

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS,
FOR ILCHESTER LANDING

THIS DECLARATION, made this 18th day of April, 1990, by ILCHESTER ROAD PROPERTY PARTNERSHIP, a Maryland General Partnership, (hereinafter referred to as "Declarant").

W I T N E S S E T H

WHEREAS, Declarant is the owner of certain property situate in Howard County, State of Maryland, more particularly described in a plat of Ilchester Landing Subdivision, consisting of 3 sheets, which plat is recorded among the Land Records of Howard County, Maryland as Plat 9017 through 9019, (the "Ilchester Property") and that property described in plat of Beechwood Heights Subdivision, Lots 1 through 17 consisting of two (2) sheets which Plat is recorded among the Land Records of Howard County, Maryland as Plat 9085 and Plat 9086 (the "Beechwood Property") inclusive (both of which subdivisions are hereinafter referred to as the "Property");

WHEREAS, Declarant intends to develop or cause to be developed on the Property a residential subdivision having thirty nine (39) building lots;

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WHEREAS, Declarant desires to subject the Property and the improvements located or to be located thereon to the covenants, conditions and restrictions set forth herein which are for the purpose of protecting the value and desirability of the Property and the improvements thereon and are for the purpose of distributing among the owners of the improvements the cost of maintaining and operating the common areas (as hereinafter defined) and any improvements constructed thereon;

WHEREAS, Declarant has caused a non-profit membership corporation known as ILCHESTER LANDING HOMEOWNER'S ASSOCIATION, INC. (the "Association") to be formed in order to perform certain functions on behalf of the owners of lots within the Property, including, but not limited to, the enforcement of the covenants, conditions and restrictions herein set forth, and for the manage-

ment of any common areas to be owned by the Association, and for the collection and disbursement of the assessments and charges hereinafter created.

THEREFORE, Declarant hereby declares that the Property shall be held, sold and conveyed subject to the following easements, covenants, conditions and restrictions, which are for the purpose of protecting the value and desirability, and enhancing the attractiveness of the Property, and which shall run with the Property and shall be binding upon all parties having any right, title or interest in the Property or any part thereof, their heirs, personal representatives, successors and assigns, and shall inure to the benefit of each owner of the Property or any part thereof and their respective heirs, personal representatives, successors and assigns, and the Association.

ARTICLE I

Definitions

As used herein, the following words and terms are defined to mean as indicated:

1.1 "Alteration" shall mean an addition, change, alteration or repainting of an existing Structure or a change to the contour of any Lot as further described in Section 4.1 hereof.

1.2 "Annual Assessment" shall mean the regular, annual charges payable by Owners pursuant to Article VII hereof.

1.3 "Architectural Committee" shall mean that committee, as further described in Article IV hereof, composed of three or more individuals so designated from time to time by the Association's Board of Directors. Members may be removed from the Architectural Committee at any time by the Board of Directors at its discretion. The initial Architectural Committee shall be Donald R. Reuwer, Jr., John C. Reuwer and Duane E. Zentgraf, who shall serve until they resign or until their successors are chosen and have qualified pursuant to the terms hereof.

1.4 "Assessment" shall mean a Special Assessment or an Annual Assessment, or a combination thereof.

1.5 "Assessment Year" shall mean a calendar year, provided that the first assessment year shall begin on the date specified in Section 7.7 hereof and shall end on December 31 of that year.

1.6 "Association" shall mean and refer to THE ILCHESTER LANDING HOMEOWNER'S ASSOCIATION, INC., a Maryland not-for-profit corporation, as formed by the Declarant.

1.7 "Board of Directors" shall mean the Board of Directors of the Association.

1.8 "Common Areas" shall mean any areas of land within the Property shown as open space or common areas on the recorded Subdivision Plat of the Property, and shall be the entire Property save and except for Lots. The Common Area shall include all roads, streets and parking areas within the Property unless the same are dedicated to the County or State for public use.

1.9 "Declarant" shall mean ILCHESTER ROAD PROPERTY PARTNERSHIP and such of its successors and assigns to which it conveys or otherwise transfers its right, title and interest to all or any part of the Property if, and only if, in so doing the Declarant expressly designates the transferee or transferees as a Declarant hereunder.

1.10 "Lot" shall mean a lot or parcel of ground designated on the recorded Subdivision Plat of the Property as a "Lot," with the exception of any Common Areas and the beds and rights of way of any public roads or streets within the Property. As used herein, the term "Lot" shall mean a piece or parcel of land within the Property intended for the construction of a single family dwelling thereon.

1.11 "Management Agent" shall mean that person or entity hired by the Association to perform the duties or services set forth in Article VIII hereof.

1.12 "Member" shall mean all persons or entities who hold membership in the Association as provided in the Articles of Incorporation of the Association.

1.13 "Mortgagee" shall mean the person or entity secured by a mortgage or deed of trust.

1.14 "Owner" shall mean the record owner, whether one or more persons or entities, of the fee simple title to any Lot, but excluding those having such interest merely as security for the performance of an obligation, as more fully set forth in the Articles of Incorporation of the Association as amended.

1.15 "Property" shall mean that certain property first described hereinabove, as the Ilchester Property and the Beechwood Property and such additions thereto as may hereafter be brought within the jurisdiction of the Association and subjected to this Declaration as herein provided.

1.16 "Plats" shall mean the recorded subdivision plats for the Ilchester Property, Plat numbers 9017 through 9019, and the Beechwood Property, Plat numbers 9085 and 9086, as amended from time to time, and such other recorded plats of the Property and additional properties as may be made subject to this Declaration.

1.17 "Special Assessment" shall mean the Assessment levied by the Association pursuant to Section 7.4 hereof.

