

## DISCLOSURE STATEMENT

FOR

### FOX VALLEY ESTATES HOMEOWNERS ASSOCIATION, INC.

Every purchaser of a residence in the Fox Valley Estates community automatically becomes a member of the Fox Valley Estates Homeowners Association, Inc. (hereinafter the "Association"). All members of the Association are subject to the restrictions, rights and obligations contained within the Declaration of Covenants, Conditions and Restrictions for the Association recorded, or to be recorded, among the Land Records of Howard County, Maryland (hereinafter referred to as the "Declaration") including, but not limited to, the obligation to pay assessments to the Association. The disclosure information set forth below is being provided in accordance with the Maryland Homeowners Association Act (the "Act"). The property which is, or may hereafter be annexed within the jurisdiction of the Association shall hereinafter be referred to as the "Properties" or as the "Development". Certain other capitalized terms used herein, unless otherwise defined herein, have the meanings specified in the Declaration, a copy of which is attached as Exhibit "B" hereto.

#### Section 1

I. Declarants (hereinafter collectively referred to as the "Declarant"):

1. West Friendship Estates  
a Maryland general partnership

Principal Address  
in Maryland: 11900 Tech Road  
Silver Spring, Maryland 20904

Telephone Number: (301) 622-0100

2. Pedicord Joint Venture,  
a Maryland general partnership

Principal Address  
in Maryland: 11900 Tech Road  
Silver Spring, Maryland 20904

Telephone Number: (301) 622-0100

II. Vendors (hereinafter collectively referred to as the "Developers"; and individually as a "Developer"):

I. Greenfield Homes, Inc.,  
a Maryland corporation

Principal Address  
in Maryland:

6656 Luster Drive  
Highland, Maryland 20777

Telephone Number:

(410) 781-6782

Principal Officers  
or General Partners:

Wayne Greenfield      President

Address of Principal  
Officers or General  
Partners:

6656 Luster Drive  
Highland, Maryland 20777

2. Trinity Custom Homes, Inc.,  
a Delaware corporation

Principal Address  
in Maryland:

6212 Devon Drive  
Columbia, Maryland 21044

Telephone Number:

(410) 730-3137

Principal Officers  
or General Partners:

Michael Pfau              President/Treasurer  
Mary Therese Pfau      Vice President/Secretary

Address of Principal  
Officers or General  
Partners:

6212 Devon Drive  
Columbia, Maryland 21044

3. Altieri Enterprises,  
a Maryland corporation

Principal Address  
in Maryland:

9017 Red Branch Road  
Columbia, Maryland 21045

Telephone Number:

(410) 715-4500

Principal Officers  
or General Partners:           Daren Altieri           President  
  Greig Altieri           Vice President  
  Frank Altieri           Treasurer

Address of Principal  
Officers or General  
Partners:                        9017 Red Branch Road  
  Columbia, Maryland 21045

4. James H. Selfridge Builders, Inc.,  
a Maryland corporation

Principal Address  
in Maryland:                   14045 Gared Drive  
  Glenwood, Maryland 21738

Telephone Number:           (410) 992-8282

Principal Officers  
or General Partners:           James H. Selfridge    President

Address of Principal  
Officers or General  
Partners:                        14045 Gared Drive  
  Glenwood, Maryland 21738

5. Dorsey Builders, Inc.,  
a Maryland corporation

Principal Address  
in Maryland:                   13090 Old Frederick Road  
  Sykesville, Maryland 21784

Telephone Number:           (410) 442-8200

Principal Officers  
or General Partners:           Phillip H. Dorsey     President

Address of Principal  
Officers or General  
Partners:                        13090 Old Frederick Road  
  Sykesville, Maryland 21784

6. Hamilton Reed, L.L.C.,  
a limited liability company

Principal Address  
in Maryland:                   10805 Hickory Ridge Road  
  Suite 215  
  Columbia, Maryland 21044

Telephone Number: (410) 740-2100

Members: Stephen Forney Member  
Land Design & Dev., Inc. Member

Address of Members: 10805 Hickory Ridge Road  
Suite 215  
Columbia, Maryland 21044

As of the date of this document the names and addresses of the Declarant and of the Developers, and the names and addresses of the principal officers, general partners or members, as applicable, of the Developers are as set forth above, however, the Declarant and the Developers reserve the right to change such names and addresses at their sole discretion from time to time.

### Section 2

- I. The name of the Association is Fox Valley Estates Homeowners Association, Inc.
- II. The Association is incorporated in the State of Maryland.
- III. The resident agent of the Association is, or will be:

Donald R. Reuwer, Jr.  
10805 Hickory Ridge Road, Suite 215  
Columbia, Maryland 21044

### Section 3

I. The Development is located in the Third (3rd) Election District of Howard County, Maryland. The Declarant presently contemplates that the Development may contain a maximum of one hundred (100) Lots and may contain up to approximately 423.89 acres, however, the Declarant reserves the right to annex such property within the Development in stages or phases and to annex more or less than the anticipated maximum number of Lots and/or acreage within the Development. It is anticipated that the Development may contain a total of one hundred (100) single family detached dwelling units; provided, however, that the Declarant reserves the right to amend its development plans for the Properties, to modify or alter the size, number, type and location of the dwelling units to be constructed thereon, and to take any other action as it deems necessary or desirable in conjunction with the development of the Properties. Without limiting the generality of the foregoing, the Declarant reserves the right to resubdivide all or a portion of the Properties, to convey all or a portion of the Properties, to convey all or a portion of the Common Areas, to modify the size and location of the Common Areas, and to construct improvements on the Common Areas. The Declarant and the Developers also reserve the right to modify the price of dwelling units in response to market conditions. Purchasers may pay different prices for similar dwelling units. Any property not annexed within the jurisdiction of the Association may be sold, conveyed, transferred or otherwise developed by the Declarant or the Declarant's successors.

II. In addition to the public streets indicated on the subdivision plats for the Properties recorded, or to be recorded, among the Land Records of Howard County, Maryland, the Declarant owns land contiguous to the Development which may be dedicated to public use. In the event that the Development is expanded to include Section 2, the Declarant presently anticipates that certain storm water management and water quality ponds, an area for the widening of Pfeffercorn Road and certain streets (Fox Valley Drive, Velvet Valley Drive and Great Valley Way) will be dedicated to Howard County, Maryland. Further, Preservation Parcel D, as shown on the plats of subdivision for the Properties recorded, or to be recorded among the Land Records of Montgomery County, Maryland, is encumbered by a Deed of Preservation Easement by and among the Declarant, the Association and Howard County, Maryland. It is anticipated that the Association will not be responsible for the maintenance of Preservation Parcel D.

III. The Developers do not own any property contiguous to the Development which is to be dedicated to public use.

#### Section 4

The Association is not within or part of another development or homeowners association.

#### Section 5

The Declarant has annexed Section 1 of the Development which consists of Lots 1 through 56, inclusive, and Parcels A, B, C and D, as shown on plats of subdivision for the Properties entitled "West Friendship Estates, Section 1," recorded among the Land Records of Howard County, Maryland on November 10, 1994 as Plat Numbers 11432 through 11443, inclusive. The Declarant has reserved the right to annex certain additional property in Section 2 of the Development which consists of approximately 44 Lots on 98.26 acres of land in the Third (3rd) Election District of Howard County, Maryland, as more particularly described on Exhibit "B" to the Declaration. The Declarant presently anticipates including a total of one hundred (100) Lots in the Development. The Declarant's right to annex, including any time limits on such annexation, is fully set forth in Article IV of the Declaration. The Declarant reserves the right to annex all or any portion of any additional property within the Development in stages or phases, to annex more or less than the anticipated maximum number of Lots or acreage within the Development and to include more or less than the foregoing number of Lots in any section of the Development. Any part of such property not annexed may be sold, transferred, conveyed or otherwise developed by the Declarant or the Declarant's successors. In the event such sale, transfer, conveyance and/or development occurs, one or more separate homeowners associations may be developed within the property not annexed within the Association.

#### Section 6

I. A copy of the Articles of Incorporation, as filed with the Maryland State Department of Assessments and Taxation, is attached hereto as Exhibit "A". A copy of the Declaration is attached hereto as Exhibit "B". All Owners are, or will be, subject to the restrictions and obligations contained within the Declaration.

II. Any or all of the Lots and/or dwelling units may be subject to other covenants, restrictions, easements and other matters of record, which may be enforced against any Owner and such Owner's tenant. Among such other recorded covenants, restrictions, easements and other matters of record are certain conservation, public utility, public improvement and/or other easements and rights of way as are shown on the plats of subdivision for the Properties recorded, or to be recorded, among the Land Records of Howard County, Maryland and/or as may otherwise be recorded among such Land Records. Purchasers are encouraged to review the foregoing covenants, restrictions, easements and other matters of record as they may include provisions restricting the use of Lots and/or dwelling units. For example, the public utility easements described above could restrict certain Owners from constructing a fence or other structure within the easement area. Other recorded covenants, restrictions, easements and other matters of record, if any, should be available for review in the Land Records of Howard County, Maryland.

III. The Declarant has granted to Howard County, Maryland an easement to and the right to acquire fee simple title to certain storm water management and water quality ponds within the Development. If Howard County, Maryland does acquire fee simple title to these facilities, it is anticipated that the Association will continue to be responsible for the cutting of grass on the property acquired by the County. Additionally, the Declarant has granted an easement over and upon the Lots to maintain the public tree maintenance easements shown on the plats of subdivision for the Properties recorded, or to be recorded, among the Land Records of Howard County, Maryland. The budget for the Association attached as Exhibit "D" hereto provides for the maintenance of the public tree maintenance easements by the Association.

IV. The Maryland Department of Transportation, State Highway Administration ("SHA") is requiring the Declarant to disclose that SHA has future plans to upgrade and dualize Maryland Route 32 and establish access controls along the Route 32 right-of-way. Currently, access to the Property from Maryland Route 32 is via River Valley Chase. If SHA upgrades Maryland Route 32, the access via River Valley Chase may be redesigned to restrict or eliminate movement to Maryland Route 32. SHA will continue the current River Valley Chase access on a temporary basis, but if Maryland Route 32 is upgraded as planned, access to Maryland Route 32 via River Valley Chase may be eliminated, and access to the Property will be via Pfefferkorn Road or other service road to be provided by SHA. A letter dated May 2, 1994 from SHA is attached as Exhibit "E" hereto (the "SHA Letter"). Please note that "Bogey Court" as referenced in the SHA Letter has been changed to "River Valley Chase".

#### Section 7

A copy of the By-Laws, and Rules if any, of the Association are attached hereto as Exhibit "C". The By-Laws, and Rules if any, are, or will be, enforceable against any Owner and such Owner's tenants.

#### Section 8

I. Pursuant to Article I, Section 3 of the Declaration, "Common Areas" are generally defined as "all real property (including the Improvements thereon) owned or to be owned by the Association for the common use and enjoyment of the Owners." The location of the Common Areas is, or will be, graphically shown on the plats of subdivision for the Properties recorded, or to be recorded, among the Land Records of Howard County, Maryland.

II. It is anticipated that the Common Areas will include, if constructed, an entrance feature, a tot lot, tennis courts, a swimming pool and open space. The Association will generally be responsible for the maintenance and repair of the Common Areas and any improvements situated thereon as well as any property which it is obligated or elects to maintain pursuant to any easement, agreement or the requirements of any governmental agency. It is also anticipated that the Association will be responsible for maintenance of certain storm water management and water quality ponds that may be dedicated to Howard County, Maryland, certain public tree maintenance easements within the Lots, and for certain fencing within the Development located adjacent to Maryland Route 32. For a more complete statement of the Association's maintenance responsibilities, see the Declaration attached as Exhibit "B" hereto.

III. Availability of the Common Areas and improvements planned to be included within the Association, as well as the timing of their construction, is dependent upon a number of factors, including, without limitation, the development and construction schedule of all dwelling units planned to be included within the jurisdiction of the Association. If construction of such dwelling units is delayed, then it is possible that the construction of any Common Areas and improvements not then completed may also be delayed or canceled. Similarly, if fewer dwelling units than originally planned are actually constructed, then some of the Common Areas and improvements may not be constructed as presently planned. The Declarant makes no representation or warranty regarding the construction or availability of any of the Common Areas or improvements planned to be included within the jurisdiction of or maintained by the Association, nor has the Declarant authorized any other party to make any such representation or warranty.

#### Section 9

I. A copy of the estimated proposed annual operating budget for the current fiscal year of the Association and a copy of the current projected budget for the Association, as fully expanded, are attached hereto as Exhibit "D". The budgets are, of course, estimates and the Declarant cannot warrant or in any manner represent that sufficient funds have been budgeted to cover all common expenses that may be incurred. Because actual expenditures may differ from estimated expenditures, due to future expenses of the Association being other than anticipated and other variable factors, such estimates are not intended or considered as guarantees of any kind whatsoever.

II. Proposed reserves are shown on the attached budget. Please note that pursuant to Article V, Section 2 of the Declaration, the assessments levied by the Association will be used to, among other things, provide an adequate reserve for maintenance, repair and replacement of the Common Areas and any improvements situated thereon.

#### Section 10

I. Based upon the attached budget, the current anticipated mandatory annual assessment to be paid by Owners of Lots within the Development for the maintenance of the Common Areas, the operation of the Association and for other purposes related to the Association is Five Hundred Forty Dollars (\$540.00) per year. Pursuant to Article V, Section 8 of the Declaration, the due dates for assessments shall be established by the Board of Directors. The assessments shall be used for those purposes contained within Article V, Section 2 of the Declaration including, but not limited to, maintenance of the Common Areas and improvements, and the operation of the Association.

II. The Declarant's exemption from assessments is set forth in Article V, Section 4 of the Declaration. The Declarant and the Class B Member shall not be required to pay any annual or special assessment or fine; however, the Class B Member shall pay full annual and special assessments for any Lot on which is situate a Dwelling held by the Class B Member for rental purposes. Developers shall be required to pay any annual or special assessment due on the Lots they own.

#### Section 11

I. The property anticipated to be included within the Development is presently zoned RC. Properties which are zoned RC may be used for the purposes set forth in the Zoning Ordinance for Howard County, Maryland, including, but not limited to, single family detached dwelling units.

II. Purchasers are encouraged to review the Zoning Ordinance and other materials regarding land use requirements affecting the Development at the offices of the Howard County Office of Planning and Zoning. The Declarant reserves the right to seek zoning changes, amendments and modifications to its development plans for the Properties.

#### Section 12

All mandatory homeowners association fees or assessments and other permitted charges imposed upon Lot owners by the Association will be subject to collection in accordance with Article V of the Declaration and the provisions of the Maryland Contract Lien Act, Section 14-201, *et seq.*, Real Property Article, Annotated Code of Maryland (1996), as amended. Pursuant to Article V of the Declaration, please note the following:

1. Pursuant to Section 8, the annual assessments will generally commence as to all Lots subject to the Declaration thirty (30) days following the sale and settlement of the first Lot conveyed to a Developer by the Declarant. The purchaser or grantee of any Lot will be responsible for assessments on his or her Lot beginning on the date of conveyance of the Lot to such party, and will be required to reimburse the Declarant and/or Developer, as applicable, for the amount of any prepaid assessments on such Lot. It is presently anticipated that the annual assessments will be payable in quarterly installments.

2. Pursuant to Section 8 the due dates for assessments shall be established by the Board of Directors.

3. The procedure for increasing or decreasing such fees, assessments or charges is set forth in Section 3. Article V, Section 3 of the Declaration provides that, until January of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment shall be Five Hundred Forty Dollars (\$540.00) per Lot per year. It is presently anticipated that, pursuant to Article V, Section 3, the Board of Directors will increase the applicable maximum annual assessment by twenty percent (20%) in each of the calendar years 1998 and 1999, and, further, that the then applicable annual assessment will be increased in each such calendar year as set forth in the attached budget.

