Each Class A member shall be entitled to one (1) vote per Lot, for each Lot owned by it, in all proceedings in which action shall be taken by members of the Association.

5.2.1.2. Class B. The Class B member(s) shall be the Declarant and the Builder. The Class B member(s) shall be entitled to three (3) votes per Lot for each Lot owned by it, in all proceedings in which actions shall be taken by members of the Association.

5.2.2. Notwithstanding anything in this Declaration to the contrary, the Builder shall be conclusively presumed, by its having accepted the conveyance from Declarant of the legal title to a Lot:

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

5.2.2.2. to have agreed with the Declarant that such proxy is given to and relied upon by the Declarant in connection with the Declarant's development, construction, marketing, sale and leasing of any or all of the Property and is coupled with an interest; and

5.2.2.3. such proxy shall cease with respect to the votes appurtenant to a Lot when dwelling has been constructed on such Lot and legal title to such Lot is conveyed to a person who intends to occupy or lease such dwelling as a residence.

5.2.3. If more than one (1) person, firm, corporation, trustee, or other legal entity, or any combination thereof, holds the record title to any Lot, all of the same, as a unit, and not otherwise, shall be deemed a single member of the Association. The vote of any member comprised of two (2) or more persons, firms, corporations, trustees, or other legal entities, or any other combination thereof, shall be cast in the manner provided for in the Articles of Incorporation and/or Bylaws of the Association, or as the several constituents may determine, but in no event shall all such constituents cast more than one (1) vote per Lot for each Lot owned by them.

5.3. Conversion. The Class B membership in the Association shall exist from the date hereof to the earlier to occur of (i) ten (10) years from the date hereof; or (ii) such time as the total number of votes entitled to be cast by Class A members of the Association equals or exceeds the total number of votes entitled to be cast by the Class B member(s) of the Association (the "Development Period"). Upon the expiration of the Development Period, the Class B membership shall cease and be converted to Class A membership in the Association. The Declarant (and the Builder) shall thereafter remain a Class A member of the Association as to each and every Lot from time to time subject to the terms and provisions of this Declaration in which the Declarant (or the Builder) then holds the interest otherwise required for Class A membership. Notwithstanding the foregoing, the Development Period shall not cease and the Class B membership shall not convert to Class A membership as a result of the total number of Class A votes equalling or exceeding the total number of Class B votes if, by annexing Additional Property to the Community, the Declarant may increase the Class B votes to a number in excess of the Class A votes.

**ARTICLE VI**  
**DECLARANT'S RESERVED RIGHTS AND OBLIGATIONS**

6.1. Reserved Rights of Declarant. The Association shall hold the Common Area conveyed to it by Declarant pursuant to Article VII hereof, and the Record Owners shall hold their respective Lots, subject to the following:

6.1.1. The reservation to Declarant, its successors and assigns, of nonexclusive easements and rights of way over those strips or parcels of land designated or to be designated on the Plat as "Open Space Utility Easement", "Common Area/Utility Easement", "Conservation Easement Area", "Utility Easement", "Passive Recreation Area No. 1", "Passive Recreation Area No. 2", "Common Area", "Active Recreation Area No. 3", and "Open Space", etc. or otherwise designated as an easement area over any road or Common Area on the Property, and over ten (10) foot wide strips of land running along the common side lines on the Lots for the purposes of proper surface water drainage, for ingress and egress, for the installation, construction, maintenance, reconstruction and repair of public and private utilities to serve the Property and the Lots therein, including but not limited to the mains, conduits, lines, meters and other facilities for water, storm sewer, sanitary sewer, gas, electric, telephone, cable television, and other public or private services or utilities deemed by Declarant necessary or advisable to provide service to any Lot, or in the area or on the area in which the same is located, together with the right and privilege of entering upon the Common Areas for such purposes and making openings and excavations thereon, which openings and excavations shall be restored in a reasonable period of time, and for such alterations of the contour of the land as may be necessary or desirable to effect such purposes. Within the aforesaid easement areas, no Structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities or change the direction of the flow of drainage channels or obstruct or retard the flow of water through drainage channels. The reserved easement areas of each Lot and all improvements therein, except improvements for which a public authority or utility company is responsible, shall be maintained continuously by the Record Owner of the Lot.

6.1.2. The reservation to Declarant, its successors and assigns, of a non-exclusive easement and right-of-way in, through, over and across the Common Area for the purpose of the storage of building supplies and materials, and for all other purposes reasonably related to the completion of construction and development of the project and the provision of utility services, and related services and facilities.

6.1.3. The designation of streets, avenues, roads, courts and places upon the plat is for the purpose of description only and not dedication, and the rights of the Declarant in and to the same are specifically reserved, and the Declarant hereby reserves unto itself, its successors and assigns, the right to grade, regrade and improve the streets, avenues, roads, courts, and places as the same may be located on the Plat, including the creation or extension of slopes, banks, or excavation in connection therewith and in the construction of and installation of drainage structures therein. The Declarant further reserves unto itself, its successors and assigns, the bed, in fee, of all streets, avenues, and public highways in the Community, as shown on the Plat.

6.1.4. The Declarant further reserves unto itself, its successors and assigns, the right to grant easements, rights-of-way and licenses to any person, individual, corporate body or municipality, to install and maintain pipelines, underground or above-ground lines, with the appurtenances necessary thereto for public utilities, or quasi-public utilities or to grant such other licenses or permits as the Declarant may deem necessary for the improvement of the Community in, over, through, upon and across any and all of the roads, streets, avenues, alleys, and open space and in, over, through, upon and across each and every Lot in the easement area set forth in this Declaration or as shown on the Plat.



6.1.5. The Declarant further reserves unto itself, its successors and assigns, the right to convey all of said roads, streets, alleys, or rights of way or any other area on the Plat not designated as a Lot, to the Association. No road, street, avenue, alley, or right-of-way shall be laid out or constructed through or across any Lot or Lots in the Community except as set forth in this Declaration, or as laid down and shown on the Plat, without the prior written approval of the Architectural Standards Committee.

6.1.6. Declarant further reserves unto itself, its successors and assigns, the right at or after the time of grading of any street or any part thereof for any purpose, to enter upon any abutting Lot and grade a portion of such Lot adjacent to such street, provided such grading does not materially interfere with the use or occupancy of any Structure built on such Lot, but Declarant shall not be under any obligation or duty to do such grading or to maintain any slope. Similarly, Declarant reserves the right unto itself, and its successors and assigns, and, without limitation, the Association, to enter on any Lot during normal business hours for the purpose of mowing the lawn thereon and trimming such greenery as Declarant (its successors or assigns or the Association) deems appropriate, but no such party shall be under any obligation to do so. No right shall be conferred upon the Record Owner by the recording of any plat relating to the development of the Property in accordance with such plat, Declarant expressly reserving unto itself the right to make such amendments to any such plat or plats as shall be advisable in its best judgment and as shall be acceptable to public authorities having the right to approval thereof.

6.1.7. Declarant further reserves unto itself, its successors and assigns, the right, notwithstanding any other provision of this Declaration, to use any and all portions of the Property other than those Lots conveyed to Record Owners, including any Common Area which may have previously been conveyed to the Association, for all purposes necessary or appropriate to the full and final completion of construction of the Community. Specifically, none of the provisions of Article II concerning architectural control or use restrictions shall in any way apply to any aspect of the Builder's activities or construction, and notwithstanding any provisions of this Declaration, none of the Builder's construction activities or any other activities associated with the development, marketing, construction, sales management or administration of the Community shall be deemed noxious, offensive or a nuisance. The Declarant reserves the right for itself, its successors and assigns, to store materials, construction debris and trash during the construction period on the Property without keeping same in containers. The Declarant will take reasonable steps, and will ensure that the Builder takes reasonable steps, to avoid unduly interfering with the beneficial use of the Lots by Record Owners.

6.2. Grant of Rights by Declarant. Declarant hereby grants to Builder, its successor and assigns, the rights, for use in common with Declarant, its successor and assigns, reserved by Declarant pursuant to Article VI. Specifically, none of the provisions of Article II concerning architectural control or Article III concerning use restrictions shall in any way apply to any aspect of the Builder's activities or construction, and notwithstanding any provisions of this Declaration, none of the Builder's construction activities or any other activities associated with the development, marketing, construction, sales management or administration of the Community shall be deemed noxious, offensive or a nuisance. The Association shall hold the Common Area, and the Record Owners shall hold their respective Lots, subject to the foregoing rights granted to Builder.

6.3. Incorporation by Reference; Further Assurances. Any and all grants made by Declarant or Builder to the Association or any Record Owner with respect to any of the Common Area or any Lots shall be conclusively deemed to incorporate the foregoing reservations and grants, whether or not specifically set forth in such instruments. At the request in writing of Declarant or

Builder, the Association and each Record Owner shall from time to time execute, acknowledge and deliver to Declarant or Builder such further assurances of such reservations as may be necessary.

ARTICLE VII  
COMMON AREA

7.1. Grant of Common Area. Any Common Area has been and/or will be granted and conveyed to the Association free and clear of all encumbrances other than taxes and assessments not yet due and payable and the lien of the Master Declaration (hereinafter defined). The Association shall have and hold the said Common Area subject to the reservations set forth in Article V hereof, and to the Covenants herein set forth, all of which are hereby imposed upon the Common Area for the benefit of the Declarant, the Builder, the Association, and the Record Owners, and their respective personal representatives, successors and assigns.

