

9/25/88

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ARTICLES OF INCORPORATION  
OF  
VALEWOOD ESTATES HOMEOWNERS ASSOCIATION, INC.

In compliance with the Annotated Code of Maryland, Corporations and Associations Article, Title 5, Subtitle 2, I, James C. Oliver, the undersigned, being at least eighteen (18) years of age, do hereby declare myself as incorporator with the intention of forming a non-stock and non-profit corporation under the general laws of the State of Maryland and hereby certify:

ARTICLE I

NAME

The name of the corporation is VALEWOOD ESTATES HOMEOWNERS ASSOCIATION, INC., hereinafter called the "Association".

ARTICLE II

PRINCIPAL OFFICE

The principal office of the Association is located at 9621 Harford Road, Baltimore, Maryland 21234.

ARTICLE III

RESIDENT AGENT

Michael J. Palmisano, whose address is 9621 Harford Road, Baltimore, Maryland 21234, is hereby appointed the initial resident agent of this Association.

ARTICLE IV

PURPOSES AND POWERS

This Association does not contemplate pecuniary gain or profit to the members thereof, and the specific purposes for which it is formed are to provide for the maintenance, preservation and architectural control of the Lots, Common Area and Storm Water Management Facility (as those terms are defined in the Declaration hereinafter referred to) within that certain tract of real property described in Exhibit A annexed hereto as a part hereof

("the Property") and such additional real property as may be added to the Property pursuant to the provisions of the Declaration and to promote the health, safety and welfare of the residents within the above-described property and any additions thereto as may hereafter be brought within the jurisdiction of this Association. In furtherance of these purposes, the Association shall have full power to:

A. Exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in that certain Declaration of Covenants, Conditions and Restrictions entitled "Valewood Estates Homeowners Association, Inc., Declaration of Covenants, Conditions and Restrictions", (hereinafter called the "Declaration") applicable to the Property and recorded or to be recorded among the Land Records of Harford County, Maryland, and as the same may be amended from time to time as therein provided.

B. Fix, levy, collect and enforce payment by any lawful means of 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 Association, including all licenses, taxes or governmental charges levied or imposed against the property of the Association.

C. 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 Association.

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

E. Dedicate, sell or transfer all or any part of the Common Areas, private roads, if any, or other facilities 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 the holders of two-thirds (2/3) of the votes of each class of members agreeing to such dedication, sale or transfer.

F. Grant utility and drainage easements in, under, over and through properties owned by the Association.

G. To enter into agreements, or any amendments thereto, with the owner of any land not within the Properties or any community association or homeowner's association having jurisdiction over such land for the joint maintenance and operation of the Storm Water Management Facility.

H. Have and to exercise any and all powers, rights and privileges which a non-stock corporation organized under the Corporation Law of the State of Maryland by law may now or hereafter have or exercise.

#### ARTICLE V

##### ASSOCIATION NOT AUTHORIZED TO ISSUE STOCK

The Association has no authority to issue capital stock.

#### ARTICLE VI

##### MEMBERSHIP

Every person or entity who is a record owner of a fee or undivided fee interest in any Lot which is subject to assessment by the Association pursuant to the Declaration, including contract sellers, shall be a member of the Association. The foregoing is not intended to include and 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 Association.

#### ARTICLE VII

##### VOTING RIGHTS

The Association shall have two (2) classes of voting membership:

Class A. During the Development Period (as defined in the Declaration), the Class A members shall be all Owners, with the exception of the Declarant (as that term is defined in the Declaration) and any builder, and shall be entitled to one (1) vote for each Lot owned. When more than one (1) person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. During the Development Period, the Class B member(s) shall be the Declarant and each Builder and shall be entitled to cast three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership. If at any time or from time to time the Property is expanded, the Class B membership shall recommence as of the time at which such expansion occurs, and shall terminate thereafter on the date on which the total number of votes held by the Class A membership becomes equal to the total number of votes held by the Class B membership. Notwithstanding the foregoing, the Class B membership shall be terminated and be converted to Class A membership on December 31, 1999, unless sooner terminated. Each Builder shall be conclusively presumed, by its having accepted the conveyance of the legal title to a Lot from the Declarant or another Builder to have given the Declarant an irrevocable and exclusive proxy entitling the Declarant to cast all of the votes of the Builder and to have agreed that such proxy is coupled with an interest.

## ARTICLE VIII

### BOARD OF DIRECTORS

The affairs of this Association shall initially be managed by a Board of three (3) Directors who need not be members of the Association. The number, terms and election of Directors may be changed by amendment of the By-Laws of the Association. The names and addresses of the persons who are to act in the capacity of Directors until the selection of their successors are:

1. Michael J. Palmisano  
9621 Harford Road  
Baltimore, Maryland 21234
2. Patrick F. O'Shea  
9621 Harford Road  
Baltimore, Maryland 21234
3. Francine R. Palmisano  
9621 Harford Road  
Baltimore, Maryland 21234

The above-named Directors shall serve until the first annual meeting of the members at which their successors are elected. The remaining Directors may elect a successor to fill the unexpired term of a Director in the event of death, resignation or removal of a Director.

From and after the first annual meeting of members, the term of office of the Directors shall be staggered. At the first meeting of members, one-third (1/3) of the Directors shall be elected to an initial term of three (3) years, one-third (1/3) of the Directors shall be elected to an initial term of two (2) years and one-third (1/3) of the Directors shall be elected to an initial term of one (1) year. At each subsequent meeting of members, the members shall elect one-third (1/3) of the total number of Directors and the term of each Director shall be three (3) years.

#### ARTICLE IX

##### DISSOLUTION

The Association may be dissolved with the assent in writing and signed by not less than the holders of two-thirds (2/3) of the votes of each class of members. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association was created. In the event that such dedication is refused, such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization to be devoted to such similar purposes.

#### ARTICLE X

##### DURATION

The Association shall exist perpetually.

#### ARTICLE XI

##### AMENDMENTS

Amendment of these Articles shall require the assent of the holders of seventy-five percent (75%) of the votes of each class of members except that, prior to December 31, 1989, amendments required by the Federal Mortgage Agencies (as defined in the Declaration) as a condition of approval shall only require the assent of the Class B membership.

ARTICLE XII

APPROVAL BY FEDERAL MORTGAGE AGENCIES

As long as there is a Class B membership, the following actions will require the prior approval of the Federal Mortgage Agencies: annexation of additional properties not described in the Declaration, mergers and consolidations, mortgaging of the Common Areas, dedication of Common Areas, dissolution and amendment of these Articles.

IN WITNESS WHEREOF, I have signed these articles and acknowledge same to be my act for the purpose of forming this corporation under the laws of the State of Maryland, on this 22nd day of January, 1988.

WITNESS:

Faith A. Townsend

James C. Oliver  
James C. Oliver

MEG/02-18-87  
0080s

ARTICLES OF INCORPORATION  
OF  
VALEWOOD ESTATES HOMEOWNERS ASSOCIATION, INC.

EXHIBIT A

Description of the Property

Section One of Valewood Estates, as shown on the Subdivision Plat entitled "Section One - Valewood Estates" prepared by Frederick Ward Associates, Inc. dated October 8, 1986, consisting of four (4) pages and recorded among the Land Records of Harford County simultaneously with this Declaration, consisting of Lots 1-5, 45-63, 79-93, and 97-114 and those portions of the beds of Eugenia Way, Alexandria Way, Red Pump Road, Dranmore Way, Fergus Court and Ambridge Road contained within Section One, and the 10' Buffer (Open Space) Areas, all as shown on said Subdivision Plat.



VALEWOOD ESTATES HOMEOWNER ASSOCIATION, INC.

DECLARATION OF  
COVENANTS, CONDITIONS AND RESTRICTIONS

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS (hereinafter referred to as this "Declaration"), made this 5<sup>th</sup> day of February, 1987, by VALEWOOD ACRES, INC., a corporation organized and existing under the law of Maryland having an address at 9621 Harford Road, Baltimore, Maryland 21234 (hereinafter referred to as "Declarant").

WITNESSETH:

WHEREAS, Declarant is the owner of a parcel of land in Harford County, Maryland, which shall be known as "Valewood Estates", and is more particularly described in Exhibit A attached hereto and hereby made as a part hereof; and

WHEREAS, the Declarant intends to create on such real property a residential community of single family residential lots and common areas for the benefit of the owners of such lots; and

WHEREAS, the Declarant desires to reserve the right hereafter to subject additional land, together with the improvements thereon and the appurtenances thereto, to the operation and effect of this Declaration, thereby expanding the land, improvements and appurtenances which are hereby subjected thereto; and

NOW, THEREFORE, Declarant hereby declares that the parcel of land described in Exhibit A and known as "Section One - Valewood Estates," (hereinafter referred to as "the Property"), shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions which are for the purpose of protecting the value and desirability of and which shall run with the Property and be binding on all parties having any right, title or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

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ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to Valewood Estates Homeowners Association, Inc., a Maryland corporation, its successors and assigns.

Section 2. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Property, including contract sellers but excluding Mortgagees.

Section 3. "Property" shall mean and refer to that parcel of land described and shown on Exhibit A attached hereto as a part hereof and such additions thereto as may hereafter be added thereto pursuant to the provisions of Article VI hereof.

Section 4. "Common Areas" shall mean and refer to all portions of the Property (including all improvements thereon) owned by the Association or owned by the Declarant for future conveyance to the Association, including active and passive open space, non-tidal wetlands, buffer areas, private streets and roadways, streets and roadways offered for dedication to Harford County but not yet accepted by the County, and neighborhood identification signs, and real property or other facilities in which the Association acquires a right of use for the benefit of it and its members. The initial Common Areas to be conveyed to the Association prior to the conveyance of an improved Lot to an Owner are described in Exhibit B attached hereto as a part hereof.

Section 5. "Lot" shall mean and refer to any plot of land now or hereafter shown as a lot upon any recorded subdivision map of all or any part of the Property, together with all buildings and improvements thereon, excluding, however, all Common Areas.

Section 6. "Declarant" shall mean and refer to the party hereinabove referred to as such, its successors and those assigns that are expressly granted the rights of the Declarant in conjunction therewith by virtue of a written instrument recorded in the Land Records in which this Declaration is recorded.

Section 7. "Federal Mortgage Agencies" shall mean and refer to the Federal Housing Administration, the Federal National Mortgage Association, the Veterans Administration, the Federal Home Loan Mortgage Corporation or their successors.

Section 8. "Common Driveway" shall mean and refer to any portion of the Property now or hereafter designated as such on any recorded subdivision map of the Property.

Section 9. "Common Driveway Agreement" shall mean and refer to an agreement between the Owners of Lots on which a Common Driveway is located providing for the sharing of the installation, maintenance, repair and replacement costs for the Common Driveway.

Section 10. "Storm Water Management Facility" shall mean and refer to the storm water management pond located or to be located upon land on or adjacent to the Property to provide storm water drainage facilities for the Property.

Section 11. "Annual Assessment" shall have the meaning ascribed to it by the provisions of Article IV herein.

Section 12. "Special Assessment" shall have the meaning ascribed to it by the provisions of Article IV herein.

Section 13. "Member" has the meaning ascribed to it by the provisions of Article IV herein.

Section 14. "the Membership" means all of the Members.

Section 15. "Mortgage" means any mortgage or deed of trust encumbering any Lot or any or all of the Common Areas, and any other security interest existing by virtue of any other form of security instrument or arrangement, provided that such mortgage, deed of trust or other form of security instrument, and an instrument evidencing any such other form of security arrangement, has been recorded among the Land Records.

Section 16. "Mortgagee" means the person secured by a Mortgage.

Section 17. "Development Period" shall have the meaning ascribed to it by the provisions of Article IV, Section 4.

Section 18. "Builder" means each person who acquires a Lot from the Declarant or another Builder, not to occupy it as a residence, but in the ordinary course of such person's business, to construct a Dwelling on such Lot and sell or lease it to another person to occupy as such person's residence.

Section 19. "Contract Lien Act" means the statute entitled "Maryland Contract Lien Act" which is codified as Title 14 of the Real Property Article of the Annotated Code of Maryland.

Section 20. "person" means any natural person, trustee, corporation, partnership or other legal entity.

## ARTICLE II

### RESIDENTIAL LOTS

Section 1. Number of Lots. As of the date hereof, the Property shall contain 60 Lots. Each Lot shall be known by a number corresponding to the number shown with respect to it on the subdivision plat for the Property recorded simultaneously herewith.

Section 2. Number of Lots After Expansion. After any expansion of the Property pursuant to Article VI hereof, the Property shall contain the number of Lots which it contained before expansion plus the number of Lots shown on the subdivision plat recorded among the Land Records in connection with such expansion.

## ARTICLE III

### PROPERTY RIGHTS

Section 1. Property rights in and to Common Areas.