4. Delinquent fees, assessments and charges will be collected in accordance with Article V.



5. Pursuant to Section 1, the annual and special assessments and fines, together with interest, late charges, costs of collection and reasonable attorney's fees, shall be the personal obligation of the Owner of a Lot.

6. Interest shall be charged on any unpaid assessment or unpaid fine at a rate of eighteen percent (18%) per annum and late charges not exceeding Fifteen Dollars (\$15.00) or ten percent (10%) of the total amount of the delinquent assessment or fine.

7. Pursuant to Sections 1 and 9, unpaid assessments may be collected by the imposition of a lien on a Lot in accordance with the Maryland Contract Lien Act.

8. Lot owners may be assessed late charges, costs of collection and reasonable attorney's fees for the collection of unpaid assessments as set forth in Section 1 and Section 9. In addition, the entire balance of the unpaid annual assessments for the remainder of the year may be accelerated and declared due as set forth in Section 10.

### Section 13

It is not anticipated that any contribution to the Association, other than prorated fees or assessments, will be collected at settlement.

### Section 14

Certain special rights or exemptions reserved by or for the benefit of the Declarant and/or the Developers are contained within the Declaration, including, but not limited to:

1. Pursuant to Article IX of the Declaration and Article IX, Section 1 of the By-Laws, the right to conduct construction, marketing, sales and/or leasing activities within the Development including, but not limited to, the right to use any Lot or dwelling, or improvement therein, for promotional or display purposes, or as model homes, a sales and/or construction office, or for any other lawful purpose.

2. Pursuant to Article V, Section 4, the right to be exempt from annual and special assessments and fines for Lots owned by the Declarant and Class B Member; provided, however, the Class B Member is not exempt from annual and special assessments for any Lot on which is situate a completed Dwelling held by the Class B Member for rental purposes.

3. Pursuant to Article VI, Section 3, and Article IX, Section 3, of the Declaration, and Article XI of the By-Laws, the Declarant's right to be exempt from the architectural controls and the use restrictions and contained in the Declaration during the development, construction and marketing of the Properties. Pursuant to Article IX, Section 3 of the Declaration, the Developers' right to be exempt from the use restrictions contained in Article IX (except that the Developers shall not be exempt from the provisions of Article IX, Section 1(t) of the Declaration) during the development, construction and marketing of the Properties.

4. Pursuant to Article IV of the Declaration, the right to annex additional land within the jurisdiction of the Association.

5. Pursuant to Article II, Section 5 of the Declaration, an easement to enter in and onto the front, side, and rear ten (10) feet of the Lot of an abutting Owner or Developer to

perform the repair and/or replacement of the utility lines that service a Lot.

6. Pursuant to Article X, Section 2(b) of the Declaration, an easement, in, upon, through and over the land comprising the Common Areas for the purpose of installation, maintenance, repair and replacement of all sewer, water, power, telephone and other communication systems, pipes, lines, mains, conduits, poles, transformers and any and all other equipment or machinery necessary or incidental to the proper functioning of any utility system serving the Property.

7. Pursuant to Article X, Section 2(a) of the Declaration, a perpetual easement in, upon, through and over the streets and roads within the Property, for ingress, egress, and egress to all Lots and Common Areas, and for use of all sidewalks, walkways and driveways upon the Property (including sidewalks, walkways and driveways on each Lot).

8. Pursuant to Article XII, Section 2 of the By-Laws, during the period in which the Declarant owns a Class B Membership, the right to unilaterally amend the By-Laws to meet the requirements of the Federal Housing Administration, the Department of Veterans Affairs, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, a title insurance company or any other governmental or quasi-governmental agency, or to meet the requirements of any mortgage lender.

9. The right to vote as specified in Article III, Section 2 of the Declaration with respect to each Class B Membership held by the Declarant (nine (9) votes for each Lot which the Declarant or any Developer owns).

For a more complete statement of the rights and exemptions reserved by or for the benefit of the Declarant and/or the Developers, see the Declaration and By-Laws attached as Exhibit "B" and Exhibit "C" hereto respectively.

The foregoing information is being provided in accordance with the Act. The information set forth herein is based upon current development plans and information currently available and is subject to change and modification from time to time. Purchasers are advised that modifications, changes and supplements to the foregoing information are probable and should be expected.

Exhibit "A"

(Articles of Incorporation)

## ARTICLES OF INCORPORATION

FOX VALLEY ESTATES  
HOMEOWNERS ASSOCIATION, INC.

THIS IS TO CERTIFY:

That I, Victoria S. Berghel, whose post office address is 100 South Charles Street, Baltimore, Maryland, 21201, being at least eighteen (18) years of age, do hereby declare myself as the Incorporator with the intention of forming a corporation under and by virtue of the General Laws of the State of Maryland, and for such purposes do hereby make, execute and adopt the following Articles of Incorporation:

ARTICLE 1. The name of the Corporation is:

FOX VALLEY ESTATES HOMEOWNERS ASSOCIATION, INC.

ARTICLE 2. The principal office of the Corporation is located at Suite 210, 10805 Hickory Ridge Road, Columbia, Maryland 21044.

ARTICLE 3. The resident agent of the Corporation is Victoria S. Berghel, whose address is c/o Percontee, Inc., 11900 Tech Road, Silver Spring, Maryland 20904, and who is a citizen and an actual resident of the State of Maryland.

ARTICLE 4. The general purposes for which this Corporation is formed and the business or objects to be carried on and promoted by it, as are follows:

A. To organize and operate a corporation, no part of the net earnings of which is to inure to the benefit of any member or other individual;

B. To acquire and to own and to provide for the maintenance, preservation, architectural control and management of certain Common Areas located in the subdivision known as West Friendship Estates in Howard County, Maryland to provide architectural control for the residential properties located therein, and to provide for the health, safety and welfare of the residents of said community.

For the general purposes aforesaid, and limited to those purposes, this Corporation shall have the following powers:

A. To exercise all of the powers and privileges and to perform all of the duties and obligations of the Corporation as set forth in that certain Declaration of Covenants, Conditions and Restrictions of Fox Valley Estates Homeowners Association, Inc. (hereinafter, the "Declaration"), applicable to the property

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described therein (the "Property") and recorded or to be recorded among the Land Records of Howard, County, Maryland, and as the same may be amended or supplemented from time to time as therein provided, said Declaration, amendments and supplements being incorporated herein as if set forth at length;

B. To fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Corporation, including all licenses, taxes or governmental charges levied or imposed against the Property of the Corporation;

C. To acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Corporation;

D. To borrow money, and with the assent of two-thirds (2/3) of each class of members, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

E. To dedicate, sell or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument has been signed by two-thirds (2/3) of each class of members and fifty-one percent (51%) of all mortgagees, agreeing to such dedication, sale or transfer;

F. To participate in mergers and consolidations with other nonstock corporations organized for the same purposes or annex additional residential property and Common Area, provided that any such merger, consolidation or annexation shall have the assent of two-thirds (2/3) of each class of members; and

G. To have and to exercise any and all powers, rights and privileges which a corporation organized under the Nonstock Corporation Law of the State of Maryland by law may now or hereafter have or exercise.

The foregoing enumeration of specific powers shall not be deemed to limit or restrict in any manner the general powers of this Corporation and the enjoyment or the exercise thereof, as conferred by the General Laws of the State of Maryland.

ARTICLE 5. Pursuant to Section 5-202(a) of the Corporations and Associations Article of the Annotated Code of Maryland, 1975 Edition, as amended, this Corporation has no authority to issue capital stock and will not be operated for

profit. This Corporation does not contemplate the distribution of gains, profits or dividends to any of its members. The members of this Corporation shall not be personally liable for the debts, liabilities or obligations of this Corporation.

ARTICLE 6. Every person or entity who is a record owner of a fee interest in any Lot which is or becomes subject by that certain Declaration hereinabove referred to or any amendments or supplements thereto, to assessment by the Corporation, shall be a Member of the Corporation; provided, however, a Developer (as defined in the Declaration) shall not be a Member. The foregoing does not include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Corporation. The authorized maximum number of voting memberships of this Corporation is ninety-nine (99).

ARTICLE 7. The Corporation shall have two (2) classes of voting membership:

A. Class A Members shall be all Lot owners with the exception of West Friendship Estates, a Maryland general partnership, or its designated assigns (the "Declarant") and with the exception of a Developer, and shall be entitled to one (1) vote for each Lot owned. When more than one (1) person or entity holds an interest in any Lot, all such persons or entities shall be Members. The vote for such Lot shall be exercised as they determine, but in no event shall more than one (1) vote be cast with respect to any one (1) Lot.

B. Class B Members shall be the Declarant (and/or such other persons or entities to whom Declarant shall assign any Class B Membership) and the Class B Members shall be entitled to nine (9) votes for each Lot which the Declarant or any Developer owns; PROVIDED, HOWEVER, that such Class Membership shall lapse and become a nullity on either of the following events, whichever occurs first:

(i) when the total votes outstanding in the Class A Membership equals the total votes outstanding in the Class B Membership; or

(ii) seven (7) years from the date of recordation of the Declaration; PROVIDED, HOWEVER, that if the Declarant is delayed in the improvement and development of the Property on account of a building permit moratorium or any other cause or event beyond the Declarant's control, then the aforesaid seven (7) year period shall be extended by a period of time equal to the length of the delays or three (3) years, whichever is less.

Upon the lapse of all of the Class B Memberships as provided in this Article 7, the Class B Members shall be Class A

Members of the Association as to each and every Lot in which the Class B Members hold the interest otherwise required for such Class A Membership.

ARTICLE 8. The Corporation shall have a lien on the outstanding Memberships in order to secure payment of any sums which shall be or become due from the holders thereof for any reason whatsoever.

ARTICLE 9. In the event any Member sells, assigns or otherwise transfers of record the fee interest in any Lot in which that Member holds the interest required for Membership, such Member shall, at the same time, assign the Membership appurtenant to said Lot to the transferee of the Lot and deliver it to the transferee for transfer on the books of the Corporation. The foregoing requirement shall not apply in the event a Lot is transferred as aforesaid merely as security for the performance of an obligation. Except as provided in this Article, Membership shall not be transferrable and, in any event, no transfer of any Membership shall be made upon the books of the Corporation within ten (10) days next preceding the annual meeting of the Members.

ARTICLE 10. The number of directors of this Corporation shall be three (3), and the names and post office addresses of the directors who shall act as such until the first annual meeting, or until such time as their successors are duly chosen and qualified are:

<u>NAME</u>	<u>ADDRESS</u>
Donald Reuwer	10805 Hickory Ridge Road, Suite 210 Columbia, Maryland 21044
Mark Reich	10805 Hickory Ridge Road, Suite 210 Columbia, Maryland 21044
John Gudelsky	11900 Tech Road Silver Spring, Maryland 20904

ARTICLE 11. The Corporation reserves the right to amend, alter or repeal any provision contained in these Articles in the manner now or hereafter prescribed by statute for Amendment of Articles of Incorporation, except as herein provided, but only with the assent of two-thirds (2/3) of each class of Members.

The Declarant, for the purpose of conforming to the requirements of any private or governmental lender or title insurance company, may amend these Articles of Incorporation at any time without the necessity of requesting approval from the Members or from any contract purchasers of Lots who would become Members upon transfer of the Lot to them.

ARTICLE 12. This Corporation shall exist perpetually.

ARTICLE 13. In the event of dissolution of the Corporation, the assets of the Corporation, both real and personal, shall be dedicated or transferred to an appropriate public agency, authority or utility which will have the authority to maintain and manage the assets of the Corporation for public use. In the event that such dedication or transfer is refused acceptance, such assets shall be granted, conveyed, and assigned to any nonstock corporation, association, trust or other organization to be devoted to purposes and uses that would most nearly reflect the purposes and uses to which they were required to be devoted by this Corporation. This Corporation shall not be dissolved without the prior written consent of at least two-thirds (2/3) of each class of Members.

ARTICLE 14. In the event this Corporation (1) is consolidated with another corporation, or (2) is merged into another corporation, or (3) sells, leases, exchanges or otherwise transfers all or substantially all of its property and assets, no Member of this Corporation shall be entitled to demand or receive payment of any amount for his Membership of or from this Corporation or the consolidated corporation, the Corporation surviving the merger or the transferee (each of which is hereafter in this Article referred to as the "successor") provided, however, that the successor:

A. Shall be a corporation organized under and by virtue of the General Laws of the State of Maryland; and

B. Shall be without capital stock and shall not be operated for profit; and

C. Shall be organized for the same general purposes as specified in Article 4 of these Articles of Incorporation.

ARTICLE 15. To the maximum extent that Maryland law in effect from time to time permits limitation of the liability of directors and officers, no director or officer of the Association shall be liable to the Association or its Members for money damages. Neither the amendment nor repeal of this Article 15, nor the adoption or amendment of any other provision of these Articles, the Declaration or the By-laws inconsistent with this Article 15, shall apply to or affect in any respect the applicability of the preceding sentence with respect to any act or failure to act which occurred prior to such amendment, repeal or adoption.

ARTICLE 16. As used in these Articles of Incorporation, the terms "Common Area," "Declarant," "Developer," "Lot," "Owner," and "Property" shall have the same meaning as each is defined to have in the Declaration hereinabove referred to.



IN WITNESS WHEREOF, for the purpose of forming this Corporation under the General Laws of the State of Maryland, I, the undersigned, being the Incorporator of the Corporation, have executed these Articles of Incorporation this 4th day of August, 1994.

WITNESS:

*Carfaunxhu*

*Victoria S. Berghel* (SEAL)  
Victoria S. Berghel

Exhibit "B"

(Declaration)

**DECLARATION  
OF COVENANTS, CONDITIONS AND RESTRICTIONS  
FOX VALLEY ESTATES HOMEOWNERS ASSOCIATION, INC.**

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**DECLARATION OF COVENANTS,  
CONDITIONS AND RESTRICTIONS  
FOX VALLEY ESTATES HOMEOWNERS ASSOCIATION, INC.**

THIS DECLARATION is made this 6th day of December, 1994, by WEST FRIENDSHIP ESTATES, a Maryland general partnership, and PEDICORD JOINT VENTURE, a Maryland general partnership, hereinafter collectively referred to as "Declarant."

**WITNESSETH:**

WHEREAS, the Declarant is the owner of certain real property located in the Third Election District, Howard County, Maryland, more particularly described on Exhibit A attached hereto (hereafter the "Property"); and

WHEREAS, the Declarant desires to provide for the preservation of values and amenities in the community being developed on the aforesaid Property and for maintenance of Common Areas (as herein defined), and to this end desires to subject the Property, as hereinafter defined, to the covenants, conditions, easements, charges, liens and restrictions, hereinafter set forth, each and all of which is and are for the benefit of said Property and the subsequent owners thereof; and

WHEREAS, the Declarant has deemed it desirable, for the efficient preservation of the values and amenities in the said community to create an association to which are delegated and assigned the powers and duties of maintaining and administering the Common Areas, administering and enforcing the within covenants and restrictions and collecting and disbursing the charges and assessments hereinafter created; and

WHEREAS, the Declarant has formed Fox Valley Estates Homeowners Association, Inc. as the term "Homeowners Association" is defined in Title 11B, Real Property Article, Annotated Code of Maryland, for the purpose of carrying out the powers and duties aforesaid.

NOW, THEREFORE, the Declarant hereby declares that the Property as hereinafter defined is and shall be held, conveyed, hypothecated or encumbered, sold, leased, used, occupied and improved subject to the covenants, restrictions, easements, charges and liens (hereinafter sometimes referred to as "covenants" or "restrictions") hereinafter set forth:

**ARTICLE I**  
**DEFINITIONS**

Section 1. "Association" shall mean and refer to FOX VALLEY ESTATES HOMEOWNERS ASSOCIATION, INC., a Maryland non-stock corporation, its successors and assigns.