1.18 "Structure" shall mean any thing or device the placement of which upon the Property (or any part thereof) may affect the appearance of the Property (or any part thereof) including, by way of illustration and not limitation, any building, trailer, garage, porch, shed, greenhouse, bath house, coop or cage, covered or uncovered patio, swimming pool, basketball hoop or other recreational equipment, clothesline, radio, television or other antenna, satellite dish, fence, sign, curbing, paving, wall, roadway, walkway, exterior light, landscape, hedge, trees, shrubbery, planting, signboard or any temporary or permanent living quarters (including any house trailer) or any other temporary or permanent improvement made to the Property or any part thereof. "Structure" shall also mean (i) any excavation, fill, ditch, diversion dam or other thing or device which affects or alters the natural flow of surface waters from, upon or across the Property, and (ii) any change in the grade of the Property (or any part thereof) of more than six (6) inches from that existing at the time of first ownership by a Class A member hereunder.

ARTICLE II

Common Area Property Rights

2.1 Grant of Lots. Declarant shall hereafter hold, grant and convey the Property, and any parts thereof, including Lots and Common Areas, subject to the covenants, conditions and restrictions herein set forth, which are for the benefit of, binding upon and shall run with the land, and are for the benefit of Declarant, the Association and the Owners, their heirs, personal representatives, successors and assigns.

2.2 Grant of Common Uses. Declarant covenants that it will convey to the Association the Common Areas, if any, and the Association shall accept from Declarant such Common Areas and shall hold them subject to the provisions hereof. The conveyance shall be made no later than such time as the date of conversion of Class B Membership, as provided in the Articles of Incorporation of the Association. Any Common Areas may be conveyed in whole or in part at the election of Declarant, so long as all the Common Areas are conveyed as herein provided.

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

2.3.1. the right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Areas.

2.3.2. the right of the Association to suspend the voting rights and right to use the recreational facilities by an Owner for any period during which any Assessment against his Lot remains unpaid.

2.3.3. 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 without the Association receiving the assent of two-thirds (2/3) of the votes entitled to be cast thereon.

2.4 Delegation of Use. Any Owner may delegate, in accordance with the By-Laws, his right of enjoyment to any Common Areas and facilities to the members of his family, his tenants, or contract purchasers who reside on his Lot.

2.5 Structures. Except as otherwise permitted by the provisions of this Declaration, no Structure shall be erected, placed or maintained on any Common Area except: (i) Structures designed exclusively for the common use of Owners, including, but not limited to, benches, chairs, or other seating facilities, fences and walls, walkways, roadways, gatehouse, swimming pool, tennis court(s), other courts and fields for recreation and similar recreational facilities; (ii) building(s) for storage of equipment; and (iii) drainage, storm and utility systems. The Common Areas may be graded, planted with trees and shrubs and other plants may be placed and maintained thereon for the use, comfort and enjoyment of the Owners and for the establishment, retention or preservation of the natural growth or topography of the Common areas and for aesthetic reasons.

2.6 Rules. The Association shall have the right to prescribe reasonable rules and regulations governing the use of the Common Areas, which rules and regulations shall be applied equally to all Owners. The Association shall have the right to suspend use of any Common Areas by an Owner for a period of not more than sixty (60) days for an infraction of its published rules and regulations.

2.7 Association Management. The Association may improve, develop, supervise, manage, operate, examine, inspect, care for, repair, replace, restore and maintain the Common Areas, including, by way of illustration, and not limitation, non-publicly dedicated streets and roadways, sidewalks and parking areas, and all trees, shrubbery and other plants and landscaping together with any items of personal property placed or installed thereon, at the cost and expense of the Association.

ARTICLE III

Reserved Rights of Declarant

3.1 Streets. The designation of streets, avenues, roads, courts and places upon the Plats of the Ilchester Property and Beechwood Property Plat is for the purpose of description only and not dedication to public use unless otherwise indicated on such Plats, and the rights of the Declarant in and to the same are specifically reserved. The Declarant hereby reserves unto itself, its successors and assigns, the right to grade, regrade and improve the streets, avenues, roads, courts and places as the same may be located on the Plats, including the creation or extension of slopes, banks, or excavation in connection therewith and in the construction of and installation of drainage structures thereon. No road, street, avenue, alley, or court shall be laid out or constructed through or across the Property except as indicated on the Plats, as they may be amended from time to time, without the prior written approval of the Architectural Review Committee.

3.2 Easements. The Declarant further reserves unto itself, its successors and assigns, the right (i) to install, (ii) to maintain, and (iii) to grant easements, right-of-way, licenses, and permits to any person, individual, corporate body or municipality, for the purpose of installing and maintaining, sewer lines, water lines, electrical cables, telephone cables, CATV, gas lines, storm water retention ponds and similar facilities, storm drains, underground conduits, and such other facilities related to the provision of utilities and similar services to the Property in, over, through, upon and across any and all of the roads, streets, avenues, alleys, Common Areas and, to the extent designated in the easement areas as shown on the Plats, the Lots. The Declarant also reserves unto itself, its successors, and assigns the right to relocate any easements on the Property to the extent that such relocation shall not materially interfere with the use of any Lot.

3.3 Dedication of Streets and Easements. The Declarant reserves unto itself, its successors, and assigns the right to dedicate all roads, streets, alleys, rights-of-way or easements, including easements in the areas designated Common Areas, to public use.

3.4 Amendment of Declaration. Notwithstanding anything to the contrary contained herein, there is hereby reserved unto the Declarant (or such other party as may in writing be designated by the Declarant) an irrevocable Power of Attorney, coupled with an interest, for the purpose of amending or modifying this Declaration if, and only if, (a) such amendment is, in the Declarant's reasonable opinion, necessary to correct obvious errors herein, including typographical and mathematical errors and the like, or (b) such amendment or modification is required in order to satisfy Federal Housing Administration, Veteran's Administration, or Federal Home Loan Mortgage Corporation rules, regulations, and policies. Each Owner and each Mortgagee of a Unit shall be deemed to have acquiesced in any such amendments or modifications to this Declaration as set forth above, and shall be deemed to have granted unto the Declarant (or such other party as may in writing be designated by the Declarant), an irrevocable Power of Attorney, coupled with an interest, to effectuate, execute, acknowledge and deliver any such amendments and each such Owner and Mortgagee shall be deemed to have agreed and covenanted to execute such further assurances and instruments, if any, as may be required by the Declarant, his successors or assigns, to properly accomplish such amendments.

