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DECLARATION OF COVENANTS ^{1/}
CONDITIONS AND RESTRICTIONS
FOR ELLICOTT MILLS

THIS DECLARATION, made this 23rd day of June, 1978, by Arundel Lumber Company, Inc., a Maryland corporation hereinafter referred to as "Declarant."

R E C I T A L S

A 199.79 acre parcel of land more or less (hereinafter called the "Dickey Property") is located in the First Election District of Baltimore County adjacent to the Patapsco State Park. The Dickey Property is shown on the Plat (the "Density Plat") entitled "First Amended Zoning and Density Distribution Plat Dickey Property" which is recorded among the Land Records of Baltimore County in Plat Book E.H.K., Jr. 43, folio 22.

The northernmost 152.52 acres of the Dickey Property is designated as Parcel One on the Density Plat and is owned by the Declarant. The remaining portions of the Dickey Property are shown on the Density Plat and designated as Parcel Two and Parcel Three. Parcel Two is owned by Chartley Center, Inc. and Parcel Three is owned by Declarant. Declarant proposes to develop Parcel One (except for an approximately 3.2 acres more or less portion thereof which will be developed as a neighborhood commercial area (the "Commercial Area")) as a residential community to be

^{1/} The material set forth in this Declaration is a composite of the original Declaration of Covenants, Conditions and Restrictions for Ellicott Mills dated June 23, 1978, recorded among the Land Records of Baltimore County in Liber E.H.K. No. 5903, Folio 524, as modified by the First Amendment to Declaration of Covenants, Conditions and Restrictions for Ellicott Mills, dated May 9, 1979, recorded among the Land Records of Baltimore County in Liber 6022, Folio 543, and as further modified by the Second Amendment to Declaration of Covenants, Conditions and Restrictions for Ellicott Mills dated October 31, 1979, which is also recorded or intended to be recorded among the Land Records of Baltimore County.

known as Ellicott Mills, containing approximately 394 residential dwelling units with a swimming pool and related facilities and with Local Open Space. It is expected that development of Parcel One will occur in stages over a period of years. Developer has already subdivided a portion of Parcel One into 87 residential lots, which portion (hereinafter called Section S-1) is the subject of the Subdivision Plats entitled "Plat A Section S-1 of Ellicott Mills" and "Plat B Section S-1 of Ellicott Mills" which are intended to be recorded among the Land Records of Baltimore County simultaneously with the recording of this Declaration. Section S-1 includes not only Local Open Space, but also an area designated as "Pool Area" which is intended to be developed as a swimming pool, bathhouse and related parking.

A Storm Water Management Facility meeting Baltimore County requirements for the storm water management of Parcels One, Two and Three is intended to be constructed on Parcel Two. It is anticipated that upon completion of the Storm Water Management Facility, its ownership, maintenance, operation and repair will be taken over by Baltimore County, who will thereafter bear the cost of its maintenance, operation and repair. However, in the event Baltimore County is unwilling to own, maintain, operate and repair the Storm Water Management Facility, or in the event it is unwilling to pay the entire cost of its operation, maintenance and repair, it is intended that 61% of such cost of maintenance, operation and repair not paid for by Baltimore County will be borne by the owners from time to time of land within Parcel One in the manner hereinafter set forth. The remaining 39% of the said cost of maintenance, operation and repair not borne by Baltimore County will be borne by the owners from time to time of the land within Parcels Two and Three.

Declarant desires to subject Parcel One (but not the Commercial Area) to the following covenants, terms and conditions in order to:

- a. Insure that the Local Open Space will be used, improved, maintained, operated and repaired in a proper manner and in accordance with Baltimore County requirements.
- b. Insure that the Pool Area will be used, improved, maintained, operated and repaired in a proper manner.

c. Insure that 61% of the cost of maintaining, operating and repairing the Storm Water Management Facility not otherwise borne by Baltimore County will be paid by the owners of land within Parcel One so that the Storm Water Management Facility can be maintained, operated and repaired in accordance with Baltimore County requirements.

d. Provide for the distribution among the Lot Owners (and in certain instances the Declarant) of the costs of maintaining, operating and repairing the Local Open Space and the Pool Area, and 61% of the aforesaid costs of the maintenance, operation and repair of the Storm Water Management Facility.