Section 2. "Board" shall mean and refer to the Board of Directors of the Association.

Section 3. "Common Areas" shall mean all real property (including the improvements thereon) owned or to be owned by the Association for the common use and enjoyment of the Owners, being designated and described as "Open Space Parcels A, B and C" on the Plat.

Section 4. "Declarant" shall collectively mean and refer to WEST FRIENDSHIP ESTATES, a Maryland general partnership, and PEDICORD JOINT VENTURE, a Maryland general partnership, their and each of their successors and assigns and any other legal entity which, in conjunction with or in lieu of West Friendship Estates and/or Pedicord Joint Venture, develops the Property, if such successor, assign or legal entity should acquire one or more undeveloped Lots from the Declarant for the purpose of developing the Property. A Developer (as herein defined) shall not be a Declarant.

Section 5. "Developer" shall mean the record owner, whether one or more persons or entities, who acquires fee simple title to any Lot which is part of the Properties from the Declarant, excluding those having such interest as security for the performance of an obligation, and who owns any Lot for the purpose of constructing a Dwelling on a Lot, with the intent that the Lot will be subsequently conveyed to an Owner after the completion of a Dwelling.

Section 6. "Dwelling" shall mean and refer to any single-family detached residential dwelling constructed by a Developer on a Lot.

Section 7. "Improvement(s)" shall mean and refer to any building, fence, wall, sign, deck, patio, shed, mailbox, privacy screen, gazebo, screened porch, greenhouse, sidewalk, flue, chase, antenna, porch, steps, swimming pool, pond, hot tub, landscaping, retaining wall or structure of any kind (but excluding basketball poles, backboards and rims).

Section 8. "Lot" shall mean and refer to any plot of land shown as a Lot on the Plat, with the exception of the Common Areas (as shown on the Plat) and publicly dedicated rights-of-way.

Section 9. "Member" shall mean and refer to every person, group of persons or entity who holds membership in the Association, including the Declarant, but not including a Developer.

Section 10. "Mortgagee" shall mean and refer to the holder of any mortgage or trustee or beneficiary of any deed of trust on any Lot, provided such holder is an institutional lender and/or a licensed mortgage banker.

Section 11. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of fee simple title to any Lot which is part of the Properties, including contract sellers, but excluding the Declarant, Developer and those having such interest as security for the performance of an obligation.

Section 12. "Plat" shall mean the plats entitled "West Friendship Estates, Section 1," recorded among the Land Records of Howard County, Maryland on November 10, 1994 as Plat Numbers 11432 through and including 11443.

Section 13. "Property" or "Properties" shall mean and refer to that certain real property described on Exhibit A attached hereto and incorporated herein, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

## **ARTICLE II** **PROPERTY RIGHTS**

Section 1. Owner's and Developer's Easements of Enjoyment. Every Owner and Developer shall have a right and easement of enjoyment in and to the Common Areas which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

(a) the right of the Association to assess annual fees for the maintenance and improvement of the Common Areas;

(b) the right of the Association to suspend the voting rights and right of use of the Common Areas by an Owner or Developer for any period during which assessment against his Lot remains unpaid; and for any period during which an Owner has violated and continues to violate the published rules and regulations of the Association;

(c) 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 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 and fifty-one percent (51%) of all mortgagees holding first mortgages or deeds of trust on Lots within the Property. The Association may only dedicate or transfer the Common Areas to a public agency, authority, or utility which will have the authority to maintain and manage the Common Areas as open space;

(d) the right of Declarant prior to the conveyance of the Common Areas, and of the Association to grant and reserve easements and rights-of-way through, under, and over and across the Common Areas, for installation, maintenance and inspection of lines and appurtenances for public or private water, sewer, drainage, natural gas, communications systems (including cable television), and other utilities;

(e) the right of the Association, by and through its Board, to limit the number and charge reasonable fees for guests of Members and Developers utilizing Common Areas;

(f) the right of the Association, by and through its Board, to establish uniform rules pertaining to the use of the Common Areas that may be located thereon and to levy fines for violation of the rules established by the Board; and

(g) the right of the Association, by and through its Board, to regulate the use, maintenance, repair and replacement of Common Areas and amenities located thereon; and

(h) the right of the Association, by and through its Board, to levy and collect fines against Owners and Developers for violation of this Declaration or rules established by the Board.

Section 2. Declaration of Use. Any Owner and Developer may delegate, in accordance with the By-Laws, his right of enjoyment to the Common Areas to persons residing on his Lot, including the members of his family, his lessees, or contract purchasers, subject to such rules which the Board may from time to time adopt; provided, however, that such delegation shall not abrogate the duty of the Owner to pay assessments as provided in Article V hereof.

Section 3. Rental of Lots. The Owner or Developer of any Lot may lease his respective Lot subject to the following terms and conditions:

(a) any lease between an Owner or Developer and a lessee must be in writing and shall not be for a term of less than twelve (12) months;

(b) the lease shall state that it is subject in all respects to, and that the lessee shall comply with all of the provisions of the Declaration,

Articles of Incorporation and the By-Laws, and that failure of the lessee to comply with any of the terms of the aforementioned documents shall be a default under the lease; and

(c) the lease shall in no way relieve the Owner or Developer of any duty or obligation imposed by this Declaration.

Section 4. Encroachments. In the event that any portion of any Dwelling encroaches upon the Common Areas and facilities as a result of the construction, reconstruction, repair, shifting, settlement or movement of any portion of the aforesaid Dwelling, a valid easement of such encroachment and for the maintenance of same shall exist so long as such encroachment exists.

Section 5. Utility Lines. Each Owner and Developer shall be solely responsible for the care and maintenance of sanitary sewer and septic, water, well, gas, electric, telephone, storm sewer, cable television or other utility conduits or lines that exclusively service each such Lot. In the event such conduits or lines are in need of repair and/or replacement and any portions thereof are located in, under and/or through an abutting Lot or property of any abutting Owner or Developer, the Owner or Developer so repairing and/or replacing such lines shall have the right to enter upon and is hereby granted an easement to enter in and onto the front, side, and rear ten (10) feet of the Lot of an abutting Owner or Developer to perform the repair and/or replacement. The Owner or Developer so entering shall perform such construction and/or work as promptly as possible and shall take due precautions and care not to damage the Lot and/or property of the abutting Owner or Developer and to the extent the abutting Lot and/or property is dug into, displaced and/or dismantled, the Lot and/or property shall, immediately upon the completion of the repair and/or replacement, be put back in the same condition it was prior to such work being commenced by the Owner or Developer performing the construction and/or work.

### ARTICLE III MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. Every Owner of a Lot which is subject to assessments (other than a Developer) and the Declarant shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment, except as provided in Article III, Section 2 hereof.

Section 2. Classes of Voting Membership. The Association shall have two (2) classes of voting Membership:

(a) Class A Members. With the exception of the Declarant or a Developer (but subject to the provisions of this Section converting Class B to Class A Membership), every person, group of persons, corporation, partnership, trust or other legal entity who is a record owner of a fee simple interest in any Lot which is or becomes subject to the Declaration shall be a Class A Member of the Association; PROVIDED, HOWEVER, that any such person, group of persons, corporation, partnership, trust, or other legal entity who holds such interest solely as security for the performance of an obligation shall not be a Member solely on account of such interest. Class A Members shall be entitled to one vote for each Lot in which they hold the interest required for Membership. In the event that more than one person, group of persons, corporation, partnership, trust or other legal entity is the record owner of a fee simple interest in any Lot, then the vote for the Membership appurtenant to such Lot shall be exercised as they among themselves determine in the manner provided hereinbelow, but (except as herein provided) no more than one vote shall be cast with respect to any Lot. No Developer shall be a Class A Member.

(b) Class B Members. The Class B Members shall be the Declarant (and/or such other persons to whom Declarant shall assign any Class B Membership), and the Class B Members shall be entitled to nine (9) votes for each Lot which the Declarant or any Developer owns; PROVIDED, HOWEVER, that such Class B Memberships shall lapse and become a nullity on either of the following events, whichever occurs first:

(i) when the total votes outstanding in the Class A Membership equals the total votes outstanding in the Class B Membership; or

(ii) seven (7) years from the date of recordation of the Declaration; PROVIDED, HOWEVER, that if the Declarant is delayed in the improvement and development of the Property on account of a building permit moratorium or any other cause or event beyond the Declarant's control, then the aforesaid seven (7) year period shall be extended by a period of time equal to the length of the delays or three (3) years, whichever is less.

Upon the lapse of all of the Class B Memberships, as provided in this Article III, the Class B Members shall be Class A Members of the Association as to each and every Lot in which the Class B Members holds the interest otherwise required for such Class A Membership.

Section 3. Assignment of Membership. The Class A Memberships, but not the Class B Memberships, shall be appurtenant to the Lot owned by a Member and may not be assigned except in conjunction with the Lot to which they are appurtenant. The Class B Membership shall be freely assignable to any legal entity serving in capacity as a Declarant hereunder as the same is defined in Article III, Section 2 herein.

Section 4. Method of Voting Membership Held by More Than One Person. In the event a Class A Membership is held by more than one person, that Membership shall, nevertheless, be entitled to only one indivisible vote.

**ARTICLE IV**  
**ANNEXATION OF ADDITIONAL PROPERTY**

Section 1. Property Subject to Declaration. The real property which is and shall be held, conveyed, hypothecated or encumbered, sold, leased, rented, used, occupied and improved subject to this Declaration is located in the Third Election District, Howard County, State of Maryland, described in Exhibit A and as shown on the record plat entitled "West Friendship Estates, Section 1," recorded or to be recorded among the Land Records of Howard County, Maryland. No other real property shall be subject to this Declaration until the same is annexed pursuant to the provisions of Section 2 below, it being understood that the Declarant shall have the right to freely develop any real property owned by it and not annexed pursuant to the provisions of Section 2 in any fashion and for any use not prohibited by law or governmental regulation and shall have no obligation to develop any real property not so annexed, in accordance with any other scheme of development or plan.

Section 2. Annexation. The Declarant, without the assent of the Class A Members or any Developer, may annex to the Properties within seven (7) years after the recordation of this Declaration all or any portion of the additional land located in Howard County, Maryland, and more particularly described on Exhibit B attached hereto and shown on the record plat entitled "West Friendship Estates, Section 2," to be recorded among the Land Records of Howard County, Maryland. Additional property outside the boundaries of the land described on Exhibit B may be annexed only with the consent of two-thirds (2/3) of the Class A and Class B Members of the Association who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than thirty (30) days and not more than sixty (60) days in advance of the meeting setting forth the purpose of the meeting. At the first such meeting, the presence of Members or of proxies entitled to cast sixty percent (60%) of the votes of each class of Membership shall constitute a quorum. If the required quorum is not present at any meeting, another meeting may be called, subject to the notice requirements set forth above, except that notice shall be sent to all Members not less than fifteen (15) days nor more than sixty (60) days in advance of the meeting, and the required quorum at any such subsequent meeting shall be one-half (1/2) of the required quorum of the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting. Any annexations made pursuant to this Article IV, or otherwise, shall be made by recording an Amendment to this Declaration of Covenants, Conditions and

Restrictions among the Land Records of Howard County, Maryland, which Amendment shall extend the scheme of this Declaration to such annexed property. Such Amendment may contain such supplementary additions and modifications to the Covenants, Conditions and Restrictions set forth in this Declaration as may be necessary to reflect the different character or use, if any, of such annexed property.

Section 3. Deannexation. So long as there are any Class B Members, the Declarant may deannex any property from the Property for a period of five (5) years from the date of recordation of this Declaration. Such deannexed property shall no longer be subject to the covenants and restrictions of this Declaration except for any easements, rights, reservations, exemptions, power or privileges reserved to the Declarant pursuant to this Declaration which affect the deannexed property. Such deannexation shall be made by recording a Supplementary Declaration among the Land Records of Howard County, Maryland, withdrawing the effect of the covenants and restrictions of this Declaration from the deannexed property. Such deannexed property may be utilized by the Declarant, or any successor, assign or transferee thereof, for any lawful purpose or use.

## **ARTICLE V**

### **COVENANTS FOR MAINTENANCE ASSESSMENTS**

Section 1. Creation of the Lien and Personal Obligations of Assessments. The Declarant, for each Lot owned within the Property, hereby covenants, and each Owner and Developer of a Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, (2) special assessments for any purpose, and (3) fines levied by the Board for violation of this Declaration or rules established by the Board; such assessments and fines to be established and collected as hereinafter provided. The annual and special assessments and fines, together with interest, late charges, costs of collection, and reasonable attorney's fees, shall be a charge and lien upon the Lot against which each such assessment is made or fine levied. Each such assessment or fine, together with interest, late charges, costs of collection and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such Lot at the time when the assessment fell due or fine levied. The personal obligation for delinquent assessments or fine levied shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used for the following purpose:

(a) to pay taxes and other governmental charges and assessments on the Common Areas, if any;

(b) to promote the health, recreation, and welfare of the residents in the Lots;

(c) to pay all administrative, managerial, legal, insurance and any other costs or expenses incurred by the Association in the operation of the Association;

(d) for the use, improvement, maintenance, repair, and replacement of the Common Areas and any improvements (including the tennis courts) or facilities thereon;

(e) to pay for the cost of all utilities or utility services transmitted by or through the Common Areas and not separately metered and billed to each Owner;

(f) to pay for the cutting of grass upon the Common Areas, the maintenance or replacement of all plantings in the Common Areas, and within any stormwater management and water quality ponds;

(g) to pay for the installation, maintenance, repair and replacement of any fencing erected by the Declarant or the Association adjacent to Maryland Route 32;

(h) to pay for the planting, pruning, trimming, maintenance, repair and replacement of any plantings within the public tree maintenance easement areas shown on the Plat; and

(i) to provide an adequate reserve for maintenance, repair and replacement of the Common Areas and any Improvements situate thereon.

Section 3. Maximum Annual Assessment. Until January of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment shall be Five Hundred Forty Dollars (\$540.00) per Lot per year, which shall be payable monthly, quarterly, semi-annually or annually, as determined by the Board.

(a) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased each year not more than twenty percent (20%) above the maximum assessment for the previous year by the Board and without a vote of the Membership.

(b) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased above twenty percent (20%) by a vote of fifty-one

percent (51%) of each class of Members who are present and voting at a meeting duly called for that purpose.

(c) The Board may fix the annual assessment at an amount not in excess of the maximum.

Section 4. Class B Membership Assessment. The Class B Member and the Declarant shall not be required to pay any annual or special assessment or fine due on the Lots it owns. The foregoing shall not apply to any Lot on which is situate a completed Dwelling held by the Class B Member for rental purposes. Developers, however, shall be required to pay any annual or special assessment due on the Lots they own.

Section 5. Special Assessments. In addition to the annual assessments authorized above, the Association may levy special assessments for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Areas, including fixtures and personal property, or for any other purpose, provided that any such assessment shall have the assent of fifty-one percent (51%) of each class of Members who are present and voting at a meeting duly called for that purpose.

Section 6. Notice and Quorum for any Action Authorized under Sections 3 and 5. Written notice of any meeting called for the purpose of taking any action authorized under Sections 3 and 5 shall be sent to all Members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, if there are not present Members or proxies entitled to cast ten percent (10%) of all the votes of each class, another meeting may be called subject to the same notice requirement, and the quorum at the subsequent meeting shall be reduced to one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 7. Uniform Rate of Assessment. Both annual and special assessments shall be fixed at a uniform rate for all Lots, except as noted in Section 4 of this Article.

Section 8. Date of Commencement of Annual Assessments: Due Dates. The annual assessment provided for herein shall commence thirty (30) days following the sale and settlement of the first Lot conveyed to a Developer by the Declarant. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner and Developer subject hereto. The due dates shall be established

by the Board. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specific Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance.