7.2. Members Right of Enjoyment. Every Member of the Association shall have a nonexclusive right and easement for the use, benefit and enjoyment, in common with others, in and to the Common Area and such nonexclusive right and easement shall be appurtenant to and shall pass with the title to every Lot, subject to the restrictions herein set forth. Except as otherwise permitted by the provisions of this Declaration, the Common Area shall be retained in its natural state, and no Structure or improvement of any kind shall be erected, placed or maintained thereon. Structures or improvements designed exclusively for community use, roadways, sidewalks, streets, parking areas, shelters, benches, chairs or other seating facilities, fences and walls, walkways, playground equipment, game facilities, swimming pools, drainage and utility structures, grading and planting, may be erected, placed and maintained thereon for the use, comfort and enjoyment of the members of the Association, or the establishment, retention or preservation of the natural growth or topography of the area, or for aesthetic reasons. No portion of the Common Area may be used exclusively by any Record Owner or Owners for personal vegetable gardens, storage facilities or other private uses.

7.3. Nuisance. No noxious or offensive activity shall be carried on upon the Common Area nor shall anything be done thereon which will become an annoyance or nuisance to the neighborhood.

7.4. Maintenance of Common Area. The Association shall supervise, manage, operate, examine, inspect, care for, repair, replace, restore and maintain the Common Area (and may develop and improve same), trees and vegetation within the Community and any property shown on the Plat as "Open Space Utility Easement", "Common Area/Utility Easement", "Conservation Easement Area", "Utility Easement", "Passive Recreation Area No. 1", "Passive Recreation Area No. 2", "Common Area", "Active Recreation Area No. 3", and "Open Space", etc. or otherwise indicated thereon as to be maintained by the Association, as from time to time improved, together with any items of personal property placed or installed thereon, all at its own cost and expense, and shall levy against each member of the Association a proportionate share of the aggregate cost and expense required for the care, maintenance and improvement of the Common Area, which proportionate share shall be determined based on the ratio which the number of Lots owned by the member bears to the total number of Lots then laid out or established on the Property.

7.5. Restrictions. The right of each member of the Association to use the Common Area shall be subject to the following:

7.5.1. any rule or regulation now or hereafter set forth in this Declaration and, further, shall be subject to any rule or regulation now or hereafter adopted by the Association for the care, maintenance, good order, and cleanliness of the Common Area;

7.5.2. the right of the Association, in accordance with its Articles of Incorporation and Bylaws, to borrow money for the purpose of improving the Common Area in a manner designed to promote the enjoyment and welfare of the members, and in aid thereof to mortgage any of the Common Area; provided, however, that no such mortgage shall be effective unless two-thirds (2/3) of each class of the then members of the Association consent to such mortgage at any regular meeting of the Members or any special meeting of the Members duly called for such purpose;

7.5.3. the right of the Association to take such steps as are reasonably necessary to protect the property of the Association against mortgage default and foreclosure;

7.5.4. the right of the Association to suspend the voting rights and the rights to use of the Common Area for any period not to exceed sixty (60) days for any infraction of any of the published rules and regulations of the Association or this Declaration;

7.5.5. the right of the Association to dedicate or transfer all or any part of the Common Area to any public or municipal agency, authority or utility for purposes consistent with the purpose of this Declaration and subject to such conditions as may be agreed to by the members; and further subject to the written consent of Anne Arundel County, Maryland; provided, however, that no such dedication or transfer or determination as to the purposes or as to the conditions thereof, shall be effective unless two-thirds (2/3) of each class of the then members of the Association consent to such dedication, transfer, purpose and conditions, at any regular meeting of the members or any special meeting of the members duly called for such purpose. Notwithstanding anything to the contrary contained herein, during the Development Period, dedication of Common Area shall require prior approval of HUD/FHA/VA, if required thereby;

7.5.6. the right of the Association, acting by and through its Board of Directors, to grant licenses, rights-of-way and easements for access or for the construction, reconstruction, maintenance and repair of any utility lines or appurtenances, whether public or private, to any municipal agency, public utility, the Declarant or any other person; provided, however, that no such license, right-of-way or easement shall be unreasonable and permanently inconsistent with the rights of the members to the use and enjoyment of the Common Area.

7.5.7. the right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated on the Common Area.

7.5.8. the right of the Association to suspend the right to use the facilities located on the Common Area by a member or designee for any period during which any assessment against such Owner's Lot remains unpaid or delinquent.

7.5.9. the right of the Association to mortgage, convey or dedicate the Common Areas or annex, merge, consolidate or dissolve the Association; provided, however, that none of the aforementioned shall be effective unless two-thirds (2/3) of each class of the then members consent.

All of the foregoing shall inure to the benefit of and be enforceable by the Association and the Declarant, or either of them, their respective successors and assigns, against any member of the Association, or any other person, violating or attempting to violate the same, or any thereof, either

by action at law for damages or suit in equity to enjoin a breach or violation, or enforce performance of any term, condition, provision, rule or regulation. Further, the Association or the Declarant shall each have the right to abate summarily and remove any such breach or violation by any member at the cost and expense of such member.

7.6. Delegation of Right of Use. Any member of the Association may delegate its rights to the use and enjoyment of the Common Area to family members who reside permanently with such member and to its tenants, contract purchasers, invitees and guests, all subject to such reasonable rules and regulations which the Association may adopt and uniformly apply and enforce.

7.7. Rules and Regulations. Each Record Owner shall fully and faithfully comply with the rules, regulations and restrictions applicable to use of the Common Area, as such rules, regulations and restrictions are from time to time adopted by the Association for the safety, care, maintenance, good order and cleanliness of the Common Area. Further, each Record Owner shall comply with the Covenants imposed by this Declaration on the use and enjoyment of the Common Area.

#### ARTICLE VIII ENCROACHMENTS

If any Structure or any part thereof, now or at any time hereafter, encroaches upon an adjoining Lot or any Structure encroaches upon any Common Area, whether such encroachment is attributable to construction, settlement or shifting of the Structure or any other reason whatsoever beyond the control of the Board of Directors of the Association or any Record Owner, there shall forthwith arise, without the necessity of any further or additional act or instrument, a good and valid easement for the maintenance of such encroachment, for the benefit of the Record Owner, its heirs, personal representatives, successors and assigns, to provide for the encroachment and nondisturbance of the Structure. Such easement shall remain in full force and effect so long as the encroachment shall continue. The conveyance or other disposition of a Lot shall be deemed to include and convey, or be subject to, any easements, arising under the provisions of this Article without specific or particular reference to such easement.

#### ARTICLE IX COVENANT FOR ASSESSMENT

9.1. Covenant For Assessment. The Declarant, for each Lot now or hereafter owned by it within the Property, hereby covenants and agrees to pay to the Association during the period of their ownership of any such Lot, and each Record Owner, by acceptance of a deed hereafter conveying any such Lot to it, whether or not so expressed in such deed or other conveyance, shall be deemed to have covenanted and agreed to pay to the Association during the period of its ownership of such Lot (i) in advance, an annual assessment equal to the member's proportionate share of the sum required by the Association, as estimated by the Board of Directors, for annual assessments or charges, and (ii) special assessments or charges, for capital improvements, such annual and special assessments and charges to be established and collected as hereinafter provided. The annual and special assessments or charges shall be a charge and continuing lien upon each of the Lots against which the assessment is made in accordance with the terms and provisions of the Maryland Contract Lien Act, and this Article VIII shall be construed as a real covenant running with the Land and a contract of a lien under the terms of the said Act. Such assessments or charges, together with interest at a rate of eighteen percent (18%) per annum, late fees and costs and reasonable attorneys' fees incurred or expended by the Association in the collection thereof, shall

also be the personal obligation of the Record Owner holding title to any Lot at the time when the assessment fell due or was payable. The personal obligation for any delinquent assessment or charge, together with interest, costs and reasonable attorneys' fees, however, shall not pass to the Record Owner's successor or successors in title unless expressly assumed by such successor or successors.

9.2. Use of Assessments. The assessments and charges levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety, and welfare of the residents of the Community, and in particular for: (i) maintenance, operation, care, services and facilities related to the use and enjoyment of the Common Area, including fees paid to any management agent; (ii) the payment of taxes on the Common Area (except to the extent that proportionate shares of such public charges and assessments on the Common Area may be levied against all Lots laid out on the Property by the tax collecting authority so that the same is payable directly by the Record Owners thereof, in the same manner as real property taxes are assessed or assessable against the Lots); (iii) the payment of insurance premiums on the Common Area; (iv) the costs of repair replacement and additions to the Common Area and improvements thereon; (v) the cost of obtaining, planting and thereafter maintaining street trees throughout the Community as required by Anne Arundel County, Maryland, whether or not such street trees are located in the Common Area; (vi) the costs of utilities and other services which may be provided by the Association for the Community as may be approved from time to time by a majority of the members of the Association; (vii) the cost of labor, equipment, materials, management and supervision incurred or expended in performing all of the foregoing; and (viii) the cost of funding all reserves established by the Association, including a general operating excess and a reserve for replacements.

9.3. Maximum Annual Assessment.

(a) Until January 1 of the year immediately following the conveyance of the first Lot to a Record Owner other than the Declarant or the Builder, the maximum annual assessment shall be the aggregate of One Hundred Dollars (\$100.00) per month for each Lot.

(b) From and after such date, the maximum annual assessment may be increased each year by not more than ten percent (10%) of the maximum annual assessment for the previous year without a vote of the membership of the Association.

(c) From and after such date, the maximum annual assessment may be increased above the ten percent (10%) limitation specified in the preceding sentence only by a vote of two-thirds (2/3) of each class of members of the Association, voting in person or by proxy, at a meeting duly called for such purpose.