NOW, THEREFORE, Declarant hereby declares that all of the land within Parcel One (exclusive of the Commercial Area) shall be held, sold and conveyed subject to the following easements, restrictions, covenants, and conditions which are for the purpose of protecting the value and desirability of, and which shall run with, said land and be binding on all parties having any right, title or interest therein or any part thereof, their personal representatives, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I
DEFINITIONS

Section 1. "Association" shall mean and refer to Ellicott Mills Homeowners Association, Inc., its successors and assigns, which Association shall promote the health, safety, recreation and welfare of the Residents of Lots within Parcel One.

Section 2. "Section": Except where a reference is being made to a section of this Agreement, the term "Section" shall mean and refer to any portion of Parcel One which is within the boundaries of a recorded Subdivision Plat which subdivides the land covered thereby into residential Lots (whether single or multi-family). For purposes of this Declaration, the Density Plat shall not be considered to be a recorded subdivision plat.

Section 3. "Unplatted Land" shall mean those portions of Parcel One which are not within a Section.

Section 4. "Lot" shall mean and refer to single or multi-family residential lots as the same may be shown upon the recorded Subdivision Plats of Section S-1 and on the

recorded Subdivision Plat of any other Section of Parcel One. The term "Lot" shall include a condominium unit, if any portions of Parcel One are subjected to a condominium regime.

Section 5. "Lot Owner" shall mean and refer to the record owner, whether one or more persons or entities (and including the Declarant), of (i) a fee simple title, or (ii) a leasehold title under a 99 year lease subject to perpetual renewal, to any Lot which is a part of a Section, but excluding those having such interest merely as security for the performance of an obligation or the payment of a debt.

Section 6. "Declarant" shall mean and refer to Arundel Lumber Company, Inc., its successors, and such of its assigns as are owners of any Unplatted Land within Parcel One, or are owners of Sections or parts of Sections of Parcel One and have the obligation to install the streets and utilities therein. The term Declarant shall not include a builder acquiring a Lot or Lots without residential structures thereon from a Declarant for the purpose of erecting residential structures thereon, unless such builder is also installing the streets and utilities within the Section or part thereof wherein the Lot or Lots is or are located.

Section 7. "Residents" shall mean and refer to the resident occupants of residential structures on Lots within Section S-1 and on Lots within other Sections of Parcel One.

Section 8. "Local Open Space" shall mean all real property (including the improvements thereto) designated as such on the Subdivision Plat for a Section of Parcel One. The Local Open Space located within Section S-1 consists of the 1.93 acre parcel designated as "Local Open Space #1" and the .98 acre parcel designated as "Local Open Space #2A" on the Subdivision Plats for Section S-1 recorded among the Land Records of Baltimore County as aforesaid.

Section 9. "Pool Area" means the 2.25 acre area designated as such on the Plat of Section S-1 as "Pool, Bath House and Parking Area."

Section 10. "Storm Water Management Facility" means the Storm Water Management Facility to be located on Parcel Two and more particularly referred to in the foregoing recitals.

Section 11. The term "entity holding title to the Storm Water Management Facility" shall not include a governmental body.

ARTICLE II

ACCEPTANCE OF LOCAL OPEN SPACE AND
POOL AREA AND MAINTENANCE THEREOF BY ASSOCIATION

The first portion of Parcel One to be developed by Declarant will be Section S-1. Declarant will make such improvements to the Local Open Space in Section S-1 and to the Pool Area as Declarant in its sole judgment may determine. The subdivision plats for additional Sections of Parcel One shall contain such Local Open Space, if any, at such locations, in such quantities, and with such improvements thereon as Declarant in its sole judgment shall determine.

Declarant shall convey the Local Open Space Area within a Section to the Association, who must accept title thereto, not later than the date the first Lot within that Section is conveyed to a Resident. At the time of its conveyance to the Association, title to the Local Open Space Area so conveyed shall be free of any mortgages, judgment liens or similar encumbrances. From and after such conveyance the Association shall thereafter maintain, operate and repair the Local Open Space Area so conveyed. If at the time a Local Open Space Area is conveyed to the Association, the Declarant has not commenced or completed the construction of such improvements, if any, to the Local Open Space Area as Declarant in its sole judgment shall have determined, Declarant shall have the right thereafter to enter upon the Local Open Space Area so conveyed for the purpose of constructing or completing the construction of such improvements. Upon completion by the Declarant of the construction of such improvements to the Pool Area as Declarant, in its sole judgment shall have determined, Declarant shall convey the Pool Area to the Association who must accept title thereto and thereafter maintain, operate and repair the same. Title to the Pool Area, at the time of the conveyance shall be free of any mortgages, judgment liens or similar encumbrances.