Section 9. Effect of a Non-Payment of Assessments and Fines: Remedies of the Association. Any assessment or fine levied pursuant to this Declaration which is not paid on the date when due shall be delinquent and shall, together with such interest thereon, attorney's fees and reasonable costs of collection thereof, as hereinafter provided, thereupon become a continuing lien which shall bind such Lot in the hands of the then Owner or Developer, his heirs, devisees, personal representatives, successors and assigns. The personal obligation of the then Owner or Developer to pay such assessment or fine, however, shall also remain his personal obligation for the statutory period. If the assessment or fine is not paid within fifteen (15) days after the due date, the assessment shall bear interest at the rate of eighteen percent (18%) per annum and late charges not exceeding Fifteen Dollars (\$15.00) or ten percent (10%) of the total amount of the delinquent assessment or fine. The late charge may not be imposed more than once for the same delinquent payment. The Association may bring an action at law against the Owner or Developer personally obligated to pay the same, or foreclose the lien against the Lot (to the same extent, including a foreclosure sale and deficiency decree, and subject to the same procedures as may then be applicable to mortgages under the law of the State of Maryland), in either of which events, interest, attorney's fees and reasonable costs of collection shall be added to the amount of each assessment or fine. The establishment of a lien against any Lot shall be accomplished in accordance with Section 14-201, et seq., of the Real Property Article, Annotated Code of Maryland. No Owner or Developer may waive or otherwise escape liability for the assessments or fines herein provided for by non-use of the Common Area or abandonment of his Lot.

Section 10. Acceleration. Upon default in the payment of any assessment or installment on its due date, the Association may demand payment of the remaining installments, if any, coming due within that fiscal year. A demand by the Association is not enforceable unless the Association, within fifteen (15) days of the Owner's or Developer's failure to pay an installment, notifies the Owner that if the Owner or Developer fails to pay the installment within fifteen (15) days of the notice, full payment of the remaining installments will be due and shall constitute a lien as provided in Section 9 of this Article.

Section 11. Cumulative Remedies. The assessment or fine lien and the rights to foreclosure sale thereunder shall be in addition to and not in substitution for all other rights and remedies which the Association and its assigns may have hereunder and by law, including a suit to recover a money judgment for unpaid assessments or fines, as above provided.



Section 12. Subordination of the Lien to Mortgages. The lien of the assessments and fines provided for herein shall be subordinate to the lien of any Mortgagee or mortgage held by the Veterans Administration, Secretary of Housing and Urban Development, FNMA or FHLMC, providing purchase money financing in either the form of a single purchase money first mortgage, or a combination purchase money first and purchase money second mortgage, such purchase money first and purchase money second mortgage combination designed to facilitate financing due to statutory lending limits which may prohibit financing of first mortgages in excess of certain dollar amounts. Sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessment or fine as to payment which became due prior to such sale or transfer. No sale or transfer shall relieve such Owner or Developer from liability for any assessments or fines thereafter becoming due from the lien thereof.

Section 13. Notice to Mortgagees. Upon request, the Association shall notify the Mortgagee on any Lot for which any assessment or fine levied pursuant to this Declaration becomes delinquent for a period in excess of sixty (60) days and in any other case where the Owner or Developer 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. Such notification shall be in writing.

## **ARTICLE VI** **ARCHITECTURAL STANDARDS**

Section 1. Minimum Requirements. All Dwellings shall be constructed and used for single-family residence purposes only, which may include an apartment or living area for use as an "in-law" or servant's area. No Dwelling shall be erected, altered, placed or permitted to remain on any Lot other than one detached single-family dwelling house not to exceed three (3) stories in height (excluding basement or crawl space areas), and must have an attached garage for two (2) or three (3) automobiles, "architect-grade" roof shingles (with a minimum 25-year replacement warranty), brick or stone to grade on the front of the Dwelling, and a floor area of not less than 2,100 square feet if a single story (excluding garages, basements, porches, patios and decks), and not less than 2,700 square feet if more than a single story (excluding garages, basements, porches, patios and decks).

Section 2. Creation of Architectural Standards Committee.

(a) There shall be an architectural committee (referred to as the "Architectural Standards Committee" or "Committee") for the Lots. The Committee shall have a minimum of three (3) members, each of whom shall, notwithstanding the expiration of the period referred to in the provisions of subsection (b) of this Section 2, serve as such until the earlier to occur of:

- (i) his resignation from the Committee, or
  - (ii) his replacement pursuant to the following provisions of this Section by the Declarant or the Board.
- (b) The Declarant shall have the exclusive right from time to time to designate and replace the members of the Committee until the later to occur of:
- (i) the seventh (7th) anniversary of the date hereof, or
  - (ii) the conveyance of record by Developers to one or more persons of the title to at least ninety percent (90%) of the Lots.
- (c) Thereafter, the Board shall have the exclusive right to designate and replace the members of the Architectural Standards Committee who will serve at the pleasure of the Board.

Section 3. Approval.

(a) Subject to the operation and effect of the provisions of Article VII, and except for any Dwellings and/or Improvements constructed or erected by Declarant, no Dwelling or Improvement or other structure of any kind whatsoever shall be constructed, reconstructed, placed, maintained or modified (other than: (1) exterior repainting in the same color as the existing color, upon prior written approval of the Board, and (2) interior painting or other modifications not visible from or affecting the exterior of the Dwelling), and no landscaping on a Lot shall be altered, unless such action and such Dwelling or Improvement has been approved expressly and in writing by the Architectural Standards Committee, which shall have the absolute right to refuse to grant such approval for any aesthetic or other reasonable cause, and to withhold such approval until plans and specifications, showing in reasonable detail the nature, kind, shape, height, materials, location and approximate cost of such Dwelling or Improvement, have been submitted to and approved by the Committee expressly and in writing. In considering whether to grant such approval, the Committee may consider the suitability of such proposed Dwelling or Improvement with relation to such Lot and the other Lots, and may base such consideration upon such, if any, information concerning the nature, kind, shape, heights, materials, location and approximate cost of such Dwelling or Improvement as is furnished to the Committee, as aforesaid, all to the end that such Dwelling or Improvement shall be in harmony with and have no adverse affect upon its immediate surroundings, the Common Areas and the other Lots. The Committee shall only have the right to approve the location of basketball poles, backboards and rims.

(b) If any Owner or Developer submits to the Committee a written application for approval of any Dwelling or Improvement as aforesaid, and if the Committee has not disapproved, in writing, said application within sixty (60) days of receipt thereof, such approval shall thereupon be deemed to have been given. Declarant shall not be liable to the Association or to any Owner or Developer as a result of Declarant's or the Committee's approval or disapproval of any written application. Approval by the Committee shall not relieve an Owner from complying with all applicable zoning and building code laws and regulations or relieve an Owner or Developer from obtaining a building permit, if required.

(c) The affirmative vote of a majority of the Members of the Committee shall be required for it to take any action; provided, that such majority may designate one Member to act for it.

## ARTICLE VII MAINTENANCE

Section 1. Common Areas. The Association shall be responsible for the care and maintenance of the Common Areas.

Section 2. Individual Lots.

(a) The Owner or Developer of each Lot shall otherwise be responsible for the care, maintenance, repair and replacement of his Lot, Dwelling and all Improvements situate thereon, therein and thereunder, including all sidewalks and/or driveways, if any, located on the Lot (including sidewalks and/or driveways subject to a Covenant, Easement and Common Driveway Agreement). Each Owner and Developer shall be responsible for removal of trash and garbage from the Lot.

(b) In the event that any Owner or Developer shall fail to maintain any Lot or the Dwelling and the Improvements situate thereon in a manner satisfactory to the Board, the Association, after approval by a majority vote of the Board, shall have the right, through its contractors, agents and employees, to enter upon said Lot and to repair, maintain and/or restore the Lot, the Dwelling and any Improvements erected thereon. Such right of entry, repair, maintenance and restoration shall be exercisable only upon fifteen (15) days' written notice given to the Owner or Developer thereof, unless, in the discretion of the Board, a genuine emergency necessitates a shorter period of time. The costs of any such repairs, maintenance and/or restoration shall be added to and become part of the lien for assessment to which such Lot and Owner or Developer is subject. Enforcement of the right to recover these assessments may be had pursuant to Article V, Section 9 hereof.

**ARTICLE VIII**  
**POWERS AND DUTIES OF THE ASSOCIATION**

Section 1. Powers and Duties. In addition to the powers and duties enumerated in its Articles of Incorporation and By-Laws, or elsewhere provided for herein, and without limiting the generality thereof, the Association shall:

- (a) Have the duty to own, maintain, improve, construct, reconstruct (in the event of deterioration or destruction) and manage all of the Common Areas and all facilities, Improvements and landscaping thereon, and all property acquired by the Association and keep the Common Areas in good repair and in a safe condition, and to pay all the costs thereof;
- (b) Have the duty to pay property taxes and other charges assessed against the Common Areas;
- (c) Have the authority to obtain, for the benefit of the Common Areas, all utility services, including without limitation, water, gas, sewer and electric service and refuse collection;
- (d) Have the authority to grant easements where necessary for utilities and sewer facilities over the Common Areas to serve the Common Areas and to enter into leases for all or a portion of the Common Areas; provided, however, that any such lease shall not restrict the Members' use of the Common Areas;
- (e) Have the duty to maintain such policy or policies of insurance (including adequate liability insurance) on the Common Areas for the purposes of and protecting the interest of the Association and its Members;
- (f) Have the authority to employ a manager or other persons and to contract with independent contractors or managing agents to perform all or any part of the duties and responsibilities of the Association, provided that any contract with a person or firm appointed shall not exceed one (1) year in term unless approved by a majority of the Members of the Association, with the exception of an insurance contract that may be for a period not to exceed three (3) years;
- (g) Have the authority to enforce applicable provisions of this Declaration and the By-Laws of the Association and establish and enforce uniform rules pertaining to the use of the Common Areas; and
- (h) Have the authority to contract for fire, casualty, liability and other insurance on behalf of the Association.

Section 2. Maintenance of Records. The Association shall maintain adequate books and records and all Mortgagees shall have the right to examine the books and records of the Association during regular business hours and upon reasonable notice.

**ARTICLE IX**  
**PROHIBITED USES AND NUISANCES**

Section 1. Itemization. Except for the activities of the Declarant or a Developer during original development, construction and marketing period (except that a Developer shall not be exempt from the provisions of Section 1(t) of this Article):

(a) No noxious or offensive trade or activity shall be carried on upon any part of the Property, nor shall anything be done therein or thereon which may be or become an annoyance or nuisance to the neighborhood or Owners of Lots;

(b) There shall be no obstruction of the Common Areas, except as herein provided. Nothing shall be stored upon the Common Areas, except as herein provided, without the approval of the Board. Vehicular parking upon the Common Areas is strictly prohibited.

(c) Nothing shall be done or maintained upon the Common Areas which will increase the rate of insurance on the Common Areas or result in the cancellation thereof, without the prior written approval of the Board. Nothing shall be done or maintained on the Common Areas which would be in violation of any law. No waste shall be committed upon the Common Areas.

(d) No structural alteration, construction, addition or removal of the Common Areas or facilities shall be commenced or conducted except in strict accordance with the provisions thereof.

(e) The maintenance, keeping, boarding and/or raising of animals, livestock, or poultry of any kind, regardless of number, shall be and is hereby prohibited within or upon any Lot, or upon the Common Areas (except pursuant to a lease for the Common Areas), except that this shall not prohibit the keeping of two dogs, two cats and/or caged birds as domestic pets; provided that they are not kept, bred or maintained for commercial purposes; and provided further that the keeping of such dogs, cats and/or caged birds will not constitute such type of noxious or offensive activity as covered in subsection (a) of this Section. All dogs and cats must be kept inside their respective Owner's Dwelling or enclosed yard and may be walked on the Common Areas only on a leash. Owners must clean up after their pets.

(f) Except for such signs as may be posted by the Declarant or a Developer for promotional purposes, no signs of any character shall be erected, posted or displayed upon, in, from or about any Lot or the Common Areas; provided, however, that one temporary real estate sign of customary and reasonable dimensions may be displayed upon, in or from any Lot placed upon the market for sale or rent. The provisions of this subsection shall not be applicable to the Association or a Mortgagee in the process of enforcing its lien by foreclosure.

(g) Except as herein elsewhere provided, no junk vehicle, or other vehicle, on which current registration plates are not displayed, trailer, truck, camper, camp truck, mobile home, modular home, horse trailer, house trailer, boat, boat trailer, or the like shall be kept upon the Common Areas or any Lot (except within a garage attached to a Dwelling), nor shall the repair or extraordinary maintenance of automobiles or other vehicles be carried out thereon except as may be provided by the Board.

(h) No part of the Common Areas shall be used for commercial activities of any character. This subsection shall not apply to the use of Lots by the Declarant or a Developer for display, promotional or sale purposes.

(i) No burning of any trash, and no unreasonable unsightly accumulation or storage of litter, new or used building materials, except by Declarant, or trash of any other kind shall be permitted on any Lot or upon the Common Areas. Trash and garbage containers shall not be permitted to remain in public view, except as provided by the Board.

(j) No structure of a temporary character, trailer, tent, shack, barn or other outbuilding shall be maintained upon the Common Areas at any time except by Declarant or upon the prior written approval of the Board, which approval may be denied in the Board's sole and arbitrary subjective discretion. Sheds shall be subject to prior approval by the Board or the Architectural Standards Committee, except for sheds, if any, erected by the Declarant as part of the original construction. Outdoor clothes dryers or clothes lines shall be maintained only in the rear yard of Lots. Basketball poles, backboards and rims shall be permitted on Lots upon the prior approval of their location on Lots by the Architectural Standards Committee.

(k) No outside television or radio aerial or antenna, or other aerial or antenna or Cable TV System (including satellite dish) for reception or transmission, shall be maintained upon any Lot unless approved by the Architectural Standards Committee.

(l) Decks, porches, patios, and platforms shall be maintained in a neat, safe, and orderly manner.

(m) The Owner of each Lot shall have the right to store firewood on the deck or patio provided that such wood is kept in a covered wood storage box stained to match the deck.

(n) The rear deck or patio of each Lot may be equipped with an awning for protection from the elements, which awning may also have side panels for privacy. All awnings must be approved by the Architectural Standards Committee as hereinafter provided.

(o) Between 11:00 p.m. and 9:00 a.m., there shall be no loud or unusual noises; and musical instruments, radios, televisions, record players, phonographs, hi-fi sets and amplifiers shall be used in such manner as not to disturb the other Owners.

(p) Motorcycles, dirt bikes, all-terrain vehicles, mopeds, tractors, lawn mowers, four wheel drive vehicles and any and all other motorized vehicles shall not be permitted upon, over or under the Common Areas except those motorized vehicles used in the course of maintaining or repairing the Common Areas.

(q) Outdoor cooking is strictly prohibited on any Lot except in the rear of each Lot.

(r) Fences approved by the Board in accordance with established standards may only be installed rearward from the front wall of each Dwelling, and the Owner shall be responsible at his sole expense for all maintenance, repair and replacement of said fence. Further, the maintenance of all balconies, patios, and doorsteps and the watering and maintenance of all lawns, plants and landscaping within the Lot lines of each Lot (except within the public tree maintenance easement areas shown on the Plat) shall be performed by each Owner at his expense, together with removal from all sidewalks, walkways and driveways within the Lot lines of each Lot of all snow and the maintenance of any plants or landscaping within each Lot. Grass on a Lot shall not be allowed to exceed a height of seven (7) inches. Except as herein provided, no Owner or group of Owners shall build, plant or maintain any matter or thing upon, over or under the Common Areas or the public tree maintenance easement areas, except with the express permission of the Board, first obtained in writing, nor shall any Owner place, trash, garbage, excess material of any kind on or about the Common Areas, nor burn, chop or cut anything on, over or above the Common Areas, except in locations designated by the Board.