(d) Neither the Declarant, Builder, nor any Lot to which the Declarant or Builder holds record title, shall be exempt from any assessment hereunder, however, notwithstanding anything elsewhere set forth herein, for Lots owned by the Class B Members for which Use and Occupancy permits have been issued by all necessary and appropriate governmental authorities for use and occupancy of any Dwelling constructed thereon, any assessment shall be twenty-five percent (25%) of the assessment levied against improved Lots of transferee Class A Members. Otherwise, there shall be no assessments for Lots owned by the Class B Members. For so long as the Class B Members own Lots which are either assessed by the Association at twenty-five percent (25%) or for which there is no assessment, the Class B Members in proportion to the number of such Lots owned by the Class B Members, shall fund all budget deficits of the Association.

(e) The Board may fix the annual assessment or charges against each Lot at any amount not in excess of the maximum. Subject to the limitations set forth in this Section 9.3, and for the periods therein specified, the Association may change the maximum and the basis of the assessments fixed by Section 9.3 hereof prospectively for any period provided that any such change shall have the assent of two-thirds (2/3) of each class of members of the Association, voting in person or by proxy, at a meeting duly called for such purposes.

9.4. Special Assessments. In addition to the annual assessments authorized above, the Association may levy in any assessment year, a special assessment, applicable for that year only, for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of any capital improvement located on the Common Area, including fixtures and personal property related thereto, and/or unforeseen expenses of the Association; provided that such assessment shall first be approved by two-thirds (2/3) of the votes of each class of the members of the Association, voting in person or by proxy at a meeting to be called for such purpose.

9.5. Notice and Quorum for any Action Authorized under Sections 9.3 and 9.4. Written notice of any meetings of members of the Association called for the purpose of taking any action authorized under Sections 9.3 and 9.4 of this Article shall be sent to all members not less than fifteen (15) days, nor more than sixty (60) days, in advance of the meeting. At the first such meeting called, the presence at the meeting of members or of proxies, entitled to cast sixty percent (60%) of all of the votes of each class of member entitled to be cast at such a meeting shall be necessary and sufficient to constitute a quorum. If the required quorum is not present, one or more other meetings may be called subject to the same notice requirements, and the required quorum at any subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting, provided that no such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

9.6. Commencement Date of Annual Assessments.

(a) Notwithstanding anything to the contrary contained herein, the annual and special assessments as to any Lot shall commence on the earlier of (i) the date such Lot is conveyed to any person or entity other than the Declarant or Builder or (ii) the date a Use and Occupancy Permit is issued by the proper authorities of Anne Arundel County to the Declarant or a Builder. The annual assessment shall be due and payable on monthly basis on the first (1st) calendar day of each month, and shall be a lien for any month after the thirtieth (30th) day of that month.

(b) The first annual assessment shall be adjusted according to the number of months remaining in the calendar year.

(c) The due date of any special assessment under Section 9.4 shall be fixed in the resolution authorizing such special assessment.

9.7. Duties of the Board.

(a) The Board shall determine the amount of the maintenance assessments annually, but may do so at more frequent intervals should circumstances so require. Upon resolution of the Board, installments of annual assessments may be levied and collected on a quarterly, semi-annual or annual basis rather than on the monthly basis hereinabove provided for. Any member may prepay one or more installments of any maintenance assessment levied by the Association, without premium or penalty.

(b) The Board shall prepare, or cause to be prepared, an annual operating budget for the Association, which shall provide, without limitation, for the management, operation and maintenance of the Common Area. The Board of the Association shall make reasonable efforts to fix the amount of the annual maintenance assessment against each Lot for each assessment period at least thirty (30) days in advance of the beginning of such period and shall, at that time, prepare a roster of the Lots and the annual maintenance assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Record Owner upon reasonable notice to the Board. Written notice of the annual maintenance assessments shall thereupon be sent to all members of the Association. The omission by the Board, before the expiration of any assessment period, to fix the amount of the annual maintenance assessment hereunder for that or the next period, shall not be deemed a waiver or modification in any respect of the provisions of this Article or a release of any member from the obligation to pay the annual maintenance assessment, or any installment thereof, for that or any subsequent assessment period; but the annual maintenance assessment fixed for the preceding period shall continue until a new maintenance assessment is fixed. No member may exempt itself from liability for maintenance assessments by abandonment of any Lot owned by such member or by the abandonment of such member's right to the use and enjoyment of the Common Area.

(c) The Association shall, upon demand at any time, furnish to any Record Owner liable for assessment a certificate in writing signed by an officer of the Association setting forth whether said assessment has been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated as having been paid. A charge not to exceed one-twelfth (1/12) of the then Annual Assessment may be levied in advance by the Association for each certificate so delivered.

9.8. Additional Assessments. Additional assessments may be fixed against any Lot only as provided for in this Declaration. Any such assessments shall be due as provided by the Board in making any such assessment.

9.9. Nonpayment of Assessment. Any assessment not paid within thirty (30) days after the due date thereof shall be delinquent and shall bear interest from the date of delinquency at the rate of ten percent (10%) per annum, and shall be subject to a late charge per month until paid of Fifteen Dollars (\$15.00), or ten percent (10%) of the Assessment, whichever is greater, reasonable attorney's fees and costs of collection, and the Board shall have the right to declare the entire balance of the Assessment and accrued interest thereon to be immediately due and payable. The Association may bring an action at law, under the Maryland Contract Lien Act or other remedy pursuant to the laws of Maryland, against the Record Owner personally obligated to pay the same, and/or without waiving any other right, at equity to foreclose the lien against the Lot 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 there shall be added to the amount of such assessment the reasonable costs of preparing and filing the complaint of such action, and in the event that judgment is obtained, such judgment shall include interest on the assessment as above provided and reasonable attorneys' fees to be fixed by the court together with the cost of the action. No Record Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of such Record Owner's Lot.

9.10. Subordination of Lien to Mortgage. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgages or deed(s) of trust now or hereafter placed upon a Lot subject to such assessment. The sale or transfer of any Lot pursuant to mortgage or

deed of trust foreclosure, or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. Such sale or transfer shall not relieve such Lot from liability for any assessments thereafter becoming due, nor from the lien of any such future assessment.

9.11. Enforcement of Lien. The Association may establish and enforce the lien for any assessment, annual, special, or otherwise, pursuant to the provisions of the Maryland Contract Lien Act. The lien is imposed upon the Lot against which such assessment is made. The lien may be established and enforced for damages, interest, costs of collection, late charges established herein or otherwise permitted by law, and attorneys' fees provided for herein or awarded by a court for breach of any of the covenants herein.

9.12. Exempt Property. The Common Area and all Lots owned by the Association or dedicated to and accepted by a public authority and all property owned by a charitable or non-profit organization exempt from taxation by the laws of the State of Maryland shall be exempt from the assessments created herein.

9.13. Reserves for Replacements.

(a) The Association shall establish and maintain a reserve fund for repairs and replacements of the Common Area by the allocation and payment monthly to such reserve fund of an amount to be designated from time to time by the Board. Such fund shall be conclusively deemed to be a common expense of the Association and may be deposited with any banking institution, the accounts of which are insured by an agency of the United States of America or may, in the discretion of the Board, be invested in obligations of, or fully guaranteed as to principal by, the United States of America.

(b) The Association may establish such other reserves for such other purposes as the Board may from time to time consider to be necessary or appropriate. The proportional interest of any member of the Association in any such reserves shall be considered an appurtenance of such Record Owner's Lot and shall not be separated from the Lot to which it appertains and shall be deemed to be transferred with such Lot.

9.14. Initial Capital Contribution. At settlement for each Lot, the sum of one-sixth (1/6th) of the then annual assessment (being also two (2) months of the monthly increment thereof) for each Lot shall be collected from each prospective member of the Association (other than the Builder or the Declarant) for the purpose of start-up expenses and operating contingencies. The Builder, in its sole discretion, may prepay the initial capital contribution for any Lot, in which event at settlement of such Lot the initial capital contribution otherwise payable by the prospective member to the Association shall be paid instead directly to the Builder.

## ARTICLE X INSURANCE AND CASUALTY LOSSES

10.1. Types. The Association, to the extent available, shall obtain and continue in effect, in its own name, the types of insurance set forth below:

10.1.1. Public Liability Insurance. A policy of comprehensive public liability insurance covering the Common Area with limits of not less than one Million Dollars (\$1,000,000) for claims for personal injury and/or property damage arising out of a single occurrence, such



coverage to include protection against water damage liability, liability for non-owned and hired automobile and liability for property of others, and such other risks as shall customarily be covered with respect to similar communities in the Baltimore/Washington area, and shall contain a "severability of interest" endorsement or the equivalent which shall preclude the insurer from denying the claim of an Owner because of negligent acts or omissions of the Association or other Owners. The policy shall provide for at least ten (10) days written notice to the Association before the insurer can cancel or substantially modify the same.

10.1.2. Casualty Insurance. A "master" or "blanket" policy of fire and casualty insurance with an "all risk" endorsement and extended coverage for the full replacement value (i.e. one hundred percent (100%) of current "replacement cost" exclusive of land, foundation, excavation and other items normally excluded from coverage of the Common Area (including all building service equipment and the like), without deduction for depreciation, with an "agreed amount endorsement" or its equivalent, a "demolition endorsement" or its equivalent, and, if necessary an "increased cost of construction endorsement" or "contingent liability from operation of building laws endorsement" and clauses waiving subrogation against Members and the Association and persons upon the Property with the permission of a Member, such insurance to afford protection against loss or damage by fire and other hazards covered by the standard extended coverage endorsement, and by sprinkler leakage, debris removal, cost of demolition, vandalism, malicious mischief, windstorm, water damage, and such other risks as shall customarily be covered with respect to similar planned unit developments in the area of the Community.