From and after the conveyance to the Association of a Local Open Space area or the Pool Area the Association or its agents shall supervise, manage, examine, inspect, care

for, preserve, replace, restore and maintain, operate and repair the Local Open Space and the Pool Area and the improvements situated thereon in accordance with reasonable recreation, park and open space maintenance standards. The Association shall have the right to charge reasonable admission or other fees for the use of improvements erected on the Local Open Space, and the Pool Area, and to make reasonable rules and regulations in connection with the use of the Local Open Space and the Pool Area.

From and after the conveyance to the Association of a Local Open Space Area within a Section, the Association or its agents shall maintain the grass, shrubs, and other plants located on any islands built within the public roads located within that Section. Should the Association prior to 1980 incur any expense in maintaining, operating or repairing any Local Open Space Areas, any island within a public road, or the Pool Area, the Developer agrees to lend to the Association sufficient funds to pay these expenses. The loan to the Association shall be interest free and shall be repayable upon demand at any time after June 1, 1980.

ARTICLE III

PROPERTY RIGHTS

Section 1. Lot Owners' Easements of Enjoyment. Every Lot Owner shall have a right and easement of use and enjoyment in and to the Local Open Space and the Pool Area from and after the time the same have been conveyed to the Association which right and easement shall be appurtenant to and shall pass with the title to his Lot, subject to:

(a) the right of the Association to charge reasonable admission and other fees as in Article II above provided.

(b) the right of the Association to suspend the voting rights and right of use of the Local Open Space and the Pool Area of a Lot Owner for any period during which any assessment against his Lot remains unpaid, and for a period not to exceed sixty days for any infraction of its published rules and regulations;

(c) the right of the Association to dedicate or transfer all or any part of the Local Open Space or the Pool Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Association. No such dedication or transfer shall be effective unless the same shall state that it has been

approved by a two-thirds vote of the Association taken in accordance with the provisions of Section 4 of Article XII and the same shall have been consented to by the agency, authority or utility accepting the dedication; and

(d) the right of the Association to promulgate rules and regulations for the use of the Local Open Space and the Pool Area.

Section 2. Delegation of Use. Any Lot Owner may delegate, in accordance with the By-Laws, his right of enjoyment of the Local Open Space and the Pool Area to the members of his family, his tenants, or contract purchasers, provided such family member, tenants or purchasers reside on his Lot.

ARTICLE IV

MEMBERSHIP AND VOTING RIGHTS

Section 1. Every Lot Owner shall be a member of the Association. Declarant shall be a member of the Association during any period or periods of time when Declarant is a Lot Owner. Membership shall be appurtenant to and may not be separated from ownership of any Lot.

Section 2. The Association shall have two classes of voting membership.

Class A. Class A members shall be all Lot Owners, with the exception of the Declarant, and shall be entitled to one vote for each residential dwelling unit which has been or may be constructed on each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The votes for such Lot shall be exercised as they determine, but in no event shall more votes be cast with respect to any Lot than would be permitted of the Lot were owned by a single person.

Class B. The Class B Member(s) shall be the Declarant and shall be entitled to three votes for each residential unit which may be constructed on each Lot owned by the Declarant. The Class B Membership shall cease and be converted to Class A Membership on the happening of either of the following events whichever occurs earlier:

(a) When the total votes outstanding in the Class A Membership equal the total votes outstanding in the Class B Membership.

(b) On December 31, 1989.

Provided, however, the Class B Membership shall be revived (and Declarant shall again be entitled to three votes for each residential unit which may be constructed on each Lot owned by Declarant) during any periods of time occurring before December 31, 1989, when

(i) by reason of the recording of Resubdivision Plats with respect to previously subdivided portions of Parcel One, or

(ii) by reason of recording Subdivision Plats for portions of the Unplatted Land, or

(iii) by reasons of the annexation of additional land beyond the boundaries of Parcel One pursuant to Article VIII below,

additional Lots owned by Declarant are created which, when added to the other Lots then owned by the Declarant, would result in the Declarant having more than 50% of the votes of the Association were Declarant to have three votes for each residential unit which may be constructed on each Lot owned by the Declarant instead of only a single vote for each such unit.

