

BYLAWS
OF
FOX CHASE TOWNHOUSE ASSOCIATION, INC.

ARTICLE I

NAME AND LOCATION: The name of the corporation is Fox Chase Townhouse Association, Inc., hereinafter referred to as the "Association". The principal office of the Association shall initially be at 20 South Charles Street, Second Floor, Baltimore, Maryland 21201, but meetings of members and directors may be held at such places within the State of Maryland as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 1. "Association" shall mean and refer to Fox Chase Townhouse Association, Inc., a Maryland non-profit corporation, its successors and assigns.

Section 2. "Property" shall mean and refer to the real property described in Exhibit A in the Declaration (hereinafter defined), and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 3. "Common Area" shall mean all real Property owned by the Association. The Common Area to be owned by the Association at the time of Conveyance for Residential Use of the first Lot shall be the Property, saving and excepting the Lots, which Lots are depicted on the Plat, and saving and excepting any public roads, areas or utilities dedicated or to be dedicated to Anne Arundel County, Maryland. The Common Area shall be for the common use and enjoyment of the members of the Association and includes, but is not limited to, private streets, private courts, parking lots, recreation areas, open space, community areas and storm water management facilities not dedicated to and accepted by Anne Arundel County, Maryland.

Section 4. "Declaration" shall mean the Declaration of Covenants, Conditions and Restrictions, dated February 24, 1993, by Albert Kishter, Fannie B. Kishter, Leonard J. Attman, Phyllis Attman, Lowell R. Glazer, Harriet Glazer, Jacob Realty, Inc., Labyrinth Realty, Inc. and Harlow Realty, Inc., recorded among the Land Records of Anne Arundel, Maryland, in Liber 5959, Folio 027, and any future Amendments and/or Supplements thereto.

Section 5. "Declarant" shall mean and refer to Albert Kishter, Fannie B. Kishter, Leonard J. Attman, Phyllis Attman, Lowell R. Glazer and Harriet Glazer, Jacob Realty, Inc., Labyrinth Realty, Inc. and Harlow Realty, Inc., their successors

and assigns, if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development, and if successor or assign shall be designated by an instrument recorded among the Land Records of Anne Arundel as the Declarant of Record by the Declarant named in the Declaration.

Section 6. "Lot" shall mean and refer to all numbered subdivided parcels shown on the Plat as an area for a single family residential dwelling or similar building but shall not include public streets or Common Area.

Section 7. "Plat" shall mean and refer to the plat entitled "A Townhouse division: SECTION FOUR FOX CHASE, Phase One - A," dated March, 1991, consisting of 12 sheets, and recorded among the Land Records of Anne Arundel County in Plat Book 153, Folio 17-28, as Plat Nos. 8240-8251, all as such Plat may be from time to time amended as for example, by an annexation of additional property into the Association pursuant to Article VIII.

ARTICLE III

MEMBERSHIP

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

Section 2. Suspension of Membership. During any period in which a member shall be in default in the payment of any annual or special assessment levied by the Association, the voting rights and right to use the recreational facilities, if any, of such member may be suspended by the Board of Directors until such assessment has been paid. Such rights of a member may also be suspended, after notice and hearing, for a period not to exceed sixty (60) days, for violation of any provision of the Declaration or Bylaws and for violation of any published rules and regulations established by the Board of Directors governing the use of the Common Area and facilities.

ARTICLE IV

BOARD OF DIRECTORS: SELECTION: TERM OFFICE:

Section 1. Number. As of and after the first annual meeting of members, the affairs of the Association shall be managed by a Board of five (5) directors, who need not be members of the Association; prior to said meeting, the affairs of the Association shall be managed by the Directors named in the Articles of Incorporation.

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

director or a term of three (3) years; and at each annual meeting thereafter, the members shall elect one (1) director for a term of three (3) years and one (1) director for a term of two (2) years.

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 consent or approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE V

MEETING OF DIRECTORS

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

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

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VI

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors and two or more members of the Association. The Nominating Committee shall be appointed by the

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

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

ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

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

(a) adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;

(b) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation or the Declaration;

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

(d) employ a manager, an independent contractor and/or such other employees as they deem necessary, and to prescribe their duties; and

(e) provide additional services not specifically described in the Declaration to the members of the Association, in accordance with Section 2(b) of Article VI of the Declaration; and

(f) enforce the provisions of the Declaration.

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

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

(b) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

(c) as more fully provided in the Declaration to:

(1) fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each fiscal year, and

(2) cause written notice of assessment to be sent to every Owner subject thereto at least thirty (30) days in advance of the first day of each fiscal year during which annual assessments shall be levied, and

(3) fix a numerical calendar date which, each month, shall be the date upon which one twelfth (1/12) of the annual assessment for each Lot is due, and

(4) foreclose the lien against any property for which assessments are not paid within thirty (30) days after the due date and/or to bring an action at law against the Owner personally obligated to pay the same. The unpaid assessment shall bear interest from the due date at the rate of eighteen per cent (18%); any judgment obtained for such delinquent assessment shall include such reasonable attorney's fee as may be fixed by the court together with the cost of the action.