10.1.3. Fidelity Bonds. Fidelity coverage against dishonest acts on the part of Directors, officers, employees or volunteers who handle or who are responsible to handle the funds of the Association, and such fidelity bonds shall (a) name the Association as obligee, (b) shall be written in an amount equal to at least the estimated maximum of funds, including reserves, in the custody of the Association or a management agent at any given time during the term of the fidelity bond; provided however, that the bond shall not be less than a sum equal to three (3) months aggregate Regular Assessments on all Lots plus reserve funds, (c) shall contain waivers of any defense based on the exclusion of persons who serve without compensation or from any definition of "employee" or similar expression, and (d) shall provide that they may not be canceled or substantially modified (including cancellation for nonpayment of premium); without at least thirty (30) days prior written notice to Lenders.

10.2. Required Provisions. All such property and liability insurance shall be subject to the following provisions and limitations:

10.2.1. Named Insured. The named insured under any such policies shall be the Association as a trustee for the Members or their authorized representative including any trustee with which such Association may enter into any Insurance Trust Agreement, or any successor trustee, each of which shall be herein elsewhere referred to as the "Insurance Trustee" who shall have exclusive authority to negotiate losses under said policies. If required by Declarant or any mortgagee of the Association, the Association shall name Declarant and/or mortgagee as additional insureds.

10.2.2. Contribution. In no event shall the insurance coverage obtained and maintained pursuant to the requirement of this Article be brought into contribution with other insurance purchased by the Association, Owners or their Lenders.

10.2.3. Standard for Insurer. Each insurance carrier must have a B general policyholder's rating or a financial performance index of 6 or better in the Best's Key Rating Guide,

or an A or better rating from Demotech, Inc., if the carrier is issuing an insurance policy for the Common Areas.

10.2.4. Deductible. The deductible of any policy can not be more than the lesser of \$10,000.00 or one percent (1%) of the policy face amount. Funds to cover all deductible amounts shall be included in the Association's Reserve Fund.

10.2.5. Inflation Endorsement. All policies of insurance shall contain an inflation guard endorsement.

10.3. Waiver by Members. As to each of said policies which will not be voided or impaired thereby, the Members hereby waive and release all claims against the Association, the Board, the Declarant, and agents and employees of each of the foregoing, with respect to any loss covered by such insurance, whether or not caused by negligence of or breach of any agreement by said persons, but to the extent of insurance proceeds received in compensation for such loss only.

10.4. Other Insurance; Annual Review. The Association shall purchase, if available, officers' and directors' liability and errors and omission insurance and may purchase such other insurance as it may deem necessary, including, but not limited to, plate glass insurance and worker's compensation. The Board shall annually determine whether the amounts and types of insurance it has obtained provide adequate coverage for the Common Area in light of increased construction costs, inflation, practice in the area in which the Community is located, or any other factor which tends to indicate that either additional insurance policies or increased coverage under existing policies are necessary or desirable to protect the interests of the Association. If the Board determines that increased coverage or additional insurance is appropriate, it shall obtain the same. If the Board determines, in its reasonable and good faith judgment, that increased, decreased or additional insurance is required, it shall take appropriate action.

10.5. Premiums and Proceeds. Insurance premiums for any such blanket insurance coverage obtained by the Association and any other insurance deemed necessary by the Association shall be a Common Expense to be included in the Regular Assessments levied by the Association. Insurance proceeds shall be used by the Association for the repair or replacement of the property for which the insurance was carried, or otherwise disposed of as provided in the Article hereof entitled "Destruction of Improvements". Any two (2) Directors may sign a loss claim form and release form in connection with the settlement of a loss claim, and such signatures shall be binding on the Association and the Members and Owners.

10.6. Abandonment of Replacement Cost Insurance. Unless unavailable at reasonable costs in the insurance market or unless at least two-thirds (2/3) of the Institutional Mortgagees (based on one (1) vote for each First Mortgage) have given their prior written approval, the Association shall not be entitled to fail to maintain the extended coverage fire and casualty insurance required by this Article on less than a one hundred percent (100%) current replacement cost basis, if available, subject to reasonable deductible amounts and co-insurance provisions which may be approved by the Board.

10.7. Requirements of Federal Agencies and Corporations. Notwithstanding the foregoing provisions of this Article, the Association shall continuously maintain, in effect such casualty, flood and liability insurance and a fidelity bond meeting the insurance and fidelity bond requirements for planned unit development established by any Federal Agencies and corporations, i.e. FHA, VA, FNMA, FHLMC, GNMA, HUD, so long as either is a Mortgagee or Owner within the Community,

or insures or guarantees a Mortgage on a Lot, as the case may be, except to the extent such coverage is not available or has been waived in writing by the foregoing entities.

10.8. Damage and Destruction of Common Area.

10.8.1. Immediately after any damage or destruction by fire or other casualty to all or any part of the insurable improvements on the Common Area, the Board, or its agent, shall proceed with the filing and adjustment of all claims arising under the fire and extended coverage insurance maintained by the Association and obtain reliable estimates of the cost of repair or reconstruction of the damaged or destroyed improvements. Repair or reconstruction means repairing or restoring the improvements to substantially the same condition in which they existed prior to the fire or other casualty.

10.8.2. Any damage or destruction to insurable improvements on the Common Area shall be repaired or reconstructed unless at least seventy-five percent (75%) of the members present at a meeting of the membership held within ninety (90) days after the casualty shall decide not to repair or reconstruct, and at least two-thirds (2/3) of the first Mortgagees of all Lots have given their prior written approval not to rebuild as hereinafter provided.

10.8.3. If, in accordance with subsection (b), the improvements are not to be repaired or reconstructed and no alternative improvements are authorized by the members, then and in that event the damaged Common Area shall be restored to its natural state and maintained as an undeveloped portion of the Common Area by the Association in a neat and attractive condition. In such event, any excess insurance proceeds shall be paid over to the Association for the benefit of the Property, which proceeds may be used and/or distributed as determined by the Board of Directors, in its discretion, or as otherwise provided in the Articles of Incorporation and/or the By-Laws of the Association.

10.9. Repair and Reconstruction of Common Area. If any improvements on the Common Area are damaged or destroyed, and the proceeds of insurance received by the Association are not sufficient to pay in full the cost of the repair and reconstruction of the improvements, the Board shall, without the necessity of a vote of the members, levy a special assessment against all Record Owners in order to cover the deficiency in the manner provided in Section 9.4 hereof. If the proceeds of insurance exceed the cost of repair, such excess shall be retained by the Association and used for such purposes as the Board shall determine.

10.10. Hazard Insurance on Improved Lots. Each Record Owner of an improved Lot at all times shall maintain fire and extended coverage insurance or other appropriate damage and physical loss insurance, in an amount equal to not less than one hundred percent (100%) of the current replacement value of the improvements on the Lot.

10.11. Obligation of Lot Owner to Repair and Restore.

(a) In the event of any damage or destruction of the improvements on a Lot, the insurance proceeds from any insurance policy on any improved Lot, unless retained by a Mortgagee of a Lot, shall be applied first to the repair, restoration or replacement of the damaged or destroyed improvements. Any such repair, restoration or replacement shall be done in accordance with the plans and specifications for such improvements originally approved by the Architectural Standards Committee or constructed by the Builder; unless the Record Owner desires to construct improvements differing from those so approved, in which event the Record Owner shall submit plans

and specifications for the improvements to the Architectural Standards Committee and obtain its approval prior to commencing the repair, restoration or replacement. If any first Mortgagee does not permit insurance proceeds to be used to restore any damaged or destroyed improvements, then the Record Owner of such Lot shall raze the improvements and return the Lot to its natural condition free of all debris.

(b) If any Record Owner of an improved Lot fails to maintain the insurance required by this Article, the Association may, but shall not be obligated to, obtain such insurance and pay any premiums required in connection with obtaining such insurance. Such Record Owner shall be personally liable to the Association for any costs incurred by the Association in obtaining such insurance, to the same extent as such Record Owner is liable for assessments levied against its Lot, and, upon the failure of the Record Owner to pay such costs within ten (10) days after such Record Owner's receipt of a written demand therefor from the Association, the Association may establish a lien therefor upon the Record Owner's Lot in accordance with and subject to the provisions of this Declaration applicable to an assessment lien.

#### ARTICLE XI RIGHTS OF MORTGAGEES

11.1. Special Mortgagee Provision. It is anticipated that part or all of the Lots may be financed for the Owners through Federal Agencies or corporations thereof, i.e. FHA, VA, HUD, FNMA, FHLMC. The interest of the Association and each of the Members is and shall be subject to and subordinate to the rules, regulations and requirements of such Federal Agencies or corporations purchasing mortgages in the Community. As the requirements of such Federal Agencies or corporations are subject to change, if necessary, Declarant shall execute and cause to be recorded a Supplemental Declaration, incorporating such additional covenants, conditions and restrictions as are required by such agencies, affecting the properties. Notwithstanding prior acquisition of title to any portion of Property by the Association, or any Owner, such supplemental covenants, conditions and restrictions shall be binding upon all Members and Association. Declarant may execute as many such Supplemental Declarations as are required to comply with such Federal Agency's or corporation's requirements from time to time throughout the course of sale of the Lots. Declarant may bind the Association and all Owners by written consent with such Federal Agencies or corporations.

11.2. Conflict. Notwithstanding any contrary provision contained elsewhere in this Declaration or in the Bylaws, Articles or Association Rules, the provisions of this Article shall control with respect to the rights and obligations of Institutional Mortgagees specified herein.

11.3. Payment of Taxes and Insurance. First Mortgagees may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against the Common Area, unless such taxes or charges are separately assessed against the Owners, in which case the rights of First Mortgagees shall be governed by the provisions of their Mortgages. First Mortgagees may, jointly or singly, also pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy, for the Common Area and First Mortgagees making such payments shall be owed immediate reimbursement therefore from the Association. Entitlement to such reimbursement shall be reflected in an agreement in favor of any First Mortgagee which requests the same to be executed by the Association. Institutional Mortgagees may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against any Common Area or Improvements thereon and may pay overdue premiums on hazard insurance policies or secure new hazard insurance coverage on the lapse of a policy for such Common Area.