3.5 Amendment of Plat. No right shall be conferred upon any Owner or Member by the recording of any Plat relating to the development of the Property described herein to require the development of said Property in accordance with such Plat. There is hereby reserved unto the Declarant (or such other party as may in writing be designated by the Declarant) an irrevocable Power of Attorney, coupled with an interest, for the purpose of amending or modifying any such Plat or Plats or recording additional plats of the Property as shall be advisable in Declarant's best

judgment. Each Owner and each Mortgagee of a Unit shall be deemed to have acquiesced in any such amendments or modifications to any such Plat or Plats and such additional plats as set forth above, and shall be deemed to have granted unto the Declarant (or such other party as may in writing be designated by the Declarant), an irrevocable Power of Attorney, coupled with an interest, to effectuate, execute, acknowledge and deliver any such amendments and each such Owner and Mortgagee shall be deemed to have agreed and covenants to execute such further assurances and instruments, if any, as may be required by the Declarant, its successors or assigns, to properly accomplish such amendments. The right so reserved shall include the right to redefine any Common Areas, to redefine the boundaries of unsold Lots, and to provide for new Lots not previously depicted on the Plats. Notwithstanding anything to the contrary contained in this Section 3.5, the Declarant may not alter the boundaries of Lots which have been sold and may not redefine Common Areas which have been conveyed to the Association.

3.6 Sales and Construction Offices. Declarant, and any other party as may be in writing designated by Declarant, may construct, maintain and operate real estate sales and construction offices, model homes, displays, signs, and special lighting (i) on any part of the Common Areas, (ii) on any Lot it owns and/or rents, and/or (iii) in any building or Structure now or hereafter erected on a Lot or Common Area as long as Declarant is a Class B member, as defined in the Association's Articles of Incorporation.

ARTICLE IV

Architectural Review

4.1 Building Restriction. After the initial construction of a Structure on a Lot by the Declarant or his designee, and the conveyance of such Lot and Structure by the Declarant, no other Structure or Alteration of any kind designed to be left permanently or semi-permanently on that Lot, shall be commenced, erected or maintained, nor shall any work be commenced or performed that may result in a change to the exterior appearance of

the Lot or any Structure or Alteration thereon, until the plans and specifications, in duplicate, (the "Plans and Specifications") shall have been submitted to, and approved in writing by, the Architectural Committee, its successors or assigns. Plans and Specifications submitted to the Architectural Committee shall be considered adequate if, and only if, they (i) describe the nature, kind, shape, dimensions, material, floor plans, color scheme, location, plans, details, and proposed topographical changes to any Lot, Structure or Alteration, (ii) estimate the cost of such Structure, Alteration, or other change, and (iii) designate the party or parties which will perform the work to said Structure, Alteration or other change.

4.2 Rules and Regulations. The Architectural Committee may from time to time adopt and promulgate rules and regulations regarding the form and content of Plans and Specifications to be submitted for approval, and may publish and record statements of policy, standards, guidelines and establish such criteria relative to architectural styles or details, fences, colors, setbacks, materials and other matters relative to architectural control and the protection of the environment as it may consider necessary or appropriate from time to time. No such rules, regulations, statements, criteria or guidelines shall be construed as a waiver of the provisions of this Section or any other provision or requirement of this Declaration. The decisions of the Architectural Committee shall be final, except that any Member who is aggrieved by any action, or the forbearance from any action, by the Architectural Committee (or by any policy, standard, guideline or criterion established by the Architectural Committee) may appeal the decision of the Architectural Committee to the Board of Directors within thirty (30) days of such decision and, upon request, such Member shall be entitled to a hearing on such appeal before the Board of Directors. The decision of the Board of Directors on such appeal shall be final and binding on all parties.

4.3 Committee Criteria. In addition to any rules, regulations, guidelines and criteria promulgated by the Architectural Committee pursuant to Section 4.2 hereof, the Architectural Committee shall consider applications for approval of Plans and Specifications upon the basis of conformity with the criteria contained in this Declaration and shall be guided by the extent to which such Plans and Specifications will insure conformity and harmony in exterior design and appearance. The criteria to be considered shall include, without limitation, the following factors: (i) quality of workmanship; (ii) nature and durability of materials; (iii) harmony of external design with existing structures; (iv) choice of colors; (v) changes in topography, grade elevations and/or drainage; (vi) the ability of the party or parties designated by the Owner to complete the Structure, Alteration and/or other change in accordance with this Declaration, considering such factors as reputation, background, experience, skill, quality of workmanship, and financial ability; (vii) public health and safety; (viii) the effect of the proposed Structure, Alteration and/or other change on the use, enjoyment, view and value of neighboring properties; and, (ix) the general suitability of the Structure, Alteration or change in the Property.

4.4 Plan and Specification Approval. The Architectural Committee shall have the right to refuse to approve any Plans and Specifications which are not suitable or desirable in its sole and absolute discretion for aesthetic or other reasons. Written requests for approval, accompanied by duplicate copies of the foregoing described Plans and Specifications and any other specifications which are required to be submitted by the Architectural Committee rules and regulations shall be submitted to the Architectural Committee by registered or certified mail or in person, in which case a written receipt shall be obtained. The Architectural Committee shall have the right to charge a reasonable processing fee, not in excess of \$40.00, for such requests for approval. Any Plans and Specifications or other information submitted to the Architectural Committee shall be ap-

proved or disapproved by such committee, in writing, within sixty (60) days of the receipt of such submission, or such Plans and Specifications shall be deemed to be approved. If the Architectural Committee shall approve the Plans and Specifications it shall authorize the Owner, in writing, to commence construction of the Structure, Alteration or change. Upon construction completion the Architectural Committee shall determine whether the construction complies with the approved Plans and Specifications and, if it does, the Architectural Committee shall issue a certificate of compliance, which shall be prima facie evidence that the Structure, Alteration or other change referenced in such certificate has been approved by the Architectural Committee and constructed or installed in full compliance with the provisions of this Section and with such other provisions and requirements of this Declaration as may be applicable. If the Architectural Committee shall disapprove the Plans and Specifications submitted hereunder, or shall approve the same only as modified or upon specified conditions, such disapproval or qualified approval shall be accompanied by a statement in writing of the grounds upon which such action was based. The Architectural Committee shall, if requested, make reasonable efforts to assist and advise the applicant in order that an acceptable proposal can be prepared and submitted for approval. The decision of the Architectural Committee with respect to the approval of Plans and Specifications shall be binding except to the extent that the decision is overruled by the Board of Directors upon an appeal duly taken pursuant to Section 4.2 hereof.