(d) issue, or cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) procure and maintain adequate liability and hazard insurance on property owned by the Association;

(f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(g) cause the Common Area and all other property owned by the Association to be preserved, operated and maintained in good order and repair and to establish reserves for such purposes if they deem it appropriate to do so.

ARTICLE VIII

COMMITTEES

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

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

ARTICLE IX

MEETINGS OF MEMBERS

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

Section 2. Special Meetings. Special meetings of the members may be called at any time by the President or by the Board of Directors, or upon written request of the members who are entitled to vote one-fourth (1/4) of the votes of the Class A or Class B membership.

Section 3. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen (15) days (or such different notice period as specified for certain actions in the Declaration and/or Articles of Incorporation) before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and the agenda for the business to be transacted at the meeting. Such notice shall state that if a sufficient number of members to constitute a quorum or to approve or authorize the actions set forth in the notice are not in attendance, the members present at such meeting, in person or by proxy, may by majority vote call a meeting of the members for the same purpose. Notice of the further meeting shall be given within fifteen (15) days of the time, place and purpose of such further meeting and shall be given by advertisement inserted in a newspaper published in the county in which is located the principal office of the Association. Said notice shall further state that at such further meeting the members present, in person or by proxy, shall

constitute a quorum and by majority vote of those present, in person or by proxy, may approve or authorize the proposed action or take any other action which might have been taken at the original meeting if a sufficient number of members had been present.

Section 4. Quorum. The presence at the meeting in person or by proxy of one-fourth (1/4) of the members entitled to vote shall constitute a quorum for any action except as otherwise provided in the Declaration, Articles of Incorporation or these Bylaws. If, however, such quorum shall not be present, in person or by proxy, or represented at any meeting, then, if the notice of such meeting stated that the procedure authorized by this Section 4 might be invoked, the members present at such meeting, in person or by proxy, may by majority vote call a further meeting of the members for the same purpose. Fifteen (15) days' notice of the time, place and purpose of such further meeting shall be given by advertisement inserted in a newspaper published in the county in which is located the principal office of the Association. At such further meeting, the members present, in person or by proxy, shall constitute a quorum and by majority vote of those present (unless a different percentage shall be required for any specific action in the Declaration, Articles of Incorporation or these Bylaws), in person or by proxy, may approve or authorize the proposed action and take any action which might have been taken at the original meeting if a sufficient number of members had been present; and the notice of such further meeting shall so state.

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

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

ARTICLE X

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Association shall be a president and vice-president who shall at all times be members of the Board of Directors, a secretary and a treasurer and such other officers as the Board may, from time to time, by resolution create.

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

Section 3. Term. The officers of this Association shall be elected annually by the Board of Directors and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

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

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

Section 6. Vacancies. A vacancy in any office may be filled in the manner prescribed for regular election. The officer elected to such vacancy shall serve for the remainder of the term of the officer he replaces.

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

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

President

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

Vice-President

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

Secretary

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

the members; keep the corporate seal of the Association and affix it on all paper requiring said seal; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses; maintain a ledger entitled "Mortgagees of Units" which shall contain the names and addresses of all mortgagees and all trustees and beneficiaries under deeds of trusts whose instruments encumber Lots located within the Property, and conformed copies of all respective notes, mortgages and/or deeds of trust; and shall perform such other duties as required by the Board.

Treasurer

(d) 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 cosign all checks and promissory notes of the Association; keep proper books of account; cause an annual budget audit (if required) of the Association's books to be made by a public accountant at the completion of each fiscal year; arrange for preparation of annual tax returns; and shall prepare an annual budget and statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members.

ARTICLE XI

BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member and by any holder, issuer or guarantor of a first mortgage of a Lot. The Declaration, the Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any member and by any first mortgagee of a Lot at the principal office of the Association, where copies may be purchased at reasonable cost.

So long as the Association is comprised of 50 or more units, the Association shall provide an audited statement for the preceding fiscal year to the holder, insurer or guarantor of any first mortgage that is secured by a Lot submits a written request for it. Should the Association contain fewer than 50 units and there is no audited statement available, any mortgage holder should be allowed to have an audited statement prepared at its own expense.