Institutional Mortgagees making such payments shall be owed immediate reimbursement for such expenditures from the Association and, on demand, the Association shall execute an agreement in favor of all Institutional Mortgagees reflecting entitlement to reimbursement.

11.4. Termination of Contract and Agreements. Any contract or lease, including any contract providing for the services of Declarant, entered into by the Association while Declarant controls the Association shall be for a term not to exceed three (3) years and shall provide that the Association has the right to terminate such contract or lease with cause upon thirty (30) days written notice, and without cause and without penalty or the payment of a termination fee at any time after the transfer of control of the Association from Declarant upon not more than ninety (90) days notice to the other pay. For purposes of this Section, the term "control" shall mean the right of Declarant to exercise unilateral control over the Association, the Board, or the Owners in any manner other than by Declarant's exercise of votes allocated to Declarant on the same basis as votes are allocated to other Owners.

11.5. Notice to Mortgage Holders. A Mortgagee shall not be entitled to receive any notice which this Declaration requires the Association to deliver to Mortgagees unless and until such Mortgagee, or its mortgage servicing contractor, has delivered to the Board a written notice stating that such Mortgagee is the holder of a Mortgage encumbering a Lot within the Property (herein any Mortgagee delivering such notice shall be referred to as an "Eligible Holder"). Such notice shall state which Lot or Lots are encumbered by such Mortgage, and whether such Mortgagee is a First Mortgagee. Whenever the approval of all or a specified percentage of Mortgagees is required pursuant to this Declaration, it shall be deemed to mean the vote or approval of all or a specified percentage only of the Eligible Holders. Notwithstanding the foregoing, if any right of a Mortgagee under this Declaration is conditioned on a specific written request to the Association, in addition to having delivered the notice provided in this Section, a Mortgagee must also make such request, either in a separate writing delivered to the Association or in the notice provided above in this Section, in order to be entitled to such right. Except as provided in this Section, a Mortgagee's rights pursuant to this Declaration, including, without limitation, the priority of the lien of Mortgages over the lien of Assessments levied by the Association hereunder shall not be affected by the failure to deliver a notice to the Board. Any notice or request delivered to the Board by a Mortgagee shall remain effective without any further action by such Mortgagee for so long as the facts set forth in such notice or request remain unchanged. An Eligible Holder is entitled to timely written notice of:

11.5.1. Any condemnation loss or casualty loss which affects either a material portion of the Property or the Lot on which the Eligible Holder holds a First Mortgage;

11.5.2. Any delinquency in the payment of assessments or charges owed by the Owner of a Lot which is subject to a First Mortgage held by the Eligible Holder if the delinquency is not cured within ninety (90) days after its due date;

11.5.3. Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association;

11.5.4. Any proposal to take any action which requires the consent of a specified percentage of Eligible Holders; or

11.5.5. Any default by an Owner-Mortgagor of a Lot in the performance of his obligations under this Declaration or the Bylaws, which is not cured within ninety (90) days.

11.6. Inspection of Books and Records. Upon written request, any Owner, First Mortgagee or Institutional Mortgagee shall be entitled to inspect the books, records and financial statements of the Association and this Declaration, the Bylaws, the Articles and the Association Rules and any amendments thereto during normal business hours or under other reasonable circumstances.

11.7. Voting Rights of Mortgagees. For purposes of this Section, a Mortgagee shall be entitled to one (1) vote for each Lot encumbered by a First Mortgage held by the Mortgagee.

11.8. Actions Requiring Mortgagee Votes. Neither the Association nor any Owner shall do any of the following, unless at least sixty-seven percent (67%) of the Eligible Holders have given their prior written approval:

11.8.1. By act or omission, seek to abandon, partition, subdivide, encumber, sell or transfer any property or Improvements owned, directly or indirectly, by the Association for the benefit of the Lots and the Owners. (The granting of easements or dedication of land for public utilities, roads or for other public purposes consistent with the intended use of the property by the Association and Owners shall not be deemed a transfer within the meaning of this Subsection);

11.8.2. By act or omission, change, waive or abandon any scheme of regulations, or enforcement thereof, pertaining to architectural design or exterior appearance of Lots, the exterior maintenance of Lots, the maintenance of party walls, fences or driveways, or the upkeep of lawns, plantings or other landscaping within the Community;

11.8.3. By act or omission, change the method of determining the obligations, assessments, dues or other charges which may be levied against an Owner;

11.8.4. Fail to maintain fire and extended coverage insurance on insurable portions of the Common Area on a current replacement cost basis in an amount not less than one hundred percent (100%) of the insurable value based on current replacement cost; or

11.8.5. Use hazard insurance proceeds for losses to any property or Improvements owned by the Association other than for the repair, replacement or reconstruction of the property and Improvements.

11.9. Votes for Termination. Any election to terminate the legal status of the Property as a planned unit development shall require:

11.9.1. The approval of at least fifty-one percent (51%) of the Eligible Holders if the election to terminate the legal status is a result of substantial destruction or a substantial taking in condemnation of the Property; or

11.9.2. The approval of sixty-seven percent (67%) of the Owners and of sixty-seven percent (67%) of the Eligible Holders, if Subsection 11.9.1, above, is not applicable.

11.10. Condemnation or Destruction. In the event a portion of the Property is either condemned or destroyed or damaged by a hazard that is insured against, restoration or repair shall be performed substantially in accordance with the provisions of this Declaration and the original plans and specifications for the Property, unless fifty-one percent (51%) of the Eligible Holders approve the taking of other action by the Association.

11.11. Mortgage Protection. A breach of any of the conditions contained in this Declaration shall not defeat nor render invalid the lien of any Mortgage made in good faith and for value as to any Lot within the Property; provided, however, that the conditions contained in this Declaration shall be binding upon and effective against any Owner of a Lot if the Lot is acquired by foreclosure, trustee's sale or otherwise.

11.12. Distribution of Insurance and Condemnation Proceeds. No Owner, or any other party, shall have priority over any right of Institutional First Mortgagees of Lots pursuant to their Mortgages in case of a distribution to Owners of insurance proceeds or condemnation awards for losses to or a taking of units or Common Area. Any provision to the contrary in this Declaration or in the Bylaws or other documents relating to the Property is to such extent void. All applicable fire and all physical loss or extended coverage insurance policies shall contain loss payable clauses naming the Mortgagees, as their interests may appear.

11.13. Non-Curable Breach. Any Mortgagee who acquires title to a Lot by foreclosure or by deed in lieu of foreclosure shall not be obligated to cure any breach of this Declaration that is non-curable or of a type that is not practical or feasible to cure.

11.14. Loan to Facilitate. Any Mortgage given to secure a loan to facilitate the resale of a Lot after acquisition by foreclosure or by a deed-in-lieu of foreclosure shall be deemed to be a loan made in good faith and for value and entitled to all of the rights and protections of this Article.

11.15. Appearance at Meetings. Because of its financial interest in the Property, any Mortgagee may appear (but cannot vote except under the circumstances set forth herein ) at meetings of the Members and the Board to draw attention to violations of this Declaration that have not been corrected or made the subject of remedial proceedings or assessments.

11.16. Right to Furnish Information. Any Mortgagees can furnish information to the Board concerning the status of any Mortgage.

11.17. Inapplicability of Right of First Refusal to Mortgagee. No right of first refusal or similar restriction on the right of an Owner to sell, transfer or otherwise convey the Owner's Lot shall be granted to the Association without the written consent of any Mortgagees of the Lot. Any right of first refusal or option to purchase a unit that may be granted to the Association (or other person, firm or entity) shall not apply to any conveyance or transfer of title to such Lot, whether voluntary or involuntary, to a Mortgagee which acquires title to or Ownership of the unit pursuant to the remedies provided in its Mortgage or by reason of foreclosure of the Mortgage or deed in lieu of foreclosure.

## ARTICLE XII AMENDMENT AND TERM OF DECLARATION

12.1. Amendments. This Declaration may be amended by an instrument in writing, signed and acknowledged by the President or Vice-President and Secretary or Assistant Secretary of the Board after approval of the amendment at a meeting of the Members duly called for such purpose. The vote (in person or by proxy) or written consent of; (a) at least ninety percent (90%) of the Class A votes and at least ninety percent (90%) of Class B votes and (b) fifty-one percent (51%) of the Eligible Holders (based on one vote for Lot covered by each Mortgage held) shall be required to add to, amend or modify, whether for final amendment or otherwise, any material provision of this

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Declaration which establishes, provides for, governs or regulates any of the following subjects:

- 12.1.1. Voting;
- 12.1.2. Assessments, assessment liens, or subordination of such liens;
- 12.1.3. Reserves for maintenance, repair, and replacement of the Common Area;
- 12.1.4. Insurance or Fidelity Bonds;
- 12.1.5. Rights to use of the Common Area;
- 12.1.6. Responsibility for maintenance and repair;
- 12.1.7. Expansion or contraction of the Community or the addition, annexation, or withdrawal of property to or from the Community, except as set forth in Article 16 hereof;
- 12.1.8. Boundaries of any Lot;
- 12.1.9. Reallocation of interests in the Common Area;
- 12.1.10. Conversion of Lots into Common Area or the Common Area into Lots;
- 12.1.11. Imposition of any right of first refusal or similar restriction on the right of a Owner to sell, transfer or otherwise convey his or her Lot;
- 12.1.12. Any provisions which are for the express benefit of mortgage holders, eligible mortgage holders, or eligible insurers or guarantors of First Mortgages on Lots;
- 12.1.13. A decision by the Association to establish self-management when professional management has been required previously by an Eligible Holder;
- 12.1.14. Any action to terminate the legal status of the Community after substantial damage or destruction occurs; or
- 12.1.15. Restoration or repair of the Community (after a hazard damage or partial condemnation) in a manner other than that specified in this Declaration.