(a) The Declarant shall be entitled to convey to the Association the legal title to any or all of the Common Areas at any time hereafter, and/or to retain the legal title to the same until the Declarant has completed any improvements which the Declarant intends to make thereto, or until such earlier or later time as, in the Declarant's judgment, the Association is able to maintain the same in accordance with the provisions of this Declaration; provided, that the Declarant shall convey to the Association (i) the legal title to all of the Common Areas initially contained within the Property by no later than the date on which the Declarant or any Builder conveys to any person (other than the Declarant or a Builder) the legal title to any Lot, and (ii) the legal title to all of the Common Areas within any parcel of land hereafter added to the Property by an expansion thereof by not later than the date on which the Declarant or any Builder conveys to any person (other than the Declarant or a Builder) the legal title to any Lot within such expansion parcel.

(b) The title to the Common Areas to be conveyed to the Association, as aforesaid, shall be good and marketable, free and clear of encumbrances, and shall be conveyed in fee simple by a special warranty deed, all subject to and only to the operation and effect of

(i) each instrument and matter of record recorded among the Land Records before the recordation thereamong of this Declaration,

(ii) each instrument or matter of the types enumerated in the provisions of Section 2 which is then recorded among the Land Records, and

(iii) if the Storm Water Management Facility is located on property which is not a part of the Common Areas, any covenants obligating the Association to pay a share of the cost of insuring, maintaining, repairing and replacing the Storm Water Management Facility, and any amendments made thereto.

(c) Subject to the operation and effect of the provisions of Sections 2 and 3, the Association shall not convey to any person the legal title to, or any easement, leasehold or other right of use or enjoyment in, any of the Common Areas, without the express written consent thereto of Members holding at least two-thirds (2/3) of the total number of votes then held by, respectively, each class of the Membership of the Association.

Section 2. Permitted Action by the Association.

While the Association holds the legal title to any or all of the Common Areas, it may take any or all of the following actions:

(a) make an express confirmatory conveyance to any Owner, including the Declarant, of such easements in and other rights with respect to the Common Areas as under the provisions of this Declaration are held by such Owner.

(b) grant, convey or dedicate to Harford County, Maryland or to any one or more public or quasi-public governmental bodies, utility companies or cable television companies, any and all licenses, easements and/or rights-of-way in, over and through the Common Areas for the construction, operation, maintenance, repair and replacement of any and all sanitary, sedimentary control or storm sewer lines, ponds or pumping stations, water lines or pumping stations, electrical lines, telephone or television lines, gas lines, cable television lines and

other similar facilities, all as the Association considers appropriate for the provision of any utility or utility service to the Property. Notwithstanding a grant, conveyance or dedication of any such license, easement or right-of-way, the land subject thereto shall remain a part of the Common Areas and the Association shall continue to maintain such land (except for any improvements thereon owned by Harford County, or such public or quasi-public governmental body, such utility company or such cable television company) in accordance with the provisions of this Declaration or any Easement Agreement. Unless specifically provided to the contrary in such grant, dedication or conveyance, no improvements shall thereafter be constructed in those areas subject to such license, easement or right-of-way.

(c) grant a Mortgage pursuant to the provisions of Section 4.

(d) convey the legal title to, or any interest in, any or all of the Common Areas to or at the direction of any governmental or quasi-governmental authority either (i) through the condemnation thereof, or under threat of such condemnation (after which grant, conveyance or dedication, that portion of the Common Areas which is the subject of the same shall not be part of the Common Areas).

(e) grant a leasehold interest in or a license with respect to any or all of the Common Area to any person, for a period terminating not later than the third (3rd) anniversary of the date of such grant.

(f) grant or reserve, by or to the Declarant, for the benefit of any parcel of land which may be added to the Property or any portion thereof (whether or not it then or thereafter is part of the Property), an easement in, over and through the Common Areas for the construction, installation, use, operation, maintenance, repair and replacement of any facility or roadway.

(g) enter into any amendments to the Easement Agreement with (i) the owner of any land not within the Property, or (ii) any community association or homeowner's association having jurisdiction over such land for the sharing of all costs associated with the maintenance and operation of an off-site Storm Water Management Facility.

Section 3. Maintenance of the Common Areas. The Association shall maintain the Common Areas and all of the improvements thereon in good order, condition and repair

and, if the Storm Water Management Facility is located off-site, that portion of the costs of insuring, maintaining, repairing and replacing the Storm Water Management Facility as may be allocated to the Association under any covenants or easements governing the operation thereof. All roads, streets, curbs and gutters within or adjacent to the Property shall be dedicated to the County or other governmental authority for public use. All water and sewer pipes, drains and lines, street lights, fire hydrants and all utilities serving the Property shall be public, the maintenance and repair of which shall be assumed by Harford County or any other governmental entity or by a public or quasi-public utility company. All sidewalks now or hereafter constructed adjacent to any roads or streets shall also be dedicated for public use, but any paving, grading, repaving or repair of such sidewalks shall be the responsibility of each Owner whose Lot abuts such sidewalk.

Section 4. Control of the Common Areas. Anything contained in the foregoing provisions of this Section to the contrary notwithstanding, the Association may borrow money to improve the Common Areas in accordance with the provisions of this Declaration, and secure its repayment by subjecting any or all of the Common Areas which it owns to the lien of a mortgage or deed of trust; provided that, if there is a default under the mortgage or deed of trust the mortgagee's or beneficiary's remedies on account of such default shall be limited to those of (a) taking possession of the property covered thereby, (b) thereafter charging admission or other fees as a condition to the continued use thereof by the Owners, and (c) if necessary and if not prohibited by applicable law, opening the enjoyment thereof to the general public or segment thereof until such debt is satisfied; adopt reasonable rules and regulations in accordance with Article XI hereof governing the use of the Common Area by Owners, their family members and guests or any other person.

Section 5. Management. The Association may enter into an agreement with a reputable professional management company for such company to provide management services to the Association, so long as such agreement

(a) expressly provides that either party thereto may terminate such agreement on thirty (30) days prior notice without cause at any time and without payment of a termination fee; and

(b) is for a term of not longer than one (1) year; provided that such agreement may contain provision for a single renewal term not exceeding one (1) year in length. The Association shall not effectuate any decision

by it both (i) to terminate any such management agreement, and (ii) thereafter to assume or undertake the management of the Common Areas without utilizing or employing professional management services, without obtaining each first mortgagee's prior written approval thereof.

Section 6. Delegation of Use. Any Owner may delegate, in accordance with the By-Laws and rules and regulations of the Association, his right of enjoyment to the Common Areas to the members of his household, his tenants or contract purchasers who reside on the Lot.

Section 7. Non-Tidal Wetlands and 75' Buffer Area. Any portion of the Common Area or Lots designated and shown on any recorded subdivision plat of all or a portion of the Property as "Non-Tidal Wetlands" and "75' Undisturbed Buffer" shall remain in a natural, undisturbed state and will not be developed, or improvements erected thereupon by the Declarant, its successors or assigns, the Association, or any Owner.

#### ARTICLE IV

#### MEMBERSHIP AND VOTING RIGHTS

Section 1. Association Membership. Every Owner of a Lot shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot.

Section 2. Classes of Voting Membership. During the Development Period, the Membership shall be comprised of the Class A Membership and the Class B Membership.

(a) The Class A Membership shall consist of all of the Members other than the Declarant and any Builder, and the Class B Membership shall consist of the Declarant and each Builder.

(b) After the Development Period, the Membership shall be all of one class, consisting of all of the Members.

Section 3. Number of votes.

(a) During the Development Period each Class A Member, and thereafter each Member,

(i) who alone is the Owner of a Lot shall be entitled to cast one vote in the Association's affairs for each such Lot; or

(ii) who with any other person is the Owner of a Lot shall, jointly with such other persons, be

entitled to cast one vote in the Association's affairs for each such Lot (which vote shall be exercised as such persons determine among themselves, provided that in no event may such persons cast fractional votes or cast with respect to any such Lot more than one such vote).

(b) During the Development Period,

(i) each Class B Member shall be entitled to cast three votes in the Association's affairs for each vote which it would be entitled to cast, were it a Class A Member; and

(ii) each Builder shall be conclusively presumed, by its having accepted the conveyance of the legal title to a Lot from the Declarant or another Builder,

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

(B) to have agreed with the Declarant that such proxy is given to and relied upon by the Declarant in connection with the Declarant's development, construction, marketing, sale and leasing of any or all of the Property (including any parcel of land which may be added to the Property), and is coupled with an interest; and

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

Section 4. Commencement and termination of Development Period.

(a) The Development Period shall consist of the period commencing on the date hereof and terminating on the date on which the total number of votes held by the Class A Membership becomes equal to the total number of votes held by the Class B Membership; provided, that if at any time after such termination the Property is expanded pursuant to the provisions of Article VI, the Development Period shall re-commence as of the time at which such expansion occurs, and shall terminate thereafter on the

date on which the total number of votes held by the Class A Membership becomes equal to the total number of votes held by the Class B Membership. Notwithstanding the foregoing, the Development Period, if not sooner terminated, shall terminate on December 31, 1999 and shall not thereafter recommence.

## ARTICLE V

### COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Right to levy Assessments. The Association shall obtain funds to pay its current or capital expenses incurred in performing its obligations under the provisions of this Declaration, and to create adequate reserves for the maintenance, repair and replacement of those portions, if any, of the Common Areas and of the Storm Water Management Facility which must be replaced on a periodic basis, and for the payment of its future such expenses, by from time to time levying an assessment (each of which is hereinafter referred to as an "Assessment") against each Owner and his respective Lot, all upon the terms, for the purposes and subject to the conditions which are set forth in the provisions of this Declaration, the Articles of Incorporation and the By-Laws.

### Section 2. Classes of Assessments.

(a) The Assessments shall consist of an Annual Assessment and a Special Assessment.

(b) (i) The proceeds of the Annual Assessment may be used by the Association to defray any cost incurred by it in accordance with, or for any other purpose permitted by, the provisions of this Declaration, the Articles of Incorporation and the By-Laws.

(ii) The proceeds of any Special Assessment shall be used by the Association to defray any cost incurred by it either in constructing, reconstructing, repairing, replacing or improving any of the Common Areas or the Storm Water Management Facility or as the result of any expansion of the Property pursuant to the provisions of Section VI, or any other extraordinary expense incurred by the Association.

### Section 3. Period of Assessments.

Each Assessment shall be levied for each calendar year during which this Declaration remains in effect;

provided, that the initial assessment year shall commence on the date on which legal title to a Lot improved by a dwelling is conveyed to a person other than the Declarant or a Builder, and shall terminate on the thirty-first (31st) day of December next succeeding such date. Not more than one Annual Assessment shall be levied against a Lot for any assessment year.

Section 4. Allocation of Assessments among Lots.

(a) The respective amounts of any Annual or Special Assessment shall be equal.

(b) If during an assessment year the Property is expanded,

(i) the Association shall be deemed, automatically and without the necessity of further action, to have levied against such Lot for such assessment year each Assessment which the Association has levied against the other Lots for such assessment year; and

(ii) the respective amount of each such Assessment shall be determined in accordance with the foregoing provisions of this Section but shall then be reduced based upon the number of days remaining in such assessment year as of the date of such expansion.

(c) Until the earliest to occur of (i) the acquisition of the legal title to a Lot by a person other than the Declarant or a Builder (ii) the issuance by Harford County of a certificate of occupancy for the first dwelling constructed upon such Lot, or (iii) the second (2nd) anniversary of the date on which such Lot is first subjected to the operation and effect of this Declaration, each Annual Assessment or Special Assessment levied against such Lot shall be in an amount equal to twenty-five percent (25%) of the amount which such Assessment would be but for the provisions of this subsection (c).

Section 5. Adoption by Board of Directors; Notice of Assessment; when Assessments are due and payable.

(a) By not later than the thirtieth (30th) day before an assessment year commences, the Board of Directors shall adopt a budget for the Association setting forth (i) the aggregate amount of the Annual Assessments to be levied, and (ii) the respective amount of the Annual Assessment to be levied against each Lot. By not later

than the fifteenth (15th) day before such assessment year commences, the Association shall provide a copy of such budget to each Owner at its notice address. The Association's failure to take any such action by the time set forth hereinabove for taking the same shall not invalidate such action if taken later, but until such action is taken each Member shall pay to the Association on account of the Annual Assessment for the next assessment year, on the date or dates on which such Annual Assessment would have been due had the Association taken such action before such date, an amount equal to the Annual Assessment for the preceding assessment year (or the initial installment thereof, if such Annual Assessment was payable in installments).

(b) If the Association so permits, any Assessment may be paid to the Association in monthly or other installments in accordance with a schedule determined by the Association.

(c) Such Annual Assessments (or the initial installment thereof, if payable in installments) shall be due on the first (1st) day of such assessment year without the necessity of further action by the Association (and any subsequent installments thereof shall be due on the respective dates set forth in such schedule).

(d) Anything contained in the foregoing provisions of this section to the contrary notwithstanding, if a Lot is exempt from such levy at the commencement of an assessment year but during such assessment year becomes eligible for such levy, the Assessment thus levied shall be due on the later of (i) the date on which such Assessment would have been due were such Lot part of the Property at the commencement of such assessment year, or (ii) the date on which such Lot becomes eligible for such levy.