ARTICLE XII

INSURANCE

Section 1. Insurance. Commencing not later than the time of the first conveyance of a Lot to a person other than the Declarant, the Association shall obtain and maintain to the

extent reasonably available at reasonable rates, at least the following insurance coverages:

(a) Casualty or physical damage insurance in an amount equal to the full replacement value (i.e. 100% of "replacement cost" exclusive of land, foundation and excavation) of the Common Areas and all property of the Association (including all fixtures, building service equipment, common personal property and supplies, and the like) with an "Agreed Amount and Inflation Guard Endorsement" or its equivalent, and a "Loss of Maintenance Fee Endorsement", or its equivalent, without deduction or allowance for depreciation, as determined annually by the Association with the assistance of the insurance company affording such coverage, such coverage to be the standard "extended coverage" and the standard "all risk" coverage; provided, that at the option of the Association, such policy may contain a "deductible" provision in an amount determined by the Association, but said deductible shall not exceed Ten Thousand Dollars (\$10,000.00) or one percent (1%) of the policy face amount, whichever is less; and, if applicable construction codes require changes to undamaged portions of structures where only part of a structure is damaged, the coverage shall have applicable construction code endorsements; and

(b) Comprehensive general liability insurance including medical payments insurance insuring the Association, and each Director, officer, agent and employee of the Association with a "Severability of Interest Endorsement" or its equivalent in such amounts and in such forms as may be considered appropriate by the Association, (but not less than One Million Dollars (\$1,000,000.00) covering all claims for death, bodily injuries and/or property damage arising out of a single occurrence including, but not limited to, water damage liability, legal liability, hired automobile liability, non-owned automobile liability, liability for property of others, garage keeper's liability, and such other risks as shall customarily be covered with respect to projects similar in construction, location and use, including any and all other liability incident to the ownership, use and maintenance of the common areas or any portion thereof; and

(c) Workmen's compensation insurance to the extent necessary to comply with any applicable law; and

(d) Directors' and Officers' Liability Policy including a "Legal Expense Indemnity Endorsement", or its equivalent, affording protection for the officers and Directors of the Association for expenses and fees incurred by any of them in defending any suit or settling any claim, judgment or cause of action to which any such officer or Director shall have been made a party by reason of his or her services as such; and

(e) Such other policies of insurance, including insurance for other risks of a similar or dissimilar nature and

fideli ty coverage as are or shall hereafter be considered appropriate by the Association. The Association shall, to the extent reasonably obtainable maintain adequate fidelity coverage to protect against dishonest acts on the part of officers and Directors of the Association, trustees for the Association and such employees and agents of the Association who handle or are responsible for the handling of funds belonging to, held by, or administered by the Association, including, but not limited to, employees of the management agent, if any. Such fidelity coverage shall to the extent reasonably obtainable, meet the following requirements:

(i) all such fidelity bonds and policies of insurance shall name the Association as obligee or named insured, as the circumstances may require; and

(ii) all such fidelity bonds and policies of insurance shall be written in an amount equal to at least the greater of (a) one hundred fifty percent (150%) of the estimated annual operating budget of the Association, including reserves or (b) the maximum amount of funds that will be in the custody of the Association or its management agent at any time while the bond is in force, plus 3 months' assessments on all Lots, plus reserves; and

(iii) all such fidelity bonds and policies of insurance shall contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression; and

(iv) all such fidelity bonds and insurance shall provide that they may not be cancelled or substantially modified (including cancellation for non-payment of premium) without at least thirty (30) days' prior written notice to any and all obligees and insureds named thereon and to any mortgagee of any unit who requests such notice in writing.

(g) Such other insurance, if any, as may be required by applicable law.

The Association shall endeavor to give notice to all Owners of the termination of any insurance policy named in Section 1 of this Article XII within ten (10) days of any such termination. The Association shall maintain and make available for inspection a copy of all insurance policies maintained by the Association.

Section 2. Policy Provisions. Insurance policies carried pursuant to these Bylaws shall, to the extent reasonably obtainable provide that:

(a) each Owner is an insured person under the policy with respect to liability arising out of his membership in the Association; the "loss payable" clause should show the

Association or the Insurance Trustee as trustee for each owner and mortgagee, as their interests may appear;

(b) the insurer waives its right to subrogation under the policy against any member of the Association or members of his household;

(c) an act or omission by any Owner, unless acting within the scope of his authority on behalf of the Association, does not void the policy and is not a condition to recovery under the policy; and

(d) if, at the time of the loss under the policy, there is other insurance in the name of the owner covering the same property covered by the policy, the policy is primary insurance not contributing with the other insurance.

(e) all policies shall be written or reinsured with a company or companies licensed to do business in the State of Maryland and holding a rating of "A/AAA" or better in the current edition of Best's Insurance Guide.

(f) exclusive authority to negotiate losses under said policies shall be vested in the Board of Directors of the Association, as a trustee for the owners, or its authorized representative, including any trustee with which the Association may enter into any Insurance Trust Agreement, or any successor trustee, each of which shall be herein elsewhere referred to as the "Insurance Trustee".

(g) all policies shall provide that such policies may not be cancelled or substantially modified (including cancellation for non-payment of premium) without at least thirty (30) days' prior written notice to any and all insureds named thereon, including any and all Owners and mortgagees of the units.