ARTICLE V

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot within a Section, hereby covenants, and each Lot Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree, to pay to the Association, (1) annual assessments by the Association which shall cover calendar years, and (2) special assessments by the Association for capital improvements. Such assessments shall be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on, and a continuing lien upon, the Lot against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the Lot Owner of such Lot at the time when the assessment is due and payable. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 2. Breakdown and Purpose of Assessment. Each annual assessment shall be broken down into three portions; one portion (the "Storm Water Management Portion") shall be used exclusively to defray 61% of the annual cost of the maintenance, operation and repair of the Storm Water Management Facility to the extent such costs are not borne by Baltimore County. The Second Portion (the "Open Space Portion") shall be used (a) to promote the recreation, health, safety and welfare of the Residents, and (b) for the use, improvement, maintenance, operation and repair of the Local Open Space and for the maintenance of the grass, shrubs and other plants located on any islands built within public roads located within Parcel One. The Third Portion (the "Pool Portion") shall be used (a) to promote the recreation, health, safety, and welfare of the Residents, and (b) for the use, improvement, maintenance, operation and repair of the Pool Area.

Section 3. Commencement of Assessments and Maximum Assessments for the Open Space Portion and the Pool Portion of the Annual Assessment.

(a) The first annual assessment shall be for the calendar year 1980.

(b) The maximum amount of the Open Space Portion of an annual assessment (which shall be subject to increase as hereinafter provided) shall be \$60.00, which shall be the actual amount of the Open Space assessment for the calendar year 1980. The maximum amount of the Pool Portion of an annual assessment (which shall likewise be subject to increase as hereinafter provided) shall be the actual amount of the Pool Assessment for the first year wherein such portion is included in an annual assessment.

(c) Except as provided in subparagraph (d) below, from and after the calendar year 1980, and during each calendar year thereafter, the maximum permissible amount for the Open Space Portion of an annual assessment shall increase at the rate of ten percent (10%) above the maximum permissible amount for the Open Space Portion of the assessment for the previous year. Except as provided in subparagraph (d) below from and after January 1 of the year immediately following the first year in which an annual assessment includes a Pool Portion, and during each calendar year thereafter, the maximum permissible amount for the Pool

Portion of an annual assessment shall increase at the rate of ten percent (10%) above the maximum permissible amount for the Pool Portion of the assessment for the previous year.

(d) The maximum permissible amounts for the Open Space Portion and the Pool Portion of the annual assessment may be increased at any time above the maximum permissible amounts allowed pursuant to subparagraph (c) above by a vote of two-thirds of each class of members of the association taken in accordance with the provisions of Section 4 of Article XII.

(e) The Board of Directors of the Association without the necessity of a vote of the Association's membership, may fix the Open Space Portion and the Pool Portion of an annual assessment at an amount not in excess of the then applicable maximums. The Board of Directors of the Association must fix the Storm Water Management Portion of an annual assessment in such amount which, together with any contributions required of the Declarant as in Article XI hereafter provided, will equal 61% of the reasonably estimated cost of the operation, maintenance and repair of the Storm Water Management Facility in accordance with Baltimore County standards, not borne by Baltimore County, for the year to which the assessment relates as such cost is determined by the entity then holding title to the Storm Water Management Facility.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy special assessments for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Local Open Space, or the Pool Area, including fixtures and personal property related thereto, provided that any such assessment shall be authorized by a two-thirds vote of each class of members of the Association taken in accordance with the provisions of Section 4 of Article XII. In addition to special assessments for capital improvements to the Local Open Space and the Pool Area, the Association shall levy special assessments for the purpose of defraying, in whole or in part, 61% of the reasonably estimated cost of any reconstruction, repair or replacement of a capital

improvement upon the Storm Water Management Facility, (hereinafter called a "Storm Water Management Capital Improvement Assessment") including fixtures and personal property related thereto, which will not be borne by Baltimore County as such cost is determined by the Entity then holding title to the Storm Water Management Facility.

Section 5. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate based on the number of dwelling units which may be erected on each Lot.

Section 6. Assessment Procedure: Due Dates.