Section 6. Limitations on certain Assessments.

(a) Without Membership's approval. Except as provided in subsection (b) hereof, the Association may not levy against any Lot any Annual Assessment in an amount which,

(i) for the initial assessment year, exceeds Ninety Dollars (\$90.00); or

(ii) for any assessment year thereafter, exceeds one hundred ten percent (110%) of the maximum

amount permitted to be levied as an Annual Assessment for the immediately preceding assessment year.

(b) With Membership's approval.

(i) The Association may levy against each Lot for an assessment year an amount which exceeds the maximum amount permitted under subsection (a) only after having been authorized to do so by two-thirds of the votes cast on such question by those Members of each class of Membership who are present and voting on such question at a Membership Meeting held in accordance with the following provisions of this subsection 6(b)(ii).

(ii) The Association shall send to each Member at its notice address a written notice of the date, time and place of any Membership Meeting at which such question is to be considered by not later than the thirtieth (30th) and not more than the sixtieth (60th) day before such date. The presence at such date, time and place, in person or by proxy, of Members holding at least sixty percent (60%) of the total number of votes then held by, respectively, each class of the Membership shall be required to constitute a quorum for such Membership Meeting. If such quorum does not exist thereat, the Association may call another Membership Meeting for such purpose for a date not more than sixty (60) days after the first said date, by sending to each Member at its Notice Address a written notice of the date, time and place thereof in the same manner as that set forth hereinabove. The presence at such date, time and place, in person or by proxy, of Members holding at least thirty percent (30%) of the total number of votes then held by, respectively, each class of the Membership shall be required to constitute a quorum for such Membership Meeting.

Section 7. Owners' personal liability for Assessments.

(a) Each Owner shall be personally liable for payment of each Assessment which becomes due for a Lot while he is its Owner. An Owner may not avoid such liability by waiving any right to use the Common Areas or other right which he holds under the provisions of this Declaration or otherwise, abandoning or otherwise terminating his use of such Lot, or conveying the title to such Lot after the same becomes due.

(b) An Owner shall not be personally liable for payment of any Assessment which becomes due for a Lot

before he becomes its Owner or after he ceases to be its Owner.

Section 8. Assessment Lien.

(a) At any time within two (2) years after an Assessment is levied against a Lot and before it is paid in full to the Association, the Association may give notice to the Owner (by certified mail, return receipt requested) of the Association's intent to create a lien against the Lot (hereinafter referred to as a "Notice of Lien").

(b) The form of the Notice of Lien shall be determined by the Association in the exercise of its sole discretion, provided that the Notice of Lien complies with the requirements of the Contract Lien Act.

Section 9. Recordation of Assessment Lien.

(a) The Association may execute and record among the land records of Harford County, Maryland, in accordance with the provisions of section 14-204 of the Contract Lien Act, a statement (hereinafter referred to as a "Statement of Lien") for such Assessment, (i) within one hundred twenty (120) days after giving the Notice of Lien, if the Owner fails to file a complaint in the appropriate judicial court in accordance with the provisions of the Contract Lien Act within thirty (30) days after the Association gives the Notice of Lien, or (ii) within thirty (30) days after the appropriate judicial court orders the imposition of a lien pursuant to such provisions.

(b) The form of such Statement of Lien shall be determined by the Association in the exercise of its sole discretion, so long as it constitutes a "statement of lien" for purposes of the provisions of section 14-203 of the Contract Lien Act.

Section 10. Priority of Assessment Lien.

(a) Each Assessment levied against a Lot shall be a lien (herein referred to as an "Assessment Lien") upon the title to such Lot, from the time when a Statement of Lien for such Assessment is recorded among the Harford County land records pursuant to the provisions of this Article, until such Assessment is paid in full.

(b) An Assessment Lien shall be subordinate to the lien of any Mortgage covering the Lot against which such Assessment Lien is imposed, if and only if such

Mortgage is recorded among the land records of Harford County before a Statement of Lien imposing such Assessment Lien is recorded thereamong.

(c) An Assessment Lien may be enforced and foreclosed by the Association in the same manner and subject to the same requirements as are specified by the law of Maryland for the foreclosure of mortgages or deeds of trust containing a power of sale or an assent to a decree.

Section 11. Interest on unpaid Assessments. Each Assessment (or installment thereof, if payable in installments) shall bear interest on its unpaid balance from the thirtieth (30th) day after it becomes due, until paid, at the lesser of (a) the rate of twenty percent (20%) per annum, or (b) the highest rate from time to time permitted by applicable law to be charged upon the same.

Section 12. Recovery of unpaid Assessments.

(a) The Association shall be entitled to recover in an action at law or in equity, from the Owner liable for payment of any or all of an Assessment, and without waiving the Assessment Lien therefor, a money judgment for such Assessment and any and all interest accrued thereon through the date of such recovery, and costs incurred by the Association in obtaining such recovery (including, without limitation, reasonable attorneys' fees).

(b) Notwithstanding anything to the contrary contained in this Article, no action may be brought to foreclose upon an Assessment Lien or otherwise to recover an Assessment, unless it is brought on or before the third (3rd) anniversary of the date on which a Statement of Lien is recorded against the Lot.

Section 13. Certificate as to payment of Assessments. The Association, upon written request, shall deliver to the Owner or Mortgagee of a Lot a certificate signed by an officer of the Association, setting forth whether all Assessments then due and payable against the Lot have been paid. Any such certificate shall be conclusive evidence of the payment of Assessments stated to have been paid in the certificate. The Board of Directors may establish reasonable fees for the processing of these certificates in accordance with Article XIII hereof.

Section 14. Exempt Property. The Common Areas and all Lots owned by the Association or dedicated to and accepted by a local public authority and all properties

owned by a charitable or nonprofit organization exempt by reason of such ownership from taxation by the laws of the State of Maryland shall be exempt from the Annual and Special Assessments created herein. No Lot devoted to dwelling use shall be exempt from said Assessments.

## ARTICLE VI

### EXPANSION OF THE PROPERTY

Section 1. Reservation of Right. The Declarant hereby reserves the right (which shall be exercisable at its sole discretion) to expand the Property from time to time by subjecting to the operation and effect of this Declaration, and thereby adding to the Property, all or any portion or portions of any one or more of those parcels of land described in Exhibit C hereto, together with all improvements, rights, alleys, ways, waters, privileges, appurtenances and advantages.

Section 2. Any such expansion shall be accomplished by, and become effective upon and only upon, the amendment of this Declaration by the recordation among the land records of Harford County, Maryland of

- (a) an amendment to this Declaration which
  - (i) sets forth a legal description of each parcel of land added to the Property by such expansion; and
  - (ii) expressly subjects the same to the operation and effect of this Declaration; and
- (b) if the parcel being added to the Property has been subdivided into Lots, a subdivision plat which
  - (i) designates the Lots and the Common Areas for purposes of this Declaration, and
  - (ii) designates such plat as an amendatory plat to the recorded subdivision plat for purposes of this Declaration.

Section 3. Easement Rights. Any parcel of land added to the Property pursuant to the provisions of this Article, upon such addition, shall be subject to all of the easements provided in Article XII hereof and such addi-

tional easements as may be set forth in the amendment to the Declaration or subdivision plat covering such parcel.

Section 4. Subjection to Declaration. Upon any such expansion the title to each future parcel or portion thereof which is thereby added to the Property shall be and thereafter remain subject to the operation and effect of the provisions of this Declaration.

## ARTICLE VII

### ARCHITECTURAL CONTROL

Section 1. Architectural Committee. No building, fence, wall, satellite dish, television antennae, storage or utility shed, swimming pool, or other structure shall be commenced, erected or maintained upon any Lot, nor shall any exterior addition to or alteration thereof be made until the plans and specifications showing the nature, kind, shape, height, materials and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association or by an architectural committee composed of three (3) or more representatives appointed by the Board, which approval shall not be unreasonably withheld. If the Board or its designated committee fails to approve or disapprove such design and location within sixty (60) days after said plans and specifications have been submitted to it, such design and location shall be deemed approved. The Board of Directors of the Association shall have the power pursuant to Article XIII hereof to establish reasonable procedures for the processing of applications submitted pursuant to this Article and to establish rules governing the design and location of particular structures which must be satisfied to obtain approval of these structures.

### Section 2. Removal.

(a) If any structure is altered, erected, placed or maintained on any Lot other than in accordance with plans and specifications approved in accordance with Section 1, such action shall be deemed to be a violation of the provisions of this section and, promptly after the Association gives written notice thereof to its Owner, such structure shall be removed or restored to its condition prior to such action, and such use shall cease, so as to terminate such violation.

(b) If within fifteen (15) days after having been given such notice, such Owner has not taken reasonable steps to terminate such violation, any agent of the Association may enter upon such Lot and take such steps as are reasonably necessary to terminate such violation. Such Owner shall be personally liable to the Association for the cost thereof, to the same extent as he is liable for an Assessment levied against such Lot, and, upon the failure of the Owner to pay such cost within ten (10) days after such Owner's receipt of written demand therefor from the Association, the Association may establish a lien therefor upon such Lot in accordance with and subject to the provisions of this Declaration applicable to an Assessment Lien.

## ARTICLE VIII

### USE RESTRICTIONS

Section 1. Residential Use. No Lot shall be used for any purpose other than a single-family detached residence, for residential use only, except that, during the construction and sales period, on-site builder's construction offices, model homes, sales offices and builder's storage areas may be maintained.

Section 2. Offensive Activities. No noxious or offensive activities shall be carried on upon any Lot, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood.

Section 3. Signs. No sign of any kind shall be displayed to the public view on any Lot except (a) one (1) sign of not more than five (5) square feet advertising the property for sale or rent, (b) signs used by a builder or the Declarant to advertise the property during the construction and sales period or (c) signs erected or owned by the Association on any Lot, or at the entrance to the Property which identify the development or neighborhood.

Section 4. Animals. No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot except that a reasonable number of household pets may be kept provided that they are not kept, bred or maintained for a commercial purpose. The Board of Directors shall have the power to adopt rules and regulations pursuant to the provisions of Article XIII pertaining to the control of pets and defining what shall constitute a reasonable number of household pets.

Section 5. Garbage, Motor Vehicle Repairs. No Lot shall be used or maintained as a dumping ground for rubbish, trash, garbage or other waste and every Lot shall be maintained in a clean and sanitary condition. All containers or equipment for the storage or disposal of rubbish, trash, garbage and other waste shall be constructed of metal or heavy rubber and kept in a clean and sanitary condition. No major repairs to motor vehicles shall be made on any Lot and no Lot shall be used for the storage of inoperable or abandoned motor vehicles.

Section 6. Utility Buildings and Sheds. No utility building or shed shall be located or constructed on any Lot unless it is first approved pursuant to Article VII.

Section 7. Yards. No fence, lawn ornament or improvement of any kind shall be erected, constructed or placed on any Lot unless it is first approved pursuant to Article VII. All Lots shall be neatly and regularly mowed by the Owner, and all landscaping, driveways and sidewalks on such Lot shall be regularly maintained by the Owner thereof.

Section 8. Preservation of Trees. Any trees, shrubbery or other plantings existing on the Property shall be preserved, trimmed and maintained.

Section 9. Additional Rules and Regulations. The Board of Directors, pursuant to Article XIII of this Declaration, may adopt additional rules and regulations pertaining to the use of Lots. Such rules and regulations adopted pursuant to Article XIII may relate to the use or storage of motor homes, trailers, campers, boats and commercial vehicles; the erection and maintenance of clothes lines, fences, awnings, fireplaces, grills, decks, patios, lawn ornaments, swimming pools, play equipment, exterior lighting, television antennas and satellite dishes; or such other uses or structures which the Board of Directors deems appropriate.

Section 10. Repair of Structures. Each Owner shall at all times keep his Lot and the exterior of all structures thereon in good condition and repair and adequately painted or otherwise finished.

Section 11. Right of entry. The Association and the Declarant shall each have the right to enter on any Lot and (a) trim or prune any tree, hedge or other planting whose height or location on such Lot is, in the

Association's judgment, unattractive or obscures the view of street traffic from any Lot, or (b) cure any violation of the provisions of this section, all provided that such Owner is given fifteen (15) days' prior written notice of such action, except in the case of an emergency, in which event only such notice need be given as is reasonable under the circumstances. In such event, such Owner shall pay to the Association the amount of any and all reasonable expenses incurred by the Association in taking such action within ten (10) days after such Owner's receipt of written demand therefor from the Association, and, upon the failure to pay such expenses, the Association may establish a lien therefor upon such Lot in accordance with and subject to the provisions of this Declaration applicable to an Assessment Lien.

## ARTICLE IX

### RIGHTS OF MORTGAGEES

#### Section 1. General.

(a) Regardless of whether a Mortgagee in possession of a Lot is its Owner, (a) such Mortgagee in possession shall have, all of the rights under the provisions of this Declaration, the recorded subdivision plat, 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, 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.