(h) all policies of casualty insurance shall provide that, notwithstanding any provisions thereof which give the carrier the right to elect to restore damage in lieu of making a cash settlement, such option shall not be exercisable without the prior written approval of the Board of Directors (or any Insurance Trustee) or when in conflict with the provisions of any Insurance Trust Agreement to which the Association may be a party, these Bylaws or the provisions of Maryland law.

(i) all policies of casualty insurance shall contain the standard mortgagee clause naming any applicable mortgagee as a named insured, including its successors and assigns, except that any loss or losses payable to named mortgagees shall be payable in the manner set forth in these Bylaws. Such mortgagee clause shall provide for notice in writing to the mortgagee of any loss paid as aforesaid.

That I am the duly elected and acting Secretary of Fox Chase Townhouse Association, Inc., a Maryland corporation; and

That the foregoing By-Laws constitute the original By-Laws of said Association, as duly adopted at a meeting of the Board of Directors thereof, held on the 5th day of March, 1993.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of the Association as of the 5th day of March, 1993.

FOX CHASE TOWNHOUSE ASSOCIATION,
INC.

By: Shellye Attman Gilden (SEAL)
Shellye Attman Gilden, Secretary

FOX CHASE TOWNHOUSE ASSOCIATION, INC.
AMENDMENT TO BY-LAWS AND
INFORMAL ACTION OF
THE BOARD OF DIRECTORS AND MEMBERS

May 26, 1993

The undersigned, constituting all of the members of the Board of Directors of, and all of the members and Lot Owners in, Fox Chase Townhouse Association, Inc., (the "Association"), do hereby take the following actions and, by execution hereof, waive notice and dissent from such action and do hereby consent as follows:

WHEREAS, Fox Chase Townhouses (the "Development") is located in Anne Arundel County, and is subject to a Declaration establishing restrictive covenants and a homeowners' association thereon, all as established by the Declarant named in such Declaration; and

WHEREAS, the Declarant desires to have the project approved for mortgage financing programs administered by the United States Department of Housing and Urban Development ("HUD") and the Federal Housing Administration ("FHA"); and

WHEREAS, HUD/FHA has required various amendments to the Declaration, Articles of Incorporation and By-laws of the Association as a condition precedent to approval of the Development for FHA insured financing; and

WHEREAS, the undersigned believe it is in the best interest of the Association to have a Development qualify for FHA financing programs, and desire to make the various amendments requested by HUD/FHA.

NOW, THEREFORE, be it resolved by the Board, and all of the members and Lot Owners in the Association, as follows:

R-1 RESOLVED: That the Amendment to the Articles of Incorporation of the Association as set forth in the form of Articles of Amendment attached hereto and incorporated by reference herein, be and the same are hereby advised, recommended and approved by the Board and the members.

R-2 RESOLVED: That the Articles of Amendment attached hereto and incorporated herein by reference are hereby submitted for consideration by the members entitled to vote thereon, and Articles of Amendment are hereby approved, ratified and confirmed by the undersigned members, being all of the members of the Association and the owners of all of the Lots within the Association.

R-3 RESOLVED: That the proper officers of the Association be and they are hereby authorized and directed in the name and on behalf of the Association to execute, acknowledge, seal, and file with the State Department of Assessments and Taxation of Maryland such Articles of Amendment due to approval by the members entitled to vote thereon as described above, and to take any and all other actions to execute, acknowledge, seal, and file any and all instruments and documents deemed necessary or proper in connection therewith.

R-4 RESOLVED: That the By-laws of the Association are hereby amended by deleting Section 1 of Article XIV of the By-laws, and inserting the following in lieu thereof:


Section 1. Procedure. Except as otherwise provided in the Declaration, these By-laws may be amended, at a regular or special meeting of the members, by a vote of a majority of members present (in person or by proxy) and voting, except that for so long as there is a Class B member the Federal Housing Administration (F.H.A.) and the Veterans Administration (V.A.), as the case may be, shall have the right to veto amendments.

This Amendment and Informal Action of Directors may be executed in counterparts.

WITNESS, the execution hereof as of the day and year first above written.

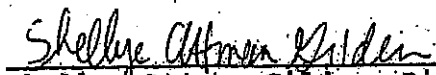
WITNESS:

BOARD OF DIRECTORS:





Herbert Kishner, Director




Shellye Attman Gilden, Director




Jeffrey Attman, Director

MEMBERS OF THE ASSOCIATION:
(Owners of All Lots)

Albert A. Kister
Fannie B. Kister
Leonard J. Attman
Phyllis L. Attman
Lowell R. Glazer
Harriet L. Glazer

By: 

Merton E. Cohen, Attorney-in-Fact
pursuant to Powers of Attorney
recorded at Book 5587, Pages 708-
731, as from time to time ratified
and confirmed.