The Board of Directors of the Association shall fix the annual assessment for each calendar year not later than January 31st of the year to which the assessment pertains and shall send written notice thereof to each Lot Owner not later than February 15th of such year. Unless the Board of Directors shall have provided for the payment of annual assessments on a monthly or other periodic basis, the annual assessment shall be due and payable on April 1 of the year to which the assessment pertains. All Lots within a Section shall become subject to assessment on the date when the first conveyance of a Local Open Space Area within that Section to the Association occurs. If the conveyance occurs prior to June 1 then the Lot Owner shall pay the entire annual assessment for the year in which the conveyance occurs. If the conveyance occurs on or after June 1st and on or before September 30th then the Lot Owner shall pay one-half of the annual assessment for the year in which the conveyance occurs. If the conveyance occurs on or after October 1st and on or before December 31st then the Lot Owner shall pay one-fourth of the annual assessment for the year in which the conveyance occurs. The Board of Directors of the Association shall have the right to fix special assessments for capital improvements at any time and to establish the date when the same are due and payable. The Board of Directors of the Association shall send written notice of any special assessments for capital improvements to each Lot Owner not later than 45 days prior to the date the same are due and payable. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the association setting forth whether the assessments on a specified Lot have been paid.

A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance.

Section 7. Effect of Nonpayment of Assessments:

Remedies. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of eight percent (8%) per annum. The Association may bring an action at law against the Lot Owner personally obligated to pay the same, or foreclose the lien against the Lot. No Lot Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Local Open Space or the Pool Area or abandonment of his Lot.

Section 8. Remedy of Entity owning Storm Water

Management Facilities. The entity holding title to the Storm Water Management Facility may bring an action against the Lot Owner personally obligated to pay the same for the Storm Water Management Portion of an annual assessment and for any Storm Water Management Capital Improvement Assessment in arrears as aforesaid, or foreclose the lien for the entire amount of the assessment which is in arrears. If the lien being foreclosed is for an unpaid annual assessment the proceeds of such foreclosure shall be applied pro rata to the Storm Water, Open Space and Pool Area Portions of the assessment, and the Open Space and Pool Area Portions shall be paid over to the Association. If by January 31 of any year the Association shall have failed to make an annual assessment for such year, or, having made an annual assessment for said year, shall have failed to include the Storm Water Management Portion therein, all in violation of the requirement to do so as set forth in subparagraph (e) of Section 3 of this Article V above, then the entity holding title to the Storm Water Management Facility shall have the right to make the Storm Water Management Portion of the assessment, to send notice thereof to each Lot Owner, and to collect the same from the Lot Owner all to the same extent as though the assessment had been made by the Association. If the Association shall have failed to make a Storm Water Management Capital Improvement Assessment within sixty (60) days of the date the entity holding title to the Storm Water Management Facility shall have given the Board of Directors of the Association written notice of the need therefore and the amount thereof, all in

violation of the requirement to make such an assessment as set forth in Section 6 of this Article V above, then the entity holding title to the Storm Water Management Facility shall have the right to make the Storm Water Management Capital Improvement Assessment, to send notice thereof to each Lot Owner, and to collect the same from the Lot Owner, all to the same extent as though the assessment had been made by the Association. Upon request of the entity holding title to the Storm Water Management Facility, the Association shall furnish said entity with a current list of the names and addresses of the members of the Association.

Section 9. Subordination of the Lien to Mortgages.

The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage or first deed of trust on the Lot to which the assessment pertains. The sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to a mortgage or deed of trust foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer whether voluntary, involuntary, by foreclosure, by operation of law or otherwise, shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof and such Lot shall remain subject to this Declaration.

ARTICLE VI

LOCAL OPEN SPACE AND POOL AREA

USE RESTRICTIONS

Section 1. Local Open Space Use Restrictions. The Local Open Space shall be used only for recreational, park, beautification or amenity purposes, for utility purposes, and for drainage, storm water management and sediment control facilities as required by Baltimore County.

No sign of any kind shall be displayed to the public view on a Local Open Space area except signs advertising land or residences within Parcel One for sale or rent during the construction and sales period, or signs identifying the Local Open Space.

No animals, livestock, or poultry of any kind shall be raised, bred or kept on the Local Open Space except that dogs, cats or other household pets may be allowed thereon

provided that they are not kept, bred, or maintained for a commercial purpose.

No portion of the Local Open Space shall be used or maintained as a dumping ground for rubbish, trash, or garbage, or other waste except such as is kept in sanitary containers. All incinerators or other equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition.