4.5 Non-Approved Structures and Uses. If any Structure shall be altered, erected, placed or maintained upon any Lot, or if any use shall be used in violation of Article V of this Declaration, such Structure or use shall be removed or discontinued so as to extinguish such violation. If, upon fifteen (15) days notice by the Board of Directors, the Owner of the Lot upon which such violation exists shall not have taken reasonable steps towards the removal of the Structure or the discontinuance of the use, the Association, through its agents and employees, shall

have the right to enter upon the Lot and to take such steps as it deems necessary to extinguish such violation and the cost thereof shall be a binding, personal obligation of the Owner of such Lot, and may be collected as if such obligation were an additional Assessment upon such Lot.

4.6 Maintenance of Improvements. After construction all Structures, Alterations and/or other changes shall be maintained in strict conformity with the Plans and Specifications.

4.7 Committee Compensation. The members of the Architectural Committee shall serve without compensation.

4.8 Declarant Exemption. The provisions of this Article IV shall not apply to any Structure made by Declarant, or any other improvements made by Declarant on any Lot, or within the Property.

4.9 Assignment of Rights and Powers by Architectural Committee. Any and all of the rights and powers (including discretionary powers and rights, and powers of consent or approval) herein reserved to or conferred upon the Architectural Committee may be assigned or transferred by the Architectural Committee, with the approval of the Board of Directors, to any one or more corporations or associations or committees of individuals agreeing to accept the same, and any such assignment or transfer of such rights or powers may be made by the Architectural Committee as to all of the Property subject to this Declaration, or as to any part or parts thereof, and may be to different parties for different parts of said Property. Any such assignment or transfer shall be evidenced by an appropriate notation in the minutes of a duly called meeting of the Board of Directors. The transferee or assignee of such rights and powers shall thereupon and thereafter have the right to exercise and perform all the rights and powers so assigned or transferred subject, however, to such limitations, conditions, reservations, and provisions as may be imposed by or set forth in this Declaration.

ARTICLE V

Restrictions on Use

5.1 Residential Use. Lots will be used for residential purposes only, except that Declarant and its designees may use any Lot or improvement thereon owned or leased by it as a model home and for sales, management and/or construction offices as provided in Section 5.8 hereof.

5.2 Subdivision. No Lot shall be subdivided, except by Declarant.

5.3 Motor Vehicles. All authorized motor vehicles shall be stored or parked only in designated parking areas on a Lot or on the street in front of a Lot. All such vehicles shall be properly registered and no vehicle repairs, except those of a very minor nature, such as tire changes, shall be permitted on any of the Common Areas or on any Lot, except within a fully enclosed garage. No fuel driven motor vehicle may be driven or placed on any Common Areas, except on such part of the Common Areas, if any, specifically set aside for driving and for parking.

5.4 Structures. No Structure may be erected, altered or maintained on any Lot in violation of Article IV above.

5.5 Animals. No animal may be kept, maintained or bred on any Lot, except that no more than two (2) dogs, cats or similar domestic household pets may be kept on a Lot, provided (i) they are not kept, bred or maintained for any commercial purpose, (ii) they are kept in such a manner as to avoid becoming a nuisance to neighbors or adjoining property owners, and (iii) they are not permitted outside of the Owner's dwelling unless the animal is under the control of a responsible person. Upon request by any Owner the Board of Directors shall determine, in its sole discretion, whether, for the purposes of this Section 5.5, (i) a particular animal shall be considered a "similar domestic household pet," (ii) its actions shall have constituted a "nuisance," or (iii) it has been properly kept "under the control of a responsible person." Owners shall promptly clean all litter deposited on any Lot or upon the Common Areas by their household pets.

5.6 Noises and Nuisance. No nuisance shall be maintained, allowed or permitted on any part of any Lot, and no use thereof shall be made or permitted which may be noxious or detrimental to health or which may become an annoyance or nuisance to the neighborhood. Between the hours of 11:00 p.m. and the following 9:00 a.m., no Owner or occupant on a Lot or otherwise on the Property shall make any loud or unusual noises. Musical instruments, radios, televisions, record, tape and compact disc players, phonographs and other devices emitting noise shall be used at all times only in such a manner as to not unreasonably disturb persons on other Lots.

5.7 Trash. All lumber, metal, bulk material, garbage, refuse or trash shall be kept and stored in sanitary containers, and no Lot shall be used or maintained as a dumping ground for any material. During the construction of any Alteration on a Lot the Owner shall keep the construction site free of rubbish and scrap, and construction materials and trailers employed in connection with such construction shall be kept in a neat and orderly manner. Trash or other refuse that is to be disposed of by being picked up and carried away on a regular and recurring basis may be placed on or near the street adjacent to a Lot in an approved container on any day that a pick-up is to be made. At all other times, such containers shall be stored in such a manner that they cannot be seen from adjacent and surrounding property. The Architectural Committee, in its discretion, may adopt and promulgate reasonable rules and regulations relating to the size, shape, color and type of containers permitted and the manner of storage of the same upon a Lot.

5.8 Model Home Use. Anything contained in this Declaration to the contrary notwithstanding, any Lot owned or leased by the Declarant may be used by Declarant or its Agent or designee for model home purposes or for the maintenance of a real estate office as hereinabove provided. Declarant shall be entitled to conduct on any Lot all activities normally associated with and convenient to the development of the Property.