Jacob Realty, Inc.
Harlow Realty, Inc.
Labyrinth Realty, Inc.

By: 

Merton E. Cohen, Authorized Agent
pursuant to Appointments recorded
at Book 5587, Pages 732-746, as
from time to time ratified and
confirmed.

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS (the "Declaration"), made this 24th day of February, 1993 by ALBERT KISHTER, FANNIE B. KISHTER, LEONARD J. ATTMAN, PHYLLIS ATTMAN, LOWELL R. GLAZER, HARRIET L. GLAZER, JACOB REALTY, INC., LABYRINTH REALTY, INC., and HARLOW REALTY, INC., (hereinafter collectively referred to as "Declarant").

WHEREAS, Declarant is the owner of certain property (hereinafter referred to as the "Property") in the Third Tax District, County of Anne Arundel, State of Maryland, which Property is more particularly described in Exhibit A, attached hereto and made a part hereof, and Declarant is also the owner of all of that property described in Exhibit B attached hereto.

NOW, THEREFORE, Declarant hereby declares that all of the Property described in Exhibit A (and any or all of the Property described on Exhibit B which may be annexed pursuant to the provisions of Article VIII hereof) shall be held, sold, 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 Property or any part thereof, their heirs, administrators, 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 Fox Chase Townhouse Association, Inc., a Maryland non-profit 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 those having such interest merely as a security for the performance of an obligation.

Section 3. "Property" shall mean and refer to that certain real property described in Exhibit A, and such additions thereto as may hereafter be brought within the jurisdiction of the Association, as hereinafter provided.

Section 4. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the members of the Association. The Common Area to be owned by the Association at the time of Conveyance for Residential Use of the first Lot shall be the Property, saving and excepting the Lots and any public roads or utilities dedicated to

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ACCT. 3-764-9000-0308 - 0313
ALL LIENS ARE PAID AS OF 3-4-93 A.A. COUNTY CONTROLLER BY aw

RECEIVED FOR TRANSFER
State Department of Assessments & Taxation for Anne Arundel County
KENNETH H. BOCHANNE 3rd

NO TRANSFER NECESSARY

Anne Arundel County, Maryland, and any Reserved Parcels as depicted on the Plat. The Common Area includes, but is not limited to, any private streets, private courts, parking lots, recreation areas, open space and community areas as depicted on the Plat.

Section 5. "Lot" shall mean and refer to all numbered subdivided parcels, shown on the Plat as an area for a single family dwelling or similar building but shall not include public streets or Common Areas.

Section 6. "Dwelling" shall mean and refer to a structure now or hereafter erected upon and attached to a Lot, which structure is to be used solely for single-family residential occupancy.

Section 7. "Conveyance for Residential Use" shall mean and refer to a conveyance of a Lot improved by a Dwelling to a person, other than to a Declarant or builder, for residential use.

Section 8. "Declarant" shall mean and refer to Albert Kishter, Fannie B. Kishter, Leonard J. Attman, Phyllis Attman, Lowell Glazer and Harriet L. Glazer, Jacob Realty, Inc., Labyrinth Realty, Inc., and Harlow Realty, Inc., their successors and assigns, if such successors or assigns should acquire more than one unimproved Lot from the Declarant for the purpose of improving such Lot by erecting a Dwelling thereon, and if such successor or assign shall be designated by an instrument recorded among the Land Records of Anne Arundel County as a Declarant of Record by the Declarant herein identified.

Section 9. "Plat" shall mean and refer to the plat entitled "A Townhouse Subdivision: SECTION FOUR FOX CHASE PHASE ONE - A", consisting of twelve sheets, dated March, 1991, and recorded among the Plat Records of Anne Arundel County, Maryland in Plat Book 153, Pages 17-28, as Plat Nos. 8240-8251, all as such Plats may be from time to time amended as, for example, by the annexation of additional property into the Association pursuant to Article VIII.

Section 10. "Mortgagee" shall mean the holder of any recorded mortgage, or the party secured or beneficiary of any recorded deed of trust, encumbering one or more of the Lots. "Mortgage," as used herein, shall include deed of trust. "First Mortgage," as used herein, shall mean a Mortgage with priority over other Mortgages. As used in this Declaration, the term "Mortgagee" shall mean any mortgagee and shall not be limited to institutional mortgagees. As used in this Declaration, the term "institutional mortgagee" or "institutional holder" shall include banks, trust companies, insurance companies, mortgage insurance companies, savings and loan associations, trusts, mutual savings banks, credit unions, pension funds, mortgage companies, Federal National Mortgage Association ("FNMA"), Government National

Mortgage Association ("GNMA"), Federal Home Loan Association Corporation ("FHLMC"), all corporations and any agency or department of the United States Government or of any state or municipal government. As used in this Declaration, the terms "Holder" and "Mortgagee" shall include the parties secured by any deed of trust or any beneficiary thereof.