(b) 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 shall be deemed in any way to relieve any Owner of any such obligation, or of any liability to such Mortgagee on account of any failure by such Owner to satisfy any of the same.

#### Section 2. Rights of first refusal. Any Mortgagee 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.

Section 3. Priority over Assessment. A Mortgagee's interest in a Lot under its Mortgage shall be

(a) free of any claim or lien for any Assessment levied against such Lot before such Mortgage is recorded among the land records of Harford County, Maryland (unless before such recordation a Statement of Lien covering such Assessment is recorded among the land records of Harford County, Maryland), other than any claim for a pro rata share of the amount represented by such Assessment which results from any pro rata reallocation of such Assessment among all of the Lots, including such Lot; and

(b) free of any such claim or lien arising after such recordation of such Mortgage.

Section 4. Actions conditioned on Mortgagee's approval. Unless two-thirds (2/3) of the first Mortgagees of all Lots have given their prior written approval thereof, the Association shall not by act or omission

(a) seek to abandon, partition, subdivide, encumber, sell or transfer the 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

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

(c) fail to maintain fire and extended coverage insurance on so much of the Common Areas as is insurable, on a current replacement cost basis, in an amount not less than one hundred percent (100%) of the insurable value thereof (based on its current replacement cost), or

(d) change the method of determining the Assessments, or

(e) 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 the Common Areas.

Section 5. Inspection; statement and notice. A Mortgagee shall, upon request of the Association, be entitled to

(a) inspect the Association's books and records during normal business hours;

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

(c) be given timely written notice of all meetings of the Membership, and designate a representative to attend all such meetings;

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

(e) 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 Declaration, the Association's articles of incorporation or the By-Laws which is not cured within thirty (30) days after such default commences.

Section 6. Taxes on Common Areas. The first Mortgagees may, jointly or singly, 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 the Common Areas. Any first Mortgagee making any such payment shall be owed immediate reimbursement therefor from the Association.

Section 7. Approval by Federal Housing Administration and Veterans Administration. Until the Class B Membership terminates pursuant to the provisions of Article IV, Section 4, the consent or approval of the Federal Housing Administration and/or the Veterans Administration shall be obtained to any of the following

actions taken while a Mortgage is in effect which is insured by such entity:

(a) an expansion of the Community pursuant to the provisions of Article VI;

(b) a dedication of any portion of the Common Areas to public use; and

(c) an amendment of this Declaration.

## ARTICLE X

### ENCROACHMENTS

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

## ARTICLE XI

### EASEMENTS

Section 1. Easement benefiting Lots and burdening Common Areas. Each Lot shall have the benefit of a non-exclusive easement for the use of each main, duct, stack, raceway, wire, conduit, drain, pipe, meter, or other device located within the Common Areas, within another Lot or within any party wall; each street, walkway and parking area which from time to time is within the Common Areas, or which crosses any Lot and affords access to the Common Areas or another Lot.

Section 2. License benefiting Lots and burdening Common Areas. Each Lot shall have the benefit of a non-exclusive easement for the use of the Common Areas, including, without limitation, all private roadways and streets and all streets and roadways offered for dedication to Harford County but not yet accepted by Harford County, provided that such use is in accordance with applicable law and the provisions of this Declaration, the Articles of Incorporation, the By-Laws and the Rules and Regulations. No person other than the Association may construct, reconstruct, alter or maintain any structure or make or create any excavation or fill upon, or remove any tree, shrub or other vegetation from, or otherwise damage, the Common Areas. No person, without first obtaining the Association's consent, shall do anything on the Common Areas which will cause an increase in any premium paid by the Association for liability or other insurance with respect to the Common Areas, or the cancellation of any such insurance.

Section 3. Development easements. The Declarant shall have and the Declarant hereby reserves, perpetual, non-exclusive easements in, over and through the Common Areas

(a) for pedestrian and vehicular ingress and egress to and from each public roadway, from and to each Lot, for access by (i) the Declarant and its heirs, personal representatives, successors and assigns as Owner of each respective Lot or other portion thereof, (ii) any Builder, contractor, subcontractor, real estate agent or broker or other salesperson utilized by the Declarant, and (iii) their respective agents, officers, employees, and invitees, all for any purpose consistent with applicable law in connection with the construction, replacement, repair, maintenance, development, marketing or leasing of such respective Lot; and

(b) for the construction, installation, maintenance, repair, replacement and use of any or all utility lines and facilities of the types enumerated in the provisions of Article III, Section 2(b) for the benefit of (i) the Declarant and its heirs, personal representatives, successors and assigns as Owner of any Lot or other portion thereof, (ii) each resident or other occupant of any such Lot or other portion, and (iii) their respective agents, employees, invitees, visitors and guests.

Section 4. The Board of Directors of the Association, its agents or licensees, shall have an easement for entry upon any Lot, but not the interior of any building, for the purpose of mowing and lawn maintenance on a regular

basis of the Common Areas or in the event an Owner fails to mow or otherwise maintain his or her Lot. The Board of Directors, its agents or licensees shall have an easement to enter upon any portion of a Lot designated as "Neighborhood Sign Easement" on any subdivision plat of the Property for the purpose of erecting, repairing or maintaining any neighborhood identification signs erected by the Declarant or the Association within such Neighborhood Sign Easement.

Section 5. Notwithstanding anything to the contrary expressed in this Declaration, within any easements granted or conveyed pursuant to Article III, Section 2(b), no structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities or which may change the direction of flow or drainage channels in the easements or which may obstruct or retard the flow of water through drainage channels in the easements. Areas subject to easements within the boundaries of a Lot shall be regularly maintained by the Owner of the Lot.

## ARTICLE XII

### COMMON DRIVEWAY

Those portions of Lots described and shown on any recorded subdivision plat of all or a portion of the Property as a "Common Driveway" shall be deemed Common Driveways, but shall not be a part of the Common Areas nor be maintained by the Association. Each Owner of a Lot with a Common Driveway, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to execute a Common Driveway Agreement to provide for the sharing of all costs for the installation, maintenance, repair and replacement of the Common Driveway, and for exclusive easements over, through and upon the Common Driveway for ingress and egress and use thereof.

## ARTICLE XIII

### RULES AND REGULATIONS

Section 1. Board of Directors Authorized to Adopt; Scope. The Board of Directors shall have the power to adopt reasonable rules and regulations which shall be binding on each Owner to the extent such power is expressly conferred elsewhere in this Declaration and provided such

rules and regulations are adopted in accordance with the provisions of this Article.

Section 2. Notice. The Board of Directors shall mail written notice to each of the Members of the Association setting forth the proposed rule or regulation at least twenty (20) days prior to its adoption. Such notices shall be mailed to the address of each member as shown on the most current membership roster of the Association.

Section 3. Adoption; Referendum. The adoption of rules and regulations shall require the vote of two-thirds (2/3) of the Directors present. However, a number of Association members equal to not less than twenty percent (20%) of the members of the Association may petition a referendum on the rules and regulations by filing a written petition with the Board of Directors within twenty (20) days after the mailing of a notice of adoption by the Board. Upon verifying that the requirements of this section have been met, the rules and regulations shall be suspended pending the results of the referendum. The rules and regulations shall be submitted to a vote of the members at a meeting called for this purpose within sixty (60) days after the petition has been verified. The rules and regulations shall be adopted by a vote of a majority of a quorum of members.

#### ARTICLE IV

##### GENERAL PROVISIONS

Section 1. Enforcement. The Association or any Owner shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

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

Section 3. Amendment. The covenants and restrictions of this Declaration shall run with and bind upon the Property for a term of forty (40) years from the date this Declaration is recorded, after which time they shall be

automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first forty (40) year period by an instrument signed by not less than ninety percent (90%) of the Owners and thereafter by an instrument signed by not less than seventy-five percent (75%) of the Owners provided, however, that for a period of three (3) years from January 1, 198\_, any amendment required by one or more of the Federal Mortgage Agencies as a condition of approval may be made by the Declarant alone. Any amendment or termination must be recorded among the land records of Harford County in order to be effective.

Section 4. Approval by Federal Mortgage Agencies.

As long as there is a Class B membership, the following actions will require the prior approval of the Federal Mortgage Agencies: annexation of additional land not described in Exhibit A, dedication of Common Areas and amendment or termination of this Declaration.

IN WITNESS WHEREOF, the Declarant has executed and ensealed this Declaration or caused it to be executed and ensealed on its behalf by its duly authorized officers, as of the day and year first above written.

WITNESS or ATTEST:

VALEWOOD ACRES, INC.

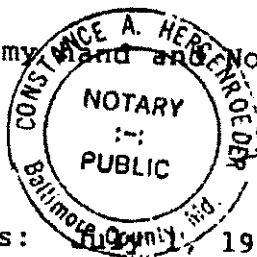
Patrick F. O'Shea

By: Michael J. Palmisano, President  
Michael J. Palmisano, President

STATE OF MARYLAND, COUNTY OF Baltimore:

I HEREBY CERTIFY that on this 5<sup>th</sup> day of February, 1987, before me, the subscriber, a Notary Public of the State and County aforesaid, personally appeared MICHAEL J. PALMISANO, who acknowledged himself to be the President of VALEWOOD ACRES, INC., the Declarant named in the foregoing Declaration of Covenants, Conditions and Restrictions, and that, being authorized to do so, he executed the same on behalf of said corporation for the purposes therein contained.

AS WITNESS my hand and Notarial Seal.



Coratane A. Hergenroeder  
Notary Public

My Commission Expires: February, 1990



ATTEST:

Fairview Federal S&L Assoc., a  
Corporation organized  
and existing under the law  
of Maryland

[Signature]

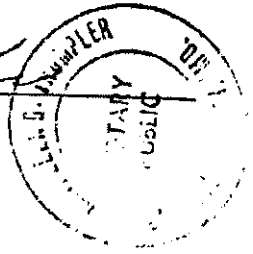
by [Signature] (SEAL)  
vice President

STATE OF Maryland : COUNTY OF Carroll : TO WIT:

I HEREBY CERTIFY that on this 11 day of Feb,  
1987, before me, a Notary Public for the state and county  
aforesaid, personally appeared George H. Mantakes,  
Trustee, known to me or satisfactorily proven to be the  
person whose name is subscribed to the foregoing instru-  
ment, who acknowledged that he has executed it as trustee  
for the purposes therein set forth, and that it is his act  
and deed.

IN WITNESS WHEREOF, I have set my hand and Notar-  
ial Seal, the day and year first above written.

[Signature]  
Notary Public



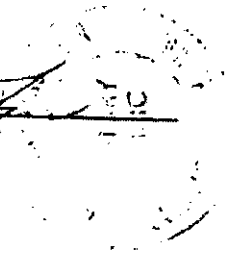
My commission expires on 7-1-1990.

STATE OF Maryland : COUNTY OF Carroll : TO WIT:

I HEREBY CERTIFY that on this 11 day of Feb,  
1987, before me, a Notary Public for the state and county  
aforesaid, personally appeared Charles C. Holmes,  
Trustee, known to me or satisfactorily proven to be the  
person whose name is subscribed to the foregoing instru-  
ment, who acknowledged that he has executed it as trustee  
for the purposes therein set forth, and that it is his act  
and deed.

IN WITNESS WHEREOF, I have set my hand and Notar-  
ial Seal, the day and year first above written.

[Signature]  
Notary Public



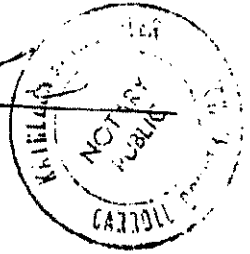
My commission expires on 7-1-1990.

STATE OF Ill : COUNTY OF Carroll : TO WIT:

I HEREBY CERTIFY that on this 11 day of Feb, 1982, before me, a Notary Public for the state and county aforesaid, personally appeared Kathleen E. Rabb, known to me or satisfactorily proven to be the person whose name is subscribed to the foregoing instrument, who acknowledged that she is the Vice President of Lucerne Federal S & L, a \_\_\_\_\_ organized and existing under the law of \_\_\_\_\_, that he has been duly authorized to execute, and has executed, such instrument on its behalf for the purposes therein set forth, and that the same is its act and deed.

IN WITNESS WHEREOF, I have set my hand and Notarial Seal, the day and year first above written.

[Signature]  
Notary Public



My commission expires on 7-1-1990.

0168s

DECLARATION OF  
COVENANTS, CONDITIONS AND RESTRICTIONS

EXHIBIT A

Description of the Property

Section One of Valewood Estates, as shown on the Subdivision Plat entitled "Section One - Valewood Estates" prepared by Frederick Ward Associates, Inc. dated October 8, 1986, consisting of four (4) pages and recorded among the Land Records of Harford County simultaneously with this Declaration, consisting of Lots 1-5, 45-63, 79-93, and 97-114 and those portions of the beds of Eugenia Way, Alexandria Way, Red Pump Road, Dranmore Way, Fergus Court and Ambridge Road contained within Section One, and the 10' Buffer (Open Space) Areas, all as shown on said Subdivision Plat.