Unless the consent of Baltimore County is obtained therefor, no private sewage disposal system shall be permitted on the Local Open Space, except a system connected to the Metropolitan Sanitary System.

Unless the consent of Baltimore County is obtained therefor, no private water supply system shall be permitted on the Local Open Space except a system connected to the Metropolitan Water Supply.

Section 2. Pool Area Use Restrictions. The Pool Area shall be used only for recreational, park, beautification, or amenity purposes, for utility purposes, and for drainage, storm water management and sediment control facilities as required by Baltimore County. No portion of the Pool Area shall be used or maintained as a dumping ground for rubbish, trash, garbage or other waste except such as is kept in sanitary containers. All incinerators or other equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition.

Section 3. Utility Lines and Services. Nothing in this Article VI shall be construed to prohibit traversing the Local Open Space or the Pool Area with underground pipes supplying water, sewer, gas, electric, telephone, CATV or other public or private utility services to facilities, structures or improvements located within or outside of the Dickey Property.

Section 4. Paths. The residents of Dwellings which may hereafter be erected on Parcel Two and Parcel Three shown on the Density Plat shall have the right to use any paths which may be laid out on any Local Open Space solely for the purpose of pedestrian access between Parcels Two and Three and the Commercial Area.

ARTICLE VII
BUILDING RESTRICTIONS

No facilities, structures or improvements other than those normally used in connection with recreational, park, beautification, and amenity purposes, and sewer, gas, electric, telephone, CATV, other utilities, drainage, water management or sediment control facilities shall be built on the Local Open Space.

ARTICLE VIII
ANNEXATION

Additional land beyond the boundaries of Parcel One may be subjected to the covenants, conditions and restrictions herein contained and be added to and become a part of the land subject to this Declaration provided the owner or owners of such additional land shall consent to annexation and provided further that such annexation is approved by a two-thirds vote of the Association taken in accordance with the provisions of Section 4 of Article XI. Parcel Two and Parcel Three shall not be subjected to the covenants, terms and conditions of this Declaration unless annexed as aforesaid.

ARTICLE IX
DECLARANT'S RIGHTS TO FREELY
DEVELOP PARCEL ONE

Each Lot Owner, by acceptance of a deed for his Lot, whether or not it shall be so expressed in such deed, shall be deemed to have covenanted and agreed (i) that Declarant shall have no obligation to build any swimming pool, bathhouse or any other recreational facility or other improvement on the Pool Area or on any Local Open Space area or any other land within Parcel One, (ii) that Declarant shall have the right to resubdivide any Section of Parcel One in accordance with Baltimore County regulations, and (iii) that Declarant shall have no obligation to develop any portion of Parcel One or any other land of the Declarant which at the time of the delivery of such deed, is Unplatted Land or any other portion of the Dickey Property, in accordance with any scheme of development, preliminary plan, tentative plan or any other type of plan or design; it being understood that the Declarant shall be free to develop the Unplatted Land or any other portion of the Dickey Property

in any fashion and for any use not prohibited by law or governmental regulations.

Each Lot Owner, by acceptance of a deed for his Lot, whether or not it shall be so expressed in such deed, shall be deemed to have further covenanted and agreed that Declarant shall be free, at any time, to relocate the Commercial Area from its present location on Parcel One and that upon such relocation the Commercial Area, as so relocated, shall be free and clear of the operation and effect of this Declaration and the area of its former location shall become subject to this Declaration.

ARTICLE X

ARCHITECTURAL CONTROL

At anytime hereafter the Association shall have the right by a vote of two-thirds of its members taken in accordance with the provisions of Section 4 of Article XII, to amend this Declaration to impose and enforce reasonable architectural controls with respect to the exterior design and landscaping of any dwelling to be constructed on a Lot which is a replacement for the dwelling initially constructed thereon or is a reconstruction thereof or which is an addition to a dwelling initially constructed thereon or to a replacement dwelling to insure that such reconstruction or replacement dwellings, or additions are in harmony with the dwellings initially constructed on the Lots.

