

*Declaration
Of Covenants,
Condition & Restrictions*

VILLAGE OF CONSTANT BRANCH TOWNHOUSES

DECLARATION OF COVENANTS AND RESTRICTIONS

THIS DECLARATION, made this 21st day of October, 1987, by TOLLGATE DEVELOPERS, INC., a Maryland corporation, hereinafter called Developer; JOSEPH J. BOUFFARD and JOHN W. McCLEAN, Trustees for MUNICIPAL SAVINGS BANK, F.S.B., and MUNICIPAL SAVINGS BANK, F.S.B., a financial institution, hereinafter collectively called "Lenders",

WITNESSETH:

WHEREAS, Developer is the owner of the real property described in Exhibit A of this Declaration and desires to create thereon a planned community with permanent open spaces for the benefit of the community; and

WHEREAS, Developer desires to provide for the preservation and enhancement of the property values, amenities and opportunities in said community and for the maintenance of the Properties and the improvements thereon, and to this end desires to subject the real property described in Exhibit A to the covenants, restrictions, easements, charges and liens hereinafter set forth, each and all of which is and are for the benefit of said property and each owner thereof; and

WHEREAS, for the efficient preservation of the values and amenities in said community, the Developer has incorporated under the laws of the State of Maryland the Village of Constant Branch Townhouses Association, Inc. and delegates and assigns to it the powers of owning, maintaining and administering the community properties and facilities, administering and enforcing the covenants and restrictions, collecting and disbursing the assessments and charges hereinafter created, and promoting the recreation, health, safety and welfare of the residents; and

WHEREAS, the Trustees for Municipal Savings Bank, F.S.B. are Trustees of a Deed of Trust and Security Agreement ("Deed of Trust") on the property, described in Exhibit A of the Deed of Trust, a part of which property is that property described in Exhibit A of this Declaration. Municipal Savings Bank, F.S.B. is the holder of the Promissory Note secured by the Deed of Trust. The Lenders are joining in this Declaration for the purpose of subordinating the Deed of Trust to the legal operation and effect of this Declaration.

NOW, THEREFORE, the Developer declares that the real property described in Exhibit A is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, restrictions, easements, charges and liens (sometimes referred to as "Covenants and Restrictions") hereinafter set forth, and the Lenders join herein for the purpose of subordinating the Deed of Trust by and between Tollgate Developers, Inc. and Joseph J. Bouffard and John W. McClean, as Trustees, which is recorded among the Land Records of Harford County in Liber C.G.H. No. 1382, folio 956, to the legal operation and effect of this Declaration.

ARTICLE 1

Definitions

As used in this Declaration, the following terms shall have the meanings herein ascribed thereto, except to the extent otherwise expressly provided, or otherwise resulting from necessary implication. The terms herein defined are:

LIBER 1433 FOLIO 917

Section 1. Additional Property. "Additional Property" shall mean property other than that described in Exhibit A which may, from time to time, be added to the Property pursuant to ARTICLE II hereof.

Section 2. Association. "Association" shall mean and refer to Village of Constant Branch Townhouses Association, Inc., a Maryland non-profit corporation, its successors and assigns.

Section 3. Board of Directors. "Board of Directors" shall mean and refer to the Board of Directors of the Association.

Section 4. Common Areas. "Common Areas" shall mean and refer to and include those areas of land, improvements and facilities located thereon, designated as private roads and parking areas, open space, storm water management facilities or such similar designations on any Plat of Constant Branch, as shown as an entirety or in sections, which are intended to be devoted to common use and enjoyment of all members of the Association, including particularly, but not by way of limitation, private roads, roadways, parking lots, sidewalks, open space, flood plain, passive and active recreational areas, storm water management facilities and other facilities and other related installations in, on, under or over any land or easement area. The Common Areas to be conveyed to the Association as set forth in this Declaration.

Section 5. Developer. "Developer" shall mean and refer to Tollgate Developers, Inc. as to that property described on Exhibit A attached hereto, the successors to all or substantially all of their business of developing the Property, or any of their assigns who are expressly granted rights of the Developer in conjunction with a conveyance of a portion of the Property.

Section 6. Lot or Lots. "Lot" or "Lots" shall mean and refer to and include one or more of the numbered subdivided townhouse lots shown on any Plat of Constant Branch, with the exception of public roads and the Common Areas.

Section 7. Member. "Member" shall mean and refer to members of the Association, as defined under its Articles of Incorporation and By-Laws.

Section 8. Mortgagee. "Mortgagee" shall mean the holder of any recorded mortgage, or the party secured or beneficiary of any recorded deed of trust, encumbering one or more of the Lots. "Mortgage", as used herein, shall include deed of trust. "First Mortgage", as used herein, shall mean a mortgage with priority over other mortgages. As used in this Declaration, the term "mortgagee" shall mean any mortgagee and shall not be limited to institutional mortgagees. As used in this Declaration, the term "institutional mortgagee" or "institutional holder" shall include banks, trust companies, insurance companies, savings and loan associations, trusts, mutual savings banks, credit unions, pension funds, mortgage companies, Federal National Mortgage Association ("FNMA"), Government National Mortgage Association ("GNMA"), Federal Home Loan Mortgage Corporation ("FHLMC"), all corporations and any agency or department of the United States Government or of any state or municipal government, or any other organization or entity which has a security interest in any Lot.

In the event any mortgage is insured by the Federal Housing Administration ("FHA") or guaranteed by the Veterans Administration ("VA"), then as to such mortgage the expressions

"mortgagee" and "institutional mortgagee" include the FHA or the VA, as the circumstances may require, acting, respectively, through the Federal Housing Commissioner and the Commissioner of Veterans Benefits or through other duly authorized agents..

Section 9. Owner or Record Owner. "Owner" or "Record Owner" shall mean and refer to and include the person, firm, corporation, trustee, or legal entity, or the combination thereof, including contract sellers, holding record title to a Lot, either in his, her, or its own name, or as joint tenants, tenants in common, tenants by the entirety, or tenancy in co-partnership, if the Lot is held in such real property tenancy or partnership relationship. If more than one person, firm, corporation, trustee, or other legal entity hold the record title to any one Lot, whether in a real property tenancy, partnership relationship, or otherwise, all of 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 "Owner" or "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 any mortgagee named in any mortgage covering any Lot designed solely for the purpose of securing performance of an obligation or payment of a debt.

Section 10. Plat of Constant Branch. "Plat of Constant Branch" shall mean and refer to and include any and all final subdivision plats for townhouse lots entitled "Constant Branch, Section Two, Final Plat One and Two" prepared or to be prepared by Morris & Ritchie Associates, Inc. which are to be recorded in the Land Records of Harford County.

Section 11. Property. "Property" shall mean and refer to all of the real property which is and shall be held, transferred, sold, conveyed, and occupied subject to this Declaration as more particularly described in Exhibit A, together with the buildings and improvements thereupon erected, made or being, and all and every right to the alleys, ways, waters, privileges, appurtenances and advantages to the same belonging, or anywise appertaining, together with such other real property as may, from time to time, be added thereto pursuant to ARTICLE II hereof.

Section 12. Supplemental Declaration. "Supplemental Declaration" shall mean and refer to any Declaration of Covenants, Conditions and Restrictions which may be recorded by the Developer which extends the provisions of this Declaration to other Additional Property and which contains such complementary provisions for such Additional Property as are herein required by this Declaration.

Section 13. Swimming Pool. "Swimming Pool" shall mean and refer to that swimming pool the Developer intends to construct on a 2.611-acre parcel designated as "Active Open Space" on a plat of Constant Branch, Final Plat Two, Section Two, which is recorded among the Land Records of Harford County in Plat Book C.G.H. No. 57, folio 89. It shall also mean those additional recreational facilities located on the 2.611-acre parcel as determined by the Board of Directors in rules and regulations to be promulgated by it.

ARTICLE II

Property Subject to This Declaration

Section 1. Existing Property. The real property which is and shall be held, transferred, sold, conveyed, and occupied subject to this Declaration is located in the First Election District of Harford County, Maryland, and is more particularly described in Exhibit A.

Section 2. Additions to Existing Property. Added properties may become subject to this Declaration in the following manner:

(a) Additions. Additional lands may be annexed to the Property upon approval in writing of the Developer and of the Association, pursuant to a majority of votes of the Members present and voting in person or by proxy on the question. If required by the U. S. Department of Housing and Urban Development ("HUD"), the Federal Housing Administration ("FHA") and/or the Veterans Administration ("VA") the written approval of annexation shall be acquired from such agencies, as set forth in (c) below.

(b) The additions authorized under subsection (a) shall be made by the recording among the Land Records of Harford County of one or more Supplemental Declarations of Covenants, Conditions and Restrictions with respect to the Additional Property, which shall extend the scheme of this Declaration to such Additional Property.

(c) So long as any Lot is encumbered by a deed of trust or mortgage which is guaranteed by HUD, FHA and/or VA, no annexation shall be made pursuant to this Article, or otherwise, except following a determination by HUD, FHA and/or VA that the annexation conforms to a general plan for the development of the Community previously approved by it or, if no such general plan was approved by it, except following its prior written approval.

(d) Any Supplemental Declaration of Covenants, Conditions and Restrictions made pursuant to the provisions of this Article may contain such complementary or supplemental additions and modifications to the covenants and restrictions set forth in the within Declaration as may be considered necessary by the maker of such Supplemental Declaration of Covenants, Conditions and Restrictions to reflect the different character or use, if any, of the annexed property.

(e) Mergers. The property, rights and obligations of the Association may, by operation of law, be transferred to another surviving or consolidated association or, alternatively, the properties, rights and obligations of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated association may administer the covenants and restrictions established by this Declaration within the Property together with the covenants and restrictions established upon any other properties as one scheme. No such merger or consolidation, however, shall effect any revocation, change or addition to the covenants established by this Declaration within the Property except as hereinafter provided. Any such merger shall be subject to the limitations provided for in ARTICLE XII, Section 4, if applicable.

ARTICLE III

Property Rights

Section 1. Owners' Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Area which shall, as created, be appurtenant to and shall pass with the title to every Lot and every member of the Association shall have a right of enjoyment in the Common Area, subject to the following provisions:

(a) The right of the Association to levy annual and special assessments for the maintenance, care or improvement of the Common Area, as set forth in this Declaration.

(b) The right of the Association to dedicate or transfer all or any part of the Common Areas to any public agency, authority, or utility for such purposes as are consistent with the purpose of this Declaration and subject to such conditions as may be agreed to by the Members. No such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer signed by two-thirds (2/3) of each class of Members has been recorded; provided, that any such dedication or transfer shall also be subject to the limitations provided for in ARTICLE XII, Section 4 of this Declaration.

(c) The right of the Association to limit the number of guests of Members.

(d) The right of the Association to establish uniform rules, regulations and guidelines pertaining to the use of the Common Area.