(s) The front, side, and rear yards of each Lot are to be maintained by each Owner. All uses of the front, side, and rear yards of each Lot are specifically limited by the covenants herein.

(t) No hazardous material, hazardous waste, or hazardous or toxic substance, as such terms are defined from time to time under federal, state or local environmental laws, shall be disposed of on any Lot or upon the Common Areas or through any storm sewer system or septic system within or serving the Lots or the Common Areas. Storage, use, disposal and transportation of all hazardous materials, hazardous waste, and hazardous or toxic substances from or on any Lot or the Common Areas shall comply with all applicable federal, state and local laws and regulations. If any Owner, Developer or tenant violates this provision, such Owner, Developer or tenant, as the case may be, shall indemnify, defend and save the Declarant, the Association and every other Developer and Owner from any and all damages, losses, fines, penalties, clean-up costs and other expenses (including, but not limited to, reasonable attorneys' fees) arising from such violation.

(u) There shall be no violation of any rules for the use of the Common Areas or the Lots which may from time to time be adopted by the Board and promulgated among the Membership by the Board in writing, and the Board is hereby and elsewhere in this Declaration authorized to adopt such rules and to impose sanctions, including fines, for violation thereof.

Section 2. Rights of the Association to Remove or Correct a Violation of the Article. The Association may, in the interest of the general welfare of all the Owners of the Lots and after reasonable notice to the Owner or Developer, enter upon any Lot at reasonable hours on any day for the purpose of removing or correcting any violation or breach or any attempted violation of any of the covenants and restrictions contained in this Article, or for the purpose of abating anything herein defined as a prohibited use or nuisance, and shall not be liable for trespass; PROVIDED, HOWEVER, that no such action shall be taken without a resolution of the Board or by the Architectural Standards Committee.

Section 3. Declarant's and Developers' Exemption. During the period of development, construction and marketing, the Declarant and Developers shall be exempt from the provisions of this Article, except that a Developer shall not be exempt from the provisions of Section 1(t) of this Article.

## ARTICLE X EASEMENTS

Section 1. Property Subject to Easements. The easements created pursuant to these Articles shall inure to the benefit of all Owners of Lots within the Property, pursuant to Article II hereof.



Section 2. Easements. In addition to the easements reserved on the Plat which are for the benefit of the Declarant, Developers and their successors and assigns, and mortgagees;

(a) Declarant for itself, its successors and assigns, hereby declares that every Owner and Developer shall have a perpetual easement in, upon, through and over the streets and roads shown on the Plat, for ingress, egress, and regress to all Lots and Common Areas, and for use of all sidewalks, walkways and driveways upon the Property (including sidewalks, walkways and driveways on each Lot).

(b) Declarant reserves unto itself, its successors and assigns, an easement in, upon, through and over the land comprising the Common Areas for the purpose of installation, maintenance, repair and replacement of all sewer, water, power, telephone and other communication systems, pipes, lines, mains, conduits, poles, transformers and any and all other equipment or machinery necessary or incidental to the proper functioning of any utility system serving the Property.

## **ARTICLE XI GENERAL PROVISIONS**

Section 1. Enforcement. The Association, by and through its Board or any Owner or Developer, 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, including without limitation the restrictions set forth in Article VI. In the event the Association or any Owner institutes legal action to compel enforcement, it shall be entitled to recover all court costs and reasonable attorney's fees incurred from the violating Owner or Developer. Failure by the Association or by any Owner or Developer to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. All Owners and Developers shall strictly observe all State of Maryland and Howard County laws, ordinances and regulations applicable to the Lot notwithstanding anything in this Declaration to the contrary.

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

Section 3. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be

amended during the first twenty (20) year period by an instrument signed by not less than seventy-five percent (75%) of the Owners. Any amendment is not effective until recorded among the Land Records of Howard County, Maryland. Notwithstanding the foregoing, this Declaration shall not be amended without the written consent of seventy-five percent (75%) of the First mortgagees and seventy-five percent (75%) of the Owners to permit the Association or the Owners to:

(a) By act or omission, seek to abandon or terminate the Association or the provisions of this Declaration relating to architectural standards, exterior maintenance and Common Areas maintenance;

(b) Change the method of determining the obligations or assessments which may be levied against an Owner or Developers;

(c) By act or omission, seek to abandon, partition, subdivide, encumber, sell or transfer the Common Areas, provided, however, that the grant of easements for public utilities or for other public purposes shall not be deemed a transfer within the meaning of this clause;

(d) Use hazard insurance proceeds for losses to the Common Areas for other than the repair, replacement or reconstruction of Improvements on Common Areas except as provided by statute; or

(e) Fail to maintain fire and extended coverage insurance on the Common Areas on a current replacement cost basis in an amount less than one hundred percent (100%) of insurable value based on present replacement cost.

IN WITNESS WHEREOF the undersigned, being the Declarant herein, has caused these presents to be executed the day and year first above written.

WITNESS:

WEST FRIENDSHIP ESTATES

By: PERCONTEE, INC., General Partner

Victoria S. Bergel

By: John Gudelsky (SEAL)  
John Gudelsky, President

[SIGNATURES CONTINUED]

[SIGNATURES CONTINUED]

PEDICORD JOINT VENTURE

By: PEDICORD PROPERTIES  
PARTNERSHIP, a Maryland limited  
partnership, General Partner

Victoria S. Borghel

By: Erwin Gudelsky (SEAL)  
Erwin Gudelsky, General Partner

TRINITY CUSTOM HOMES, INC.

Rebecca Wilson

By: Michael Pfau (Seal)  
Michael Pfau  
Title: PRES.

Rebecca Wilson

By: Mary Pfau (Seal)  
Mary Pfau  
Title: SEC.

3398 00359

STATE OF MARYLAND )  
 ) to wit:  
COUNTY OF Montgomery )

I HEREBY CERTIFY that on the 5<sup>th</sup> day of December, 1994, before me, the subscriber, a Notary Public of the State of Maryland, personally appeared John Gudelsky, who acknowledged himself to be the President of Percontee, Inc., a Maryland corporation, which is a general partner of West Friendship Estates, a Maryland general partnership, and that he, as the President of Percontee, Inc., being authorized to do so, executed this Declaration of Covenants, Conditions and Restrictions for the purposes contained in the document by signing on behalf of West Friendship Estates by himself as President of Percontee, Inc.

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

[NOTARY SEAL]

Samuel Yedlin  
Notary Public

SAMUEL YEDLIN  
Printed Name of Notary Public

My Commission Expires: 1/9/98

STATE OF Maryland )  
 ) to wit:  
County of Harford )

I HEREBY CERTIFY that on the 8<sup>th</sup> day of December, 1994, before me, the subscriber, a Notary Public of the State of Maryland, personally appeared Michael Alan and Mary Alan who acknowledged themselves to be the President and the Secretary, respectively, of Trinity Custom Homes, Inc., a Maryland corporation, and that they as such officers of said corporation, being authorized to do so, executed this Declaration of Covenants, Conditions and Restrictions for the purposes contained in the document by signing on behalf of such corporation.

IN WITNESS WHEREOF, I set my hand and official Seal.

Rebecca S. Wilson  
Notary Public

My Commission expires: 2/1/96



STATE OF MARYLAND )  
 ) to wit:  
COUNTY OF MONTGOMERY )

I HEREBY CERTIFY that on the 5<sup>th</sup> day of DECEMBER, 1994, before me, the subscriber, a Notary Public of the State of Maryland, personally appeared Erwin Gudelsky, who acknowledged himself to be a general partner of Pedicord Properties Partnership, a Maryland limited partnership, which is a general partner of Pedicord Joint Venture, a Maryland general partnership, and that he, as a general partner of Pedicord Properties Partnership, executed this Declaration of Covenants, Conditions and Restrictions for the purposes contained in the document by signing on behalf of Pedicord Joint Venture by himself as a general partner of Pedicord Properties Partnership.

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

[NOTARY SEAL]

Samuel Yedli  
Notary Public

SAMUEL YEDLI  
Printed Name of Notary Public

My Commission Expires: 1/9/98

I HEREBY CERTIFY that the foregoing instrument was prepared by or under the supervision of the undersigned Maryland Attorney.

Victoria S. Berghel  
Victoria S. Berghel

After Recording, Return to:

Emerson L. Dorsey, Jr., Esquire  
Weinberg and Green  
100 South Charles Street  
Baltimore, Maryland 21201-2773

**EXHIBIT A**

**FOX VALLEY ESTATES  
DESCRIPTION OF PROPERTY**

All of that land and improvements, situate in the Third Election District of Howard County, Maryland and described on the Plat entitled "West Friendship Estates, Section 1, Lots 1-56, Parcels A, B, C, and D," consisting of twelve (12) pages, recorded among the Land Records of Howard County, Maryland on November 10, 1994 as Plat Numbers 11432 through and including 11443.

**EXHIBIT B**

**FOX VALLEY ESTATES  
DESCRIPTION OF PROPERTY TO BE ANNEXED**

**BEGINNING FOR THE SAME** at the easternmost corner of Lot 22 (designated by the point number 324) and being on the northwestern right-of-way line of Maryland Route 32 (SRC Plat Nos. 20498 and 20499) as shown on a plat of subdivision entitled "West Friendship Estates, Section Two, (Formerly The Indian's Gun II), Lots 22 thru 24, A Resubdivision of Parcel 8", recorded among the Land Records of Howard County, Maryland as Plat No. 9953, and running thence binding along said right-of-way line and the outlines of said Plat No. 9953, as now described,

- 1) South 46°52'10" West 1065.61 feet, thence,
- 2) 277.37 feet along the arc of a curve to the left having a radius of 2162.28 feet, subtended by the Chord: South 43°11'40" West 277.18 feet, thence leaving said road right-of-way line of Maryland Route 32,
- 3) North 81°53'55" West 85.41 feet to the northeastern road right-of-way line of Pfefferkorn Road, thence binding along same,
- 4) 31.03 feet along the arc of a curve to the right having a radius of 186.21 feet, subtended by the Chord: North 19°17'08" West 31.00 feet, thence,
- 5) North 13°43'50" West 125.15 feet to the northeastern "Public Road Dedication Line" for said Pfefferkorn Road, thence binding along same,
- 6) North 13°43'50" West 497.99 feet, thence,
- 7) 190.00 feet along the arc of a curve to the left having a radius of 3478.93 feet, subtended by the Chord: North 15°17'42" West 189.98 feet, thence,
- 8) North 16°51'35" West 248.08 feet to a point designated by the number 684 as shown on a plat of subdivision entitled "West Friendship Estates, Section One, (Formerly The Indians Gun I), Lots 1 thru 21)," Sheet 2 of 5, recorded among the said Land Records as Plat No. 9933, thence leaving the outlines of the aforesaid Plat No. 9953, binding along the outlines of said Plat No. 9933,

- 9) North  $16^{\circ}51'35''$  West 377.03 feet, thence,
- 10) 197.42 feet along the arc of a curve to the right having a radius of 2036.07 feet subtended by the Chord: North  $14^{\circ}04'55''$  West 197.34 feet, thence,
- 11) North  $11^{\circ}18'15''$  West 578.50 feet, thence,
- 12) 201.37 feet along the arc of a curve to the left having a radius of 3524.87 feet, subtended by the Chord: North  $12^{\circ}56'27''$  West 201.35 feet, thence,
- 13) North  $14^{\circ}34'39''$  West 133.84 feet, thence leaving the said "Public Road Dedication Line," and binding along the outline of said Plat No. 9933,
- 14) North  $86^{\circ}53'33''$  East 684.80 feet,
- 15) North  $87^{\circ}07'31''$  East 362.00 feet to the northwestern corner of Lot 10 (designated by number 392) as shown on Plat No. 9934 of said lastly mentioned subdivision, thence binding along the outlines of said Plat No. 9934,
- 16) North  $87^{\circ}07'31''$  East 341.22 feet,
- 17) North  $86^{\circ}44'41''$  East 797.42 feet,
- 18) South  $56^{\circ}54'31''$  East 352.06 feet,
- 19) South  $36^{\circ}50'19''$  West 92.73 feet to the northwestern corner of Lot 14 (designated by Point No. 284) as shown on Plat No. 9935 of said lastly mentioned subdivision, thence binding along the outlines of said Plat No. 9935,
- 20) South  $54^{\circ}09'41''$  East 199.69 feet,
- 21) South  $35^{\circ}39'19''$  West 280.00 feet,
- 22) South  $54^{\circ}09'41''$  East 78.00 feet,
- 23) North  $35^{\circ}39'19''$  East 280.00 feet,
- 24) North  $54^{\circ}09'41''$  West 18.00 feet,



3398 000364

- 25) North 36°45'19" east 178.62 feet to the southwestern "Public Road Dedication Line" for Ivory Road West, thence binding along same,
- 26) South 55°54'02" East 509.85 feet, thence leaving said "Public Road Dedication Line," for Ivory Road West,
- 27) South 33°40'10" West 10.30 feet,
- 28) South 56°19'50" East 33.00 feet,
- 29) South 02°38'33" West 50.56 feet to the northwestern road right-of-way line of said Maryland Route 32 as shown on SRC Plat Nos. 20496, 20497, 20498 and 20499, thence binding along same,
- 30) 1156.59 feet along the arc of a curve to the left having a radius of 3,935.72 feet, subtended by the Chord: South 55°17'17" West 1152.43 feet, thence
- 31) South 46°52'10" West 30.48 feet,
- 32) North 43°07'50" West 4.00 feet,
- 33) South 36°05'06" West 21.38 feet,
- 34) South 46°52'10" West 357.91 feet to the point of beginning; containing 100.443 acres, more or less.

Saving and excepting all that Lot designated as Lot 21 on said plat of subdivision entitled "West Friendship Estates, Section One, (Formerly The Indians Gun I) Lots 1 Thru 21," Sheet 5 of 5 recorded among the said Land Records as Plat No. 9936 and more particularly described as follows:

BEGINNING FOR THE SAME at a point (designated by the number 4) on said Plat No. 9936; said point of beginning being North 43°07'50" West 214.74 feet from the end of the Thirty Fourth line of the hereinabove described Parcel, and running thence binding along the outlines of said Lot 21, as now described,

- 1) South 82°23'31" West 406.93 feet,
- 2) North 11°03'35" West 321.73 feet,

- 3) North  $54^{\circ}50'33''$  West 30.64 feet to the southeastern road right-of-way line of Indian Gun Drive (50.00 feet wide) as shown on said Plat No. 9936, thence binding along same,
- 4) 50.10 feet along a curve to the left having a radius of 450.00 feet subtended by the Chord: North  $31^{\circ}58'02''$  East 50.08 feet, thence leaving said road right-of-way line,
- 5) South  $54^{\circ}50'33''$  East 87.49 feet,
- 6) North  $82^{\circ}23'31''$  East 333.29 feet,
- 7) South  $11^{\circ}03'35''$  East 321.73 feet to the point of beginning; containing 3.067 acres of land, more or less.

**AMENDMENT TO DECLARATION OF COVENANTS,  
CONDITIONS AND RESTRICTIONS FOR  
FOX VALLEY ESTATES HOMEOWNERS ASSOCIATION, INC.**

THIS AMENDMENT TO DECLARATION ("Amendment") is made this 29<sup>th</sup> day of January, 1997, by WEST FRIENDSHIP ESTATES, a Maryland general partnership, and PEDICORD JOINT VENTURE, a Maryland general partnership (hereinafter collectively referred to as the "Declarant").