An addition or amendment to this Declaration shall not be considered material if it is for the purposes of correcting technical errors or for clarification only.

12.2. Termination of Legal Status. When the Owners are considering termination of the legal status of the Association for reasons other than substantial destruction or condemnation of the Property, Eligible Holders that represent at least sixty-seven percent (67%) of the votes of the



mortgaged units must agree, in addition to the consent of at least ninety percent (90%) of the Class A votes and at least ninety percent (90%) of the Class B votes.

12.3. Other Amendments. Amendments, modifications, or additions to this Declaration other than those set forth in Subsections 12.1.1 through 12.1.15 and 12.2 of this Declaration shall require the vote, in person or by proxy, or the written consent of at least ninety percent (90%) of the Class A votes and at least ninety (90%) of the Class B votes.

12.4. Notice to Eligible Holders. Any Eligible Holder who received a written request, via certified or registered, return receipt requested mail, to approve additions or amendments who does not respond within thirty (30) days of receipt thereof, shall be deemed to have approved such addition or amendment. Notwithstanding the foregoing, the percentage of a quorum or the voting power of the Association or of Members other than the Declarant necessary to amend a special clause or provision of this Declaration shall not be less than the prescribed percentage of affirmative votes required for action to be taken under this clause or provision. An amendment or modification shall be effective when executed by the President or Vice President and Secretary or Assistant Secretary of the Association who shall certify that the amendment or modification has been approved as hereinabove provided, and shall record the amendment in the official Records of Anne Arundel County, Maryland. For the purpose of recording such instrument, each Owner, with the exception of the Administrator of Veteran Affairs, an Officer of the United States of America, hereby grants to the President or Vice President and Secretary or Assistant Secretary of the Association an irrevocable power of attorney to act for and on behalf of each and every Owner in certifying, executing and recording said instrument. Notwithstanding anything to the contrary contained herein, in no event may any of Declarant's rights or privileges under the Articles, Bylaws or this Declaration be terminated, altered or amended without Declarant's prior written consent.

12.5. Term. The covenants, conditions and restrictions of this Declaration shall run with and bind the Property and shall inure to the benefit of and be enforceable by the Association or any Member, their respective legal representatives, heirs, successors and assigns, for a term of twenty (20) years from the date this Declaration is recorded, after which time said covenants, conditions and restrictions shall be automatically extended for a successive period of ten (10) years, unless an instrument, signed by a majority of the Owners has been recorded, at least one (1) year prior to the end of any such period agreeing to change said covenants, conditions and restrictions in whole or in part. After said initial term, this Declaration may be terminated or amended by the written assent of seventy-five percent (75%) of all of the Owners subject to the consent of Eligible Holders as set forth in Section 12.1 and 12.2 above.

12.6. HUD/FHA/VA Approval. Notwithstanding anything to the contrary contained herein, during the Development Period, amendment of this Declaration shall also require the approval of HUD/FHA/VA, if applicable.

#### ARTICLE XIII

#### CROMWELL FOUNTAIN OPEN SPACE ASSOCIATION RIGHTS AND OBLIGATIONS.

13.1. Easement to Cromwell Fountain Open Space Association. The officers, agents, employees and independent contractors of the Cromwell Fountain Open Space Association (the "Master Association") shall have a non exclusive easement to enter upon the Property, or any portion thereof, for the purpose of performing or satisfying the duties and obligations of the Master Association as set forth in the Open Space Declaration of Covenants, and Cross Easements dated August 2, 1988 and recorded among the Land Records of Anne Arundel County in Book 4659, Page

852 as amended from time to time (the "Master Declaration") or as otherwise set forth in any other documents or rules and regulations applicable to the Master Association.

13.2. Subordination of Assessment Lien. The lien of any assessment imposed upon any Lot pursuant to this Declaration shall be subordinate and inferior to the lien of any assessment imposed upon such Lot pursuant to the Master Declaration.

13.3. Cromwell Fountain Open Space Association Assessments. Declarant hereby covenants for each Lot and each Record Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, does and is hereby deemed to covenant and agree to pay to the Master Association the Master Association assessments imposed upon such Lots pursuant to the Master Declaration. Said assessments shall be levied and collected as provided in the Master Declaration. The foregoing covenant of the Declarant and each Record Owner shall terminate as to assessments not then due or payable at such time as the Declarant or Record Owner shall cease to be the owner of the record of the Lot upon which such assessments are imposed. Said covenant shall continue, however, as to each Record Owner holding title to any Lot at the time when the assessment fell due or was payable.

13.4. Waiver of Right to Object to Alteration in Development of Cromwell Fountain. The Association and each owner, or purchaser, tenant or Mortgagee of any Lot waives any rights they may have to object to modifications or changes in final development plans, record plats or subdivision plans for any land which may be developed in the Cromwell Fountain outside of the Community. This waiver shall appear in all contracts of sale, leases, or assignments of a Record Owner's interest in any portion of the community.

13.5. Enforcement. Breach of any of the limitations, restrictions, conditions and covenants set forth in this Declaration, or the continuation thereof, may be enjoined, abated or remedied by appropriate legal proceedings by the Master Association and in such event the Master Association shall be deemed to be a person who may enforce the provisions of this Declaration. The failure of the Master Association to enforce any of said limitations, restrictions, conditions or covenants shall not constitute a waiver of the right to enforce the same thereafter. No liability shall be imposed on, nor incurred by, the Master Association as a result of such failure. The prevailing party in any action at law or in equity instituted by the Master Association to enforce or interpret said limitations, restrictions, conditions or covenants, shall be entitled to all costs incurred in connection therewith, including without limitation, reasonable, attorneys' fees.

13.6. Supremacy of Cromwell Fountain Declaration. In addition to all of the rights and obligations which have been conferred or imposed upon the Association pursuant to this Declaration, the Bylaws or the Articles, the Association shall be entitled to exercise any of the rights conferred upon it and be subject to all of the obligations imposed upon it pursuant to the Master Declaration, the Master Association Bylaws or the Master Association Articles of Incorporation. The Association (including, without limitation, the Architectural Standards Committee) shall also be subject to all superior rights and powers which have been conferred upon the Master Association pursuant to the Master Association Declaration, the Master Association Bylaws and Master Association Articles of Incorporation.

13.6.1. Each Owner and each Lot shall be subject to all of the covenants, conditions, restrictions and provisions contained in the Master Declaration.

13.6.2. In the event of any conflict between any of the covenants, conditions, restrictions or provisions of this Declaration, the Bylaws or the Articles of Incorporation of the Association with any of the covenants, conditions, restrictions or provisions of the Master Declaration, the Master Bylaws and the Master Articles of Incorporation, then in such event, the covenants, conditions, restrictions and provisions of the Master Declaration, the Master Bylaws and the Master Articles of Incorporation shall govern and prevail.

13.7. Delegate Selection. The Master Declaration provides for representation of the Association to the Master Association by selecting a delegate. The President of the Association, or his or her designee, shall constitute the delegate to the Master Association for the Association with the right and obligation to represent and vote on behalf of the Association in accordance with the terms of the Master Declaration. The President, at meetings of the Master Association, shall cast the votes of the members of the Association at the direction of the Board of Directors, in the manner provided in the Bylaws of the Association. Notwithstanding the foregoing, if the matter to be decided would require the approval of the members of the Association pursuant to the terms of this Declaration and the Articles and Bylaws, had such matter arisen hereunder or thereunder, then such matter shall be decided by the appropriate vote of the members of the Association.

#### ARTICLE XIV MISCELLANEOUS

##### 14.1. Enforcement.

14.1.1. Enforcement of this Declaration shall be by proceedings at law or in equity against any person or persons violating or attempting to violate any covenant, either to restrain the violation or to recover damages, or both. In acquiring title to any Lot in the Community, the purchaser or purchasers violating or attempting to violate any covenant, agree to reimburse the Association and/or any Record Owners for all costs and expenses for which it or they may be put as a result of the said violation or attempted violation, including but not limited to, court costs and attorneys' fees.

14.1.2. These Association and each Record Owner of any Lot and their respective legal respective representatives, successors and assigns, and all persons claiming by, through or under any of them shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration.

14.2. No Waiver. The failure or forbearance by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

14.3. Incorporation by Reference on Resale. In the event any Record Owner sells or otherwise transfers any Lot, any deed purporting to effect such transfer shall be conclusively deemed to incorporate the covenants, restrictions, servitude, easements, charges and liens set forth in this Declaration, whether or not a provision to such effect is specifically set forth therein.

14.4. Notices. Any notice required to be sent to any member or Record owner under the provisions of this Declaration shall be deemed to have been properly sent when mailed, by ordinary

mail, postage paid, to the last known address of the person who appears as member or Record owner on the records of the Association at the time of such mailing.

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

14.6. Severability. Invalidation of any one of these covenants or restrictions by judgment, decree or order shall in no way affect any other provisions hereof, each of which shall remain in full force and effect.

14.7. Captions and Genders. The captions contained in this Declaration are for convenience only and are not a part of this Declaration and are not intended in any way to limit or enlarge the terms and provisions of this Declaration. Whenever the context so requires, the male, female or neuter gender shall include all such genders, the singular shall include the plural and the plural shall include the singular.