(e) The right of the Association to provide for the exclusive use by the Members of certain designated parking spaces within the Common Area.

(f) The right of the public to use the "public access easements" shown on any Plat of Constant Branch in common with the right of the Members.

Section 2. Delegation of Use. Any member may delegate his right of enjoyment to the Common Area and structures which might in the future be constructed thereon to the members of his family, and to his guests or tenants, subject to such rules and regulations as the Board of Directors may from time to time adopt, provided, however, that there shall be no abrogation of the duty of any member to pay assessments as provided in ARTICLE V of this Declaration.

Section 3. Limitations.

(a) Any other provision of this Declaration to the contrary notwithstanding, the Association shall have no right to suspend the right of any Member of the Association to use any private streets and roadways located upon the Common Area for both vehicular and pedestrian ingress and egress to and from his Lot and for parking.

(b) Any other provision of this Declaration to the contrary notwithstanding, the Association shall have no right to suspend the right of any Member of the Association to use the Common Area for necessary, ordinary and reasonable pedestrian ingress and egress to and from his Lot or to suspend any easement over the Common Area for storm water drainage, electrical

energy, water, sanitary sewer, natural gas, telephone service or similar utilities and services to the Lots.

(c) Any other provisions of the Declaration to the contrary, the Association shall have no right to deny the public the right to use the "public access easements" shown on any Plat of Constant Branch.

Section 4. Title to Common Area.

(a) Title to the Common Areas shall be conveyed to the Association at the time of the sale and settlement of the last Lot which is located within the Property subject to this Declaration or any Additional Property annexed pursuant to any Supplemental Declaration, free and clear of all liens and encumbrances. The Developer shall provide, at its cost, an owner's title policy to the Association for the Common Areas conveyed. However, the Common Area will be conveyed to the Association no later than five (5) years from the date of recording of this Declaration and may be conveyed prior thereto at the sole option of the Developer.

(b) Notwithstanding the provisions of paragraph (a) above, the Common Area shall be conveyed to the Association, free and clear of all liens and encumbrances, prior to the sale and settlement of the first Lot on the Property upon which HUD, VA and/or FHA insures or guarantees a first mortgage.

Section 5. Swimming Pool. The Developer intends to, at its sole election, construct on Common Area a Swimming Pool and associated recreational uses which will, when constructed, be located on a 2.611-acre parcel described as "Active Open Space" on a Plat of Constant Branch, Final Plat Two, Section Two, which is recorded among the Land Records of Harford County in Plat Book C.G.H. No. 57, folio 89. The Swimming Pool, when constructed, is to be used by the Members of the Association and also, there is established an absolute right for the members of the Constant Branch Community Association, Inc., which is an existing Association comprised of owners of the single-family dwellings located in the Constant Branch Subdivision, to also use the Swimming Pool upon payment of any and all fees established by the Board of Directors. The Board of Directors of the Association shall have the right to establish rules and regulations for the admission to and use of the Swimming Pool, which shall enhance the preservation of such Swimming Pool and the safety and convenience of the users, and shall have the right to establish and charge members of the Association, in addition to the maintenance assessment set forth in Article V, additional reasonable admission and other fees in connection with the use of the Swimming Pool and to establish and charge non-members of the Association, such as the members of the Constant Branch Community Association, Inc., reasonable admission and other fees in connection with the use of the Swimming Pool. The Board of Directors shall have the right to permit persons other than Members or members of the Constant Branch Community Association, Inc. to use the Swimming Pool upon payment of admission and other fees in connection with the use of the Swimming Pool. In establishing such admission and other fees, the Board may, in its absolute discretion, establish reasonable classifications of member and non-member users. Such admission and other fees must be uniform within each class but need not be uniform from class to class.

Notwithstanding the above, the Association shall have no duty to operate the Swimming Pool for the use of its Members or

the members of the Constant Branch Community Association, Inc. in the event it cannot be operated without financial loss..

The Association shall have the right to borrow money for the purpose of improving the Swimming Pool and in aid thereof, to mortgage the same and the rights of any such mortgage shall be superior to the easements granted and assured herein.

ARTICLE IV

Membership and Voting Rights

Section 1. Members. Every Owner of a Lot shall be a member of the Association as designated in Section 2 of this ARTICLE IV. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

Section 2. Membership Classes and Voting Rights. The Association shall have two classes of voting membership.

Class A. Class A members shall be all Owners (except the Developer during such time as there shall be a Class B membership) of Lots which are subject to assessment by the Association under the terms of this Declaration, and shall be entitled to one vote for each such Lot so owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as the members among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B member shall be the Developer, or its successors and assigns, if such successors or assigns should acquire two (2) or more undeveloped Lots from the Developer for the purpose of development, and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership upon the earlier to occur of the following two dates:

(a) The date on which the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership except when the provisions of ARTICLE II hereof permit additional land to be annexed and such annexation may cause the total Class B votes to again exceed the total Class A votes, the Class B membership shall not be terminated under this subparagraph; or

(b) January 1, 1992.

ARTICLE V

Covenant for Maintenance Assessments

Section 1. Annual Maintenance Assessments. Except as assessments of the Developer are limited by the provisions of ARTICLE VI, Section 2 of this Declaration, each person, group of persons, corporation, partnership, trust or other legal entity, or any combination thereof, who becomes a fee owner of a Lot within the Property (i.e., each Class A member of the Association), by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to pay the Association, in advance, a monthly sum (herein elsewhere sometimes referred to as "maintenance assessments") equal to one-twelfth (1/12) of the Member's proportionate share of the sum required by the Association, as estimated by its Board of Directors, to meet its

annual expenses, including, but in no way limited to, the following:

(a) the cost of all operating expenses of the Common Area and the services furnished to or in connection with the Common Area, including charges by the Association for any services furnished by it; and

(b) the cost of necessary management and administration of the Common Area, including fees paid to any Management Agent; and

(c) the amount of all taxes and assessments levied against the Common Area; and

(d) the cost of liability insurance on the Common Area and the cost of such other insurance as the Association may obtain on behalf of the Association; and

(e) the cost of utilities and other services which may be provided by the Association, whether for the Common Area or for the Lots, or both; and

(f) the cost of maintaining, replacing, repairing, and landscaping the Common Area, including, without limiting the generality of the foregoing, both (i) the Common Area from time to time owned by the Association; and (ii) landscaped areas along and within certain public rights-of-way within the Property and the various entrance walls, entry strips and signs located within the Property; and

(g) the cost of maintaining, replacing, repairing, and landscaping of any storm water management facilities and drainage systems or the like located upon the Common Area and the cost of the maintenance of all pathways upon the Property, together with such equipment as the Board of Directors shall determine to be necessary and proper in connection therewith; and

(h) the cost of funding all reserves established by the Association, including, when appropriate, a general operating reserve and a reserve for replacements.

(i) maintaining the townhouse dwellings located on a Lot pursuant to ARTICLE X, Section 9 hereof.

(j) only in the event the Swimming Pool fails to be financially self-supporting from fees charged its users, the cost of operating, managing, and administering the Swimming Pool including, but not limited to, payment of taxes, insurance, utilities, maintenance, and replacing and repairing its landscaping.

The Board of Directors shall determine the amount of the maintenance assessment annually, but may do so at more frequent intervals should circumstances so require. Upon resolution of the Board of Directors, 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 Class A member may prepay one or more installments on any annual maintenance assessment levied by the Association, without premium or penalty.

The Board of Directors shall prepare or cause the preparation of 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 Directors 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 Owner upon reasonable notice to the Board. Written notice of the annual maintenance assessments shall thereupon be sent to all members. The omission by the Board of Directors, 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 Class A 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 Class A member may exempt himself from liability for maintenance assessments by abandonment of any Lot belonging to him or by the abandonment of his right to the use and enjoyment of the Common Area.

This Declaration does not contemplate that the Association shall have any responsibility for the maintenance or repair of the dwellings or their appurtenances and the responsibility and duties of the Association for maintenance and repairs shall be limited to the Common Area. The Owner of any Lot shall, at his own expense, maintain his Lot and dwelling, and any and all appurtenances thereto in good order, condition and repair and in a clean, sightly and sanitary condition at all times; provided, further, if such maintenance is not properly performed by any Owner, the Association shall have the right to perform such maintenance and assess the Owner for the cost of the same; provided, however, the Association shall afford the Owner reasonable notice and an opportunity to rectify the situation prior to entry.

Section 2. Special Maintenance Assessments. In addition to the regular maintenance assessments authorized by this Article, the Association may levy in any assessment year a special maintenance assessment or assessments, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, extraordinary repair or replacement of a capital improvement located upon, or forming a part of the Common Area, improvements and facilities thereon, including the necessary fixtures and personal property related thereto, or for such other purpose as the Board of Directors may consider appropriate; provided, however, that any such assessment shall have the assent of the Members representing a majority of the then Class A members of the Association and a majority of the then Class B members of the Association. A meeting of the Members shall be duly called for this purpose. The Association may also levy a special maintenance assessment against any Member to reimburse the Association for costs incurred in bringing a Member and his Lot into compliance with the provisions of this Declaration (including any supplements or amendments hereto), the Articles of Incorporation or By-Laws of the Association, and any Rules or Regulations promulgated by the Association. Such special maintenance assessment may only be levied upon an affirmative vote of the Board of Directors and after a notice and opportunity for a hearing has been provided to the Member.

Section 3. Reserves for Replacements. The Association shall establish and maintain a reserve fund for repairs and replacements of the Common Area, improvements and facilities thereon by the allocation and payment monthly to such reserve fund of the amount designated in Section 1 of this Article, which shall in no event be less than an amount equal to 2/12ths of the annual maintenance assessment as provided for herein. 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 any State or by an agency of the United States of America or may, in the discretion of the Board of Directors, be invested in obligations of, or fully guaranteed as to principal by, the United States of America.

The reserve for replacement of the Common Area, improvements and facilities thereon may be expended only for the purpose of affecting the replacement of the Common Area, improvements and facilities thereon, major repairs, equipment replacement, and for start-up expenses and operating contingencies of a non-recurring nature relating to the Common Area, improvements and facilities thereon. The Association may establish such other reserves for such other purposes as the Board of Directors may from time to time consider to be necessary or appropriate. The proportional interest of any Member in any such reserves shall be considered an appurtenance of his Lot and shall not be separately withdrawn, assigned or transferred or otherwise separated from the Lot to which it appertains and shall be deemed to be transferred with such Lot.

Section 4. Maximum Annual Maintenance Assessments. The initial maximum annual maintenance assessment for each of the Lots to which Class A membership is appurtenant shall not exceed the sum of Two Hundred Sixty-Four Dollars (\$264.00) per annum. Except as provided to the contrary in ARTICLE VI, Section 2, the annual maintenance assessment shall be levied at a uniform rate for each Lot to which Class A membership is appurtenant.