DECLARATION OF  
COVENANTS, CONDITIONS AND RESTRICTIONS

EXHIBIT B

Description of the Common Areas

That land designated as "10' Buffer (Open Space)" on the Subdivision Plat prepared by Frederick Ward Associates, Inc. entitled "Section One - Valewood Estates" dated October 8, 1986, consisting of four (4) pages, and recorded among the Land Records of Harford County simultaneously with this Declaration.

DECLARATION OF  
COVENANTS, CONDITIONS AND RESTRICTIONS

EXHIBIT C

Description of Land Which  
May Be Added to the Property

66.974 acres parcel of land to be conveyed by Lelia R. Carico, located on Red Pump Road, Third Election District, Harford County, Maryland.

BEGINNING for the same at a point in or near the center of Red Pump Road at the southerly most corner of that tract or parcel of land conveyed by Philip H. Close, Attorney, to Claude F. Carico and Lelia R. Carico, his wife, by a deed dated April 11, 1938 and recorded among the Land Records of Harford County, Maryland in Liber SWC 251, folio 165, thence leaving Red Pump Road;

(1) North 71° 52' 45" West, 25.35 feet to a pipe, being the northeasterly most corner of lot 3 as shown on a plat entitled "Vale Hills" and recorded among the Land Records of Harford County in Plat Book GRG 8, folio 9, thence binding on the outlines of lots 3, 2, 1, 20, 19, 18, 17, 16, 15, 14, 13, and 12, respectively and passing over pipes found at the rear corners of lots 3 and 2 and lots 20 and 19 and lots 19 and 18 and lots 18 and 17 and lots 17 and 16 and lots 16 and 15 and lots 15 and 14 and lots 13 and 12, respectively;

(2) North 71° 52' 45" West, 1309.67 feet to a pipe, being an angle point along the rear lot line of lot 12, said point also being the southeasterly most corner of lot 9, thence binding on the outlines of lots 9 and 8, respectively, as shown on the aforementioned plat, the following two (2) courses, viz:

(3) North  $21^{\circ} 37' 33''$  East, 221.99 feet to a pipe;

(4) North  $21^{\circ} 36' 15''$  East, 99.94 feet to a pipe, thence leaving the outlines of said plat and binding reversely on the first or South  $26^{\circ} 45'$  West, 431.3 foot line as described in a deed dated December 22, 1960 from Lillie M. Trusler, William H. Peters, Ivan W. Peters, Lottie A. Bowers, and Mattie M. Blanc to Wade T. Crouse and Ruth L. Crouse and recorded among the Land Records of Harford County in Liber GCB 565, folio 636 as now surveyed, the following (2) courses, viz;

(5) North  $22^{\circ} 42' 55''$  East, 409.37 feet to a stone;

(6) North  $22^{\circ} 42' 55''$  East, 22.74 feet to a point in or near the center of Carrs Mill Road, thence binding on the center of Carrs Mill Road, the following two (2) courses, viz;

(7) North  $75^{\circ} 41' 17''$  East, 166.54 feet;

(8) By a curve to the left in a northeasterly direction of radius 269.63 feet, an arc distance of 386.10 feet and subtended by a chord North  $34^{\circ} 39' 57''$  East, 353.94 feet, thence leaving the center line of Carrs Mill Road and binding on the outlines of lot 2 as shown on a plat entitled "Lands of Lelia R. Carico" and recorded among the Land Records of Harford County, Maryland in Plat Book 43, folio 107, the following three (3) courses, as now surveyed, viz;

(9) South  $84^{\circ} 39' 19''$  East, 30.29 feet to a pipe;

(10) South  $84^{\circ} 39' 19''$  East, 391.32 feet to a pipe;

(11) North  $09^{\circ} 07' 12''$  West, 226.16 feet to a pipe, being the northeasterly

most corner of lot 2 and said pipe also being the southeasterly corner of lot 1 as shown on a plat entitled "Lands of Lelia R. Carico" and recorded among the Land Records of Harford County, Maryland, in Plat Book 40, folio 57, thence binding on the mentioned lot 1;

(12) North 02° 06' 34" East, 200.10 feet to a pipe, being the northeasterly most corner of lot 1 and also being along the third or South 68° 33' 21" West, 717.00 foot line as described in a deed dated July 9, 1970 from Lelia R. Carico to W. Wilson Monks and Hallie Jean Monks and recorded among the Land Records of Harford County, Maryland in Liber GRG 849, folio 80, thence binding reversely on the third and second lines respectively as described in the aforementioned deed, the following two (2) courses, as now surveyed, viz;

(13) South 88° 08' 06" East, 295.03 feet to a pipe;

(14) North 01° 55' 28" East, 174.81 feet to a pipe, thence leaving the outlines of the aforementioned deed and binding on the lot lines of lot 2 as shown on a plat entitled "Lands of Mary E. Hartman" and recorded among the Land Records of Harford County, Maryland in Plat Book 46, folio 77, the following two (2) courses, as now surveyed, viz;

(15) South 88° 06' 53" East, 163.50 feet to a pipe;

(16) North 02° 14' 01" East, 259.14 feet to an axle, thence binding on the third line of the first parcel and the first line of the second parcel, respectively as described in a deed dated June 24, 1974 from Larry Ellsworth Watters and Barbara Taylor Watters to Joseph E. Blaney and Cheri H. Blaney and recorded among the Land Records of Harford County in Liber 953, folio 138, the following two (2) courses, as now surveyed, viz;

(17) North  $01^{\circ} 29' 31''$  East, 662.05 feet to a pipe;

(18) North  $01^{\circ} 29' 31''$  East, 19.83 feet to a point in or near the centerline of Carrs Mill Road, thence binding on the centerline of Carrs Mill Road, the following two (2) courses, viz;

(19) South  $86^{\circ} 59' 49''$  East, 122.66 feet;

(20) North  $89^{\circ} 42' 25''$  East, 1033.62 feet to a point at the intersection of Carrs Mill Road and Red Pump Road, thence binding along the centerline of Red Pump Road, the following thirteen (13) courses, viz;

(21) South  $12^{\circ} 21' 47''$  West, 123.84 feet;

(22) South  $22^{\circ} 49' 49''$  West, 50.01 feet;

(23) South  $33^{\circ} 24' 35''$  West, 52.24 feet;

(24) South  $36^{\circ} 14' 45''$  West, 49.05 feet;

(25) South  $40^{\circ} 29' 14''$  West, 324.63 feet;

(26) South  $37^{\circ} 24' 49''$  West, 100.63 feet;

(27) South  $32^{\circ} 11' 44''$  West, 168.00 feet;

(28) By a curve to the left in a southwesterly direction of radius 2542.84 feet, an arc distance of 314.96 feet and subtended by a chord South  $28^{\circ} 38' 50''$  West, 314.76 feet to a point of tangency;

(29) South  $25^{\circ} 05' 56''$  West, 69.90 feet;

(30) by a curve to the right in a southwesterly direction of radius 1206.23 feet, an arc distance of 163.05 feet and subtended by a chord South 28° 58' 17" West, 162.93 feet to a point of tangency;

(31) South 32° 50' 37" West, 174.59 feet;

(32) South 30° 51' 06" West, 301.09 feet;

(33) South 34° 52' 36" West, 37.88 feet, thence leaving the centerline of Red Pump Road and binding on the outlines of the Livezey tract as described in a deed dated September 5, 1978 from Zero, Inc. to Elizabeth E. Livezey and Webster C. Livezey and recorded among the Land Records of Harford County, Maryland in Liber HDC 1073, folio 482, the following five (5) courses, as now surveyed, viz;

(34) South 15° 56' 42" West, 48.04 feet to a pipe;

(35) South 15° 56' 42" West, 332.17 feet to a pipe;

(36) South 02° 00' 29" West, 260.89 feet to a pipe;

(37) North 71° 18' 02" West, 114.09 feet to a 12" Locust Tree;

(38) North 71° 18' 02" West, 17.00 feet to a point in or near the centerline of Red Pump Road; thence binding on the centerline of Red Pump Road, the following three (3) courses, viz;

(39) South 07° 08' 07" West, 303.30 feet;

(40) By a curve to the right in a southwesterly direction of radius 954.93 feet, an arc distance of 386.63 feet and subtended by a chord South 18° 44' 03" West, 384.00 feet;

(41) South 30° 19' 59" West, 48.83 feet to the point of beginning hereof.

CONTAINING 66.974 acres of land, more or less.

BEING a part of that tract or parcel of land conveyed by Philip H. Close, Attorney, to Claude F. Carico and Lelia R. Carico, by a deed dated April 11, 1938 and recorded among the Land Records of Harford County, Maryland in Liber SWC 251, folio 165.

SAVING AND EXCEPTING that parcel of land described in Exhibit A hereto.

TOGETHER WITH other lands adjacent thereto and now or hereafter acquired by the Declarant.

received  
5/31/88

FILE COP

VALEWOOD ESTATES HOMEOWNERS ASSOCIATION, INC.

AMENDMENT OF DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

THIS AMENDMENT OF DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS (hereinafter referred to as this "Amendment"), made this 30<sup>th</sup> day of July, 1987, by VALEWOOD ACRES, INC., a corporation organized and existing under the law of Maryland having an address as 9621 Harford Road, Baltimore, Maryland 21234 (hereinafter referred to as "Declarant").

W I T N E S S E T H:

WHEREAS, Declarant did subject a certain parcel of land in Harford County, Maryland, known as "Valewood Estates" to certain covenants, conditions and restrictions pursuant to a Declaration of Covenants, Conditions and Restrictions dated February 5<sup>th</sup>, 1987 and recorded among the Land Records of Harford County, Maryland in Liber 1416 folio 0211 (hereinafter referred to as the "Declaration"); and

WHEREAS, the Property (as defined in the Declaration) presently contains sixty (60) Lots (as defined in the Declaration); and

WHEREAS, Section 3 of Article XIV of the Declaration provides that the Declaration may be amended by an instrument signed by not less than ninety percent (90%) of the Owners (as defined in the Declaration) of the Lots; and

WHEREAS, the Declarant is the owner of all sixty (60) of the Lots in the Property and does desire to amend the Declaration in the manner hereinafter set forth;

NOW, THEREFORE, the Declarant hereby amends the Declaration in the following manner:

1. Section 4 of Article XI of the Declaration is deleted in its entirety and the following is inserted in lieu thereof:

Section 4. The Board of Directors of the Association, its agents or licensees shall have an easement for entry upon any Lot, but not the

interior of any building, for the purpose of mowing and lawn maintenance on a regular basis of the Common Areas or in the event an Owner fails to mow or otherwise maintain his or her Lot. The Board of Directors, its agents or licensees, and the Declarant shall have an easement to enter upon any portion of a Lot designated as "Neighborhood Sign Easement" on any subdivision plat of the Property or on the hereinafter described Neighborhood Sign Easement Areas of Lots 52 and 53 for the purpose of erecting, repairing, replacing or maintaining any neighborhood identification signs erected by the Declarant or the Association within such easement areas. As used in this Section, the Neighborhood Sign Easement Area of Lot 52 shall consist of the area bounded by the (i) southern boundary of Lot 52, (ii) the eastern boundary of Lot 52, (iii) a line beginning on the eastern boundary of Lot 52 at a distance of 15 feet from the intersection of the southern and eastern boundaries of Lot 52 and running parallel to the southern boundary of Lot 52 for a distance of 15 feet, and (iv) a line beginning on the southern boundary of Lot 52 at a distance of 15 feet from the intersection of the southern boundary and eastern boundary of Lot 52 and running parallel with the eastern boundary of Lot 52 a distance of 15 feet to intersect the hereinabove thirdly described line. As used in this Section, the Neighborhood Sign Easement Area of Lot 53 shall consist of the area bounded by (i) the southern boundary of Lot 53, (ii) the western boundary of Lot 53, (iii) a line beginning at a point on the western boundary of Lot 53 at a distance of 15 feet from the intersection of the western boundary and southern boundary of Lot 53 and running parallel to the southern boundary of Lot 53 for a distance of 15 feet, (iv) and a line beginning at a point on the southern boundary of Lot 53 at a distance of 15 feet from the intersection of the southern boundary and the western boundary of Lot 53 running parallel to the western boundary of Lot 53 a distance of 15 feet to intersect the hereinabove thirdly described line.

2. All of the capitalized terms used in this Amendment shall have the meaning ascribed to them in the Declaration.

3. Except as hereinabove set forth, all of the terms, covenants and restrictions of the Declaration shall remain in full force and effect and unmodified.

IN WITNESS WHEREOF, the Declarant has executed and ensealed this Declaration or caused it to be executed and ensealed on its behalf by its duly authorized officers, as of the day and year first above written.

WITNESS:

James C. [Signature]

VALEWOOD ACRES, INC.

By: [Signature] (SEAL)  
Michael J. Palmisano, President

STATE OF MARYLAND, COUNTY OF Baltimore:

I HEREBY CERTIFY that on this 30<sup>th</sup> day of July, 1987, before me, the subscriber, a Notary Public of the State and County aforesaid, personally appeared MICHAEL J. PALMISANO, who acknowledged himself to be the President of VALEWOOD ACRES, INC., the Declarant named in the foregoing Amendment of Declaration of Covenants, Conditions and Restrictions, and that, being authorized to do so, he executed the same on behalf of said corporation for the purposes therein contained.