In the event any mortgage is insured by the Federal Housing Administration ("FHA") or guaranteed by the Veterans Administration ("VA"), then as to such mortgage the expressions "mortgagee" and "institutional mortgagee" include the FHA or the VA, as the circumstances may require, acting, respectively, through the Federal Housing Commissioner and the Commissioner of Veterans Benefits or through other duly authorized agents.

Section 11. The "Project" and the "Community," as used in this Declaration, mean that certain community being developed by the Declarant in Anne Arundel County, Maryland known as "Fox Chase Townhouses" and such additions to the community as may be added pursuant to Article VIII hereof.

Whenever in this Declaration any action is required to be taken by a specific percentage of "each class of the then members" of the Association, then such action shall be required to be taken separately by the specified percentage of the then outstanding Class A members of the Association and by the specified percentage of the then outstanding Class B members of the Association. Whenever in this Declaration any action is required to be taken by a specified percentage of the "then members" of the Association, then such action shall be required to be taken by the specified percentage of the then outstanding cumulative membership of the Association.

ARTICLE II Property Rights

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

(a) The right of the Association to levy annual and special assessments as provided in Article IV, and to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area.

(b) The right of the Association to suspend the voting rights and the right to use the recreational facilities, if any, of a member for any period during which any assessment against his Lot remains unpaid, and for a period not to exceed

adopt; provided, however, that there shall be no abrogation of the duty of any member to pay assessments as provided in Article IV of this Declaration.

Section 3. Title to Common Area. Title to the Common Areas shall be conveyed from time to time to the Association free and clear of all liens and encumbrances, except those liens and encumbrances required by Anne Arundel County ordinances and regulations, or required by other governmental authority or public utility company. All of the Common Areas which are part of the land described in Exhibit A shall have been conveyed to the Association by no later than the date of the Conveyance for Residential Use of the first lot by Declarant or by a builder. All of the Common Areas which are part of any section of land which may be annexed to the Property by the filing of a Supplemental Declaration shall be conveyed to the Association no later than the date of the Conveyance for Residential Use of the first lot in the annexed section.

Lease
Section 4. Lessees. The Owner of any Lot may lease his/her respective property subject to the following terms and conditions:

(a) any lot [redacted] and a lessee must be in writing [redacted] and the Owner must file a conformed copy of any [redacted]

(b) The lease shall state that it is subject in all respects to, and that the lessee shall comply with all of the provisions of the Declaration, Articles of Incorporation, By-Laws, and Rules and Regulations, if any; failure of the lessee to comply with any of the terms of the aforementioned documents shall be a default under the lease;

(c) No portion of any Lot (other than the entire Lot) may be leased by any Owner; no Lot may be leased for a period of thirty (30) days or less, nor for an initial lease term of less than six (6) months.

(d) The lease shall in no way relieve the Owner of any duty or obligation imposed by this Declaration;

Section 5. Encroachments. In the event that any portion of any Dwelling or Improvement encroaches upon the Common Areas and facilities, or in the event that any Common Area encroaches upon any Lot, as a result of the initial construction, reconstruction or repair of such Dwelling after casualty, shifting, settlement or movement of any portion of the aforesaid Dwelling, a valid easement for such encroachment and for the maintenance of same shall exist so long as such encroachment exists. There shall be no easement for any encroachment which may occur as a result of an Owner making improvements or

alterations to such Owner's Lot or Dwelling, and the Association or any Owner affected by such encroachment may take action to have such encroachment removed.

Section 6. Party Walls. Each wall which is built as a part of the original construction of a Dwelling upon the Property and placed on the dividing line between the Lots shall constitute a "party wall", and the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply to the extent that they are not inconsistent with the following provisions:

(a) each Owner who shares a party wall shall be solely responsible for the care and maintenance of the inner perimeter of the party wall, up to and including the space bounded by and contained within the outside surface or stud side of the paneling, sheetrock or dry wall portion of the party wall located within the Owner's property line;

(b) each Owner who shares a party wall shall be jointly responsible for the care and maintenance of the structural elements of the party wall, and the respective owners shall share equally in the costs of any necessary repairs thereto, subject, however, to subsection (e) of this Section concerning liability for negligent or willful acts or omissions.

(c) In the event that any construction or repair of the structural elements of a party wall is necessary, the Owner doing same shall have the right to enter onto the property of the abutting Owner insofar as it may be reasonably necessary in connection with said construction or repair; the Owner so entering shall take and observe due precaution and care not to damage the property of the other party;

(d) any controversy or difference that may arise between the parties with respect to the interpretation and effect of this Section, the rights and liabilities hereunder, or otherwise, shall be submitted to the Board of Directors. The decision of a majority of the Board of Directors shall be final and conclusive on the parties.