Section 5. Increase in Maximum Annual Maintenance Assessment.

(a) From and after January 1, 1988, the maximum annual maintenance assessment for all Class A memberships hereinabove provided for may be increased by the Board of Directors of the Association, without a vote of the Class A membership, by an amount equal to ten percent (10%) of the maximum annual assessment for the preceding year plus the amount by which any ad valorem real estate taxes and casualty and other insurance premiums payable by the Association have increased over amounts payable for the same or similar items for the previous year.

(b) From and after January 1, 1988, the maximum annual maintenance assessment for all Class A memberships hereinabove provided for may be increased above that established by the preceding paragraph by a vote of the Members, as herein-after provided, for the next succeeding year, and thereafter, at the end of such year, for each succeeding year. Any increase in maintenance assessments made pursuant to this paragraph shall have the assent of a majority of the then Class A members of the Association and a majority of the then Class B members of the Association. A meeting of the Members shall be duly called for this purpose.

ARTICLE VI

Commencement of Annual Assessments

Section 1. Commencement of Annual Assessments for Class A Members. Except as may be otherwise resolved by the Board of Directors of the Association, the annual maintenance assessment for each Class A membership shall commence on the date a deed for the Lot to which such Class A membership is appurtenant is delivered by the Developer to the Member. The first monthly installment of each such annual assessment shall be made for the balance of the month during which a deed for the Lot is delivered to the Member and shall become due and payable and a lien on the date a deed for the Lot is delivered to the Member. Except as herein elsewhere provided, the monthly installments of each such annual assessment for any Lot for any month after the first month shall become due and payable on the first day of each successive month.

Section 2. Assessment of Developer. Anything in this Declaration to the contrary notwithstanding, any regular or special assessment levied by the Association for any Lot without an occupied dwelling held by the Developer or by the maker of any Supplementary Declaration made pursuant to ARTICLE II of this Declaration shall be in an amount equal to twenty-five percent (25%) of the assessment levied by the Association against Lots held by the Class A members. Developer Lots upon which an occupied dwelling is situated shall pay full assessments. Assessments for Lots held by the Developer shall commence upon the transfer of title to the first Lot described in Exhibit "A", and shall commence upon the recordation of any Supplementary Declaration with respect to Lots described therein.

Section 3. Exempt Property. No portion of the Common Area shall be subject to assessment of any kind by the Association.

ARTICLE VII

Remedies of Association for Non-Payment of Assessments

Section 1. Non-Payment of Assessments. Any assessment levied pursuant to this Declaration, or any installment thereof, which is not paid on the date when due shall be delinquent and shall, together with interest thereon and the cost of collection thereof, as hereinafter provided, thereupon become a continuing lien upon the Lot or Lots belonging to the Member against whom such assessment is levied and shall bind such Lot or Lots in the hands of the then owners, their heirs, devisees, personal representatives and assigns; provided, however, that the requirements of the Maryland Contract Lien Act have been substantially fulfilled. The personal obligation of the Member to pay such assessment shall, in addition, remain his personal obligation for the statutory period and a suit to recover a money judgment for non-payment of any assessment levied pursuant to this Declaration, or any installment thereof, may be maintained without foreclosing or waiving the lien herein created to secure the same.

Any assessment levied pursuant to this Declaration, or any installment thereof, which is not paid within ten (10) days after it is due, shall bear interest at the rate of ten percent (10%), and the Association may bring an action at law against the Member personally obligated to pay the same, or foreclose on the lien against the Lot or Lots then belonging to said Member in the manner now or hereafter provided for the foreclosure of

LIB 433 MAR 09 27

mortgages, deeds of trust or other liens on real property in the State of Maryland containing a power of sale and consent to a decree, and subject to the same requirements, both substantive and procedural, or as may otherwise from time to time be provided by law, in either of which events interest, costs and reasonable attorneys' fees of not less than twenty percent (20%) of the sum claimed shall be added to the amount of each assessment.

To the extent requested in writing to do so by any such mortgagee, the Association shall notify the holder of the first mortgage on any Lot for which any assessment levied pursuant to this Declaration becomes delinquent for a period in excess of sixty (60) days and in any other case where the Owner of such Lot is in default with respect to the performance of any other obligation hereunder for a period in excess of sixty (60) days, but any failure to give such notice shall not affect the validity of the lien for any assessment levied pursuant to this Declaration, nor shall any such failure affect any of the priorities established in this Article.

Section 3. Acceleration of Installments. Upon default in the payment of any one or more monthly installments of any assessment levied pursuant to this Declaration, the entire balance of said assessment may be accelerated at the option of the Board of Directors and be declared due and payable in full.

Section 4. Priority of Lien. The lien established by this Declaration shall have preference over any other assessments, liens, judgments or charges of whatever nature, except the following:

(a) general and special assessments for ad valorem real estate taxes on the Lot; and

(b) the liens of any deeds of trust, mortgage instruments or encumbrances duly recorded on the Lot prior to the assessments provided for in this Declaration or duly recorded on said Lot after receipt of a written statement from the Board of Directors reflecting that payments on account of any such assessments were current as of the date of recordation of said deed of trust, mortgage instrument or encumbrance.

Notwithstanding any other provision of this Declaration to the contrary, the lien of any assessment levied pursuant to this Declaration upon any Lot, as in this Article provided, shall be subordinate to the lien of any deed of trust, mortgage or other encumbrance duly recorded on such Lot and made in good faith and for value received and shall in no way affect the rights of the holder of any such deed of trust, mortgage or other encumbrance; provided, however, that such subordination shall apply only to assessments, and installments thereof, which have become due and payable prior to a sale or transfer of the Lot pursuant to a foreclosure of such deed of trust, mortgage or other encumbrance, or any deed, assignment or other proceeding or arrangement in lieu of foreclosure. Any holder of any deed of trust, mortgage or other encumbrance duly recorded on the Lot and made in good faith and for value received who comes into possession of the Lot pursuant to foreclosure of such deed of trust, mortgage or other encumbrance, or any deed, assignment or other proceeding or arrangement in lieu of foreclosure, and any other purchaser at a foreclosure sale, shall take the Lot free of any claims for unpaid maintenance assessments levied against the Lot which accrue prior to the time such holder comes into possession of the Lot or prior to the foreclosure sale, except for claims for a proportionate share of such unpaid maintenance assessments resulting from a reallocation of such unpaid

maintenance assessments among the Lots upon the Property. Such foreclosure, deed, assignment or other proceeding or arrangement in lieu of foreclosure shall not, however, relieve the purchaser at any foreclosure sale from any liability for any maintenance assessments thereafter becoming due, or from the lien herein created to secure the payment of such maintenance assessments, which said lien, if any claimed, shall have the same effect and be enforced in the same manner as provided herein.

No amendment to this Section shall affect the rights of the holder of any first mortgage on any Lot (or the indebtedness secured thereby) recorded prior to recordation of such amendment unless the holder thereof (or the indebtedness secured thereby) shall join in the execution of such amendment.

The Board of Directors may, in its sole and absolute discretion, extend the provisions of this Section to the holders of mortgages (or in the indebtedness secured thereby) not otherwise entitled thereto.

ARTICLE VIII

Architectural Control

Section 1. The Design Review Board. A Design Review Board consisting of three or more persons shall be appointed by, and serve at the pleasure of, the Developer. At such time as the Developer's rights and obligations under this Declaration cease, the Design Review Board shall be appointed by the Board of Directors. Members of the Design Review Board may be non-members of the Association.

Section 2. Purpose. The Design Review Board shall regulate the external design, appearance, use, location and maintenance of the Property and Properties and of improvements thereon in such a manner so as to preserve and enhance values and to maintain a harmonious relationship among structures and the natural vegetation and topography. The Design Review Board shall have no authority regarding the design, house selection or location upon construction, with such rights being solely retained by the Developer.

Section 3. Conditions and Prior Approval. No improvements, alterations, repairs, change of paint colors, excavations, changes in grade or other work which in any way alters the exterior of any property or the improvement located thereon from its natural or improved state existing on the date such property was first conveyed in fee by the Developer to an Owner or to the Association shall be made or done without the PRIOR WRITTEN APPROVAL of the Design Review Board, except as otherwise expressly provided in this Declaration. No building, fence, wall, residence, or other structure shall be commenced, erected, maintained, improved, altered, made or done without the prior written approval of the Design Review Board.

Section 4. Procedures.

(a) The Owner shall submit to the Design Review Board in care of Sol M. Bank, 3655A Old Court Road, Suite 12, Baltimore, Maryland 21208, or his designee, in writing, sent by certified mail, return receipt requested, an application containing a detailed statement of the proposed changes or improvements to any lot or to the exterior of the dwelling, describing or showing the nature, kind, shape, height, materials and locations of the changes or improvements to be made. All details and information required by the Design Review Board must be

LSER 1433 JUL00929

supplied in the Owner's application to the Design Review Board. The name, address and home and business phone numbers must be included. Incomplete applications will be returned to the Owner and will not be deemed received by the Design Review Board as specifically set forth in the procedures for making applications.

(b) All applications shall be deemed received by the Design Review Board on the date of the actual receipt of a complete application. All applications shall be acted upon by the Design Review Board within forty-five (45) days after complete written plans and specifications have been received by it. The Design Review Board shall have the sole discretion to determine when an application is complete. Incomplete applications may be disapproved for that reason alone.

(c) The Design Review Board may disapprove any application for one or more of the following reasons:

(1) That the request is contrary to any restriction of this Declaration or any public law or regulation.

(2) Objection to the exterior design, color, appearance or materials to be used in the improvements.

(3) Objection to the location of the improvement on the Lot as it would relate to other Lots or uses in the vicinity.

(4) Objection to the color, finish, proportion, style of architecture, height, bulk or appropriateness of the improvement.

(5) For any other reasons which would interfere with the harmonious relationship among existing or proposed structures, the natural vegetation and topography of the community or which adversely affects property values in the vicinity of the improvement.

(d) The Owner shall be promptly notified, in writing, by the Design Review Board of its decision within ten (10) days of its decision. The written notice of the decision shall state the nature of the request, the reasons for the decision, and whether the application has been approved or disapproved.

(e) In the event the Design Review Board fails to act on an application within forty-five (45) days after receipt of a completed and acceptable application by the Design Review Board, the request shall be deemed to be approved, except that an application which contains a request which is contrary to the Use Protective Covenants set forth in ARTICLE IX, Section 1, shall not be deemed approved under any circumstances. The ten-day notice provision set forth in (d) above is in addition to the forty-five (45) day period during which the Design Review Board must act.

(f) No work shall be commenced by the Owner until written Design Review Board approval has been received by the Owner or the expiration of the forty-five (45) day period and the ten (10) day period set forth in the preceding paragraphs.

(g) All work approved by the Design Review Board shall be commenced within three (3) months of the date of the approval and completed within six (6) months thereafter and failure to do so will cause the approval to be null and void and of no further force and effect.