5.9 Setbacks. No fences or hedges shall be erected or placed nearer to any street lot line than the Building Restriction lines ("B.R.L.") shown on the Plats.

5.10 Traffic View. No improvement, planting, shrubbery or any other obstruction shall be placed on any Lot so as to block the clear view of traffic on any street, including, without limitation, any planting that will exceed three (3) feet in height within a depth of fifteen (15) feet from any street abutting a corner lot (with the exception of shade trees which shall be pruned to the height of eight (8) feet).

5.11 Front Lawn. The area within the front of the dwelling shall be kept only as a lawn for ornamental or decorative planting of grass and shrubbery.

5.12 Fences. Notwithstanding anything to the contrary contained herein, no fence shall be erected upon a lot without its materials, design, and color first being approved by the Architectural Committee. Fences shall not exceed four (4) feet in height unless required to be taller by County regulations, and shall not impede surface drainage. The height restriction shall not apply to enclosures of rear patios or open gardens, and shall not apply to retaining walls required by topography. Short sections of fencing for purposes such as patio, privacy and work area screening may be higher than four (4) feet provided that such fencing is (i) located within the lot line, (ii) located to the rear of the Lot, and (iii) approved by the Architectural Committee. The Architectural Committee shall not approve any fence which does not meet minimum county requirements, if any.

ARTICLE VI

Maintenance By Owner

The Owner of each Lot shall keep his Lot, and all improvements thereon, in good order and repair, consistent with good property management and maintenance. Such maintenance shall include, but not be limited to, (i) mowing all lawns and yards, (ii) keeping all sidewalks neat, clean and in good repair, (iii) pruning and cutting all trees and shrubbery, (iv) removing snow and ice from sidewalks, walkways, and driveways, and (v) painting

(or other appropriate external care) of all buildings and Structures on the Lot. If, in the opinion of the Architectural Committee, any Owner fails to perform the duties imposed hereunder, the Association, after fifteen (15) days written notice to the Owner to remedy the condition, shall have the right, but not the obligation, through its agents and employees, to enter upon the Lot in question and to repair, maintain, repaint and/or restore the Lot and the improvements or Structures thereon, and the cost thereof shall be a binding, personal obligation of such Owner of the Lot, and may be collected as if such obligation were an additional Assessment upon such Lot.

ARTICLE VII

Covenant For Assessment

7.1 Creation of Assessment Obligation. The Declarant, for each Lot owned by it within the Property, and each Owner, by acceptance of a deed hereafter conveying any such Lot to him, whether or not so expressed in such deed or other conveyance, hereby covenants and agrees to pay to the Association the Annual and Special Assessments and charges hereinafter set forth. Such Assessments, including any interest and late charges or fees thereon and any and all costs and reasonable attorney's fees incurred or expended by the Association in the collection thereof, shall be the personal obligation of the Owner holding title to any Lot at the time when the Assessment fell due or was payable. The personal obligation for any delinquent Assessment or charge, together with interest, late charges, costs and reasonable attorney's fees, shall not pass to the Owner's successor or successors in title unless expressly assumed, in writing, by such successor or successors. No portion of the Common Areas shall be subject to Assessment of any kind by the Association.

7.2 Purpose of Assessment. The Assessments levied by the Association shall be exclusively for the purpose of promoting the recreation, health, safety, and welfare of the residents of the Ilchester Property and the Beechwood Property, and in particular for (i) the operation of services related to the use and enjoyment of any Common Area; (ii) the payment of public charges, as-

assessments and taxes levied upon any Common Area; (iii) the payment of insurance premiums on Common Area, if any; (iv) the costs of maintenance, repair, replacement and additions to the Common Area and improvements thereon, if any; (v) the cost of utilities and other services that may be provided by the Association for the Common Area, if any; (vi) the cost of obtaining, planting and thereafter maintaining trees and other landscaping throughout the Property as determined by the Association or as required by Howard County, Maryland, whether or not such trees are located upon any Common Area; (vii) the costs of performing additional services for the Property as may be approved from time to time by the Board of Directors including, without limitation, legal and accounting services; (viii) the cost of labor, equipment, materials, management and supervision incurred or expended in performing all of the foregoing, including fees paid to any Management Agent; and (ix) the cost of funding all reserves established by the Association, including, when appropriate, a general operating reserve and a reserve for replacements.

7.3 Amount of Assessment. Until December 31, 1990, there shall be no Annual Assessment. Thereafter, the Association may levy an Annual Assessment, and shall determine the maximum amount of such first Annual Assessment at a meeting of the membership in accordance with the provisions of Section 7.5 hereof. From and after January 1 of the Assessment Year following the year in which the first Annual Assessment is levied, the maximum Annual Assessment may be increased each year by (i) not more than ten percent (10%) of the maximum Annual Assessment for the previous year by majority vote of the Board of Directors without a vote of the membership of the Association, and (ii) more than ten percent (10%) upon a vote of two-thirds (2/3) of the votes of each class of Members voting in person or by proxy at a meeting duly called for such purpose. Neither the Declarant nor any Lot to which the Declarant holds record title shall be exempt from any Annual Assessment hereunder, but, notwithstanding the foregoing, the per Lot Annual Assessment for each Lot owned by the Class B Member shall equal twenty-five percent (25%) of the Annual Assessment or

charge made or levied against any Lot or Lots owned by the Class A Members to the end and intent that the Class B Member shall not pay more, nor less, than twenty-five percent (25%) of the per Lot Annual Assessment established by the Association under this Section 7.3.

7.4 Special Assessments. In addition to the Annual Assessments authorized above, the Association may levy in any Assessment Year a Special Assessment, applicable for that year only, provided that such Special Assessment shall first be approved by two-thirds (2/3) of the votes of each class of the Members voting in person or by proxy at a meeting to be called for such purpose.

7.5 Changes to Assessments. Subject to the limitations of Section 7.3 hereof, and the the periods therein specified, the Association may change the maximum Assessment and the method and approval requirements for determining the same prospectively if, and only if any such change shall have the assent of two-thirds (2/3) of the votes of each class of Members voting in person or by proxy at a meeting duly called for such purposes.