14.8. HUD/FHA/VA Approval. If the Declarant applies for approval for any Lot of the U.S. Department of Housing and Urban Development, the Federal Housing Administration or the Veterans Administration, for mortgage financing, then in that event so long as there is a Class B Membership, the following actions will require the prior approval of the U.S. Department of Housing and Urban Development, the Federal Housing Administration and/or the Veteran's Administration: annexation of additional properties, dedication, conveyance or mortgage of Common Area, and amendment of this Declaration.

WITNESS, the hands and seals of the parties hereto on the day hereinabove first written.

WITNESS/ATTEST:

DECLARANT:

THOMAS BUILDERS AT CROMWELL  
FOUNTAIN, LLC  
a Maryland limited liability company

hCB

By: [Signature] (SEAL)  
T. Kevin Carney, Managing Member

STATE OF MARYLAND, CITY/COUNTY OF

TO WIT:

I HEREBY CERTIFY, that on this 7<sup>TH</sup> day of MARCH, 1997, personally appeared before, a Notary Public in and for the State of Maryland, T. KEVIN CARNEY, who is personally known or satisfactorily proven to me to be the Managing Member of THOMAS BUILDERS AT CROMWELL FOUNTAIN, LLC, a Maryland limited liability company, in the foregoing instrument and by virtue of the authority vested in him, acknowledged said instrument to be the act and deed of said THOMAS BUILDERS AT CROMWELL FOUNTAIN, LLC and in my presence signed and sealed the same.

AS WITNESS, my hand and Notarial Seal.

[Signature]  
Notary Public



My Commission Expires: 6-1-98

CONSENT OF ASSOCIATION

The WORTHINGTON MEWS HOMEOWNERS ASSOCIATION, INC., a Maryland non-stock corporation, hereby joins herein and consents to the placement and imposition of this Declaration upon its interests.

THE ASSOCIATION:

WORTHINGTON MEWS  
HOMEOWNERS ASSOCIATION, INC.,  
a Maryland non-stock corporation

h.B. Law

By: T. Kevin Carney (SEAL)  
T. Kevin Carney, President

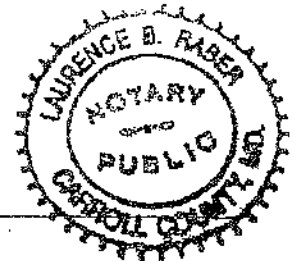
STATE OF MARYLAND, CITY/COUNTY OF

TO WIT:

I HEREBY CERTIFY that on this 7TH day of MARCH, 1997, before me, the subscriber, a Notary Public of Howard County, State of Maryland, personally appeared T. Kevin Carney, known to me or suitable proven to be the President of the Worthington Mews Homeowners Association, Inc., a Maryland non-stock corporation, and on behalf of said corporation, did acknowledge the foregoing instrument to be the act and deed of said corporation.

AS WITNESS, my hand and seal.

h.B. Law  
Notary Public



My Commission Expires: 6-1-98

CONSENT OF LENDER

MERCANTILE MORTGAGE CORPORATION, collectively the Beneficiary under an Indemnity Deed of Trust and Security Agreement recorded among the Land Records of Anne Arundel County, Maryland in Liber 7599, Folio 733, joins in the execution of this Declaration of Covenants, Conditions and Restrictions the purpose of consenting to and subordinating the lien of its Indemnity Deed of Trust and Security Agreement to the legal operation and effect of this Declaration of Covenants, Conditions and Restrictions and directs the Trustees to join herein, as set out in the Indemnity Deed of Trust and Security Agreement referred to above.

Witness/Attest:

MERCANTILE MORTGAGE CORPORATION  
a Maryland corporation

Karen A. Federline

By: Paul W. Parks  
Name: Paul W. Parks  
Title: President

MERCANTILE-SAFE DEPOSIT AND TRUST  
COMPANY

Garry Kellyfarr

By: Stephen A. Hall  
Name:  
Title: Vice President

Karen A. Federline

Paul W. Parks  
Paul W. Parks, Trustee

for both

Michael S. Cordes  
Michael S. Cordes, Trustee

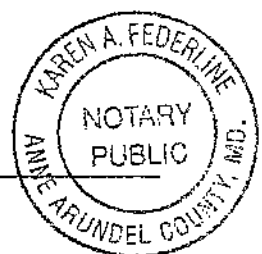
STATE OF MARYLAND, City OF Baltimore, to wit:

I HEREBY CERTIFY that before me this 12<sup>th</sup> day of March, 1997, a Notary Public of the State of Maryland aforesaid, personally appeared PAUL PARKS, known to me (or satisfactorily proven) to be the duly authorized President of MERCANTILE MORTGAGE CORPORATION, a Maryland corporation, after being duly sworn, stated that he executed the foregoing for the purposes contained herein as such President on behalf of MERCANTILE MORTGAGE CORPORATION.

WITNESS, my hand and Notarial Seal the day and year first above written.

My Commission Expires: 9/1/2000

Karen A. Federline  
Notary Public



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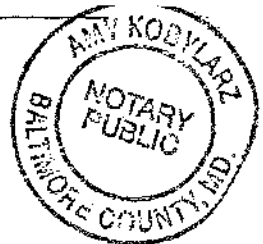
STATE OF MARYLAND, City OF Baltimore, to wit:

I HEREBY CERTIFY that before me this 10<sup>th</sup> day of March, 1997, a Notary Public of the State of Maryland aforesaid, personally appeared, Stephen A. Hall personally known to me (or satisfactorily proven) to be the person who executed the foregoing instrument as Vice President of MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY and, he being authorized to do so, acknowledged the foregoing instrument to be his act.

WITNESS, my hand and Notarial Seal the day and year first above written.

Amy Kobylarz  
Notary Public

My Commission Expires: 3-11-98



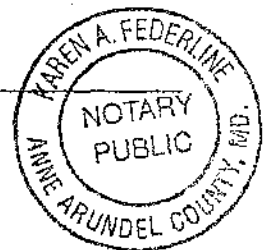
STATE OF MARYLAND, City OF Baltimore, to wit:

I HEREBY CERTIFY that before me this 11<sup>th</sup> day of March 1997, a Notary Public of the State of Maryland aforesaid, personally appeared PAUL W. PARKS and MICHAEL S. CORDES, personally known to me (or satisfactorily proven) to be the person who executed the foregoing instrument as Trustees of MERCANTILE MORTGAGE CORPORATION and MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY and, they being authorized to do so, acknowledged the foregoing instrument to be their act.

WITNESS, my hand and Notarial Seal the day and year first above written.

Karen A. Federline  
Notary Public

My Commission Expires: 9/1/2000



DEAR MR./MS. CLERK, AFTER RECORDING PLEASE RETURN TO:

REESE AND CARNEY  
10715 Charter Drive, Suite 200  
Columbia, Maryland 21044  
ATTN: Cathleen F. Ward  
File No. 46299/8007



SECTION 1A HOMEOWNERS ASSOCIATION, INC.

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

EXHIBIT A

Description of the Initial Property

BEING all that property shown on the Plat entitled "Phase One, Plat Two of Three, Section IV, Cromwell Fountain" which Plat is recorded among the Land Records of Anne Arundel County, Maryland in Plat Book 191, Folio 18, Plat No. 10093.

SECTION 1A HOMEOWNERS ASSOCIATION, INC.

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

EXHIBIT B

Property Which Can Be Annexed

BEING all that property shown on the Plat entitled " Phase Two, Plat 3 of 3, Section IV, Cromwell Fountain" which Plat is recorded among the Land Records of Anne Arundel County, Maryland in Plat Book 191, Folio 19, Plats No. 10094.

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EXHIBIT C

Bylaws

EXHIBIT C

BYLAWS

of the

WORTHINGTON MEWS HOMEOWNERS ASSOCIATION, INC.

ARTICLE I

NAME AND LOCATION

The name of the corporation is WORTHINGTON MEWS HOMEOWNERS ASSOCIATION, INC., hereinafter referred to as the "Association." The principal office of the Association shall be located at 10705 Charter Drive, Suite 450, Columbia, Maryland 21044, but meetings of members and directors may be held at such places within the State of Maryland as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 1. "Association" shall mean and refer to Worthington Mews Homeowners Association, Inc., its successors and assigns.

Section 2. "Property" shall mean and refer to that certain real property in the Fifth Election District of Anne Arundel County as shown on the plat entitled "Phase One, Plat Two of Three, Section IV, Cromwell Fountain", recorded among the Land Records of Anne Arundel County in Plat Book 191, Page 17, Plat No. 10092, and such additions thereto as may hereafter be brought within the jurisdiction of the Association by a supplementary or amended Declaration.

Section 3. "Common Area" shall mean all real property owned by the Association for the common use, benefit and enjoyment of the Owners.

Section 4. "Lot" shall mean and refer to any plot of land subject to assessment by the Association, and shown upon any recorded subdivision map or plat of the Properties, with the exception of the Common Area.

Section 5. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple or leasehold title to any Lot which is a part of the Properties, including contract sellers, but excluding ground rent owners and those having such interest merely as security for the performance of an obligation or payment of a debt.

Section 6. "Declarants" shall mean and refer to Thomas Builders at Cromwell Fountain, LLC, Declarants and any successor or assign thereof to whom the Declarants shall expressly (i) convey or otherwise transfer all of their rights, title and interest in the Land, the Property, or the lands thereof, as an entirety, without reservation of any kind, or (ii) transfer, set over and assign all of their rights, title and interest under the Declaration, or any amendment or modification thereof. Either hereinbefore mentioned Declarant shall have the right and power to act on behalf of both such Declarants and therefore the "Declarants" may act through one or both such Declarants.

Section 7. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions, applicable to the Properties and recorded or intended to be recorded

among the Land Records of Anne Arundel County, Maryland, and any additions, amendments or modifications thereto.