ARTICLE XI

THE COSTS OF OPERATING AND MAINTAINING
STORM WATER MANAGEMENT FACILITY—
DECLARANT'S CONTRIBUTION

Those costs of maintaining, operating and repairing the Storm Water Management Facility, and the cost of any reconstruction, repair or replacement of a capital improvement to the Storm Water Management Facility, 61% of which are to be borne by the Owners of land within Parcel One shall be that amount as may be reasonably determined by the entity from time to time holding title to the Storm Water Management Facility to be required in order that the Storm Water Management Facility may be operated and maintained in accordance with Baltimore County standards. It shall be the obligation of the Association to contact that entity prior to January 1 of each calendar year to

obtain from that entity an estimate of the costs to be incurred in such maintenance, operation and repair during the ensuing calendar year and to any reconstruction, repair or replacement of a capital improvement which will not be borne by Baltimore County and, except as hereinafter provided, to distribute 61% of such cost among the Lot Owners. During any year when there are less than 200 Lots subject to the payment of assessments under this Declaration then, until the end of the year in which there are 200 Lots subject to the payment of assessments Declarant will contribute to the Association on or before April 1 of any such year, that fraction of the 61% of such estimated cost (the "Declarant's Contribution") the denominator of which fraction shall be 200 and the numerator of which shall be the figure arrived at by subtracting from 200 the number of Lots subject to the payment of assessments on January 1st of that year. Any part of Declarant's Contribution not paid by April 1st shall bear interest from the due date at the rate of 8% per annum. The Association and the entity holding title to the Storm Water Management Facility, and each of them, shall have the right to bring an action at law against the Declarant personally to enforce the payment of the Declarant's Contribution. The Declarant's Contribution together with interest, costs, and reasonable attorney's fees, shall be a charge on and a continuing lien against the Unplatted Land owned by the Declarant owing the same and also the personal obligation of the Declarant who is such at the time the delinquent Declarant's contribution fell due. The personal obligation for a delinquent Declarant's Contributions shall not pass to his successors in title unless expressly assumed by them. The Association and the entity holding title to the Storm Water Management Facility and each of them shall have the right to foreclose the lien against Declarant's Unplatted Land. The lien to enforce the Declarant's Contribution provided in this Article shall be subordinate to the lien of any first mortgage or first deed of trust on the Unplatted Land owned by such Declarant. The sale or transfer of any Unplatted Land shall not affect the aforesaid lien, however the sale or transfer of any Unplatted Land pursuant to a mortgage or deed of trust foreclosure or any proceeding in lieu thereof shall extinguish the lien of such assessments as to payments which

became due prior to such sale or transfer. No sale or transfer, whether voluntary, involuntary, by foreclosure, by operation of law or otherwise, shall relieve such Unplatted Land from liability for any Declarant's Contribution thereafter becoming due or from the lien thereof and such Unplatted Land shall remain subject to this Declaration. The Storm Water Management Portion of any assessment against a Lot, any Storm Water Management Capital Improvement Assessment, and the Declarant's Contribution shall be paid over by the Association to the entity holding title to the Storm Water Management Facility promptly upon receipt of the same by the Association.

ARTICLE XII

GENERAL PROVISIONS

Section 1. Enforcement. The Association, the Declarant, and any Lot Owner, 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. Failure by the Association, the Declarant or by any Lot Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no wise affect any other provisions which shall remain in full force and effect.

Section 3. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of forty (40) years from the date this Declaration is recorded after which time they shall be automatically extended for successive periods of ten (10) years. The provisions of this Declaration other than Section 3(d) of Article V and Article XI may be amended by a vote of two-thirds of the members of the Association taken in accordance with the provisions of Section 4 below. Any amendment to Section 3(d) of Article V and Article XI shall require a two-thirds vote of each class of members of the Association taken in accordance with Section 4 below. Any amendment to the provisions of Section 4 of Article VI, Article IX, XI, and XII shall also require the consent of the Declarant. Any amendments to the provisions of Section 3(e), 4 and 8 of

Article V, and of Article XI shall also require the consent of the entity holding title to the Storm Water Management Facility. Any amendment to any other provision of this Declaration which would materially adversely affect the making, collection or enforcement of the Storm Water Management Portion of an annual assessment, or of a Storm Water Management Capital Improvement Assessment, shall likewise also require the consent of the entity holding title to the Storm Water Management Facility. Any amendment to the provisions of Section 1 of Article VI shall also require the consent of Baltimore County. Any amendment or instrument of termination must be recorded.