7.6 Notice and Quorum. Written notice of any meetings of Members of the Association called for the purpose of taking any action authorized under Sections 7.3, 7.4 and 7.5 of this Article shall be sent to all Members not less than fifteen (15) days, nor more than thirty (30) days, in advance of the meeting. At the first such meeting called, the presence at the meeting of Members or of proxies entitled to cast sixty percent (60%) of all of the votes of each class of Members entitled to be cast at such a meeting shall be necessary and sufficient to constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirements, and the required quorum at any subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting, provided that no such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

7.7 Commencement of Assessments.

(a) The Annual Assessments shall commence on the first day of January of the year selected by the Association for commencement, pursuant to Section 7.3 hereof. The first Annual Assessment shall become due and payable on the date fixed for the commencement. The Assessments for any year after the first Assessment Year shall become due and payable on the first day of January of that year. If the Class B Member pays an Annual Assessment for any Lot for any Assessment Year in which that Lot is conveyed by the Declarant the Lot purchaser, at closing upon his Lot, shall (i) reimburse the Class B Member for a pro rata portion of the Annual Assessment so paid, and (ii) pay to the Association the amount so reimbursed to the Class B Member multiplied by a factor of four (4).

(b) The due date for the payment of any Special Assessment under Section 7.4 hereof shall be fixed in the resolution authorizing such Special Assessment.

7.8 Duties of the Board of Directors.

(a) The Board of Directors shall prepare, or cause the preparation of, an annual operating budget for the Association that shall provide, without limitation, for the management, operation, and maintenance of the Common Areas. The Board of Directors of the Association shall fix the amount of the Assessment against each Lot for each Assessment Year following the first Assessment Year by October 1st of the preceding Assessment Year, and shall, at that time, prepare a roster of the Lots and Assessments applicable thereto which shall be kept in the office of the Association. The Board of Directors shall provide written notice of the Assessment for each Lot to each Owner subject thereto prior to December 1st of the year preceding the applicable Assessment Year.

(b) Upon demand, the Board of Directors shall furnish to any Owner liable for an Assessment a certificate in writing setting forth whether said Assessment has been paid. Such certificate shall be conclusive evidence of payment of any Assessment therein stated as having been paid.

7.9 Reserves for Replacements. The Association may establish and maintain a reserve fund for repairs and replacements of any Common Area by the allocation and payment to such reserve fund of an amount to be designated from time to time by the Board of Directors. Such funds shall be conclusively deemed to be a common expense of the Association and may be deposited with any banking institution, the accounts of which are insured by any State or by an agency of the United States of America, or may, in the discretion of the Board of Directors, be invested in obligations of, or fully guaranteed as to principal by, the United States of America. The reserve for replacements of any Common Areas may be expended only for the purpose of effecting the replacement of all or part of the Common Areas and any community facilities; major repairs to or replacement of equipment; and for start-up expenses and operating contingencies of a non-recurring nature relating to any Common Areas. The Association may establish such other reserves for such other purposes as the Board of Directors may from time to time consider to be necessary or appropriate. The proportional interest of any Member in any such reserves shall be considered appurtenant to his Lot and shall not be separately withdrawn, assigned or transferred or otherwise separated from the Lot to which it appertains, and shall be deemed to be transferred with such Lot.

7.10 Delinquency of Assessment Payment.

(a) If an Assessment or any amounts due pursuant to this Declaration are not paid within thirty (30) days of the date when due (being the date specified in this Article VII), then such amount (i) shall be delinquent, (ii) shall bear interest from the date of delinquency at a rate not to exceed twelve percent (12%) per annum, and (iii) shall be subject to a late charge not in excess of ten percent (10%) of the amount due, including interest. If the Association intends to create a lien as a result of an Owner's nonpayment of an assessment or any other amounts due, such lien shall be brought under the provisions of the Maryland Contract Lien Act, as amended from time to time. To the extent the following provisions are consistent with the

Maryland Contract Lien Act, the Association shall give written notice to the party against whose Lot the lien is intended to be imposed within two (2) years after the date for payment of the Assessment or other amount. At a minimum, the notice shall contain (a) the name and address of the Association; (b) a statement of the Association's intent to create a lien; (c) the nature of the delinquency and the amount owed to the Association; (d) a description of the Lot against which the Association intends to seek a lien; and (e) a statement that the person whose Lot the lien shall be imposed against has the right to a hearing. The Association may then bring an action at law against the Owner personally obligated to pay the same or a proceeding in equity to foreclose the lien against the Lot, and there shall be added to the amount due the reasonable attorney and administrative costs of preparing and filing the complaint of such action. In the event that a judgment is obtained, such judgment shall include late charges, pre-judgment and post-judgment interest on the amount due as provided above, and reasonable attorneys' fees to be fixed by the Court together with the cost of the action.

(b) To the extent any Mortgagee requests the Association to do so in writing, the Association shall notify the holder of the first mortgage on any Lot (i) if any Assessment levied against such Lot pursuant to this Declaration becomes delinquent for a period in excess of sixty (60) days, and (ii) if the Owner of such Lot is in default with respect to the performance of any other obligation hereunder for a period in excess of sixty (60) days. Any failure to give such notice shall not affect the validity of the lien for any Assessment levied pursuant to this Declaration, nor shall any such failure affect any of the priorities established in this Article VII.

(c) The Board of Directors may (i) post a list of Members who are delinquent in the payment of any Assessment or other charges due to the Association, including any installment thereof, in any prominent location upon the Property, (ii) publish a list of delinquent Members in its minutes or annual

reports to be distributed to the membership, and (iii) prohibit delinquent Members from voting at meetings of the membership and utilizing Common Areas, if any.