AS WITNESS my hand and Notarial Seal.

Carol J. [Signature]  
Notary Public



My Commission Expires:

July 1, 1990

CONSENT AND AGREEMENT OF TRUSTEES AND BENEFICIARY

GEORGE H. MANTAKOS and CHARLES C. HOLMAN, Trustees, and FAIRVIEW FEDERAL SAVINGS & LOAN ASSOCIATION, a federally chartered savings and loan association organized and existing under the law of Maryland, who are, respectively, the trustees and the beneficiary under a deed of trust dated September 10, 1986, and recorded among

the Land Records of Harford County, Maryland, in Liber 1344 at folios 0473 et seq., from Valewood Acres, Inc., hereby join in the foregoing Declaration for the express purpose of subjecting all of their respective right, title and interest under such deed of trust in and to the real property described in Exhibit A to the Declaration to the operation and effect of this Amendment.

Nothing in the foregoing provisions of this Consent and Agreement of Trustees and Beneficiary shall be deemed in any way to create between the person named in such Declaration as "the Developer" and any of the undersigned any relationship of partnership or joint venture, or to impose upon any of the undersigned any liability, duty or obligation whatsoever.

IN WITNESS WHEREOF, each of the said trustees and beneficiary has executed and ensealed this Consent and Agreement of Trustees and Beneficiary or caused it to be executed and ensealed on its behalf by its duly authorized representatives, this 5<sup>th</sup> day of August, 1987.

WITNESS:

Blanche H. Glenn  
as to both

[Signature] (SEAL)  
George H. Mantakos, Trustee

[Signature] (SEAL)  
Charles C. Holman, Trustee

ATTEST:

Elizabeth Federal S.S.L., a  
corp organized  
and existing under the law  
of MD

[Signature]

by Paul G. Matriccioni (SEAL)  
Paul Matriccioni

STATE OF Maryland : COUNTY OF Howard : TO WIT:

I HEREBY CERTIFY that on this 5<sup>th</sup> day of August, 1987, before me, a Notary Public for the state and county aforesaid, personally appeared GEORGE H. MANTAKOS, Trustee, known to me or satisfactorily proven to be the person whose name is subscribed to the foregoing instru-

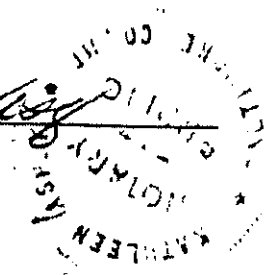
JCO/07/30/87  
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on its behalf for the purposes therein set forth, and that the same is its act and deed.

IN WITNESS WHEREOF, I have set my hand and Notarial Seal, the day and year first above written.

[Signature]  
Notary Public

My commission expires on 7-01-90



MATSON HOMES, INC. joins in the execution hereof for the purposes of subjecting Lots Nos. 60, 61 and 62 "Section One - Plat 2, Valewood Estates" as aforesaid, to the operation and effect of this AMENDMENT OF DELCARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS BY VALEWOOD ESTATES HOMEOWNERS ASSOCIATION, INC.

Test:

Matson Homes, Inc.

[Signature]

By: [Signature]  
Joseph P. Matarazzo, Pres.

STATE OF MARYLAND, COUNTY OF BALTIMORE, TO WIT:

I HEREBY CERTIFY That on this 31st day of July, 1987, before me, the undersigned, a Notary Public in and for the State and County aforesaid, personally appeared Joseph P. Matarazzo, President of Matson Homes, Inc. and being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing in my presence, the name of the corporation by himself as such President.

AS WITNESS my hand and Notarial Seal.

[Signature]  
Notary Public

My Commission Expires: July 1, 1990

To Eugenie Schwand  
Frank, Bernstein, CRAWLEY & GOLDMAN  
Suite 700 - American City Bldg.  
10227 Winnequin Circle  
Columbia, Md. 21044

REC'D & RECORDED EC/H  
NO 1461 FOLIO 373

1988 MAR 30 AM 9:21

CHARLES G. HOBB, III  
CLERK

LIBER 1461 FOLIO 378

Return: Albert J.A. Young, Esq.  
200 S. Main Street  
Bel Air, Maryland 21014

SECOND AMENDED DECLARATION OF COVENANTS,  
CONDITIONS AND RESTRICTIONS

THIS SECOND AMENDED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS (hereinafter referred to as "Second Amendment"), made this \_\_\_\_\_ day of \_\_\_\_\_, 1988, by VALEWOOD ACRES, INC., a corporation organized and existing under the laws of the State of Maryland and having an address at 9621 Harford Road, Baltimore, Maryland 21234 (hereinafter referred to as "Declarant").

W I T N E S S E T H:

WHEREAS, Declarant did subject a certain parcel of land in Harford County, Maryland, known as "Valewood Estates" to certain covenants, conditions and restrictions pursuant to a Declaration of Covenants, Conditions and Restrictions dated February 5, 1987 and recorded among the Land Records of Harford County, Maryland in Liber No. C.G.H. 1416, Folio 0211, the said parcel of land being more particularly therein described, (hereinafter referred to as the "Declaration"); and

WHEREAS, Declarant further subjected this parcel of land known as "Valewood Estates" to additional covenants, conditions and restrictions pursuant to an Amendment of Declaration of Covenants, Conditions and Restrictions dated July 30, 1987 and recorded among the Land Records of Harford County, Maryland in Liber No. C.G.H. 1461, Folio 373 (hereinafter called referred to as the "Amendment"); and

WHEREAS, Section 1 of Article VI of the Declaration provides that the Declarant reserves the right to expand the property from time to time by subjecting additional property to the operation and effect of the Declaration, and thereby adding to the Property, all or any portion or portions of any one or more of those parcels of land described in Exhibit C to the Declaration, together with all improvements, rights, alleys, ways, waters, privileges, appurtenances and advantages; and

WHEREAS, Section 2 of Article VI of the Declaration provides that the Declarant shall amend the Declaration by written amendment setting forth the legal description of the property to be subjected to the Declaration by such expansion, and Declarant shall attach to such amendment a subdivision plat designating the lots and the common areas for the additional property; and

A FREEBORN BROWN  
T CARROLL BROWN  
AUGUSTUS F BROWN  
STEPHEN M WALDRON  
HAURICE W BALDWIN, JR  
HAROLD DOUGLAS NORTON  
ALBERT J.A. YOUNG  
ATTORNEYS AT LAW  
200 S. MAIN STREET  
BEL AIR, MARYLAND 21014  
838 1500

WHEREAS, the Declarant, by herewith complying with all terms and provisions as set forth in the Declaration for the expansion of the Property does hereby desire to amend the Declaration and existing Amendment thereto in the manner hereinafter set forth;

NOW, THEREFORE, Declarant does hereby subject the land described in Exhibit "A" attached hereto, (hereinafter referred to as the "Expansion Property"), to the operation and effect of the Declaration and the Amendment. The Expansion Property is a portion of the property which, pursuant to the terms of the Declaration (and Exhibit "C" thereof), could be subject to the operation and effect of the Declaration. The Expansion Property has been subdivided into Lots and copies of the Subdivision Plats indicating the Common Areas (thereon described as "Open Space") are attached hereto as Exhibits "B-1" through "B-6". All of the said Lots and Expansion Property shall be held, sold and conveyed subject to the easements, restrictions, covenants and conditions contained in the Declaration and the Amendment, which shall be binding on all parties having any right, title or interest in the Expansion Property or any part thereof, their heirs, successors, personal representatives and assigns, and shall inure to the benefit of each owner thereof. For reference purposes the Subdivision Plats which comprise the Expansion Property are recorded among the Plat Records of Harford County as follows:

Exhibit B-1: Final Plat Section Two-Plat 1 Valewood Estates,  
Plat Book 60, Folio 30

Exhibit B-2: Final Plat Section Two-Plat 2 Valewood Estates,  
Plat Book 60, Folio 29

Exhibit B-3: Final Plat Section Two-Plat 3 Valewood Estates,  
Plat Book 60, Folio 28

Exhibit B-4: Final Plat Section Three-Plat 1 Valewood Estates,  
Plat Book 62, Folio 45

Exhibit B-5: Final Plat Section Three-Plat 2 Valewood Estates,  
Plat Book 62, Folio 46

Exhibit B-6: Final Plat Section Three-Plat 3 Valewood Estates,  
Plat Book 62, Folio 47.

IN WITNESS WHEREOF, the Declarant has executed and  
ensealed this Declaration or caused it to be executed and

ensealed on its behalf by its duly authorized officers, as of the day and year first written.

ATTEST:

[Signature]

VALEWOOD ACRES, INC.

By [Signature] (SEAL)  
Michael J. Palmisano  
President

STATE OF MARYLAND, COUNTY OF Baltimore HARFORD, TO WIT: 215-41-2471

I HEREBY CERTIFY that on this 11<sup>th</sup> day of October, 1988, before me, the subscriber, a Notary Public of the State and County aforesaid, personally appeared MICHAEL J. PALMISANO, who acknowledged himself to be the President of VALEWOOD ACRES, INC., the Declarant named in the foregoing Second Amendment of Declaration of Covenants, Conditions and Restrictions, and that, being authorized to do so, he executed the same on behalf of said Corporation for the purposes therein contained.

AS WITNESS my hand and Notarial Seal.



[Signature]  
Notary Public

My Commission Expires: July 1, 1990

CONSENT AND AGREEMENT OF TRUSTEES AND BENEFICIARY

GEORGE H. MANTAKOS and CHARLES C. HOLMAN, Trustees, and FAIRVIEW FEDERAL SAVINGS AND LOAN ASSOCIATION, a federally chartered savings and loan association organized and existing under the laws of the State of Maryland, who are, respectively, the trustees and the beneficiary under a deed of trust dated September 10, 1986, and recorded among the Land Records of Harford County, Maryland in Liber No. C.G.H. 1344, Folio 0473, et seq., from Valewood Acres, Inc., hereby join in the foregoing Second Amended Declaration of Covenants, Conditions and Restrictions for the express purpose of subjecting all of their respective right, title and interest under such deed of trust in and to the real property described in Exhibit "A" attached hereto.

Nothing in the foregoing provisions of the Consent and Agreement of Trustees and Beneficiary shall be deemed in any way to create between the person named in such Declaration as the "Developer" and any of the undersigned any relationship of partnership or joint venture, or to impose upon any of the undersigned any liability, duty or obligation whatsoever.

IN WITNESS WHEREOF, each of the said trustees and beneficiary has executed and ensealed this Consent and Agreement of Trustees and Beneficiary or caused it to be executed and ensealed on its behalf by its duly authorized representatives, this \_\_\_\_\_ day of \_\_\_\_\_, 1988.

WITNESS:

\_\_\_\_\_

\_\_\_\_\_  
George H. Mantakos, Trustee (SEAL)

\_\_\_\_\_

\_\_\_\_\_  
Charles C. Holman, Trustee (SEAL)

ATTEST:

FAIRVIEW FEDERAL SAVINGS AND  
LOAN, a corporation organized and  
existing under the laws of the  
State of Maryland

\_\_\_\_\_

By: \_\_\_\_\_ (SEAL)

STATE OF MARYLAND, COUNTY OF \_\_\_\_\_, TO WIT:

I HEREBY CERTIFY that on this \_\_\_\_\_ day of \_\_\_\_\_, 1988, before me, a Notary Public for the state and county aforesaid, personally appeared GEORGE H. MANTAKOS, Trustee, known to me or satisfactorily proven to be the person whose name is subscribed to the foregoing instrument, who acknowledged that he has executed it as trustee for the purposes therein set forth, and that it is his act and deed.

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

\_\_\_\_\_  
Notary Public

My Commission Expires: July 1, 1989

STATE OF MARYLAND, COUNTY OF \_\_\_\_\_, TO WIT:

I HEREBY CERTIFY that on this \_\_\_ day of \_\_\_\_\_, 1988, before me, a Notary Public for the state and county aforesaid, personally appeared CHARLES C. HOLMAN, Trustee, known to me or satisfactorily proven to be the person whose name is subscribed to the foregoing instrument, who acknowledged that he has executed it as trustee for the purposes therein set forth, and that it is his act and deed.

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

\_\_\_\_\_  
Notary Public

My Commission Expires: July 1, 1990

STATE OF MARYLAND, COUNTY OF \_\_\_\_\_, TO WIT:

I HEREBY CERTIFY that on this \_\_\_ day of \_\_\_\_\_, 1988, before me, a Notary Public for the state and county aforesaid, personally appeared \_\_\_\_\_, known to me or satisfactorily proven to be the person whose name is subscribed to the foregoing instrument, who acknowledged that he is the \_\_\_\_\_ of FAIRVIEW FEDERAL SAVINGS AND LOAN ASSOCIATION, a Maryland Corporation organized and existing under the laws of the State of Maryland, that he has been duly authorized to execute, and he has executed, such instrument on its behalf and for the purposes therein set forth and that the same is his act and deed.