Anything set forth above in this Section 3 to the contrary notwithstanding Declarant shall have the absolute unilateral right, power and authority to modify, revise, amend or change any of the terms or provisions of this Declaration, all as from time to time amended or supplemented. This unilateral right, power and authority of Declarant, may be exercised IF AND ONLY IF either the Veterans Administration or Federal Housing Administration or any successor agencies thereto shall require such action as a condition precedent to the approval by such agency of the United States of Parcel One or any part thereof or any Lots thereon, for federally approved mortgage financing purposes under applicable Veterans Administration, Federal Housing Administration or similar programs. Nothing in this grammatical paragraph shall permit the Declarant, without the consent of the entity holding title to the Storm Water Management Facility, to unilaterally amend the provisions of Section 3(e), 4 and 8 of Article V and of Article XI, or to otherwise amend any other provision of this Declaration which would materially adversely affect the making, collection or enforcement of the Storm Water Management Portion of an annual assessment or of a Storm Water Management Capital Improvement Assessment. Nothing in this grammatical paragraph shall permit the Declarant, without the consent of Baltimore County, to unilaterally amend the provisions of Section 1 of Article VI. Once the Veterans Administration or the Federal Housing Administration or any successor agencies thereto, approve Parcel 1 or any part thereof or any lots thereon for federally approved mortgage financing purposes, any further modifications, provisions,

amendments, or changes to any of the terms and provisions of this Declaration made during any period of time when there are Class B Members of the Association shall also require the consent of the agency giving such approval.

Section 4. Voting Procedure. Where a two-thirds vote of the members of the Association is called for in this Declaration, or where a two-thirds vote of each class of members of the Association is called for, the same shall mean two-thirds of the votes of the members, or of each class of members, as the case may be, who are present either in person or by proxy at the meeting at which the vote is taken. Written notice of the meeting called for the purpose of taking the action requiring such vote shall be sent to all members of the Association not less than fifteen nor more than sixty days in advance of the meeting. The notice shall state the date, time and place of the meeting and shall include a brief summary of the matter to be voted upon. At the first such meeting called, the presence of members or of proxies entitled to cast 60% of all the votes of the membership shall constitute a quorum unless the action requires a two-thirds vote of each class of members in which event the presence of members or of proxies entitled to cast 60% of all the votes of each class of members shall constitute a quorum. If the required quorum is not present subsequent meetings may be called subject to the same notice requirement. If a subsequent meeting is called for the purpose of voting on any amendment to this Declaration the quorum requirements set forth above shall continue to apply. If a subsequent meeting is not called for the purpose of voting on any amendment to this Declaration the required quorum at each subsequent meeting shall be one-half of the required quorum at the next preceding meeting, however no such subsequent meeting shall be held more than sixty days following the preceding meeting.

Section 5. Limitation of Liability. The liability of a Declarant or of a Lot Owner to perform or observe the covenants, conditions and restrictions of this Declaration, including without limiting the generality of the foregoing, the liability for the payment of an assessment, or of a Declarant's Contribution shall be limited to those accruing during the period of such Declarant's or Lot Owner's

ownership of the Lot, the Unplatted Land or other portion of Parcel One.

Section 6. Use of the term "which may be erected".
Whenever in this Declaration reference is made to residential units "which may be erected on a Lot" it is intended that the clause refer to residential units permitted to be erected on the Lot pursuant to applicable zoning, whether or not in fact erected.

IN WITNESS WHEREOF, the undersigned Declarant has duly executed this Declaration.

ARUNDEL LUMBER COMPANY, INC.

By: _____ (SEAL)
Jonathan W. Kolker, President

STATE OF MARYLAND, CITY OF BALTIMORE, to wit:

I HEREBY CERTIFY, that on this _____ day of _____, 1978, before me, the subscriber, a Notary Public of the State of Maryland, in and for the City of aforesaid, personally appeared JONATHAN W. KOLKER, who acknowledged himself to be the President of ARUNDEL LUMBER COMPANY, INC., a corporation, and that he, as such President, being authorized so to do, executed the foregoing Declaration for the purposes therein contained, by signing the name of the Corporation by himself as President.

AS WITNESS my hand and Notarial Seal.

Notary Public
My Commission Expires: _____

BALTIMORE COUNTY CIRCUIT COURT (Homeowners Association Record) 22, p. 0401, MSA_CE539_22. Date available 02/06/2015. Printed 04/07/2016.