Section 5. Rules. The Design Review Board may adopt uniform rules for the regulation of fences, walls, accessory buildings, and all other site alterations for which the Design Review Board finds that uniform rules can be formulated. The rules may vary for different types of housing units or different areas, but shall apply uniformly to Lots or units within the class or area so designated.

Section 6. Enforcement.

(a) The Design Review Board shall conduct periodic walk-throughs of the community for the purpose of determining if there exists any violations of the Declaration, and, if adopted, the Rules and Regulations.

(b) In the event an Owner is in violation, such Owner will be notified, in writing, by the Design Review Board of the specific violation. The "violation notice" shall state the specific violations and state that the Owner has thirty (30) days in which to correct the violations.

(c) If the Owner fails to correct the violations, the Design Review Board may, in the interest of the general welfare of all Owners of Lots, enter upon any Lot or the exterior of any dwelling at reasonable hours on any day except Sunday for the purpose of removing or correcting any violations or breach of any attempted violation of any of the covenants and restrictions or rules and regulations herein promulgated, or for the purpose of abating anything herein defined as a prohibited use or nuisance, provided, however, that no such action shall be taken without prior approval of the Board of Directors of the Association, and prior notice to the Owner in violation.

(d) In addition, the Association may exercise all rights and remedies provided it by law.

ARTICLE IX

Use Restrictions; Maintenance; Easements

Section 1. Protective Covenants. In addition to all of the covenants contained herein, the use of the Property and each Lot therein is subject to the following:

(a) Nuisances. No nuisance shall be permitted to exist or operate upon any Lot so as to be detrimental to any other property in the vicinity thereof or to its occupants.

(b) Restrictions on Further Subdivision. No Lot upon which a Living Unit has been constructed shall be further subdivided or separated into smaller Lots by any Owner, and no portion less than the whole of any such Lot shall be conveyed or transferred by an Owner, provided that this shall not be construed to prohibit deeds of correction, deeds to resolve boundary line disputes and similar corrective instruments.

(c) Noxious Activities. No noxious or offensive trade or activity shall be carried on upon any Lot or within any dwelling situate on a Lot, nor shall anything be done therein or thereon which may be or become an annoyance or nuisance to the neighborhood or to other Owners of Lots.

(d) Animals. The maintenance, keeping, boarding and/or raising of animals, livestock or poultry of any kind, regardless of the number, shall be and is hereby prohibited on any Lot or within any dwelling situate on any Lot, except for

domestic pets such as dogs, cats and caged birds, provided that they are not kept, bred or maintained for commercial purposes. Notwithstanding the above, no dwelling and Lot may have kept in, on or around them more than two (2) dogs. No dog shall be permitted to run free or be kept tied or chained outside of the dwelling for an extended period of time, nor shall it create any annoyance or nuisance to the neighborhood or any other Lot Owner. The Board of Directors shall have the right to adopt such additional rules and regulations regarding animals as it may, from time to time, consider necessary and appropriate.

(e) Trash. No Lot shall be used or maintained as a dumping ground for rubbish, trash, garbage or other waste. The burning of trash shall not be permitted on any Lot. Trash and garbage containers shall not be permitted to remain in public view except on days of trash collection and they shall be kept in a clean and sanitary condition.

(f) Vehicles. No junk vehicle, commercial vehicle over 3/4 ton rated capacity, travel trailer, trailer, house trailer, mobile home, recreational vehicle, camper, camp truck, boat or the like shall be kept upon any Lot or Common Area not authorized by the Board of Directors for the parking or storage of such vehicles or boats.

(g) Structures. No structure of a temporary character, or a trailer, tent, shack, or other outbuilding shall be constructed or maintained on any Lot at any time, except as provided for hereinafter. Outside storage sheds may be permitted as provided for in paragraph 1(p) hereof.

(h) Fences. Except for original construction, any fence constructed on the property shall be in conformance with and like those fences shown on the construction plans and specifications of the Village of Constant Branch as to material and design and must be constructed as set forth in the construction plans of the Village of Constant Branch. Prior to erection of the fence, the Owner must make a written request for review and approval of the fence location and style by the Design Review Board as provided for in ARTICLE VIII hereof. No fence shall extend in front of the rear building line of any dwelling. A tree or shrubbery buffer may be planted along the rear lot line.

(i) Residential Use. All dwellings shall be used for private residential purposes exclusively and professional offices are prohibited from being maintained in or about a dwelling. The term "professional office" shall mean rooms or portions of the dwelling being used for office purposes for one or more members or employees of any recognized profession including, but not limited to, doctors, dentists, lawyers, architects, accountants, beauticians and insurance agents. This provision shall not apply to the Developer or its assigns during the construction and development of this Development.

(j) Signs. No signs of any character shall be erected, posted or displayed upon, in or about any Lot or dwelling situate upon any Lot, provided, however, that one temporary real estate sign not exceeding six (6) square feet in area may be erected upon any Lot or attached to any dwelling placed on the market for sale or rent. Upon settlement or rental of the property so advertised, the real estate sign must be immediately removed.

(k) Antenna. After cable television is available to the Village of Constant Branch, no outside television or radio aerial or antenna or other similar aerial, antenna for reception

or transmission shall be maintained upon any lot or dwelling after cable television is made available to such lot or dwelling. The use or erection of a microwave or satellite T.V. receiver dish or any similar dish is prohibited at all times.

(l) Landscaping. No structure, planting or material other than driveways or sidewalks 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 change, obstruct or retard direction or flow of any drainage channels.

(m) Lease of Lot. Any lease agreement between an owner and a lessee shall provide that the terms of this lease are subject in all respects to the provisions of this Declaration, any appropriate Supplemental Declaration, the Articles of Incorporation and By-Laws of the Association, and that any failure of the lessee to comply with the terms of such documents shall be a default under the lease. All leases shall be in writing.

(n) Window Covering. Bedsheets, plastic sheets, newspaper and other similar window treatments shall not be hung or placed in any window on any dwelling on any Lot.

(o) Clothes/Drying and Lines. No drying or airing of any clothing, bedding or similar materials shall be permitted outdoors.

(p) Outside Storage Sheds. An outside storage shed may be constructed, upon the prior written approval of the Design Review Board as set forth in ARTICLE VIII hereof, and only if the shed is attached to the dwelling, constructed of the same material and of the same color as the dwelling. The Design Review Board shall determine the size of the shed.

Section 2. Maintenance of Property. Each Owner shall keep all Lots owned by him, and all improvements therein or thereon, in good order and repair and free of debris, including but not limited to, the seeding, watering, and mowing of all lawns, the pruning and cutting of all trees and shrubbery and the painting (or other appropriate external care) of all buildings and other improvements, all in a manner and with such frequency as is consistent with good property management.

Section 3. Utility Easements. There is hereby created utility easements as shown on any plat of Constant Branch upon, across, over, through, and under the above-described premises for ingress, egress, installation, replacement, repair, and maintenance of all utility and service lines and systems including, but not limited to, water, sewers, gas, telephone, electricity, television, cable or communication lines and systems. By virtue of such easements, it shall be expressly permissible for the Developer or the providing utility or service company to install and maintain facilities and equipment on said property, to excavate for such purposes and to affix and maintain wires, circuits, and conduits on, in and under the roofs and exterior walls of said residences providing such company restores disturbed areas to the condition in which they were found. These easements shall in no way affect any other recorded easements on said premises. After the conveyance of the Common Area affected by the easement to the Association, it shall have the exclusive power to grant or convey utility easements upon, across, over, through and under such Common Area, whether general or limited, for the construction of any utility lines or systems to serve the Property.

Section 4. Developer's Easement to Correct Drainage. For a period of ten (10) years from the date of conveyance of the first Lot in the Property, the Developer reserves a blanket easement and right on, over and under the ground within the Property to maintain and to correct drainage of surface water in order to maintain reasonable standards of health, safety and appearance. The Developer further reserves the right and easement to adjust curb boxes and sewer cleanouts until they are accepted by Harford County into its system. Such right expressly includes the right to cut any trees, bushes or shrubbery, make any gradings of the soil, or to take any other similar action reasonably necessary, following which the Developer shall restore the affected property to its original condition as near as practicable. The Developer shall give reasonable notice of intent to take such action to all affected Owners, unless, in the opinion of the Developer, an emergency exists which precludes such notice. This provision shall not be construed as an agreement by the Developer to undertake any such work.

Section 5. Additional Rights of the Developer. In view of the fact that the construction of the Developer's development is one which will take the Developer several years to complete, the Developer, in addition to all rights reserved to it under this Declaration, and notwithstanding any other provision of the Declaration specifically reserves the right to use any and all portions of the Property other than those Lots conveyed to Owners, including Common Area which may have previously been conveyed to the Association for all reasonable purposes necessary or appropriate to the full and final completion of construction of the Constant Branch development. Specifically, none of the provisions concerning Architectural Control or Use Restrictions shall in any way apply to any aspect of the Developer's activities or construction, and notwithstanding any provisions of this Declaration, none of the aforesaid construction activities or any other activities associated with construction, sales management or administration of the Constant Branch development shall be deemed noxious, offensive or a nuisance. The Developer reserves the right to store materials, construction debris and trash during the construction period on the Property without keeping same in containers. The Developer will take reasonable steps to avoid unduly interfering with the beneficial use of the lots.

ARTICLE X

Party Walls, Easements, and Maintenance

The rights and duties of the Owners with respect to party walls shall be governed by the following:

Section 1. General Rules of Law to Apply. Each wall which is constructed as a part of the original construction on the Lot and any part of which is placed on the dividing line between separate Lots, shall constitute a party wall, and to the extent not inconsistent herewith, the general rules of law regarding party walls and of liability for property damage due to negligence or willful acts or omissions, shall apply thereto.

Section 2. Sharing of Repair and Maintenance and Destruction by Fire or Other Casualty. If any such party wall is damaged or destroyed by fire or other casualty or by some cause other than the act of one of the adjoining Owners, his agents, or family (including ordinary wear and tear and deterioration from lapse of time), then, in such event, both such adjoining Owners shall proceed forthwith to rebuild or repair the same to

as good condition as formerly, in proportion to their respective use of the party wall.

Section 3. Repairs of Damage Caused by One Owner. If any such party wall is damaged or destroyed through the act of one adjoining Owner or any of his agents or guests or members of his family (whether or not such act is negligent or otherwise culpable) so as to deprive the other adjoining Owner of the full use and enjoyment of such wall, then the first of such Owners shall forthwith proceed to rebuild and repair the same to as good condition as formerly, without cost to the adjoining Owner.

Section 4. Other Changes. In addition to meeting the other requirements of these restrictive covenants and of any building code or similar regulations or ordinances, any Owner proposing to modify, make addition(s) to or rebuild his residence in any manner which requires the extension or other alteration of any party wall, shall first obtain the written consent of the adjoining Owner.