7.11 Subordination of Lien. The lien of the Assessments provided for herein shall be subordinate to the lien of any mortgage or deed of trust now or hereafter placed upon the Property, or any part thereof, to the extent provided in Section 10.3 hereof, and the sale or transfer of any Lot pursuant to mortgage or deed of trust foreclosure, or any proceeding in lieu thereof, shall extinguish the lien of such Assessment as to payments that became due prior to such sale or transfer except to the extent the statement of such lien is recorded among the Land Records of Howard County prior to the recordation of such mortgage or deed of trust. Such sale or transfer shall not, however, relieve the Owner of his personal liability for Assessments. Such sale or transfer shall not relieve the purchaser or transferee of such property from liability for any Assessments thereafter becoming due, nor from the lien of any such future Assessment. No Owner may waive or otherwise escape liability for the Assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

ARTICLE VIII

Management Services; Limitation of Liability

8.1 Management Agent. The Board of Directors of the Association may employ for the Association a Management Agent at a rate of compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall from time to time authorize in writing. The Management Agent shall perform such duties and services as the Board of Directors shall authorize in writing, including, without limitation:

(a) Establishing (with the approval of the Board of Directors) and providing for the collection of the Assessments provided for in this Declaration and providing for the enforcement of liens therefor in a manner consistent with law and the provisions of this Declaration;

(b) Providing for the care, upkeep, maintenance and surveillance of any Common Area;

(c) Designating, hiring and dismissing such personnel as may be required for the good working order, maintenance and efficient operation of the Common Area;

(d) Promulgating (with the approval of the Board of Directors) and enforcing such rules and regulations and such restrictions or requirements as may be deemed proper respecting the use of the Common Area;

(e) Providing or arranging to provide such other services (including legal and accounting services) for the Association as may be consistent with law and the provisions of this Declaration.

Any management agreement entered into between the Association and the Management Agent shall provide, inter alia, that such agreement may be terminated, with or without cause and without the payment of any termination fee, by either party upon thirty (30) days' written notice thereof to the other party. The term of any such management agreement shall not exceed one (1) year; provided, however, that the term of any such management agreement may be renewable by mutual agreement of the parties for successive one-year periods.

8.2 Limitation of Liability. Neither the Declarant nor the Association shall be liable for any failure of any services to be obtained by the Association or paid for out of the common expense funds, or for injury or damage to persons or property caused by the elements or resulting from water which may leak or flow from any wire, pipe, drain or conduit. Neither the Declarant nor the Association shall be liable to any Member for loss or damage, by theft or otherwise, of articles which may be stored upon any Common Area, and no diminution or abatement of Assessments shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the Common Area, or from any action taken by the Association to comply with any of the

provisions of this Declaration or with any law or ordinance or with the order or directive of any municipal or other governmental or quasi-governmental authority.

ARTICLE IX

Annexation

9.1 Additional Property. Additional residential lots and property may be annexed to the Property by the Declarant if, and only if, such annexation occurs while the Declarant remains a Class B Member. Otherwise, additional residential lots and property may only be annexed to the Property upon the affirmative vote of two-thirds (2/3) of the membership attending a meeting of the Association.

9.2 Recording. Any annexation made to the Property hereunder shall be done and become effective only upon recording an Amendment to this Declaration among the Land Records of Howard County specifying the additional land to be annexed to the Property.

ARTICLE X

Rights of Mortgagees

10.1 General.

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

10.1.2 Any Mortgagee in possession of a Lot shall (subject to the operation and effect of the provisions of this Declaration, the Articles of Incorporation, the By-Laws and applicable law) bear all of the obligations under the provisions

thereof which are borne by its Owner; provided, that nothing in the foregoing provisions of this Section 10.1.2 shall be deemed in any way to relieve any Owner of any such obligation, or of any liability to such Mortgagee in possession on account of any failure by such Owner to satisfy any of the same.

10.2 Rights of first refusal. Any Mortgagee in possession shall be exempt from any right of first refusal or similar restriction held by the Association, to and only to the extent that it arises under the provisions of this Declaration, the Articles of Incorporation or the By-Laws, it being the Declarant's intention that nothing in the foregoing provisions of this subsection be deemed in any way to alter or impair the operation and effect of any right of first refusal or similar restriction given by an Owner or any other person to the Association or any other person but not arising under the provisions of this Declaration, the Articles of Incorporation or the By-Laws.

10.3 Priority over Assessment. A Mortgagee's interest in a Lot under its mortgage or deed of trust shall be:

10.3.1. free of any claim or lien for any Assessment levied against such Lot before such mortgage is recorded among the Land Records of Howard County (unless before such recordation a Statement of Lien covering such Assessment is recorded among such Land Records); and

10.3.2. free of any claim or lien arising after the recordation of such mortgage or deed of trust, and before such Mortgagee becomes a Mortgagee in possession of such Lot.

10.4 Actions conditioned on Mortgagee's approval. Unless two-thirds (2/3) of the first Mortgagees of all Lots then within the Property have given their prior written approval thereof, the Association shall not by act or omission:

10.4.1. seek to abandon, partition, subdivide, encumber, sell or transfer any Common Areas (provided, that the granting of easements for public utilities or other public purposes consistent with the intended use of the Common Areas shall not be deemed to be prohibited by the foregoing provisions of this subsection), or

10.4.2. use any proceeds derived from any hazard insurance and paid to the Association on account of any damage to or destruction of any Common Areas, for other than the repair, replacement or reconstruction thereof, or

10.4.3. fail to maintain adequate fire and extended coverage insurance on any Common Areas on a current replacement cost basis in an amount equal to at least one hundred percent (100%) of the insurable value, or

10.4.4. change the method of determining the Assessments, or

10.4.5. by act or omission change, waive or abandon any scheme of regulations, or enforcement thereof, set forth in the provisions of this Declaration, pertaining to the architectural design or the exterior appearance or maintenance of Lots or improvements thereon, or the maintenance and upkeep of any Common Areas.