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

\_\_\_\_\_  
Notary Public

My Commission Expires: July 1, 1990

MATSON, HOMES, INC. joins in the execution hereof for the purposes of subjecting the following Expansion Property Lot Numbers of "Sections Two and Three-Valewood Estates" as afore-

said, to the operation and effect of this SECOND AMENDED  
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS:

Lot Nos. 7, 8, 9, 10, 11, 12, 13, 14, 16, 18,  
19, 21, 35 and 42.

ATTEST:

MATSON HOMES, INC.

By: \_\_\_\_\_ (SEAL)  
Joseph P. Matarazzo  
President

STATE OF MARYLAND, COUNTY OF \_\_\_\_\_, TO WIT:

I HEREBY CERTIFY that on this \_\_\_ day of \_\_\_\_\_,  
1988, before me, the undersigned, a Notary Public in and for  
the State and County aforesaid, personally appeared JOSEPH P.  
MATARAZZO, President of MATSON HOMES, INC. and being authorized  
so to do, executed the foregoing instrument for the purposes  
therein contained, by signing in my presence, the name of the  
corporation by himself as such President.

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

\_\_\_\_\_  
Notary Public

My commission expires: 7/1/90

SECOND AMENDED  
DECLARATION OF  
COVENANTS, CONDITIONS AND RESTRICTIONS

EXHIBIT A

Description of Land Which  
May Be Added to the Property

66.974 acres parcel of land to be conveyed by Lelia R. Carico, located on Red Pump Road, Third Election District, Harford County, Maryland.

BEGINNING for the same at a point in or near, the center of Red Pump Road at the southerly most corner of that tract or parcel of land conveyed by Philip H. Close, Attorney, to Claude F. Carico and Lelia R. Carico, his wife, by a deed dated April 11, 1938 and recorded among the Land Records of Harford County, Maryland in Liber SWC 251, folio 165, thence leaving Red Pump Road;

(1) North 71° 52' 45" West, ~~25~~35 feet to a pipe, being the northeasterly most corner of lot 3 as shown on a plat entitled "Vale Hills" and recorded among the Land Records of Harford County in Plat Book GRG 8, folio 9, thence binding on the outlines of lots 3, 2, 1, 20, 19, 18, 17, 16, 15, 14, 13, and 12, respectively and passing over pipes found at the rear corners of lots 3 and 2 and lots 20 and 19 and lots 19 and 18 and lots 18 and 17 and lots 17 and 16 and lots 16 and 15 and lots 15 and 14 and lots 13 and 12, respectively;

(2) North 71° 52' 45" West, 1309.67 feet to a pipe, being an angle point along the rear lot line of lot 12, said point also being the southeasterly most corner of lot 9, thence binding on the outlines of lots 9 and 8, respectively, as shown on the aforementioned plat, the following two (2) courses, viz:

- (3) North  $21^{\circ} 37' 33''$  East, 221.99 feet to a pipe;
- (4) North  $21^{\circ} 36' 15''$  East, 99.94 feet to a pipe, thence leaving the outlines of said plat and binding reversely on the first or South  $26^{\circ} 45''$  West, 431.3 foot line as described in a deed dated December 22, 1960 from Lillie M. Trusler, William H. Peters, Ivan W. Peters, Lottie A. Bowers, and Mattie M. Blanc to Wade T. Crouse and Ruth L. Crouse and recorded among the Land Records of Harford County in Liber GCB 565, folio 636 as now surveyed, the following (2) courses, viz;
- (5) North  $22^{\circ} 42' 55''$  East, 409.37 feet to a stone;
- (6) North  $22^{\circ} 42' 55''$  East, 22.74 feet to a point in or near the center of Carrs Mill Road, thence binding on the center of Carrs Mill Road, the following two (2) courses, viz;
- (7) North  $75^{\circ} 41' 17''$  East, 166.54 feet;
- (8) By a curve to the left in a northeasterly direction of radius 269.63 feet, an arc distance of 386.10 feet and subtended by a chord North  $34^{\circ} 39' 57''$  East, 353.94 feet, thence leaving the center line of Carrs Mill Road and binding on the outlines of lot 2 as shown on a plat entitled "Lands of Lelia R. Carico" and recorded among the Land Records of Harford County, Maryland in Plat Book 43, folio 107, the following three (3) courses, as now surveyed, viz;
- (9) South  $84^{\circ} 39' 19''$  East, 30.29 feet to a pipe;
- (10) South  $84^{\circ} 39' 19''$  East, 391.32 feet to a pipe;
- (11) North  $09^{\circ} 07' 12''$  West, 226.16 feet to a pipe, being the northeasterly

most corner of lot 2 and said pipe also being the southeasterly corner of lot 1 as shown on a plat entitled "Lands of Lelia R. Carico" and recorded among the Land Records of Harford County, Maryland, in Plat Book 40, folio 57, thence binding on the mentioned lot 1;

(12) North  $02^{\circ} 06' 34''$  East, 200.10 feet to a pipe, being the northeasterly most corner of lot 1 and also being along the third or South  $68^{\circ} 33' 21''$  West, 717.00 foot line as described in a deed dated July 9, 1970 from Lelia R. Carico to W. Wilson Monks and Hallie Jean Monks and recorded among the Land Records of Harford County, Maryland in Liber GRG 849, folio 80, thence binding reversely on the third and second lines respectively as described in the aforementioned deed, the following two (2) courses, as now surveyed, viz;

(13) South  $88^{\circ} 08' 06''$  East, 295.03 feet to a pipe;

(14) North  $01^{\circ} 55' 28''$  East, 174.81 feet to a pipe, thence leaving the outlines of the aforementioned deed and binding on the lot lines of lot 2 as shown on a plat entitled "Lands of Mary E. Hartman" and recorded among the Land Records of Harford County, Maryland in Plat Book 46, folio 77, the following two (2) courses, as now surveyed, viz;

(15) South  $88^{\circ} 06' 53''$  East, 163.50 feet to a pipe;

(16) North  $02^{\circ} 14' 01''$  East, 259.14 feet to an axle, thence binding on the third line of the first parcel and the first line of the second parcel, respectively as described in a deed dated June 24, 1974 from Larry Ellsworth Watters and Barbara Taylor Watters to Joseph E. Blaney and Cheri H. Blaney and recorded among the Land Records of Harford County in Liber 953, folio 138, the following two (2) courses, as now surveyed, viz;

(17) North  $01^{\circ} 29' 31''$  East, 662.05 feet to a pipe;

(18) North  $01^{\circ} 29' 31''$  East, 19.83 feet to a point in or near the centerline of Carrs Mill Road, thence binding on the centerline of Carrs Mill Road, the following two (2) courses, viz;

(19) South  $86^{\circ} 59' 49''$  East, 122.66 feet;

(20) North  $89^{\circ} 42' 25''$  East, 1033.62 feet to a point at the intersection of Carrs Mill Road and Red Pump Road, thence binding along the centerline of Red Pump Road, the following thirteen (13) courses, viz;

(21) South  $12^{\circ} 21' 47''$  West, 123.84 feet;

(22) South  $22^{\circ} 49' 49''$  West, 50.01 feet;

(23) South  $33^{\circ} 24' 35''$  West, 52.24 feet;

(24) South  $36^{\circ} 14' 45''$  West, 49.05 feet;

(25) South  $40^{\circ} 29' 14''$  West, 324.63 feet;

(26) South  $37^{\circ} 24' 49''$  West, 100.63 feet;

(27) South  $32^{\circ} 11' 44''$  West, 168.00 feet;

(28) By a curve to the left in a southwesterly direction of radius 2542.84 feet, an arc distance of 314.96 feet and subtended by a chord South  $28^{\circ} 38' 50''$  West, 314.76 feet to a point of tangency;

(29) South  $25^{\circ} 05' 56''$  West, 69.90 feet;

- (30) by a curve to the right in a southwesterly direction of radius 1206.23 feet, an arc distance of 163.05 feet and subtended by a chord South 28° 58' 17" West, 162.93 feet to a point of tangency;
- (31) South 32° 50' 37" West, 174.59 feet;
- (32) South 30° 51' 06" West, 301.09 feet;
- (33) South 34° 52' 36" West, 37.88 feet, thence leaving the centerline of Red Pump Road and binding on the outlines of the Livezey tract as described in a deed dated September 5, 1978 from Zero, Inc. to Elizabeth E. Livezey and Webster C. Livezey and recorded among the Land Records of Harford County, Maryland in Liber HDC 1073, folio 482, the following five (5) courses, as now surveyed, viz;
- (34) South 15° 56' 42" West, 48.04 feet to a pipe;
- (35) South 15° 56' 42" West, 332.17 feet to a pipe;
- (36) South 02° 00' 29" West, 260.89 feet to a pipe;
- (37) North 71° 18' 02" West, 114.09 feet to a 12" Locust Tree;
- (38) North 71° 18' 02" West, 17.00 feet to a point in or near the centerline of Red Pump Road; thence binding on the centerline of Red Pump Road, the following three (3) courses, viz;
- (39) South 07° 08' 07" West, 303.30 feet;
- (40) By a curve to the right in a southwesterly direction of radius 954.93 feet, an arc distance of 386.63 feet and subtended by a chord South 18° 44' 03" West, 384.00 feet;

(41) South 30° 19' 59" West, 48.83 feet to the point of beginning hereof.

CONTAINING 66.974 acres of land, more or less.

BEING a part of that tract or parcel of land conveyed by Philip H. Close, Attorney, to Claude F. Carico and Lelia R. Carico, by a deed dated April 11, 1938 and recorded among the Land Records of Harford County, Maryland in Liber S.W.C. No. 251, folio 165.

SAVING AND EXCEPTING THEREFROM, all the land and property consisting of Section One of Valewood Estates as shown on the following entitled Subdivision Plats, recorded among the Plat Records of Harford County, Maryland:

Final Plat Section One Plat 1 Valewood Estates  
Plat Book 58, folio 70

Final Plat Section One Plat 2 Valewood Estates  
Plat Book 58, folio 71

Final Plat Section One Plat 3 Valewood Estates  
Plat Book 58, folio 72

Final Plat Section One Plat 4 Valewood Estates  
Plat Book 58, folio 73





EXHIBIT "B-3"