Section 5. Right to Contribution Runs with Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

Section 6. Dispute. In the event of a dispute between Owners with respect to the repair or rebuilding of a party wall or with respect to the sharing of the cost thereof, then, upon written request of one of such Owners addressed to the Association, the matter shall be submitted to its Board of Directors who shall decide the dispute, and the decision of such Board of Directors shall be final and conclusive upon the parties.

Section 7. Encroachments. If any portion of a party wall shall encroach upon an adjoining lot, by reason of settlement or shifting of any building, or otherwise, a valid easement for the encroachment and for the maintenance of the same as long as the building stands, shall exist.

Section 8. Easements. Each Lot shall be subject to easements to the benefit of the Owners of the adjoining and abutting lots for the unobstructed and uninterrupted use of any and all pipes, ducts, flues, chutes, conduits, cables and wire outlets and utility lines of any kind, to easements for lateral support of adjoining and abutting dwellings, and to easements for the loadwalks and sidewalks serving adjoining and abutting dwellings.

Section 9. Exterior Maintenance. In the event an Owner of any lot in the Property shall fail to maintain the premises and the improvements situated thereon in a manner satisfactory to the Board of Directors, the Association, after approval of two-thirds (2/3) vote of the Board of Directors, shall have the right, through its agents and employees, to enter upon said parcel and to repair, maintain, and restore the Lot and the exterior of the buildings and any other improvements erected thereon. The cost of such exterior maintenance shall be added to and become part of the assessment to which such Lot is subject.

ARTICLE XI

Management

Section 1. Management Agent. The Board of Directors may employ for the Association a professional management agent or

manager (the "Management Agent") at a rate of compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall from time to time authorize in writing. The Management Agent shall perform such duties and services as the Board of Directors shall authorize in writing. If the standards and regulations of FNMA and/or FHLMC prohibit self-management by the Association and FNMA and/or FHLMC holds an interest in a first mortgage or deed of trust against any of the Lots, then no such self-management shall be undertaken by the Association, without the prior written consent and approval of all of the holders of the first mortgages of record on the Lots.

Provided that any Lot subject to this Declaration is then encumbered by a deed of trust or mortgage which is insured by the Federal Housing Administration or guaranteed by the Veterans' Administration, and, provided further, that FHA and/or VA standards and regulations prohibit self-management of the Association, then no such self-management shall be undertaken by the Association without the prior written consent and approval of FHA or VA, as the circumstances may require.

Section 2. Duration of Management Agreement. Any management agreement entered into by the Association shall provide inter alia that such agreement may be terminated for cause by either party upon thirty (30) days' written notice thereof to the other party. The term of any such management agreement shall not exceed one (1) year; provided, however, that the term of any such management agreement may be renewable by mutual agreement of the parties for successive one (1) year periods.

Section 3. Limitation of Liability. The Association shall not be liable for any failure of any services to be obtained by the Association or paid for out of the common expense funds, or for injury or damage to person or property caused by the elements or resulting from water which may leak or flow from any portion of the Common Area, or from any wire, pipe, drain, conduit or the like. The Association shall not be liable to any member for loss or damage, by theft or otherwise, of articles which may be stored upon the Common Area. No diminution or abatement of assessments, as herein elsewhere provided for, shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the Common Area, or from any action taken by the Association to comply with any of the provisions of this Declaration or with any law or ordinance or with the order or directive of any municipal or other governmental authority.

ARTICLE XII

General Provisions

Section 1. Enforcement. The Association, and/or any 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 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.

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

Section 3. Duration and Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of five (5) years. After such five-year period, the Declaration may be amended during the first twenty (20) year period by an instrument signed by the Developer, if the Developer owns any lot, and by not less than seventy-five percent (75%) of the other Records Owners, and if the Developer does not own any lot, by not less than seventy-five percent (75%) of the Owners. Any amendment must be recorded in the Land Records of Harford County and takes effect immediately upon recordation.

Anything set forth in the paragraph immediately above to the contrary notwithstanding, the Developer shall have the absolute unilateral right, power and authority to amend, modify, revise 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 the Developer may be exercised only if the FNMA, GNMA, FHLMC, Veterans Administration, or the 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 the Property or any part thereof or of any Lot thereof, for federally approved mortgage financing proposed under applicable Veterans Administration, Federal Housing Administration or similar programs. If the FNMA, GNMA, FHLMC, Veterans Administration, or the Federal Housing Administration or any successor agency approves the Property or any part thereof or any Lot thereon for federally approved mortgage financing purposes, thereafter any amendments to the Declaration made during any period of time when there are Class B Members shall also require the prior consent of the agency giving such approval.

Section 4. Federal Housing Administration and Veterans Administration Approval. As long as there is a Class B member and if any lot is security for a mortgage or deed of trust insured by the Federal Housing Administration or guaranteed by The Veterans Administration, the following actions will require the prior approval of the Federal Housing Administration and/or The Veterans Administration, as the case may be: dedication of Common Area to the Public; and amendment of this Declaration of Covenants, Conditions and Restrictions, except by the filing of a Supplemental Declaration of Covenants; if development of the land described in the Supplemental Declaration is to take place in accordance with any plans which may have previously been approved by the Federal Housing Administration or the Veterans Administration; or a change in the Use Restrictions as set forth in ARTICLE IX (governed by the provisions of that ARTICLE); abandonment or termination of this Declaration or merger or consolidation of the Association with any other entity or the sale, lease or exchange or other transfer of all or substantially all of the assets of the Association to any other entity; or dedication, conveyance or mortgage of the Common Area or Swimming Pool.

Section 5. Conflicts. In the case of any conflict between

this Declaration, the Articles of Incorporation and the By-Laws of the Association, the Declaration shall control.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals, the day and year first above written.

ATTEST:

TOLLGATE DEVELOPERS, INC.

Shirley Pappas

By Jeffrey G. Rank (SEAL)

WITNESS:

Thomas K. Harris

Joseph J. Bouffard (SEAL)
Joseph J. Bouffard, Trustee

Thomas K. Harris

John W. McClean (SEAL)
John W. McClean, Trustee

ATTEST:

MUNICIPAL SAVINGS BANK, F.S.B.

Thomas K. Harris

By Joseph J. Bouffard (SEAL)

STATE OF MARYLAND, COUNTY OF HARFORD, to wit:

I HEREBY CERTIFY that on this 21st day of October, 1987, before me, a Notary Public in and for the State and County aforesaid, personally appeared JEFFREY G. RANK, Vice President of Tollgate Developers, Inc., and acknowledged the foregoing Declaration to be the act and deed of said corporation.

AS WITNESS my hand and Notarial Seal.

Richard N. Clark (SEAL)
Notary Public

My Commission Expires: 7/1/90

STATE OF MARYLAND, CITY/COUNTY OF Chesapeake, to wit:

I HEREBY CERTIFY that on this 1st day of February, 1987, before me, a Notary Public in and for the State and County aforesaid, personally appeared JOSEPH J. BOUFFARD, Trustee for Municipal Savings Bank, F.S.B., and acknowledged that he executed the foregoing Declaration for the purposes therein contained.

AS WITNESS my hand and Notarial Seal.

Richard N. Clark (SEAL)
Notary Public

My Commission Expires: 7-1-90

LEER 1433 FOLD 0938

STATE OF MARYLAND, CITY/COUNTY OF Baltimore, to wit:

I HEREBY CERTIFY that on this 14th day of October, 1987, before me, a Notary Public in and for the State and County aforesaid, personally appeared JOHN W. McCLEAN, Trustee for Municipal Savings Bank, F.S.B., and acknowledged that he executed the foregoing Declaration for the purposes therein contained.

AS WITNESS my hand and Notarial Seal.

Gloria J. P. [Signature] (SEAL)
Notary Public

My Commission Expires: 7-1-90

STATE OF MARYLAND, CITY/COUNTY OF Baltimore, to wit:

I HEREBY CERTIFY that on this 14th day of October, 1987, before me, a Notary Public in and for the State and County aforesaid, personally appeared Joseph J. [Signature], who is the [Signature] of Municipal Savings Bank, F.S.B., and acknowledged that he/she executed the foregoing Declaration for the purposes therein contained.

AS WITNESS my hand and Notarial Seal.

Gloria J. P. [Signature] (SEAL)
Notary Public

My Commission Expires: 7-1-90

Return to:
Stark & Keenan, P.A.
30 Office Street
Bel Air, MD 21014
(EVS)

LIBER 1433 FOLIO 939

36.392 ACRE PARCEL OF LAND SURVEYED FOR HARFORD DEVELOPMENT CO., INC. LOCATED ON TOLLGATE ROAD, 1ST ELECTION DISTRICT, HARFORD COUNTY, MARYLAND.

BEGINNING FOR THE SAME AT A POINT ON THE SOUTHWESTERLY RIGHT OF WAY LINE OF AN 80-FOOT RIGHT OF WAY HERETOFORE LAID OUT AND KNOWN AS TOLLGATE ROAD AND SHOWN ON FINAL PLAT ONE, PHASE ONE, CONSTANT FRIENDSHIP AS RECORDED AMONG THE LAND RECORDS OF HARFORD COUNTY IN PLAT BOOK C.G.H. 55, FOLIO 25

SAID POINT OF BEGINNING ALSO BEING IN THE NORTHWESTERLY OUTLINE OF LOT 88 AS SHOWN ON FINAL PLAT FOUR SECTION ONE, OAKS OF HARFORD AS RECORDED AMONG THE LAND RECORDS OF HARFORD COUNTY IN PLAT BOOK H.D.C. 51, FOLIO 11 AND RUNNING THENCE LEAVING TOLLGATE ROAD BINDING ON THE OUTLINE OF FINAL PLAT FOUR, SECTION ONE, OAKS OF HARFORD AFORESAID TWO COURSES VIZ: SOUTH 55° 03' 51" WEST 305.71 FEET AND SOUTH 29° 44' 42" WEST 241.87 FEET TO THE NORTHERLY MOST CORNER OF LOT 179 AS SHOWN ON FINAL PLAT FIVE, SECTION THREE, OAKS OF HARFORD, THENCE LEAVING FINAL PLAT FOUR, SECTION ONE, OAKS OF HARFORD BINDING ON THE NORTHERLY OUTLINE OF LOTS 179 THROUGH 173 AS SHOWN ON FINAL PLAT FIVE, SECTION THREE, OAKS OF HARFORD AFORESAID TWO COURSES VIZ: SOUTH 84° 21' 34" WEST 406.97 FEET, AND SOUTH 69° 34' 49" WEST 123.93 FEET TO THE END OF THE 68TH OR SOUTH 22° 28' 43" WEST 502.48 FEET LINE OF THAT TRACT OR PARCEL OR LAND CONVEYED BY AND DESCRIBED IN A DEED FROM RICHARD E. LATTANZI TO HARFORD DEVELOPMENT CO., INC. DATED