(e) Notwithstanding any other provision of this Section, an Owner who by his negligent or willful act causes the party wall to be damaged or exposed to the elements shall bear the whole cost of repairing said damage or of furnishing the necessary protection against such elements, whichever the case may be.

(f) The right of any Owner to contribution from any other Owner under this Section shall be appurtenant to the land and shall pass to such Owner's successors in title.

ARTICLE III

Membership and Voting Rights

Section 1. Members. Every Owner of a Lot, shall be a member of the Association as designated in Section 2 of this Article III, subject to all rights and duties of Owners under this Declaration and the Articles of Incorporation and Bylaws of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

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

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

Class B. The Class B member shall be Declarant and it shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership upon the earlier to occur of the following two dates:

(a) The date on which the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership;

(b) June 1, 1998;

(c) Five years after the Conveyance for Residential Use of the First Lot from within the area described in Exhibit A; or

(d) Upon the surrender of said Class B memberships by then holder thereof for cancellation on the books of the Association.

Upon the lapse or surrender of any of the Class B memberships as provided for in this Article, the Declarant shall thereafter become a Class A member of the Association as to each and every lot from time to time subject to the terms and provisions of this Declaration in which the Declarant then holds the interest otherwise required for Class A membership.

ARTICLE IV

Covenant for Maintenance Assessments

Section 1. Creation of the Lien and Personal Obligation of Assessment. The Declarant, for each Lot owned within the Property, upon which a single family residential dwelling or similar building has been or will be completed, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments and charges, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. If a delinquency occurs in the payment of annual and/or special assessments, which delinquency is not cured within thirty (30) days after the due date, said assessment(s), together with interest at the rate of eighteen per cent (18%) per annum, plus costs and reasonable attorney's fees, shall be a charge on the land, and shall be a continuing lien upon the Lot against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such Lot at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his/her successors in title, unless expressly assumed by them by written agreement. Nothing herein contained shall be construed to affect the validity of the lien or the remedies available to the Association as set forth in Sections 8 and 9 hereof.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the health, safety, recreation, and welfare of the residents of the Property and for the improvement, maintenance and repair of the Common Area, for maintenance, repair and/or replacement of utilities in the Common Area which serve more than one Lot, and for such reserves and for such purposes as shall be determined by the Association. Without limiting the generality of the foregoing, assessments may be used for defraying the following expenses:

(a) the cost of all operating expenses of the common areas and community facilities and the services furnished to or in connection with the Common Areas and community facilities including charges by the Association for any services furnished by it; and

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

(c) the amount of all taxes and assessments levied against the Common Areas and community facilities; and

(d) the cost of liability insurance on the Common Areas and community facilities and the cost of such other insurance as the Association may effect with respect to the Common Areas or as otherwise determined by the Board of Directors; and

(e) the cost of utilities and other services which may be provided by the Association, whether for the Common Areas and community facilities or for the Lots, or both, including the cost of providing any additional services approved pursuant to Section 2(b) of Article VI; and

(f) the cost of maintaining, replacing, repairing, and landscaping the Common Areas, including, without limitation, maintenance of any stormwater detention basins or the like located upon the Common Areas and the cost of the maintenance of all pathways upon the Property, together with such equipment as the Board of Directors shall determine to be necessary and proper in connection therewith; and

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

The Board of Directors shall determine the amount of the maintenance assessment annually, but may do so at more frequent intervals should circumstances so require. Upon resolution of the Board of Directors, installments of annual assessments may be levied and collected on a quarterly, semi-annual or annual basis rather than on the monthly basis herein provided for. Any Class A member may prepay one or more installments on any annual maintenance assessment levied by the Association, without premium or penalty.

Section 3. Maximum Annual Assessment.

(a) Until January 1 of the year immediately following the Conveyance for Residential Use of the first Lot by Declarant, the initial and maximum annual assessment shall be Three Hundred Sixty Dollars (\$360.00) per Lot, payable monthly on the first day of each month in installments of Thirty Dollars (\$30.00) per month (or payable in such other periodic installments as the Board by resolution may determine).

(b) From and after January 1 of the year immediately following the Conveyance for Residential Use of the first Lot by Declarant, by vote of the Board of Directors, the maximum annual assessments may be increased each year above the maximum assessments for the previous year by an amount equal to the greater of (i) ten percent (10%) of the maximum annual assessment for the preceding year or (ii) the percentage increase in the cost of living over the preceding year as determined from indices selected by the Association's accountant; plus the amount by which any ad valorem real estate taxes and casualty and

other insurance premiums payable by the Association have increased over amounts payable for the same or similar items for the previous year.

(c) From and after January 1 of the year immediately following the Conveyance for Residential Use of the first Lot by Declarant, the maximum annual assessments may be increased above that set forth in paragraph (b) above, by a vote of two-thirds (2/3) of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose, as provided in Article V, herein.

(d) The Board of Directors may fix the annual assessments at an amount not in excess of the maximums as hereinbefore set forth.