Section 8. "Member" or "Members" shall mean and refer to those persons entitled to membership in the Association, as provided in the Declaration.

Section 9. Any other terms used herein shall have the meaning given to them in the Declaration.

### ARTICLE III MEETING OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the Members shall be held within one (1) year from the date of incorporation of the Association, and each subsequent regular annual meeting of the Members shall be held in the same month of each year thereafter, at a time and place within the State of Maryland selected by the Board of Directors of the Association.

Section 2. Special Meetings. Special meetings of the Members may be called at any time by the President or by the Board of Directors, or upon written request of the Members who are (i) entitled to vote one-fourth (1/4) of all of the votes of the Class A membership, or (ii) entitled to vote one-fourth (1/4) of all of the votes in the Class B membership.

Section 3. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen (15) days but not more than sixty (60) days before such meeting to each Member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. Except as otherwise provided in the Declaration, the presence at the meeting of Members or of proxies entitled to cast ten percent (10%) of the votes of each class of membership shall constitute a quorum for any Incorporation, the Declaration, or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote at the meeting shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies (other than the proxy given by each Builder to the Declarants pursuant to the provisions of the Declaration) shall be in writing and filed with the Secretary. Every proxy (other than the proxy given by each Builder to the Declarants pursuant to the provisions of the Declaration) shall be revocable and shall automatically cease upon conveyance by the Member of his Lot.

ARTICLE IV  
BOARD OF DIRECTORS, SELECTION; TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed initially by a Board of three (3) directors, who need not be members of the Association. A majority of the entire Board of Directors is authorized to increase the number of Directors to a maximum of five (5).

Section 2. Term of Office. From and after the first annual meeting of the Members, the term of office of the directors shall be staggered. At the first annual meeting, the Members shall elect one-third (1/3) of the directors for a term of one (1) year, one-third (1/3) of the directors for a term of two (2) years, and one-third (1/3) of the directors for a term of three (3) years; and at each annual meeting thereafter, the Members shall elect one-third (1/3) of the total number of directors for a term of three (3) years.

Section 3. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association. In the event of death, resignation or removal of a director, his or her successors shall be selected by the remaining Members of the Board and shall serve for the unexpired term of his or her predecessor.

Section 4. Compensation. No director shall receive compensation for any service he or she may render to the Association. However, any director may be reimbursed for actual expenses incurred in the performance of his or her duties.

Section 5. Action Taken Without A Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE V  
NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors may be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a chairman, who shall be a member of the Board of Directors, and two (2) or more Members of the Association. The Nominating Committee shall be appointed by the President of the Association prior to each annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies from among Members or non-members of the Association.

Section 2. 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 exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted. Notwithstanding anything to the contrary contained herein, (a) at the first annual meeting of Members, the person receiving the largest number of votes shall be elected for a term of three (3) years, the person

receiving the second largest number of votes shall be elected for a term of two (2) years and the person receiving the third largest number of votes shall be elected for a term of one (1) year; and (b) at any subsequent election, if more than one vacancy is to be filled, the number of persons equal to such vacancies receiving the largest number of votes shall be elected and, if applicable, from among those elected, the persons receiving the largest number of votes shall be elected to the longest terms.

ARTICLE VI  
MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held quarterly without notice, at such place an hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two (2) directors, after not less than three (3) days notice to each director.

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VII  
POWERS, RIGHTS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have the power to:

(a) adopt and publish rules and regulations governing the use of the Common Area, including any improvements and amenities located thereon, and the personal conduct of the Members and their guests thereon, and to establish penalties (including fines) for the infraction thereof;

(b) suspend a Member's voting rights to sue any Common Area during any period in which such Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended, after notice and hearing, for a period not to exceed thirty (30) days for infraction of published rules and regulations;

(c) 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 Bylaws, the Articles of Incorporation, or the Declaration;

(d) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive meetings of the Board of Directors; and

(e) employ a manager, independent contractor, or such other individuals, entities or employees as they deem necessary and to prescribe their duties.

Section 2. Specific Right of Inspection of The Board of Directors and The Board of Directors of Cromwell Homeowners Association, Inc. As described in the Declaration, Section IV is included within the Cromwell Fountain planned unit development, is subject to the master Declaration of Covenants, Conditions and Restrictions of Worthington Mews Homeowners Association, Inc. dated August 2, 1988, as amended from time to time, and is subject to the rights of the Board of Directors of the Worthington Mews Homeowners Association, Inc. set forth in said master Declaration. Without limitation, the Board of Directors of the Association and the Board of Directors of the Worthington Mews Homeowners Association, Inc. have the following right of inspection:

(a) Every Director of the Association and every Director of the Worthington Mews Homeowners Association, Inc., a Maryland nonprofit, non-stock corporation, will have the absolute right at any reasonable time to inspect all books, records and documents of the Association and the physical properties owned or controlled by the Association. The foregoing right of inspection includes a right to make extracts and copies of documents, and, when such right is exercised by a Director of the Worthington Mews Homeowners Association, Inc., all extracts and copies of documents requested by such Director shall be at such Director's expense.

(b) Anything contained in these Bylaws to the contrary notwithstanding, the rights of each Director of the Worthington Mews Homeowners Association, Inc. set forth in Section 2 (a) of Article VII of these Bylaws may not be amended, modified or rescinded at any time without the prior written consent of the Board of Directors of the Worthington Mews Homeowners Association, Inc.

Section 3. Duties. It shall be the duty of the Board of Directors to:

(a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such a statement is requested in writing by one-fourth (1/4) of the Class A Members or of the Class B Members who are entitled to vote;

(b) supervise all officers, agents and employees of the Association, and to see that their duties are properly performed;

(c) as more fully provided in the Declaration, to:

(1) fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;

(2) send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period;



(3) foreclose the lien against any Lots for which assessments are not paid within thirty (30) days after the due date thereof or to bring an action at law against the Owner personally obligated to pay the same;

(d) issue, or 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 for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) procure and maintain adequate liability and hazard insurance on property owned by the Association;

(f) cause all officers or employees having fiscal responsibilities to be bonded as it may deem appropriate; and

(g) cause the Common Area to be maintained.

#### ARTICLE VIII OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of the Association shall be a President and Vice-President, who shall at all times be members of the Board of Directors, a Secretary, and a Treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors, and thereafter at the meeting the Board of Directors following each annual meeting of the Members.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless any officer shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments. The Board 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 may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on 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 to make it effective.

Section. 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he or she replaced.

Section 7. Multiple Officers. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one (1) of any of the other offices except in the case of offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

(a) President. The President shall preside at all meetings of the Members and of the Board of Directors and shall see that orders and resolutions of the Board are carried out. The President shall have the authority to sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

(b) 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. The Vice-President shall likewise have the authority to sign all leases, mortgages, deeds and other written instruments.

(c) Secretary. The Secretary shall record the votes and keep the minutes of all meeting and proceedings of the Board and the Members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses; and shall perform such other duties as required by the Board.

(d) Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by the resolution of the Board of Directors; shall sign all books of account; cause an annual audit of the Association's books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting and deliver a copy of each to the Members.

#### ARTICLE IX INDEMNIFICATION OF OFFICERS AND DIRECTORS

Each officer and director of the Association, in consideration of his or her services, shall be indemnified by the Association to the extent permitted by law against expenses and liabilities reasonably incurred by him or her in connection with the defense of any action, suit or proceeding, civil or criminal, to which he or she may be a party by reason of being or having been a director or officer of the Association. The foregoing right to indemnification shall be exclusive of any other rights to which the director or officer or person may be entitled by law or agreement or vote of the Members or otherwise.

#### ARTICLE X COMMITTEES

The Association shall appoint an Architectural Review Committee, as provided in the Declaration; and a Nominating Committee, as provided in these Bylaws. In addition, the Board of Directors shall appoint such other committees as deemed appropriate in carrying out its purpose.

ARTICLE XI  
BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The Declaration, the Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XII  
ASSESSMENTS

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the lot against which the assessment is made. Any assessments which are 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 ten percent (10%) per annum, and shall be subject to a late charge of Fifteen Dollars (\$15.00) per month until paid or ten percent (10%) of the Assessment, whichever is greater, and the Association may bring an action by law against the Owner personally obligated to pay the same or foreclose the lien against the lot, and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessment provided for herein by non-use of the Common Area or abandonment of the Owner's Lot.

ARTICLE XIII  
AMENDMENTS

Section 1. During the Development Period, these Bylaws may be amended upon the approval of at least (i) two-thirds (2/3) of the Class A members, (ii) two-thirds of the Class B members and (iii) the Declarants. Upon the expiration of the Development Period, these Bylaws may be amended upon the approval of at least fifty-one percent (51%) of the members of the Association. Notwithstanding anything to the contrary contained herein, during the Development Period, amendment of these Bylaws shall also require the approval of FHA/HUD/VA.

Section 2. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control. Capitalized terms used but not defined herein shall have those respective meanings attributed to them in the Declaration.

ARTICLE XIV  
MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation and end on December 31st of the next year. Capitalized terms used but not defined herein shall have those respective meanings attributed to them in the Declaration.

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END OF BYLAWS

CERTIFICATE OF SECRETARY

The undersigned Secretary of Worthington Mews Homeowners Association, Inc., a Maryland nonprofit corporation does hereby certify that the foregoing Worthington Mews Bylaws were duly adopted by the Board of Directors of said association on March 7, 1997 and that they now constitute said Bylaws of the Worthington Mews Homeowners Association, Inc.

Toni Williams  
Secretary

J:\USERS\CFW\WPDATA\ACROMWELL\BYL  
March 7, 1997 (12:19pm)