LIBER 1433 FOLIO 940

PAGE 2

NOVEMBER 1, 1985 AND RECORDED AMONG THE LAND RECORDS OF HARFORD COUNTY IN LIBER H.D.C. 1293, FOLIO 841, THENCE BINDING REVERSELY ON THE 68TH THROUGH 51ST LINES THEREOF EIGHTEEN COURSES VIZ: NORTH 22° 28' 43" EAST 502.48 FEET BY A CURVE TO THE RIGHT IN A NORTHWESTERLY DIRECTION OF RADIUS 400.00 FEET AN ARC DISTANCE OF 455.74 FEET SAID ARC BEING SUBTENDED BY A CHORD BEARING NORTH 51° 12' 21" WEST 431.49 FEET, NORTH 71° 26' 02" EAST 123.62 FEET, NORTH 31° 48' 18" WEST 537.79 FEET, NORTH 63° 03' 01" EAST 165.39 FEET, NORTH 13° 36' 51" WEST 263.40 FEET, NORTH 88° 58' 37" WEST 224.04 FEET, SOUTH 05° 18' 03" WEST 97.42 FEET, SOUTH 68° 19' 37" WEST 414.29 FEET, SOUTH 80° 03' 03" WEST 116.73 FEET, NORTH 43° 36' 10" WEST 116.00 FEET, NORTH 09° 11' 02" EAST 169.17 FEET, NORTH 27° 00' 46" EAST 206.74 FEET, SOUTH 85° 32' 31" EAST 196.92 FEET, NORTH 06° 04' 21" EAST 498.92 FEET, SOUTH 84° 38' 40" EAST 119.24 FEET, NORTH 29° 26' 32" WEST 25.00 FEET, AND NORTH 60° 33' 28" EAST 135.00 FEET TO THE BEGINNING OF THE 3RD OR NORTH 87° 28' 56" EAST 190.53 FEET LINE OF PARCEL NUMBER TWO OF THAT TRACT OR PARCEL OF LAND CONVEYED BY AND DESCRIBED IN A DEED FROM CONSTANT FRIENDSHIP INC. TO HARFORD DEVELOPMENT CO., INC. AND INTENDED TO BE RECORDED AMONG THE LAND RECORDS OF HARFORD COUNTY, RUNNING THENCE BINDING ON SAID 3RD LINE, NORTH 87° 28' 56" EAST 190.53 FEET TO A POINT ON THE WESTERLY RIGHT OF WAY LINE OF AN 80-FOOT RIGHT OF WAY NOW LAID OUT AND KNOWN AS TOLLGATE ROAD, THENCE BINDING ON SAID RIGHT OF WAY THREE COURSES VIZ: BY A CURVE TO THE LEFT IN A SOUTHEASTERLY DIRECTION OF RADIUS 875.00

LIBER 1433 FOLIO 941

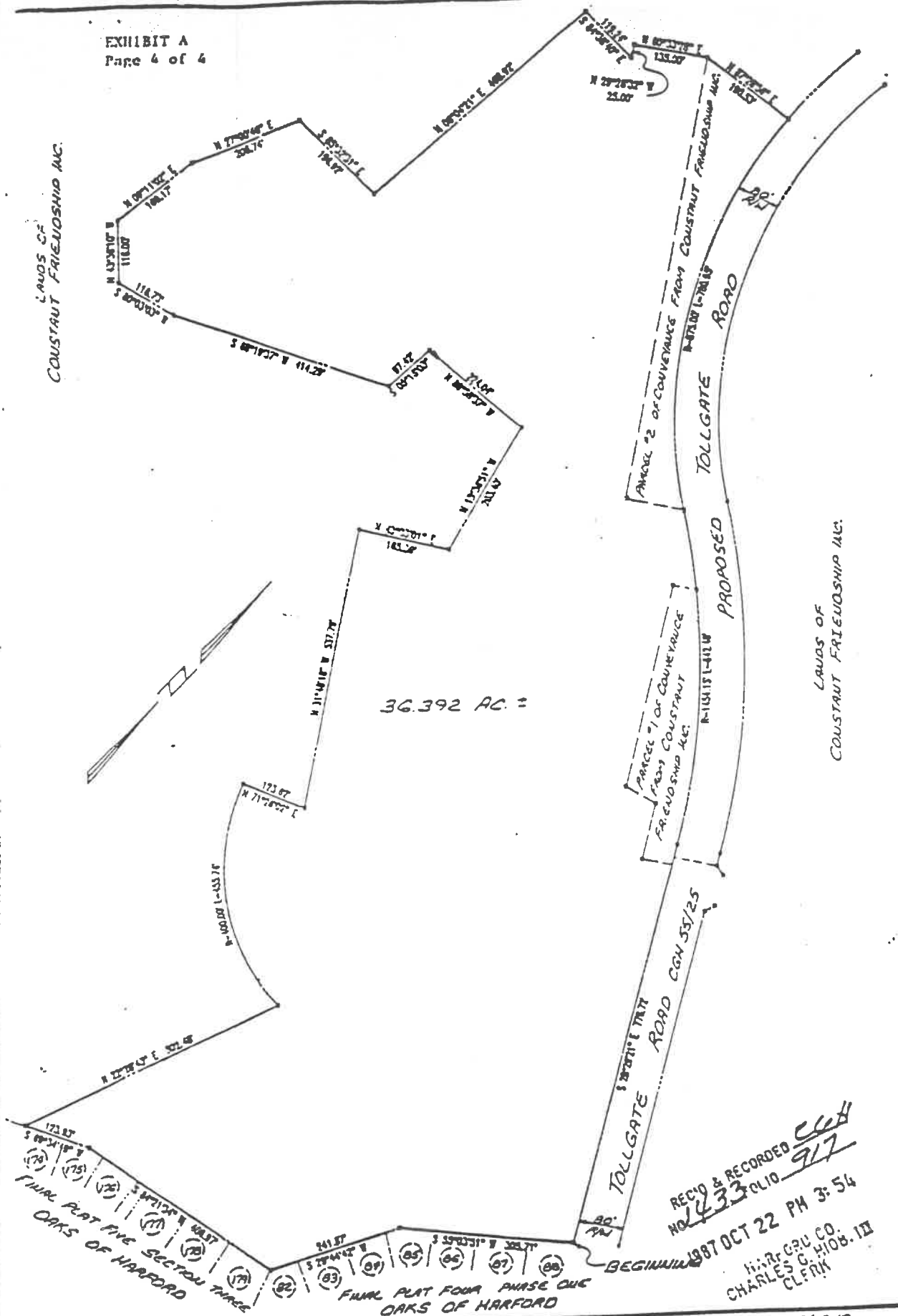
PAGE 3

FEET AN ARC DISTANCE OF 780.95 FEET SAID ARC BEING SUBTENDED BY A CHORD BEARING SOUTH 28° 05' 12" EAST 755.29 FEET TO A POINT OF REVERSE CURVATURE. THENCE BY A CURVE TO THE RIGHT IN A SOUTHEASTERLY DIRECTION OF RADIUS 1454.15 FEET AN ARC DISTANCE OF 642.49 FEET SAID ARC BEING SUBTENDED BY A CHORD BEARING SOUTH 41° 08' 48" EAST 637.28 FEET TO A POINT OF TANGENCY, THENCE SOUTH 28° 29' 21" EAST 776.72 FEET TO THE BEGINNING HEREOF CONTAINING 36.392 ACRES MORE OR LESS

BEING PART OF THAT TRACT OR PARCEL OF LAND CONVEYED BY AND DESCRIBED IN A DEED FROM RICHARD E. LATTANZI TO HARFORD DEVELOPMENT CO., INC. DATED NOVEMBER 1, 1985 AND RECORDED AMONG THE LAND RECORDS OF HARFORD COUNTY IN LIBER H.D.C 1293, FOLIO 841 AND

ALSO BEING ALL OF THAT TRACT OR PARCEL OF LAND CONVEYED BY AND DESCRIBED IN A DEED FROM CONSTANT FRIENDSHIP, INC. TO HARFORD DEVELOPMENT CO., INC. AND INTENDED TO BE RECORDED AMONG THE LAND RECORDS OF HARFORD COUNTY.

LIB 1433 FLD 0942



MORRIS AND RITCHIE ASSOCIATES, INC.

ENGINEERS AND SURVEYORS
139 NORTH MAIN STREET - SUITE 200
BEL AIR MARYLAND 21014
PHONE: 836-7560 - 879-1690

LIBER 1433 FOLIO 94

36.392 ACRE PARCEL OF LAND
SURVEYED FOR

HARFORD DEVELOPMENT CO., INC.
LOCATED ON TOLLGATE ROAD
1ST ELECTION DISTRICT, HARFORD CO., MD

REC'D & RECORDED
NOV 4 33
1987 OCT 22 PM 3:54
HARFORD CO.
CHARLES G. HIGGINS
CLERK

1. Attached:
2. Checkbook
3. 1/2 page St.
4. Building, 1700 3104

VILLAGE OF CONSTANT BRANCH TOWNHOUSES
AMENDED DECLARATION OF COVENANTS AND RESTRICTIONS

THIS AMENDED DECLARATION, made this 22nd day of March, 1989 by
Q.A.R. CORPORATION, a Maryland Corporation, hereinafter called Developer.

WITNESSETH:

WHEREAS, Tollgate Developers, Inc., on October 21, 1988, made a Declaration of Covenants and Restrictions for certain real property and improvements to be constructed thereon which is recorded in the Land Records of Harford County in Liber C.G.H., No. 1403, folio 917, hereinafter referred to as "Declaration", and

WHEREAS, the subdivision which is subject to the Declaration is named the "Village of Constant Branch", and

WHEREAS, the Declaration subjected approximately 36.392 acres, more or less, to its terms and conditions, and

WHEREAS, Tollgate Developers, Inc., on August 31, 1988, transferred by deed 21.958 acres of the property of the Village of Constant Branch townhouse subdivision to the Developer, which deed is recorded in the Land Records of Harford County in Liber C.G.H., No. 1506, folio 573, and

WHEREAS, the Developer has changed the name of that portion of the Village of Constant Branch subdivision which it purchased from Tollgate Developers from "Village of Constant Branch" to "Village of Constant Branch - Crisfield Crossing", and

WHEREAS, even though the property constituting the Village of Constant Branch - Crisfield Crossing" is, as a matter of law, subject to the terms and conditions of the Declaration, the Developer desires to execute this Amended Declaration for the purpose of confirming and restating its intent

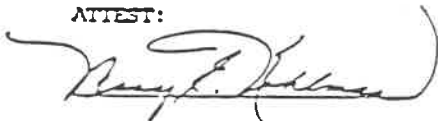
LIBER 1536 FOLIO 963

to subject the property comprising the Village of Constant Branch-Crisfield Crossing", as described in Exhibit A, to the terms of the Declaration.