**W I T N E S S E T H:**

WHEREAS, West Friendship Estates is the owner of the real property described in Exhibit "A" attached hereto and incorporated herein by reference (the "Additional Property");

WHEREAS, the Declarant has heretofore recorded a certain Declaration of Covenants, Conditions and Restrictions for Fox Valley Estates Homeowners Association, Inc. among the Land Records of Howard County, Maryland on December 12, 1994, in Liber 3398, at folio 334 et seq. (hereinafter referred to as the "Declaration", which term shall include any and all subsequent corrections and modifications thereof as may be recorded among the Land Records of Howard County, Maryland);

WHEREAS, Article IV, Section 2 of the Declaration provides, in part, that the Declarant may annex additional land to the Properties by recording an amendment to the Declaration, and that such amendment may contain supplementary additions and modifications to the Declaration;

WHEREAS, the Declarant desires, in accordance with Article IV, Section 2 of the Declaration, to (i) extend the scheme of the covenants and restrictions of the Declaration to the Additional Property, and (ii) confirm that certain of the parcels included within the Additional Property shall, upon conveyance to the Association, constitute part of the Common Areas of the Association as defined in the Declaration.

NOW, THEREFORE, the Declarant hereby declares that the Additional Property shall be and is hereby made subject to the effect and operation of the Declaration, so that the Additional Property shall be deemed included within the scheme of the covenants and restrictions of the Declaration and fully subject to the effect and operation of the Declaration, including each and every covenant, restriction, condition and easement set forth therein.

Preservation Parcels E, F, G, I, L, and M, as described on Exhibit "A" hereto, shall, upon conveyance to the Association by an instrument recorded among the Land Records of Howard County, Maryland, constitute part of the Common Areas of the Association.

Unless otherwise defined herein, words or phrases defined in Article I of the Declaration shall have the same meaning in this Amendment as provided for in Article I of the Declaration.

[SIGNATURE PAGES FOLLOW]

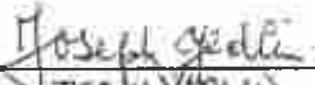
IN WITNESS WHEREOF, the Declarant has caused this Amendment to be duly executed on its behalf as of the day and year first above written.


ATTEST/WITNESS:

DECLARANT:

WEST FRIENDSHIP ESTATES, a  
Maryland general partnership

By: PERCONTEE, INC., a  
Maryland Corporation,  
General Partner

  
\_\_\_\_\_  
JOSEPH GIEDLIN  
(Assistant) Secretary

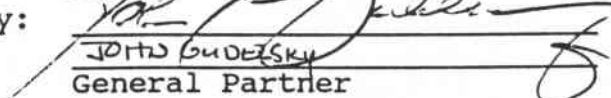
By:   
\_\_\_\_\_  
JOHN GUDELSKY  
(Vice) President

[CORPORATE SEAL]

PEDICORD JOINT VENTURE, a  
Maryland general partnership

By: PEDICORD PROPERTIES  
PARTNERSHIP, a Maryland  
limited partnership,  
General Partner

  
\_\_\_\_\_  
M. THOMAS DIFFEND

By:   
\_\_\_\_\_  
JOHN GUDELSKY  
General Partner

[SEAL]

\* \* \*

STATE OF MARYLAND  
COUNTY OF MONTGOMERY

\*  
\* to wit:  
\*

I HEREBY CERTIFY that on the 28 day of JANUARY, 1997, before me, the subscriber, a Notary Public of the State of Maryland, personally appeared JIMMY GUDELSKY, who acknowledged himself to be the (Vice) President of Percontee, Inc., a Maryland corporation, which is a general partner of West Friendship Estates, a Maryland general partnership, and that he, as the (Vice) President of Percontee, Inc., being authorized to do so, executed the foregoing instrument for the purposes contained therein by signing on behalf of West Friendship Estates by himself as (Vice) President of Percontee, Inc.

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

[NOTARY SEAL]

*Samuel Vedlio*  
Notary Public  
SAMUEL VEDLIO  
Printed Name of Notary Public

My Commission Expires: 1/9/98

[NOTARIAL SEAL]

\* \* \*

STATE OF MARYLAND  
COUNTY OF MONTGOMERY

\*  
\* to wit:  
\*

I HEREBY CERTIFY that on the 28 day of JANUARY, 1997, before me, the subscriber, a Notary Public of the State of Maryland, personally appeared JOHN GUDELUSKY, who acknowledged himself to be a general partner of Pedicord Properties Partnership, a Maryland limited partnership, which is a general partner of Pedicord Joint Venture, a Maryland general partnership, and that he, as a general partner of Pedicord Properties Partnership, executed the foregoing instrument for the purposes contained therein by signing on behalf of Pedicord Joint Venture by himself as a general partner of Pedicord Properties Partnership.

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

[NOTARY SEAL]

Samuel Vedlid  
Notary Public  
SAMUEL VEDLID  
Printed Name of Notary Public

My Commission Expires: 1/9/98

[NOTARIAL SEAL]

\* \* \*

**ATTORNEY'S CERTIFICATION**

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

[Signature]  
Attorney

FOX VALLEY ESTATES  
THIRD (3RD) ELECTION DISTRICT  
HOWARD COUNTY, MARYLAND

Lots 57 through 100, inclusive, and Preservation Parcels E, F, G, I, L and M, as shown on a plat of subdivision entitled "WEST FRIENDSHIP ESTATES, SECTION 2", recorded among the Land Records of Howard County, Maryland on November 7, 1996 as Plat Numbers 12451 through 12455, inclusive.

Exhibit "A"

(Description of Additional Property)



Exhibit "C"

(By-Laws, and Rules if any)

BY-LAWS  
OF  
FOX VALLEY ESTATES HOMEOWNERS ASSOCIATION, INC.

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BY-LAWS  
OF  
FOX VALLEY ESTATES HOMEOWNERS ASSOCIATION, INC.

ARTICLE I  
NAME AND LOCATION

Section 1. Name and Location. The name of this Corporation is FOX VALLEY ESTATES HOMEOWNERS ASSOCIATION, INC. Its principal place of business and mailing address is 10805 Hickory Ridge Road, Suite 210, Columbia, Maryland 21044. Said principal office may be changed by the Board of Directors ("Board") at any time and from time to time. The Corporation is a non-profit, non-stock corporation organized under the laws of the State of Maryland. The Corporation may have such other offices within or without the State of Maryland as the Board or the Members may from time to time designate. The Corporation shall be the Association described in the Declaration (as defined herein), and for purposes of identification shall be hereinafter referred to in these By-Laws as the "Corporation" or the "Association."

Section 2. Applicability. These By-Laws and each provision hereof shall be applicable to all Owners and Developers within the community known as Fox Valley Estates Homeowners Association, Inc., situate in the Third Election District, Howard County, Maryland, and described in the Declaration.

ARTICLE II  
DEFINITIONS

Section 1. "Declaration" as used herein, means that certain Declaration of Covenants, Conditions and Restrictions made the 6th day of December, 1994, by WEST FRIENDSHIP ESTATES, a Maryland general partnership, and PEDICORD JOINT VENTURE, a Maryland general partnership, recorded on December 12, 1994 among the Land Records of Howard County, Maryland in Liber 3398, folio 334, and any declaration amendatory or supplementary thereto.

Section 2. Other Definitions. Any other term used in these By-Laws shall have the same meaning as set forth in the Declaration except where said meaning is clearly inappropriate.

### **ARTICLE III MEMBERSHIP**

**Section 1. Members.** Every person, group of persons, corporation, trust, firm, partnership, association or other legal entity, or any combination thereof, which owns a Lot within that portion of the Property subject to the Declaration and the Declarant shall be a Member of the Association; PROVIDED, HOWEVER, that a Developer shall not be a Member; and PROVIDED, FURTHER, that any person, group of persons, corporation, trust, firm, partnership, association or other legal entity, or any combination thereof, which holds such interest solely as security for the performance of any obligation shall not be a Member solely by reason of such interest.

**Section 2. Classification of Members.** Members of the Association shall be divided into classes as follows:

(a) **Class A Members.** With the exception of the Declarant or a Developer (but subject to the provisions of this Section converting Class B to Class A Membership), every person, group of persons, corporation, partnership, trust or other legal entity who is a record owner of a fee simple interest in any Lot which is or becomes subject to the Declaration shall be a Class A Member of the Association; PROVIDED, HOWEVER, that any such person, group of persons, corporation, partnership, trust, or other legal entity who holds such interest solely as security for the performance of an obligation shall not be a Member solely on account of such interest. Class A Members shall be entitled to one vote for each Lot in which they hold the interest required for Membership. In the event that more than one person, group of persons, corporation, partnership, trust or other legal entity is the record owner of a fee simple interest in any Lot, then the vote for the Membership appurtenant to such Lot shall be exercised as they among themselves determine in the manner provided hereinbelow, but (except as herein provided) no more than one vote shall be cast with respect to any Lot.

(b) **Class B Members.** The Class B Members shall be the Declarant (and/or such other persons to whom Declarant shall assign any Class B Membership) and the Class B Members shall be entitled to nine (9) votes for each Lot which the Declarant or any Developer owns; PROVIDED, HOWEVER, that such Class B Membership shall lapse and become a nullity on either of the following events, whichever occurs first:

(i) when the total votes outstanding in the Class A Membership equals the total votes outstanding in the Class B Membership; or

(ii) seven (7) years from the date of recordation of the Declaration; PROVIDED, HOWEVER, that if the Declarant is delayed in the improvement and development of the Property on account of a building permit moratorium or any other cause or event beyond the Declarant's control, then the

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aforesaid seven (7) year period shall be extended by a period of time equal to the length of the delays or three (3) years, whichever is less.

Upon the lapse of all of the Class B Memberships, as provided in this Article III, the Class B Members shall be Class A Members of the Association as to each and every Lot in which the Class B Members holds the interest otherwise required for such Class A Membership.

Section 3. Assignment of Membership. The Class A Memberships, but not the Class B Memberships, shall be appurtenant to the Lot owned by a Member and may not be assigned except in conjunction with the Lot to which they are appurtenant. The Class B Membership shall be freely assignable to any legal entity serving in capacity as a Declarant hereunder as the same is defined in Article III, Section 2 herein.

Section 4. Liquidation Rights. In the event of any voluntary or involuntary dissolution of the Association, the assets of the Association shall be distributed to an appropriate public agency to be used for similar purposes to those for which this Association was created. In the event that such distribution is not accepted, such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization operated for similar purposes.

Section 5. Method of Voting Membership Held by More Than One Person. In the event a Class A Membership is held by more than one person, that Membership shall, nevertheless, be entitled to only one indivisible vote. The method of voting such Membership shall be as described in Article IV, Section 7 of these By-Laws.

#### **ARTICLE IV** **MEETING OF MEMBERS**

Section 1. Place of Meeting. Meetings of the Membership shall be held at the principal office of the Association or at such other suitable place convenient to the Membership as may be designated by the Board.

Section 2. Annual Meetings. The first annual meeting of the Members of the Association shall be held at such time as the Board shall determine but shall be held, in any event, within one (1) year following the date of filing of the Articles of Incorporation with the Maryland State Department of Assessments and Taxation. Thereafter, the annual meetings of the Members of the Association shall be held on such date as the Board may determine but not less than three (3) nor more than five (5) months after the last day of the Association's fiscal year. If the Board shall fail to set a date for the annual meeting in any year, then such meeting for that year shall be held at 7:00 p.m. on the second Wednesday of April. At such meeting there shall be elected by ballot of the Members, a Board in accordance with the requirements of Article V, Section 4 of

these By-Laws. The Members may also transact such other business of the Association as may properly come before them.

**Section 3. Special Meetings.** It shall be the duty of the President to call a special meeting of the Members as directed by resolution of the Board or upon a petition signed by Members representing at least twenty-five percent (25%) of the votes entitled to be cast having been presented to the Secretary/Treasurer. The resolution or petition shall state the purpose of the meeting and the matters proposed to be acted on thereat. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

**Section 4. Notice of Meetings.** It shall be the duty of the Secretary/Treasurer or the Association's management agent to mail a notice of each meeting or special meeting, stating the purpose thereof as well as time and place where it is to be held, to each Member of record, at his address as it appears on the Membership books of the Association, or if no address appears, at his last known address, at least ten (10) but not more than ninety (90) days prior to such meeting. Service may also be accomplished by the delivery of any such notice to the Member at his Lot or last known address. Attendance by a Member at any meeting of the Members shall be a waiver of notice by him of the time, place and purpose thereof.

**Section 5. Quorum.** Subject to the provisions of Section 6 of this Article, the presence, either in person or by proxy, of Members entitled to cast ten percent (10%) of the votes of each class of Members shall be requisite for, and shall constitute a quorum for the transaction of business at all meetings of Members unless a greater number is provided by the Articles of Incorporation, the Declaration or these By-Laws.

**Section 6. Adjourned Meetings.** If any meeting of Members cannot be organized because a quorum has not attended, the Members who are present, either in person or by proxy, may, except as otherwise provided by law, adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called. Those Members present in person or by proxy at the subsequently called meeting shall constitute a quorum for the purposes of the subsequently called meeting.

**Section 7. Voting.** At every meeting of the Members, each of the Members shall have the right to cast the number of votes appurtenant to the Membership which he owns on each question. A plurality of the votes cast at a meeting of Members duly called and at which a quorum is present shall be sufficient to elect a Director. With respect to all other matters, the vote of the Members representing fifty-one percent (51%) of the total votes present and voting at the meeting, in person or by proxy, shall be necessary to decide any question brought before such meeting, unless the question is one upon which, by express provision of statute or of the Articles of Incorporation, or of the Declaration or of these By-Laws, a different vote is required, in which case such express provision shall govern and control. The vote for any Membership which is



owned by more than one person may be exercised by any of them present at any meeting unless any objection or protest by any other owner of such Membership is noted at such meeting. In the event all of the co-owners of any Membership who are present at any meeting of the Members are unable to agree on the manner in which the vote for such Membership shall be cast on any question, then such vote shall not be counted for purposes of deciding that question. In the event that the Membership is owned by a corporation, then the vote for any such Membership shall be cast by a person designated in a certificate and attested by the secretary or an assistant secretary of such corporation and filed with the Secretary/Treasurer of the Association prior to the meeting. The vote for any Membership which is owned by a trust or partnership may be exercised by any trustee or partner thereof, as the case may be and, unless any objection or protest by any other such trustee or partner is noted at such meeting, the Chairman of such meeting shall have no duty to inquire as to the authority of the person casting such vote or votes. No Member shall be eligible to vote, either in person or by proxy, or to be elected to the Board if the books or management accounts show such Member to be more than sixty (60) days delinquent in any payment due the Association. No vote may be divided into fractional votes on any question.

Section 8. Proxies. A Member may appoint any other Member or the Declarant as his proxy. Any proxy must be in writing and must be filed with the Secretary/Treasurer in a form approved by the Board before the appointed time of each meeting. Unless limited by its terms or by statute, any proxy shall continue until revoked by a written notice of revocation filed with the Secretary/Treasurer, by the death of the Member, or by conveyance of the Lot to which the Membership is appurtenant.

Section 9. Rights of Mortgagees. Any institutional mortgagee of any Lot who desires notice of the annual and special meetings of the Members shall notify the Secretary/Treasurer to that effect by registered or certified mail, return receipt requested. Any such notice shall contain the name and post office address of such institutional mortgagee and the name of the person to whom notice of the annual and special meetings of the Members should be addressed. The Secretary/Treasurer of the Association shall maintain a roster of all institutional mortgagees from whom such notices are received and it shall be the duty of the Secretary/Treasurer to mail or otherwise cause the delivery of a notice of each annual or special meeting of the Members to each such institutional mortgagee, in the same manner, and subject to the same requirements and limitations as are provided in Section 4 of this Article for notice to the Members. Any such institutional mortgagee shall be entitled to designate a representative to attend any annual or special meeting of the Members and such representative may participate in the discussion at any such meeting and may, upon his request to the Chairman in advance of the meeting, address the Members present at any such meeting. Such representatives shall have no voting rights at any such meeting.