10.5 Inspection; statement and notice. A Mortgagee shall, upon written request made to the Association, be entitled to:

10.5.1. inspect the Association's books and records during normal business hours;

10.5.2. receive an annual financial statement of the Association within ninety (90) days after the end of any fiscal year of the Association;

10.5.3. be given timely written notice of all meetings of the Membership, and designate a representative to attend all such meetings;

10.5.4. be given timely written notice of the occurrence of any substantial damage to or destruction of any Common Areas, or if the Common Areas, if any, are made the subject of any condemnation or eminent domain proceeding or the acquisition thereof is otherwise sought by any condemning authority; and

10.5.5. be given written notice by the Association of any default by the Owner of such Mortgagee's Lot in performing such Owner's obligations under the provisions of this Declara-

tion, the Association's Articles of Incorporation or the By-Laws which is not cured within sixty (60) days after such default commences.

10.6 Taxes on Common Areas. The first Mortgagees may, jointly or singularly, pay any or all taxes or other charges which are in default and which may or have become a charge against any of the Common Areas, and may pay any or all overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of any such policy, for any Common Areas. Any first Mortgagee making any such payment shall be owed immediate reimbursement therefor from the Association.

ARTICLE XI

General Provisions

11.1 Enforcement. The Declarant, the Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, including injunction, all restrictions, conditions, covenants, reservations, liens, Assessments and charges now or hereafter imposed on the Property. The failure by the Declarant, the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. In acquiring title to any Lot in the Property, the person or persons violating, or attempting to violate, any covenant agree to reimburse the Association, the Declarant and/or any Owners for all costs and expenses which may result from said violation or attempted violation or the enforcement thereof, including but not limited to, court costs and reasonable attorneys' fees.

11.2 Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall not affect any other provisions which shall remain in full force and effect.

11.3 Amendment.

11.3.1. 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 no less than ninety percent (90%) of the Owners, and thereafter by an instrument signed by no less than seventy-five percent (75%) of the Owners. Any amendment shall not be effective unless and until it is recorded among the aforesaid Land Records of Howard County, Maryland.

11.3.2. No amendment may alter or affect any rights granted hereunder to Declarant without the prior written consent of Declarant.

11.4 Notices. All notices required or provided for in this Declaration shall be in writing and hand delivered or sent by United States mail. If hand delivered, notice shall be deemed to have been given on the date hand delivered to the party receiving the same. If United States mails are used, notice shall be sent to the last known address of the party to whom the notice is being sent by certified or registered mail, return receipt requested, postage prepaid, and shall be deemed to have been given on the date deposited in the United States mails.

11.5 Right of Entry. Violation or breach of any provision herein contained shall give the Declarant or the Association, and their respective agents, legal representatives, heirs, successors and assigns, in addition to all other remedies, the right (but not the obligation), after fifteen (15) days notice to the Owner of the Lot, to enter upon the Lot or the land as to which such violation or breach exists, and summarily to abate and remove, at the expense of the Owner thereof, any Structure or condition that may be or exist thereon contrary to the intent and meaning of the provisions hereof; and the said parties shall not thereby be deemed guilty of any manner of trespass for such entry, abatement or removal, except that if any agent of Declarant or of the Association shall be responsible for actually committing a trespass by behavior going beyond the intent of the authority conferred by this Section, in such event neither Declarant nor the Association shall be responsible for the unauthorized acts of such agent(s).

Nothing herein contained shall be deemed to affect or limit the rights of the Owners of the Lots, when entitled to do so, to enforce the covenants by appropriate judicial proceedings.

11.6 No Reverter or Condition Subsequent. No provision herein is intended to be, or shall be construed as, a condition subsequent or as creating a possibility of reverter.

11.7 Headings. The headings or titles herein are for convenience of reference only and shall not affect the meaning or interpretation of the contents of this Declaration.

11.8 Consent of Secured Party. Second National Federal Savings Bank (the "Secured Party") executes this Declaration for the purpose of indicating its consent hereto and to subject the Property to this Declaration and to subordinate all liens that it may have against the Property to this Declaration.

IN WITNESS WHEREOF, the Declarant has hereunto set its hand and seal on the day and year first above written.

WITNESS/ATTEST:

DECLARANT:

Suzanne R. Hays

ILCHESTER ROAD PROPERTY PARTNERSHIP
ELLICOTT CITY LAND HOLDING COMPANY,
Managing Partner

BY: *Donald R. Reuyer, Jr.* (SEAL)
Donald R. Reuyer, Jr.
President

SECURED PARTY:

Deborah R. McGinty

SECOND NATIONAL FEDERAL
SAVINGS BANK

BY: *Maurice Mink* (SEAL)
(Vice) President

STATE OF MARYLAND:

COUNTY OF ~~HOWARD~~ ^{BALTIMORE} to wit:

On this 2nd day of April, 1990, before me, the subscriber, a Notary Public of the State of Maryland, personally appeared DONALD R. REUYER, JR., who acknowledged himself to be the President of ELLICOTT CITY LAND HOLDING COMPANY, Managing Partner of ILCHESTER ROAD PROPERTY PARTNERSHIP, a Maryland general partnership, and that he, as such President of such Managing Partner, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself as such President.

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

Thomas A. [Signature]
Notary Public

My Commission Expires: July 1, 1990

STATE OF MARYLAND:

to wit:

COUNTY OF HOWARD:

Anne Arundel

1990 I HEREBY CERTIFY that on the 12th day of April, 1990, before me, the subscriber, a Notary Public in and for the above jurisdiction, personally appeared Marvin J. Minkler, Jr. and

who have been satisfactorily proven to be the persons whose names are subscribed to this written instrument, who acknowledged themselves to be (Vice) President and (Assistant) Secretary, respectively, of SECOND NATIONAL FEDERAL SAVINGS BANK, a Maryland corporation, and that said Marvin J. Minkler, Jr. and [Signature] as such (Vice) President and (Assistant) Secretary, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by themselves as (Vice) President and (Assistant) Secretary, respectively.

GIVEN under my hand and seal this 12th day of April, 1990.

Nicholas R. Micholland
Notary Public

My Commission Expires: July 1, 1990

REAL ESTATE\ilchester.dcl

Rubicon City
Land Development
Suite 216
10805 Hickory Ridge Rd.
Chesapeake Md 20841 31