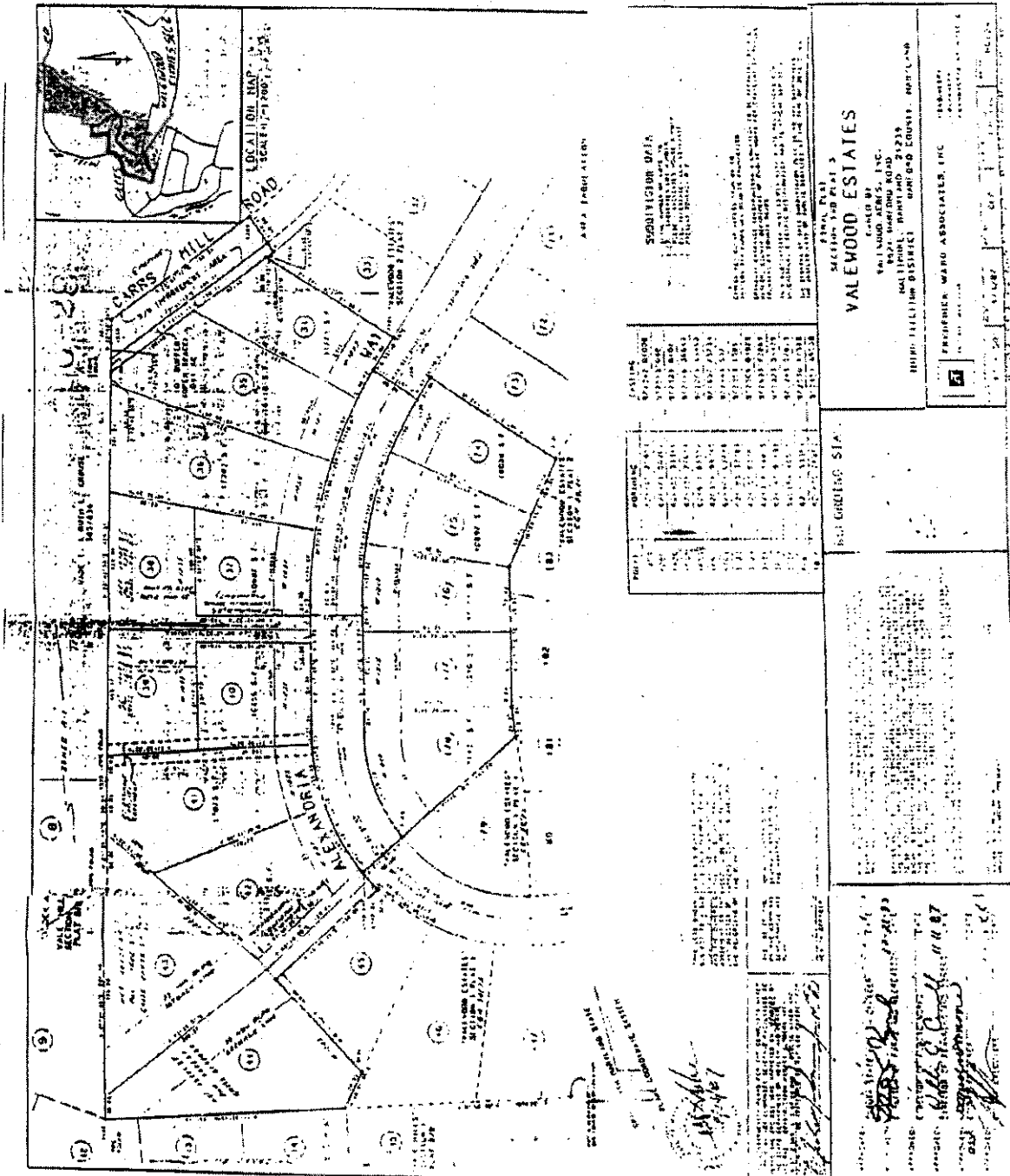
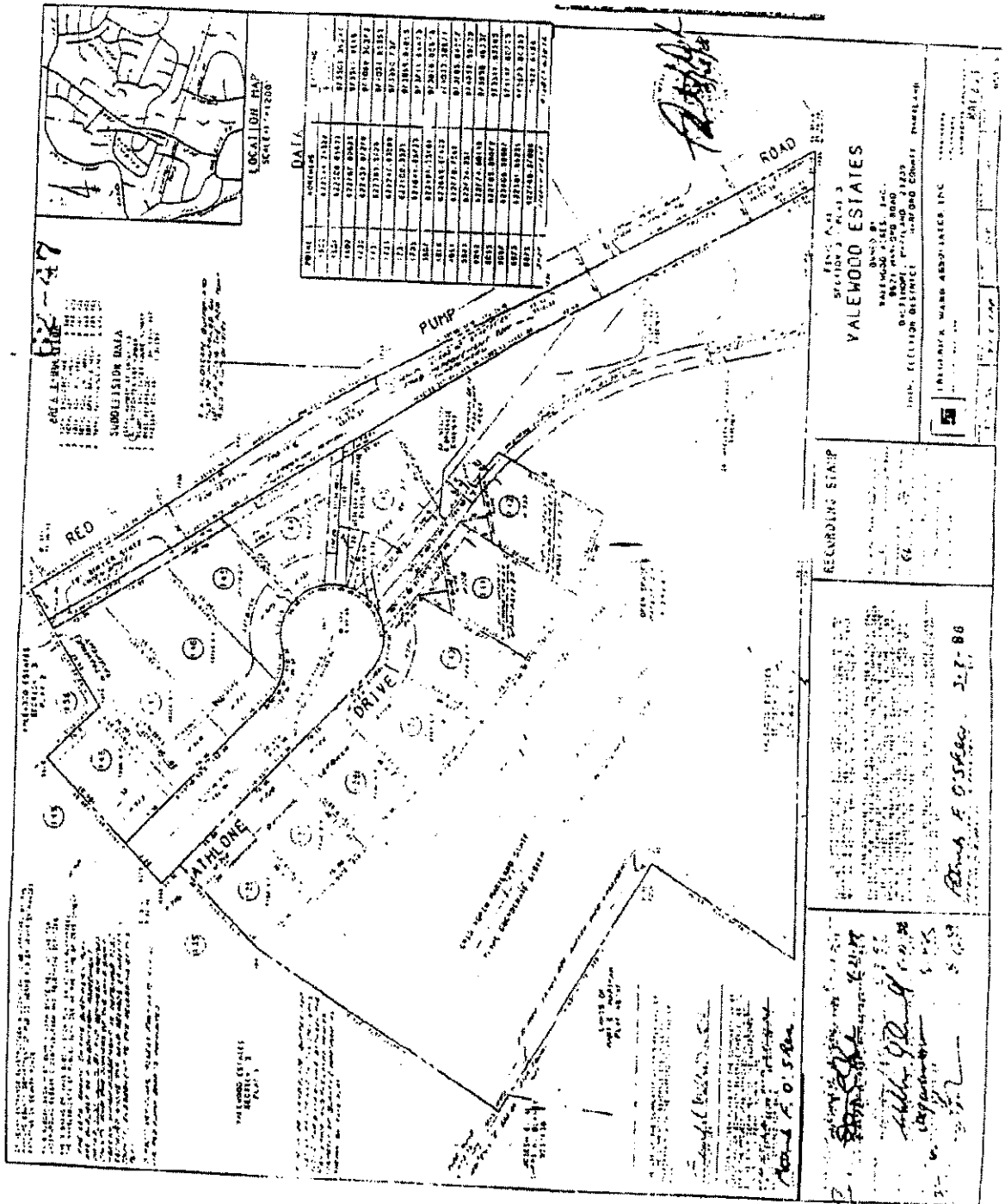






EXHIBIT "B-6"



BY-LAWS  
OF  
VALEWOOD ESTATES HOMEOWNERS ASSOCIATION, INC.

ARTICLE I

NAME AND LOCATION

The name of the corporation is VALEWOOD ESTATES HOMEOWNERS ASSOCIATION, INC., hereinafter referred to as the "Association". The principal office of the corporation shall be located at 9621 Harford Road, Baltimore, Maryland 21234, but meetings of members and directors may be held at such places within the State of Maryland, County of Harford, as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 1. "Association" shall mean and refer to VALEWOOD ESTATES HOMEOWNERS ASSOCIATION, INC., a Maryland corporation, its successors and assigns.

Section 2. "Declaration" shall mean and refer to the "Valewood Estates Homeowners Association, Inc. Declaration of Covenants, Conditions and Restrictions" applicable to the Property recorded among the land records of Harford County, Maryland.

Section 3. "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration.

Section 4. All other capitalized terms used herein and not elsewhere defined shall have the meaning ascribed to them in the Declaration.

ARTICLE III

MEETING OF MEMBERS

Section 1. Annual Meetings. The first meeting of the Members shall be held within one (1) year from the date of incorporation of the Association, and each subsequent regular annual meeting of the Members shall be held on the same day of the same month of each year

thereafter at the hour of 7:30 p.m. If the day for the annual meeting of the Members is a Saturday, Sunday or legal holiday, the meeting will be held at the same hour on the first day thereafter which is not a Saturday, Sunday or legal holiday.

Section 2. Special Meetings. Special Meetings of the Members may be called at any time by the President or by the Board of Directors or upon the receipt by the President or the Board of Directors of a written request for a special meeting by Members holding at least twenty-five percent (25%) of all of the votes of the Class A membership.

Section 3. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting by mailing a copy of such notice, postage prepaid, at least twenty (20) days but not more than ninety (90) days before such meeting to each Member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting and, in the case of a special meeting, the purpose of the meeting.

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

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

ARTICLE IV

BOARD OF DIRECTORS:  
SELECTION; TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be initially managed by a Board of three (3) Directors who need not be members of the Association. A majority of the entire Board of Directors is authorized to increase the number of Directors to a maximum of nine (9).

Section 2. Term of Office. Directors shall be elected at the annual meeting of Members in accordance with the Articles of Incorporation.

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

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

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

ARTICLE V

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made by Members from the floor at the annual meeting at which the election is to be held for which such nominations are made. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two (2) or more Members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the Members to serve from the close of such annual meeting until the close of the

next annual meeting, and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine but not less than the number of vacancies that are to be filled. Such nominations may be made from among Members or non-Members.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election the Members or their proxies may cast, for each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

#### ARTICLE VI

##### MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held monthly, without notice, at such date, place and time as may be fixed from time to time by resolution of the Board. If such date falls on a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

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

Section 3. Quorum. The presence at such date, time and place of majority of the number of Directors shall constitute a quorum for the transaction of business. Every act done or decision made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

#### ARTICLE VII

##### POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. Except as may be otherwise provided in the Declaration, the Board of Directors shall have the power to:

a. adopt and publish rules and regulations to the extent and in accordance with Article XIII of the Declaration.

b. suspend the voting rights and right to use the recreational facilities, if any, of a Member or anyone to whom the Member's right of use has been delegated during (i) any period in which such Member shall be in default in the payment of any Assessment levied by the Association. Such rights may also be suspended after notice and hearing for a period not to exceed sixty (60) days for infraction of published rules and regulations.

c. exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation the Declaration, or applicable law.

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

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

f. establish reasonable procedures and fees for the processing of applications for approval submitted to the Board or Architectural Committee pursuant to Article V of the Declaration.

g. enter into agreements or amendments thereto, with the (i) owner of any land not within the Property or (ii) any community association or homeowners association having jurisdiction over such land for the sharing of costs for maintenance and operation of the Storm Water Management Facility.

Section 2. Duties. It shall be the duty of the Board of Directors to:

a. cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members or at any Special Meeting when such statement is requested in writing by Members holding at least twenty-five percent (25%) of the total number of votes held by the Class A Membership.

MMT/03-11-88  
4455Q

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

c. as is more fully provided in the Declaration, to:

(1) fix the amount of the Annual Assessment against each Lot at least thirty (30) days in advance of each assessment year;

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

(3) send a Notice of Lien to the Owner of each Lot for which any Assessment is not paid within thirty (30) days after the due date and if not thereafter paid file a Statement of Lien against such Lot or bring an action at law against the Owner of such Lot personally obligated to pay the same;

d. issue or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any Assessment has been paid. A reasonable charge may be established by the Board for the issuance of these certificates in accordance with Article XIII of the Declaration;

e. procure and maintain adequate liability and hazard insurance on property owned by the Association, such insurance to be in amounts not less than those specified in the Declaration;

f. cause all officers, agents or employees of the Association having fiscal responsibilities to be bonded as the Board may deem appropriate;

g. cause the Common Areas and Storm Water Management Facility to be maintained; and

h. make those payments required to be made by the Association under the Easement Agreement in connection with the maintenance, repair and replacement of the Storm Water Management Facility.

## ARTICLE VIII

### OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Association shall be the President, who shall at

all times be a member of the Board of Directors, the Vice-President, the Secretary, the Treasurer and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each Annual Meeting of the Members.

Section 3. Term. Each officer shall hold office for a term of one (1) year unless he shall sooner resign or shall be removed or otherwise be disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority and perform such duties as the Board may from time to time determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

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

Section 7. Multiple Offices. The offices of President and Vice President may not be held simultaneously by the same person. Otherwise, a person may simultaneously hold more than one office.

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

a. President: The President shall preside at all meetings of the Board; see that all orders and resolutions of the Board are carried out; sign on behalf of the Association all leases, mortgages, deeds and other written instruments and co-sign all checks and promissory notes.

b. Vice-President: The Vice-President shall act in the place and stead of the President in the event of his absence, inability or refusal to act and shall exercise and discharge such other duties as may be required of him by the Board.

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

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

#### ARTICLE IX

##### INDEMNIFICATION OF OFFICERS AND DIRECTORS

Each officer and Director of the Association, in consideration of his services as such, shall be indemnified by the Association to the extent permitted by law against expenses and liabilities reasonably incurred by him in connection with the defense of any action, suit or proceeding, civil or criminal, to which he may be a party by reason of being or having been a Director or officer of the Association. The foregoing right of indemnification shall not be exclusive of any other rights to which the Director or officer may be entitled by law or agreement or vote of the Members or otherwise.

#### ARTICLE X

##### COMMITTEES

The Board of Directors shall appoint the member of the architectural committee as provided in the Declaration and a Nominating Committee as provided in

these By-Laws. In addition, the Board of Directors shall appoint such other committees as are deemed appropriate in carrying out the purposes of the Association.

#### ARTICLE XI

##### BOOKS AND RECORDS

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

#### ARTICLE XII

##### ASSESSMENTS

As more fully provided in the Declaration, each Member is obligated to pay to the Association Annual and Special Assessments. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Areas or abandonment of his Lot.

#### ARTICLE XIII

##### CORPORATE SEAL

The Association shall not have a seal.

#### ARTICLE XIV

##### AMENDMENTS

Section 1. These By-Laws may be amended, at a regular or special meeting of the Members, by a vote of a majority of a quorum of Members present in person or by proxy, except that the Federal Mortgage Agencies shall have the right to veto amendments while there is Class B membership.

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

MMT/03-11-88  
4455Q

ARTICLE XV

FISCAL YEAR

The fiscal year of the Association shall begin on the first (1st) day of January and end of the thirty-first (31st) day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

CERTIFICATION

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting Secretary of the Valewood Estates Homeowners Association, Inc., a Maryland corporation; and,

THAT the foregoing By-Laws constitute the original By-Laws of said Association as duly adopted by the Board of Directors thereof on the 24<sup>th</sup> day of March, 1988

IN WITNESS WHEREOF, I have hereunto subscribed my name this 24<sup>th</sup> day of March, 1988.

Patrick F. O'Shea  
Patrick F. O'Shea, Secretary