Section 10. Order of Business. The order of business at meetings of the Members shall be as follows:

- (a) Roll call and certification of proxies;
- (b) Proof of notice of meeting or waiver of notice;
- (c) Reading of minutes of preceding meeting;
- (d) Reports of officers, if any;
- (e) Reports of committees, if any;
- (f) Election or appointment of inspectors of election;
- (g) Election of Directors;
- (h) Unfinished business; and
- (i) New business.

In the case of a special meeting, items (a) and (b) shall be applicable and thereafter the agenda shall consist of the items specified in the notice of the meeting.

## **ARTICLE V DIRECTORS**

Section 1. Number. The affairs of the Association shall be managed by a Board initially consisting of three (3) natural persons who need not be Members of the Association, and who shall be designated by the Declarant and who shall hold office until the election of their successors at the first annual meeting of the Members of the Association. The names of the initial members of the board of directors are: John Gudelsky, Donald Reuwer and Mark Reich.

Commencing with the first annual meeting of the Association, the Board shall consist of three (3) natural persons who need not be Members, who shall be elected by the Members of the Association. All directors must be natural persons.

Section 2. Powers and Duties. The Board shall have all the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things, as are not by law or by these By-Laws, directed to be exercised and done by the Members. The powers and duties of the Board shall include, but not be limited to, the following:

To provide for the:

- (a) care and upkeep of the Common Areas in a manner consistent with the law, the provisions of these By-Laws, and the Declaration;
- (b) establishment and collection of assessments and/or carrying charges from the Members and for the assessments and/or enforcement of liens

therefor in a manner consistent with law and the provisions of these By-Laws and the Declaration;

(c) designation, hiring, and/or dismissal of personnel necessary for the good working order of the Association, for the proper care of the Common Areas, and to provide services for the Association in a manner consistent with law and the provisions of these By-Laws and the Declaration; and

(d) promulgation and enforcement of such rules and the levying of fines for violation thereof as may be deemed proper respecting the use, occupancy and maintenance of the Common Areas as are designated to prevent unreasonable interference with the use and occupancy of the Association by the Members, all of which shall be consistent with law and the provisions of these By-Laws and the Declaration.

Section 3. Budget. The Board shall prepare and adopt a budget for each annual assessment period which shall include estimates of the funds required by the Association to meet its annual expenses for that period and shall include reasonable reserves for repair and replacement. The budget herein required to be prepared and adopted by the Board shall be in a format consistent with the classification of the accounts of the Association, and shall provide for sufficient estimates, on a consistent periodic basis, to permit comparison to and of deviations from the various periodic reports of the actual results of operation and the actual financial condition of the Association, on both a current basis and for prior corresponding periods, all in accordance with generally accepted accounting practices, consistently applied. Copies of the budget shall be available for examination by the Members and by their duly authorized agents and attorneys, and by the institutional holder of any first mortgage on any Lot in the project and by their duly authorized agents and attorneys, during normal business hours, for purposes reasonably related to their respective interests, and upon reasonable notice.

Section 4. Term of Office. At the first annual meeting of the Members, 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. At the expiration of the initial term of office of each respective director, his successors shall be elected to serve a term of three (3) years. Directors shall hold office until their successors have been elected and hold their first regular meeting.

Section 5. Vacancies. Vacancies in the Board caused by any reason other than the removal of a Director through normal annual elections as herein provided shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum; each person so elected by a majority of the remaining Directors shall be a Director until a successor is elected by the Members.

**Section 6. Removal.** After the first annual meeting of the Association, any Director may be removed from the Board, with or without cause, by the vote of the Members holding a majority of the votes entitled to be cast. Prior to the first annual meeting of the Association, any Director may be removed from the Board, with or without cause, by the Declarant.

**Section 7. Compensation.** No Director shall receive compensation for any service he may render to the Association as a Director.

**Section 8. Regular Meetings.** Regular meetings of the Board may be held at such time and place as shall be determined by a majority of the Directors, but at least two (2) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board shall be given to each Director, personally or by mail, telephone or telegraph, at least six (6) days prior to the day named for such meeting.

**Section 9. Special Meetings.** Special meetings of the Board may be called by the President of the Board on three (3) days' notice to each Director, given personally or by mail, telephone or telegraph, which notice shall state the time, place, as hereinabove provided, and purpose of the meeting. Special meetings of the Board shall be called by the President or Secretary/Treasurer in like manner and on like notice on the written request of at least two (2) of the Directors.

**Section 10. Waiver of Notice.** Before or at any meeting of the Board, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be waiver of notice by him of the time, place and purpose thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business which may properly come before the Board at such meeting may be transacted.

**Section 11. Quorum.** At all meetings of the Board, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present and voting at a meeting at which a quorum is present shall be the acts of the Board. If at any meeting of the Board there be less than a quorum present, the majority of those present, may adjourn the meeting from time to time. At any such meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

**Section 12. Action Without Meeting.** Any action by the Board required or permitted to be taken at any meeting may be taken without a meeting if all of the members of the Board shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board.

Section 13. Fidelity Bonds. The Board shall require that all officers and employees of the Association handling or responsible for association, corporate or trust funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Association.

## **ARTICLE VI OFFICERS**

Section 1. Designation. The principal officers of the Association shall be a President, a Vice President, and a Secretary/Treasurer, all of whom shall be elected by the Board. After the expiration of Class B Memberships, all officers of the Association shall be Members of the Association and shall not be related by marriage or otherwise.

Section 2. Election of Officers. The officers of the Association shall be elected annually by the Board at the organizational meeting of each new Board and shall hold office at the pleasure of the Board.

Section 3. Removal of Officers. Upon an affirmative vote of a majority of the Members of the Board, any officer may be removed either with or without cause, and his successor elected at any regular meeting of the Board, or any special meeting of the Board called for such purpose.

Section 4. President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Members and of the Board. He shall have all of the general powers and duties which are usually vested in the office of president of a corporation, including but not limited to the power to appoint committees from among the Membership from time to time as he may, in his discretion, decide is appropriate to assist in the conduct of the affairs of the Association.

Section 5. Vice President. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board shall appoint some other member of the Board to do so on an interim basis. The Vice President shall also perform such other duties as shall from time to time be delegated to him by the Board.

Section 6. Secretary/Treasurer. The Secretary/Treasurer shall keep the minutes of all meetings of the Board and the minutes of all meetings of the Members of the Association; he shall have custody of the seal of the Association; he shall have charge of the Membership transfer books and of such other books and papers as the Board may direct; and he shall, in general, perform all the duties incident to the office of Secretary. The Secretary/Treasurer shall also have responsibility for Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He shall be

responsible for the deposit of all moneys and other valuable effects in the name, and to the credit, of the Association, in such depositories as may from time to time be designated by the Board.

## ARTICLE VII LIABILITY AND INDEMNIFICATION OF OFFICERS AND DIRECTORS

Section 1. Liability and Indemnification of Officers and Directors. To the maximum extent permitted by Maryland law in effect from time to time, the Association shall indemnify, and shall pay or reimburse reasonable expenses in advance of final disposition of a proceeding to, (i) any individual who is a present or former director or officer of the Association or (ii) any individual who serves or has served another corporation, partnership, joint venture, trust, employee benefit plan or any other enterprise as a director or officer of such corporation or as a partner or trustee of such partnership, joint venture, trust or employee benefit plan at the request of the Association. The Association may, with the approval of its Board, provide such indemnification and advancement of expenses to a person who served a predecessor of the Association in any of the capacities described in (i) or (ii) above and to any employee or agent of the Association or a predecessor of the Association.

Neither the amendment nor repeal of this Article VII, nor the adoption or amendment of any other provision of these By-laws, the Articles of Incorporation or the Declaration inconsistent with this Article VII, shall apply to or affect in any respect the applicability of the preceding paragraph with respect to any act or failure to act which occurred prior to such amendment, repeal or adoption.

Section 2. Common or Interested Directors. The Directors shall exercise their powers and duties in good faith and with a view to the best interests of the Association. No contract or other transaction between the Association and one or more of its Directors, or between the Association and any corporation, firm or association (including the Declarant) in which one or more of the Directors of this Association are directors or officers or are pecuniarily or otherwise interested, is either void or voidable because such Director or Directors are present at the meeting of the Board or any committee thereof which authorizes or approves the contract for such purposes, if any of the conditions specified in any of the following subparagraphs exist:

(a) The fact of the common directorate or interest is disclosed or known to the Board or a majority thereof or noted in the Minutes, and the Board authorizes, approves, or ratifies such contract or transaction in good faith by a vote sufficient for the purpose;

(b) The fact of the common directorate or interest is disclosed or known to the Members, or a majority thereof, and they approve or ratify the contract or transaction in good faith by a vote sufficient for the purpose; or

(c) The contract or transaction is commercially reasonable to the Association at the time it is authorized, ratified, approved or executed.

Common or interested Directors may be counted in determining the presence of a quorum at any meeting of the Board or committee thereof which authorizes, approves or ratifies any contract or transaction, and may vote thereat to authorize any contract or transaction with like force and effect as if he were not such a director or officer of such corporation or not so interested.

## **ARTICLE VIII MANAGEMENT**

**Section 1. Management and Common Expenses.** The Association, acting by and through its Board, shall manage, operate and maintain the Common Areas and, for the benefit of the Lots and the owners thereof, shall enforce the provisions hereof and shall pay out of the common expense fund hereinelsewhere provided for, the following:

(a) The cost of providing water, sewer, garbage and trash collection, electrical and other necessary utility services for the Common Areas;

(b) The cost of directors and officers liability, fire, and extended liability insurance for the Common Areas and the cost of such other insurance as the Association may effect, or deem appropriate;

(c) The cost of the services of a person or firm to manage the project together with the services of such other personnel as the Board shall consider necessary for the operation of the project;

(d) The cost of providing such legal and accounting services as may be considered necessary to the operation of the Association;

(e) The cost of painting, maintaining, replacing, repairing and landscaping the Common Areas and such furnishings and equipment as the Board shall determine are necessary and proper, and the Board shall have the exclusive right and duty to acquire the same; PROVIDED, HOWEVER, that nothing herein contained shall require the Association to paint, repair or otherwise maintain any Lot or any fixtures, appliances or equipment located therein, the maintenance of each Lot being the sole responsibility of the Owner or occupant thereof; and

(f) The cost of any and all other materials, supplies, labor, services, maintenance, repairs, taxes, assessments or the like, which the Association is required to secure or pay for by law, or otherwise, or which in the discretion of the Board shall be necessary or proper for the operation of the Association and its property.

**Section 2. Easements for Utilities and Related Purposes.** The Association is authorized and empowered to grant (and shall from time to time grant) such licenses, easements and/or rights-of-way for sewer lines, water lines, electrical cables, telephone cables, television and other communications cables, internal and external wiring and antennae, gas lines, storm drains, underground conduits and/or such other purposes related to the provision of public utilities and other common services to the Property or any part thereof as may be considered necessary, appropriate or desirable by the Board for the orderly maintenance, preservation and enjoyment of the Property or for the preservation of the health, safety, convenience and/or welfare of the owners of the Lots, Developers or the Declarant. Said easements, licenses and rights-of-way shall be granted by vote of the Board of the Association and the Members shall not be required to approve such grants.

**Section 3. Limitation of Liability.** The Association shall not be liable for any failure of utilities or other services to be obtained by the Association or paid out of the common expense fund, or for injury or damage to person or property caused by the elements or by the Owner of any Lot, or any other person, or flow from any portion of the Property owned and/or maintained by the Association or from any wire, pipe, drain, conduit, appliance or equipment. The Association shall not be liable to the Owner of any Lot for loss or damage, by theft or otherwise, of articles which may be stored upon any of the Common Areas. No diminution or abatement of common expense assessments, as hereinelsewhere provided, shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the Common Areas, or to any Lot or from any action taken by the Association to comply with any law, ordinance or with the order or directive of any municipal or other governmental authority.

**Section 4. Fiscal Year.** The fiscal year of the Association shall begin on January 1 and end on December 31.

**Section 5. Books and Accounts.** Books and accounts of the Association shall be kept under the direction of the Secretary/Treasurer in accordance with good accounting practices. The same shall include books with detailed accounts, in chronological order, of receipts and of the expenditures affecting the project and its administration and shall specify the maintenance and repair expenses of the Common Areas and services, and of any other expenses incurred. The amount of any assessments in excess of the amounts necessary for the operations of the Association shall be deposited into an account designated for replacement reserves.

**Section 6. Auditing.** At the close of each fiscal year, the books and records of the Association shall be audited by an independent Certified Public Accountant whose report shall be prepared and certified in accordance with generally accepted auditing standards. Based upon such report, the Association shall furnish its Members who so request in writing with an annual financial statement, including the income and disbursements of the Association.



Section 7. Inspection of Books. The books and accounts of the Association, and vouchers accrediting the entries made thereupon, shall be available for examination by the Members of the Association, attorneys representing any of the Members, and to the institutional holder of any first mortgage on any Lot and/or its duly authorized agents or attorneys, during normal business hours and for purposes reasonably related to their interests as Members.

Section 8. Execution of Association Documents. With the prior authorization of the Board, all notes and contracts shall be executed on behalf of the Association by either the President or Vice President, and all checks shall be executed on behalf of the Association by such officers, agents or other persons as are from time to time authorized by the Board.

## **ARTICLE IX USE RESTRICTIONS**

Section 1. Residential Use. All Lots shall be used for private, residential purposes exclusively, except for such temporary non-residential uses as may from time to time be authorized by the Board and the Zoning Ordinances of Howard County, Maryland. Nothing in this Section, or hereinelsewhere, shall be construed to prohibit the Declarant or a Developer from the use of any Lots which Declarant or a Developer owns for promotional or display purposes as "model houses" or from leasing any Lot(s) which Declarant or a Developer owns.

Section 2. Leasing. No Lot within the project, with the exception of leases entered into by Declarant, shall be rented for transient or hotel purposes, or in any event for an initial period of less than twelve (12) months. No portion of any Lot, other than the entire Lot, shall be leased for any period. Any Owner or Developer of any Lot who shall lease such Lot shall promptly, following the execution of any such lease, forward a conformed copy thereof to the Board. Any such lease shall contain a provision to the effect that the rights of the tenant to use and occupy the Lot shall be subject and subordinate in all respects to the provisions of the Declaration and these By-Laws and to such rules and regulations relating to the use of the Common Areas or other rules as the Board may from time to time promulgate. The provisions of this Section shall not apply to any institutional mortgagee of any Lot who comes into possession of the Lot as a result of a foreclosure sale or as a result of a proceeding in lieu of foreclosure.

Section 3. Rule-Making Authority. Set forth in the Declaration are various specific restrictions on the use to which any Owner or Occupant may put his Lot and/or the Common Areas. The Association, acting by vote of its Board, shall have the right to promulgate rules and regulations implementing and supplementing said restrictions and impose fines for violation of the Declaration or any rules so promulgated, and such rules shall have the same force and effect as if they were incorporated into the Declaration.

Except where immediate implementation is necessary to prevent injury to the health, safety or welfare of persons or to prevent damage or waste to any portion of the Property, such rules and regulations shall be circulated to Members for thirty (30) days after their promulgation prior to becoming effective.

## **ARTICLE X** **DESTRUCTION AND DAMAGE**

**Section 1. Use of Insurance Proceeds.** In the event of damage or destruction of any portion or all of the Common Areas by fire or other casualty, the same shall be promptly repaired or reconstructed in substantial conformity with the original plans and specifications with the proceeds of insurance available for that purpose, if any.