NOW, THEREFORE, the Developer declares that the real property described in Exhibit A is and shall be subject to the covenants, restrictions, easements, charges and liens set forth in the Village of Constant Branch Townhouses Declaration of Covenants and Restrictions dated October 21, 1987 which is recorded in the Land Records of Harford County in Liber C.G.H., No. 1433, folio 917.

IN WITNESS WHEREOF, the undersigned sets it's hand and seal, the day and year first above written.

ATTEST:



Q.A.R. CORPORATION

By  (SEAL)
Jeffrey Bank, Vice President

STATE OF MARYLAND, COUNTY OF HARFORD, TO WIT:

I HEREBY CERTIFY that on this 22nd day of March, 1989, before me, the subscriber, a Notary Public of the State and County aforesaid, personally appeared Jeffrey Bank, Vice President of Q.A.R. Corporation, known to me (or satisfactorily proven) to be the person described in and who executed the foregoing instrument and acknowledged the same to be his act and deed for the purposes therein contained.

WITNESS my hand and official seal


Notary Public

My Commission Expires:



EVS/LS

- 2 -

LIBER 1536 FOLIO 964

MORRIS & RITCHIE ASSOCIATES, INC.
CIVIL ENGINEERS & SURVEYORS
139 NORTH MAIN STREET
SUITE 200
BEL AIR, MARYLAND 21014

RICHARD MORRIS, P. E.
EIRK RITCHIE, P. L. S.
THOMAS O'LAUGHLIN
JOHN L. WATTE, P. E.
DENNIS ALLEGIER

AREA CODE 301
838-7560
879-1890

AUGUST 16, 1988

21.958 ACRE PARCEL OF LAND SURVEYED FOR TOLLGATE DEVELOPERS, INC., LOCATED ON SOUTHWEST SIDE OF TOLLGATE ROAD, FIRST ELECTION DISTRICT, HARFORD COUNTY, MARYLAND.

BEGINNING FOR THE SAME AT A POINT ON THE NORTHWEST RIGHT OF WAY LINE OF CRISFIELD DRIVE, 60 FEET WIDE, AS SHOWN ON A PLAT ENTITLED, "FINAL PLAT TWO, SECTION TWO, CONSTANT BRANCH" AND RECORDED AMONG THE LAND RECORDS OF HARFORD COUNTY, MARYLAND IN PLAT BOOK C.G.H. 57, FOLIO 89, SAID POINT ALSO BEING IN AND DISTANT 30.73 FEET FROM THE END OF THE SIXTY-FIFTH OR SOUTH 31° 48' 18" EAST 537.79 FOOT LINE DESCRIBED IN SCHEDULE A OF A DEED FROM RICHARD E. LATTANZI TO HARFORD DEVELOPMENT CO., INC., DATED NOVEMBER 1, 1985 AND RECORDED AMONG THE AFORESAID LAND RECORDS IN LIBER 1293, FOLIO 841, THENCE LEAVING SAID CRISFIELD DRIVE AND BINDING REVERSELY ON PART OF THE SIXTY-FIFTH AND ALL OF THE SIXTY-FOURTH THROUGH FIFTY-FIRST LINES OF THE AFORESAID DEED, FIFTEEN COURSES, VIZ:

1. NORTH 31° 48' 18" WEST 507.06 FEET.
2. NORTH 63° 03' 01" EAST 165.39 FEET.
3. NORTH 13° 36' 51" WEST 263.40 FEET.
4. NORTH 88° 58' 37" WEST 224.04 FEET.
5. SOUTH 05° 18' 03" WEST 97.42 FEET.
6. SOUTH 68° 19' 37" WEST 414.29 FEET.
7. SOUTH 80° 03' 03" WEST 116.73 FEET.

LIBER 1536 FOLIO 965

EXHIBIT A

8. NORTH 43° 36' 10" WEST 116.00 FEET.
9. NORTH 09° 11' 02" EAST 169.17 FEET,
10. NORTH 27° 00' 46" EAST 206.74 FEET,
11. SOUTH 85° 32' 31" EAST 196.92 FEET.,
12. NORTH 06° 04' 21" EAST 498.92 FEET,
13. SOUTH 84° 38' 40" EAST 119.24 FEET,
14. NORTH 29° 26' 32" WEST 25.00 FEET, AND
15. NORTH 60° 33' 28" EAST 135.00 FEET TO A
POINT, SAID POINT BEING AT THE BEGINNING OF
THE THIRD OR NORTH 87° 28' 56" EAST 190.53
FOOT LINE OF PARCEL NUMBER TWO DESCRIBED IN
SCHEDULE A OF A DEED FROM CONSTANT
FRIENDSHIP, INC. TO HARFORD DEVELOPMENT CO.,
INC. DATED MARCH 10, 1987 AND RECORDED AMONG
THE AFORESAID LAND RECORDS IN LIBER 1382,
FOLIO 945, THENCE BINDING THEREON.
16. NORTH 87° 28' 56" EAST 190.53 FEET TO INTERSECT THE
SOUTHWESTERLY RIGHT OF WAY LINE OF PROPOSED TOLLGATE
ROAD, 80 FEET WIDE, THENCE BINDING ON SAID RIGHT OF WAY
LINE, FOUR COURSES, VIZ:
17. BY A CURVE TO THE LEFT WITH A RADIUS OF
875.00 FEET AND AN ARC LENGTH OF 782.37 FEET,
SAID CURVE BEING SUBTENDED BY A CHORD BEARING
SOUTH 28° 07' 59" EAST 756.57 FEET TO A POINT
OF REVERSE CURVATURE,

LIBER 1536 FOLIO 966

21.958 ACRE PARCEL OF LAND
AUGUST 16, 1988
PAGE 3

18. BY A CURVE TO THE RIGHT WITH A RADIUS OF 1454.15 FEET AND AN ARC LENGTH OF 641.07 FEET, SAID CURVE BEING SUBTENDED BY A CHORD BEARING SOUTH 41° 07' 08" EAST 635.89 FEET TO A POINT OF TANGENCY,
19. SOUTH 28° 29' 21" EAST 24.12 FEET, AND
20. SOUTH 16° 30' 39" WEST 21.21 FEET TO INTERSECT THE AFORESAID NORTHWEST RIGHT OF WAY LINE OF CRISFIELD DRIVE, THENCE RUNNING AND BINDING THEREON,
21. SOUTH 61° 30' 39" WEST 648.47 FEET TO THE PLACE OF BEGINNING.

CONTAINING 21.958 ACRES OF LAND MORE OR LESS.

BEING PART OF THE LAND CONVEYED AND DESCRIBED IN A DEED FROM HARFORD DEVELOPMENT CO., INC. TO TOLLGATE DEVELOPERS, INC., DATED MARCH 11, 1987 AND RECORDED AMONG THE LAND RECORDS OF HARFORD COUNTY, MARYLAND IN LIBER 1382, FOLIO 952.

SUBJECT TO A 20 FOOT WIDE SLOPE EASEMENT ALONG THE SOUTHWEST SIDE OF TOLLGATE ROAD AND A 20 FOOT DRAINAGE AND UTILITY EASEMENT BOTH AS DESCRIBED IN THE FOLLOWING TWO DEEDS:

1. FROM HARFORD DEVELOPMENT CO., INC. TO CONSTANT FRIENDSHIP, INC., DATED FEBRUARY 9, 1987 AND RECORDED AMONG THE AFORESAID LAND RECORDS IN LIBER 1378, FOLIO 588, AND
2. FROM CONSTANT FRIENDSHIP, INC. TO HARFORD

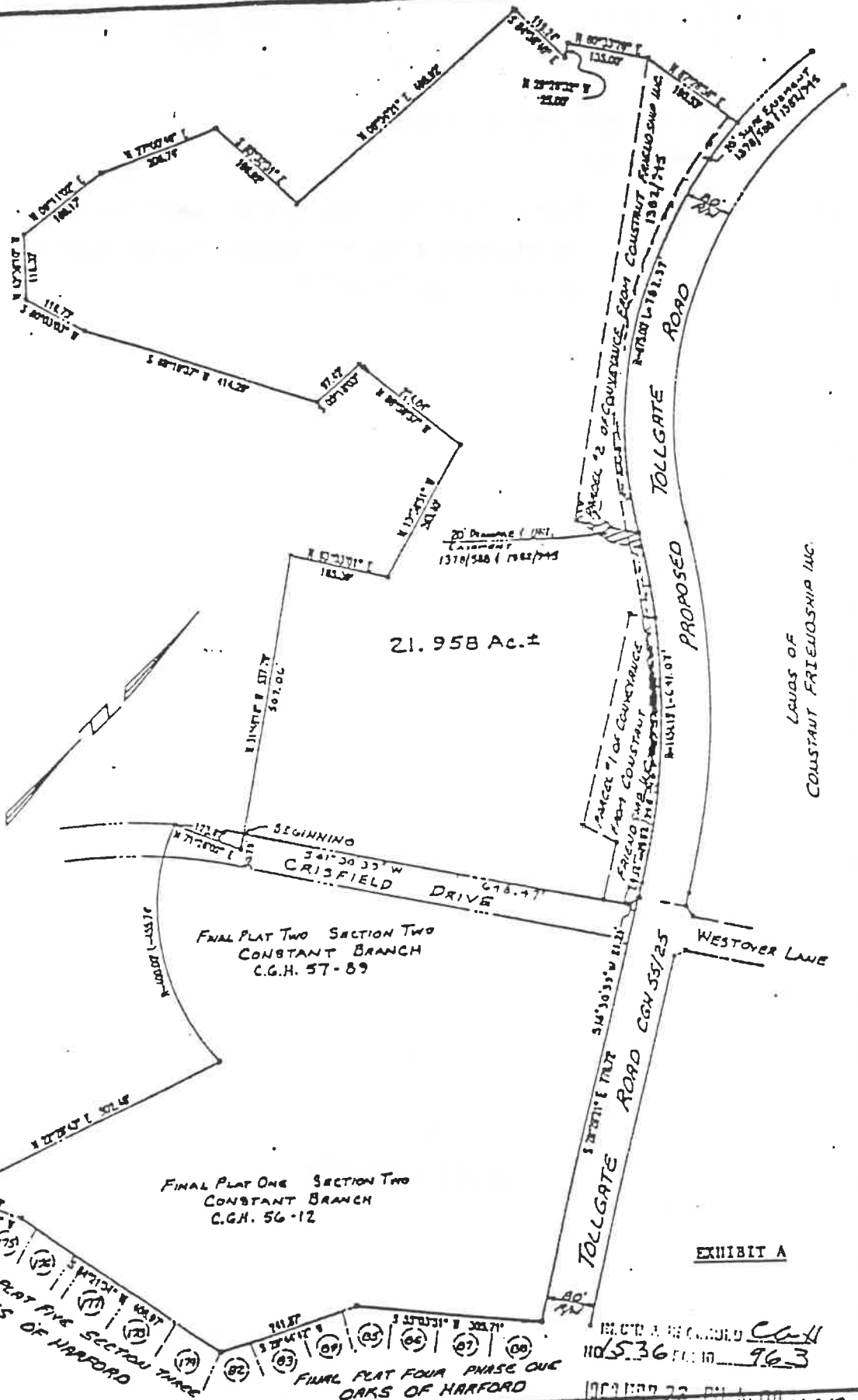
LIBER 1536 FOLIO 967

21.958 ACRE PARCEL OF LAND
AUGUST 16, 1988
PAGE 4

DEVELOPMENT CO., INC. DATED MARCH 10, 1987
AND RECORDED AMONG THE AFORESAID LAND RECORDS
IN LIBER 1382, FOLIO 945.

LIBER 1536 FOLIO 968

LANDS OF
CONSTANT FRIENDSHIP INC.



LANDS OF
CONSTANT FRIENDSHIP INC.

MORRIS AND RITCHIE ASSOCIATES, INC.

ENGINEERS AND SURVEYORS
138 NORTH MAIN STREET - SUITE 200
BELL AND MARYLAND
PHONE: 830-7380 - 879-1890

21.958 ACRE PARCEL OF LAND
SURVEYED FOR
TOLLGATE DEVELOPERS, INC.
LOCATED ON TOLLGATE ROAD
1ST ELECTION DISTRICT, HARFORD CO., MD

By Laws

BY-LAWS

OF

VILLAGE OF CONSTANT BRANCH TOWNHOUSES ASSOCIATION, INC.

ARTICLE I

NAME AND LOCATION: The name of the corporation is Village of Constant Branch Townhouses Association, Inc., hereinafter referred to as the "Association". The principal office of the Association shall be at ~~111 WARREN RD~~, Suite 13, ~~COCKEYSVILLE~~, Maryland ~~21030~~, 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

Section 1. Association. "Association" shall mean and refer to Village of Constant Branch Townhouses Association, Inc., its successors and assigns.

Section 2. Common Area. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the members of the Association. The Common Area to be owned by the Association as set forth in the Declaration shall be the land, except the Lots and public streets, as depicted on the appropriate Plats of Constant Branch (hereinafter defined). The Common Area includes, but is not limited to, private roads and parking areas, open space, recreational areas and storm water management facilities.

Section 3. Declarant. "Declarant" shall mean and refer to Tollgate Developers, Inc., its successors and assigns.

Section 4. Declaration. "Declaration" shall mean the Declaration of Covenants and Restrictions, dated 10/31/87, 1987, by the Declarant, recorded among the Land Records of Harford County, Maryland, in Liber C.G.H. No. 1433, folio 0917, and any Amendments and/or Supplements thereto.

Section 5. Lot. "Lot" shall mean and refer to all numbered subdivided parcels shown on the Plats of Constant Branch and

shall not include drainage and/or utility easements or public streets or Common Area.

Section 6. Plat of Constant Branch. "Plat of Constant Branch" shall mean and refer to and include the plats entitled "Constant Branch, Section Two, Final Plat One and Two", prepared by Morris & Ritchie Associates, Inc., and recorded among the Land Records of Harford County, Maryland, in Plat Book No. C.G.H. No. _____, folio _____, and all other Plats hereafter recorded for the subdivision of The Village of Constant Branch into Lots.

Section 7. Property. "Property" shall mean and refer to and include the Property, together with the buildings and improvements thereupon erected, made or being, and all and every rights to the alleys, ways, waters, privileges, appurtenances and advantages to the same belonging, or in anywise appertaining, and such additions to such land, buildings, improvements, appurtenances and advantages as may hereafter be brought within the jurisdiction of the Association.

ARTICLE III

MEMBERSHIP

Section 1. Membership. Qualification for membership and the classes of membership shall be as defined in the Articles of Incorporation and the Declaration.

ARTICLE IV

BOARD OF DIRECTORS: SELECTION; TERM OF OFFICE

Section 1. Number. As of and after the first annual meeting of members, the affairs of the Association shall be managed by a Board of not less than three (3) Directors, nor more than seven (7) Directors, who need not be members of the Association. Prior to said meeting, the affairs of the Association shall be managed by the Directors named in the Articles of Incorporation, thereafter, the number of Directors shall be determined, from time to time, by the Board of Directors.

Section 2. Election. At the first annual meeting, the members shall elect one (1) director for a term of one (1) year, one (1) director for a term of two (2) years and one (1) director

for a term of three (3) years. If additional Directors are added increasing the number to more than 3, then the then Directors shall decide on the length of the terms of the additional Directors, which shall not be less than one (1) year.

Section 3. Renewal. 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 successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

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

MEETING OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a Sunday or a legal holiday, then that meeting shall be held at the same time on the next day which is not a Sunday or a legal holiday.

Section 2. Special Meeting. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by a majority of the 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 VI

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall 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 or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next 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 that are to be filled. Such nominations may be made from among members or non-members.

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 votes of the Class A members and the Class B members shall be combined. The persons receiving the largest number of total votes cast shall be elected. Cumulative voting is not permitted.

ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

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

(a) After the Developer's rights and obligations under the Declaration cease, shall, as needed from time to time, appoint members to the Design Review Board as defined in Article VIII of the Declaration;

(b) Exercise for the Association all powers, duties and authority vested in or delegated to this Association and not

reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation or the Declaration;

(c) 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 regular meetings of the Board of Directors; and

(d) Employ a manager, an independent contractor and/or such other employees as they may deem necessary, and to prescribe their duties as provided for in the Declaration.

Section 2. Duties. It shall be the duty of the Board of Directors to use its best efforts to:

(a) Cause to be kept a complete record of all its acts and corporate affairs;

(b) Supervise all officers, agents and employees of this 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 maintenance assessments against each lot at least thirty (30) days in advance of each fiscal year, as set forth in Article V of the Declaration, and

(2) Send written notice of any assessment to every Owner as provided for in the Declaration, and

(3) Establish a lien against any property for which assessments are not paid within sixty (60) days after the due date and/or to bring an action at law against the Owner personally obligated to pay the same. The unpaid assessment shall bear interest from the due date at the rate of ten percent (10%); any judgment obtained for such delinquent assessment shall include such reasonable attorneys' fees as may be fixed by the court together with the cost of the action.

(d) Issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board 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 and all other property owned by the Association to be preserved, operated and maintained in good order and repair and to establish reserves for such purposes if they deem it appropriate to do so.

ARTICLE VIII

COMMITTEES

Section 1. Appointment. The Board of Directors shall appoint such committees as deemed appropriate in carrying out the purposes of the Association.

Section 2. Duties. It shall be the duty of each committee to receive complaints from members on any matter involving Association functions, duties, and activities within its field of responsibility. It shall dispose of such complaints as it deems appropriate or refer them to such other committee, director or officer of the Association as is further concerned with the matter presented.

ARTICLE IX

MEETINGS OF MEMBERS

Section 1. Annual Meetings. The annual meetings of the members shall be held on the second Wednesday in November at the hour of 7:30 p.m., or such other time as may be determined by the directors. If the day for the annual meeting of the members is a Sunday or a legal holiday, the meeting will be held at the same hour of the first day following which is not a Sunday or a legal holiday. The first annual meeting shall take place no later than one year following the date of recording of the Declaration.

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 entitled to vote one-fourth (1/4) of the votes of the Class A or 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 (or such different notice period as specified for certain actions in the Declaration and/or Articles of Incorporation) 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 the agenda for the business to be transacted at the meeting. Such notice shall state that if a sufficient number of members to constitute a quorum or to approve or authorize the actions set forth in the notice are not in attendance, the members present at such meeting, in person or by proxy, may by majority vote call a further meeting of the members for the same purpose. Said notice shall further state that fifteen (15) days' notice of the time, place and purpose of such further meeting shall be given by advertisement inserted in a newspaper published in the county in which is located the principal office of the Association. Said notice shall further state that at such further meeting the members present, in person or by proxy, shall constitute a quorum and by majority vote of those present, in person or by proxy, may approve or authorize the proposed action or take any other action which might have been taken at the original meeting if a sufficient number of members had been present; and the notice of such further meeting shall so state.

Section 4. Quorum. The presence at the meeting in person or by proxy of one-fourth (1/4) of the members entitled to vote shall constitute a quorum for any action except as otherwise provided in the Declaration, Articles of Incorporation or these By-Laws. If, however, such quorum shall not be present, in

person or by proxy, or represented at any meeting, then, if the notice of such meeting stated that the procedure authorized by this Section 4 might be invoked, the members present at such meeting, in person or by proxy, may by majority vote call a further meeting of the members of the same purpose. Fifteen (15) days' notice of the time, place and purpose of such further meeting shall be given by advertisement inserted in a newspaper published in the county in which is located the principal office of the Association. At such further meeting, the members present, in person or by proxy, shall constitute a quorum and by majority vote of those present (unless a different percentage shall be required for any specific action in the Declaration, Articles of Incorporation or these By-Laws), in person or by proxy, may approve or authorize the proposed action and take any action which might have been taken at the original meeting if a sufficient number of members had been present; and the notice of such further meeting shall so state.

Section 5. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his Lot.

Section 6. Votes. Except as provided in the Declaration or the Articles of Incorporation, the votes of the Class A and Class B members shall be combined, and all decisions shall be made by majority of the total votes cast, whether in person or by proxy.

ARTICLE X

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of this Association shall be a president and vice-president who shall be ex-officio 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 following each annual meeting of the members.

Section 3. Term. The officers of this Association shall be elected annually by the Board of Directors and each shall hold office for one (1) year unless he 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 in the manner prescribed for regular election. The officer elected to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this ARTICLE.

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

President

(a) The president shall preside at all meetings of the Board of Directors and at all meetings of the members; shall see that orders and resolutions of the Board and the membership are carried out; shall sign all leases, mortgages, deeds and other

written instruments; and shall co-sign all checks and promissory notes.

Vice-President

(b) 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.

Secretary

(c) The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of 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.

Treasurer

(c) The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall co-sign all checks and promissory notes of the Association; keep proper books of account; cause an annual budget 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 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 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 By-Laws 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

CORPORATE SEAL

The seal of the Association shall be circular in form with the name of the Association and "Maryland" inscribed around the

outer edge, and in the center shall be inscribed "Incorporated 1987".

ARTICLE XIII

AMENDMENTS

Section 1. These By-Laws may be amended, at a regular or special meeting of the members, by a vote of a majority of members present (in person or by proxy) and voting, except that while there is a Class B member and if any lot is security for a mortgage or deed of trust insured by the Federal Housing Administration (F.H.A.) or guaranteed by the Veterans Administration (V.A.), the F.H.A. and/or the V.A., as the case may be, shall have the right to veto amendments.

Section 2. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

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.