**Section 2. Proceeds Insufficient.** In the event that the proceeds of insurance are not sufficient to repair damage or destruction of the Common Areas by fire or other casualty, or in the event such damage or destruction is caused by any casualty not herein required to be insured against, then the repair or reconstruction of the damaged Common Areas shall be accomplished promptly by the Association at its common expense. The ratable share of the expense of such repairs or reconstruction may be assessed by the Board to the Members, and the lien for the same shall have all the priorities provided for in the Declaration.

## **ARTICLE XI** **ARCHITECTURAL STANDARDS**

Each Owner and Developer in the Association (other than the Declarant during the course of construction on the Property) by virtue of his acceptance of a warranty deed and the Declaration, acknowledges the necessity of maintaining the physical appearance and image of the entire residential community as a quality residential community, and additionally that the success of the Declarant in selling the remaining portions of the community is closely related to the physical appearance and image of the completed portions of the community. Subject to the operation and effect of the provisions of the Declaration, and except for any Dwellings and/or Improvements constructed or erected by Declarant, no Dwelling or Improvement or other structure of any kind whatsoever shall be constructed, reconstructed, placed, maintained or modified (other than: (1) exterior repainting in the same color as the existing color, upon prior written approval of the Architectural Standards Committee (as appointed by the Board pursuant to the Declaration), and (2) interior painting or other modifications not visible from or affecting the exterior of the Dwelling), and no landscaping on a Lot shall be altered, unless such action and such Dwelling or Improvement has been approved expressly and in writing by the Architectural Standards Committee, which shall have the absolute right to refuse to grant such approval for any aesthetic or other reasonable cause, and to withhold such approval until plans and specifications,

showing in reasonable detail the nature, kind, shape, height, materials, location and approximate cost of such Dwelling or Improvement, have been submitted to and approved by the Architectural Standards Committee expressly and in writing. In considering whether to grant such approval, the Architectural Standards Committee may consider the suitability of such proposed Dwelling or Improvement with relation to such Lot and the other Lots, and may base such consideration upon such, if any, information concerning the nature, kind, shape, heights, materials, location and approximate cost of such Dwelling or Improvement as is furnished to the Architectural Standards Committee, as aforesaid, all to the end that such Dwelling or Improvement shall be in harmony with and have no adverse affect upon its immediate surroundings, the Common Areas and the other Lots. The Architectural Standards Committee shall only have the right to approve the location of basketball poles, backboards and rims.

## **ARTICLE XII**

### **AMENDMENT AND APPROVALS**

**Section 1. Amendments by Members.** These By-Laws may be amended by the affirmative vote of Members representing sixty-six and two-thirds percent (66-2/3%) or more of the votes of each class of Members present and voting at any meeting of the Members duly called for such purpose.

**Section 2. Amendments by Declarant.** During the period in which the Declarant owns a Class B Membership, the Declarant reserves the right to unilaterally amend these By-Laws to meet the requirements of the Federal Housing Administration, Veteran's Administration, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, title insurance company or any other governmental or quasi-governmental agency, or to meet the requirements of any mortgage lender; PROVIDED, HOWEVER, that any such amendment shall not materially adversely affect the substantive rights hereunder of any Member other than Declarant. Any such amendment shall be distributed to all Members.

## **ARTICLE XIII**

### **MORTGAGEES - NOTICES**

**Section 1. Notice to Board of Directors.** Any owner of any Lot in the Association (including a Developer) who mortgages such Lot shall promptly notify the Board of the name and address of his mortgagee. The Board shall maintain suitable records pertaining to such mortgagees.

**Section 2. Definition.** As used in this Article, the term "mortgagee" shall mean any mortgagee, and shall not be limited to institutional mortgagees, and the term "Mortgage" shall include a deed of trust. As used generally in these By-Laws, the term

"institutional holder" or "institutional mortgagee" shall include banks, trust companies, insurance companies, savings and loan associations, pension funds and any corporation, including a corporation of, or affiliated with, the United States Government, or any agency thereof.

#### ARTICLE XIV INTERPRETATION - MISCELLANEOUS

Section 1. Conflict. These By-Laws are subordinate and subject in all respects to the provisions of the Declaration. All of the terms hereof, except where clearly repugnant to the content, shall have the same meaning as in the Declaration. In the event of any conflict between these By-Laws and the Declaration, the provisions of the Declaration shall control. The provisions of the Declaration are incorporated herein by reference.

Section 2. Notices. Unless another type of notice is herein elsewhere specifically provided for, any and all notices called for in the Declaration and in these By-Laws shall be given in writing.

Section 3. Severability. In the event any provision or provisions of these By-Laws shall be determined to be invalid, void or unenforceable, such determination shall not render invalid, void or unenforceable any other provisions hereof which can be given effect.

Section 4. Waiver. No provision of these By-Laws shall be deemed to have been abrogated or waived by reason of any failure or failures to enforce the same.

Section 5. Captions. The captions and headings contained in these By-Laws are for convenience only and are not a part of these By-Laws and are not intended in any way to limit or enlarge the terms and provisions of these By-Laws.

Section 6. Gender, Etc. Whenever in these By-Laws the context so requires, the singular number shall include the plural and the converse; and the use of any gender shall be deemed to include all genders.

IN WITNESS WHEREOF, we, being all of the Directors of the Fox Valley Estates Homeowners Association, Inc., have hereunto set our hands this \_\_\_\_ day of \_\_\_\_\_, 199\_.

WITNESS:

\_\_\_\_\_

\_\_\_\_\_

John Gudelsky

\_\_\_\_\_

\_\_\_\_\_

Donald Reuwer

\_\_\_\_\_

\_\_\_\_\_

Mark Reich

STATE OF MARYLAND            )  
  ) to wit  
COUNTY OF                    )

I HEREBY CERTIFY that on this \_\_\_\_ day of \_\_\_\_\_, 199\_ before me, the subscriber, a Notary Public of the State of Maryland, personally appeared John Gudelsky, Donald Reuwer and Mark Reich, and acknowledged the foregoing By-Laws to be their act and deed.

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

\_\_\_\_\_  
NOTARY PUBLIC

My Commission Expires: \_\_\_\_\_

**CERTIFICATION**

I, the undersigned, do hereby certify:

1. That I am the duly elected and acting Secretary/  
Treasurer of Fox Valley Estates Homeowners Association, Inc., and;

2. That the foregoing By-Laws constitute the original By-Laws of said  
Corporation, as duly adopted at a meeting of the Board of Directors thereof, held on the  
\_\_\_\_ day of \_\_\_\_\_, 199\_

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed  
the seal of said Corporation this \_\_\_\_ day of \_\_\_\_\_, 199\_

\_\_\_\_\_  
Secretary/Treasurer

**FOX VALLEY ESTATES HOMEOWNERS ASSOCIATION  
PRO FORMA BUDGET  
100 HOMES  
EFFECTIVE JANUARY 1, 1997  
REVISED NOVEMBER 26, 1996**

Per unit per month	\$45.00 Month	\$54.00 Month	\$60.00 Month
Acct. #	1997	1998	1999
Description	12 Months	12 Months	12 Months
<b>Income:</b>			
6310 Owner Payments	\$54,000.00	\$64,800.00	\$72,000.00
<b>Total Income</b>	<b>\$54,000.00</b>	<b>\$64,800.00</b>	<b>\$72,000.00</b>
<b>Expenses:</b>			
<b>Administrative:</b>			
7010 Management Fees	\$9,600.00	\$10,080.00	\$10,584.00
7140 Audit Fees	\$500.00	\$600.00	\$750.00
7160 Legal Fees	\$250.00	\$500.00	\$500.00
7260 Postage & Mail	\$250.00	\$350.00	\$400.00
7280 Insurance	\$2,500.00	\$2,500.00	\$3,200.00
7890 Miscellaneous	\$100.00	\$100.00	\$200.00
7895 Community Expense	\$450.00	\$450.00	\$450.00
<b>Total Administrative</b>	<b>\$13,650.00</b>	<b>\$14,580.00</b>	<b>\$16,084.00</b>
<b>Utilities:</b>			
8920 Electric Public	\$1,430.00	\$1,500.00	\$1,758.00
8990 Telephone	\$500.00	\$500.00	\$500.00
<b>Total Utilities</b>	<b>\$1,930.00</b>	<b>\$2,000.00</b>	<b>\$2,258.00</b>
<b>Maintenance:</b>			
9110 Repairs & Maintenance	\$500.00	\$2,500.00	\$3,000.00
<b>Total Maintenance</b>	<b>\$500.00</b>	<b>\$2,500.00</b>	<b>\$3,000.00</b>
<b>Contracted Services:</b>			
9610 Lawn Maintenance	\$21,600.00	\$23,425.00	\$24,363.00
8590 Flower Planting	\$1,500.00	\$2,500.00	\$3,500.00
8210 Pool & Tennis	\$8,000.00	\$10,000.00	\$12,000.00
8240 Supplies & Equipment	\$250.00	\$1,000.00	\$2,000.00
<b>Total Contracted Services</b>	<b>\$31,350.00</b>	<b>\$36,925.00</b>	<b>\$41,863.00</b>
<b>Total Operating Expenses</b>	<b>\$47,430.00</b>	<b>\$56,005.00</b>	<b>\$63,205.00</b>
<b>TOTAL RESERVES</b>	<b>\$6,570.00</b>	<b>\$8,795.00</b>	<b>\$8,795.00</b>
<b>TOTAL EXPENSES</b>	<b>\$54,000.00</b>	<b>\$64,800.00</b>	<b>\$72,000.00</b>

Assessments will be paid in quarterly installments, due January 1, April 1, July 1, and October 1st of each year.

## FOX VALLEY ESTATES HOMEOWNERS ASSOCIATION

### BUDGET EXPLANATION

1. **Management Fee** - to cover cost of professional full service property management services to include: complete financial bookkeeping & billing; the hiring and dismissal of contractors; competitive bidding and property inspections. Based on \$8 per unit per year with a 5% increase per year for 2 years.
2. **Audit** - to cover cost of a year end audit of books and preparation of tax returns by an independent CPA.
3. **Legal/Professional** - to cover costs of an attorney to develop a collection policy for the association, interpret documents, handle delinquencies.
4. **Printing/Postage** - to cover cost of general mailings to residents, and copying charges.
5. **Insurance** - to cover cost of General Liability Insurance, Property Insurance on pool and Directors & Officers Liability Insurance.
6. **Community Expense** - to cover cost of community meetings and Board expenses.
7. **Electric Public** - to cover cost of electric at pool and bathhouse.
8. **Telephone** - to cover cost of telephone during pool season.
9. **Repairs & Maintenance** - to cover cost of repairs and maintenance for the fencing, front entrances, tot lot, gazebo, pool and bathhouse.
10. **Lawn Maintenance** - to cover cost of full service landscaping to include approximately 24 cuts per year of open space and a 3 foot strip of grass along roadways where street trees are located, mulching & spade edging street trees once yearly, mulching and maintaining entrance features, blade edging main sidewalks 5 x year, cut the top and side slopes of stormwater management facilities 2 x year, police litter and debris during mowing, remove sediment from ponds if necessary and cut inside pool area.
11. **Flower Planting** - to cover cost of seasonal plantings at front entrance and pool.
12. **Pool & Tennis** - to cover cost of pool contract with lifeguard, and chemicals, adding the tennis courts in 1997.



13. **Supplies & Equipment** - to cover cost of supplies and equipment related to maintaining fence, tot lot, and pool.

14. **Reserves** - to cover cost of capital improvements and the replacement of the fencing, tot lot, pool, bathhouse, and tennis court.

**1997**

<u>RESERVES</u>	<u>COST</u>	<u>USEFUL LIFE</u>	<u>ANNUAL</u>
Fencing-Pool	\$ 6,900	10 yrs	1,690
Fencing-Estate	\$ 12,000	25 yrs	480
Pool	\$ 30,000	25 yrs	1,200
Bathhouse	\$ 15,000	25 yrs	600
Paint	\$ 3,000	5 yrs	600
Concrete	\$ 25,000	25 yrs	1,000
Asphalt	\$ 25,000	25 yrs	<u>1,000</u>
			6,570

**1998 & 1999**

<u>RESERVES</u>	<u>COST</u>	<u>USEFUL LIFE</u>	<u>ANNUAL</u>
Fencing-Pool	\$ 6,900	10 yrs	1,690
Fencing-Estate	\$12,000	25 yrs	480
Pool	\$30,000	25 yrs	1,200
Bathhouse	\$15,000	25 yrs	600
Paint	\$ 3,000	5 yrs	600
Fence-Tennis	\$ 6,000	10 yrs	600
Tennis Surface	\$ 5,000	8 yrs	625
Concrete	\$ 25,000	25 yrs	1,000
Asphalt	\$ 25,000	25 yrs	1,000
Curb/Gutter	\$ 25,000	25 yrs	<u>1,000</u>
			8,795

Exhibit "E"

(SHA Letter)



*Maryland Department of Transportation*  
*State Highway Administration*

O. James Lighthizer  
Secretary  
Hal Kassoff  
Administrator

May 2, 1994

Mr. Donald Reuwer  
New Town Company  
c/o Land Design and  
Development, Inc.  
10805 Hickory Ridge Road  
Suite 210  
Columbia, Maryland 21044

Re: Howard County  
MD 32  
West Friendship Estates  
F-94-55  
P-94-13  
Milepoint 16.69

Dear Mr. Reuwer:

This is in follow-up to our recent meeting in regard to the proposed West Friendship Estates residential subdivision along MD 32. As discussed in our meeting and stated in several previous correspondences, the State Highway Administration (SHA) has future plans to upgrade and dualize MD 32 to a 4-lane divided roadway with full shoulders and median. In addition, access controls will be established along the proposed MD 32 right-of-way.

The proposed West Friendship Estates subdivision plans indicate a full movement public road access (Bogey Court) to MD 32. Under the future MD 32 improvement project, this access would either be redesigned to restrict left outbound and left inbound movements, or possibly eliminated completely. SHA is planning full interchanges at existing county roadway intersections which, along with service roads, will provide access to surrounding properties. As discussed, SHA can allow the proposed Bogey Court connection to MD 32 (temporarily) subject to the design comments of our January 24th correspondence being reflected on the intersection road drawings and the understanding that the full-movement entrance (as is) would be temporary in nature. The SHA is also requesting that any prospective home or property purchaser be informed that this access to MD 32 may be eliminated in the future.

My telephone number is 410-333-1350 (Fax# 333-1041)

Maryland Relay Service for Impaired Hearing or Speech  
1-800-735-2258 Statewide Toll Free

Mailing Address: P.O. Box 717 • Baltimore, MD 21203-0717  
Street Address: 707 North Calvert Street • Baltimore, Maryland 21202

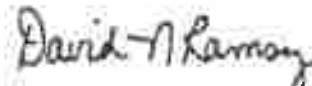
Mr. Donald Reuwer  
Page two  
May 2, 1994

In regard to a related topic, our Project Planning Division is requesting your engineer provide them with existing topo of the property frontage along MD 32 to determine an exact need for additional right-of-way along the property frontage. We will remain in contact with your engineer in regard to any impact on lots or roadways this additional right-of-way may create.

Thank you again for your cooperation and future coordination in regard to yours and SHA's future plans.

If you have any questions or comments, please contact Dan Doherty of our Engineering Access Permits Division at (410) 333-1350 or Mr. Robert Schneider of our Project Planning Division at (410) 333-8119.

Very truly yours,



David Ramsey, Acting Chief  
Engineering Access Permits  
Division

DD/maw

cc: Mr. Neil Pedersen  
Mr. Doug Rose  
Mr. Keith Bounds  
Mr. Gene Straub  
Mr. James Wynn  
Mr. Robert Schneider  
Mrs. Gina Tirinnanzi  
Mr. Charles Dammers  
West Friendship New Town Company  
Fisher, Collins and Carter, Inc.