(e) Notwithstanding anything contained in this Declaration to the contrary, Declarant shall be obligated to pay for the Lots which it owns only twenty-five per cent (25%) of the established annual or special assessment except, however, Declarant shall pay the full assessment for any Lot which it owns and occupies for residential purposes. For example, if the Assessment for Lots in particular year is \$10.00 per month, Declarant shall pay \$2.50 per month for each Lot which it owns.

(f) If any Lot is security for any Mortgage insured by the Federal Housing Administration (FHA) or the Veterans Administration (VA), as long as there is a Class B member, Declarant shall

(i) fund any actual operating deficit, and

(ii) maintain the Common Area of any subsection under construction until Declarant shall have sold at least 75% of the units in its subsection.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to any one year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Property, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of each class of members who are voting in person or by proxy at a meeting duly called for this purpose as provided in Section 5 of this Article IV.

Section 5. Notice for Any Action Authorized Under Sections 3 and 4. Written Notice of any meeting called, in accordance with the By-Laws of the Association, for the purpose of taking any action authorized under Sections 3 and 4 shall be sent to all members not less than thirty (30) nor more than sixty (60) days in advance of the meeting.

Section 6. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate within each class of membership and may be collected on a monthly or other basis and at such dates as the Board of Directors shall determine.

Section 7. Date of Commencement of Annual Assessments:
Due Dates. The annual assessments provided for herein with respect to the Property described in Exhibit A shall commence as to all members on the first day of the month following the Conveyance for Residential Use of the first Lot in the Property. The annual assessments provided for herein in respect to any land which may be annexed to the Property, as set forth in Article VIII hereof, shall commence as to the Lots on such land on the first day of the month following the Conveyance for Residential Use of the first lot in said annexed land. The first annual assessment as to a Lot shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall prepare or cause to be prepared an annual operating budget for the Association and the Board of Directors shall attempt to fix the amount of the annual assessment against each member at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The failure of the Board of Directors to act within the times specified shall not, however, relieve any Owner of his obligation to pay assessments hereunder. Assessments shall be paid monthly, in advance, on the first day of each month unless otherwise resolved by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an Officer of the Association setting forth whether the assessments on a specified Lot have been paid and any such properly executed certificate shall be binding upon the Association.

Section 8. Effect of Non-Payment of Assessments:
Remedies of the Association. Any assessment not received within ten days of the due date shall automatically be subject to a late payment charge of Twenty-Five Dollars (\$25.00) and shall bear interest from the due date at the rate of eighteen per cent (18%) per annum and shall be further subject to collection costs and reasonable attorneys fees, all of which sums shall be a continuing lien upon such Lot. The Association may bring an action at law against the Owner personally obligated to pay the same, and/or the Association may foreclose the lien against the Lot. The lien may be enforced and foreclosed by the Association in the same manner and subject to the same requirements, as the foreclosure of Mortgages on real property in Maryland containing a power of sale, or an assent to a decree. Suit for any deficiency following foreclosure may be maintained in the same proceeding and suit to recover a money judgment for unpaid charges may be maintained without waiving the lien during the same period. No action may be brought to foreclose the lien except after twenty (20) days written notice to the current owner of the Lot given by registered mail, return receipt requested; notice shall be deemed given on date of

mailing. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

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

In any proceeding brought by the Association to recover unpaid assessments, there shall be added to such unpaid amount interest, costs, late fees (if any) and reasonable attorneys fee (but not less than twenty-five percent of the sum claimed).

Section 9. Subordination of the Lien to Taxes and First Mortgage. The lien of the assessments provided for herein shall be subordinate to the lien for taxes imposed by any lawful authority and for the lien or equivalent security interest of any First Mortgage on the Lot recorded prior to the date such assessments are due. Sale or transfer of any Lot pursuant to foreclosure of a First Mortgage or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which become due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 10. Acceleration of Installments. Upon default in the payment of any one or more monthly installments of any assessment levied pursuant to this Declaration, or any other installment thereof, the entire balance of said assessment may be accelerated at the option of the Board of Directors and be declared due and payable in full.

Section 11. Reserves for Replacements. The Association shall establish and maintain a reserve fund for repairs and replacements of the Common Areas and community facilities by the allocation and payment monthly to such reserve fund of an amount to be designated from time to time by the Board of Directors. Such fund shall be conclusively deemed to be a common expense of the Association and may be deposited with any banking institution, the accounts of which are insured by an agency of the United States of America or may, in the discretion of the Board of Directors, be invested in obligations of, or fully guaranteed as to principal by, the United States of America.

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

Section 12. Working Capital Funds. The Association shall establish and maintain a working capital fund for the initial months of operation of the project, equal to Fifty Dollars (\$50.00) per Lot. The contributions to the working capital fund shall be made by the acquiring Owner at the settlement of the initial Conveyance for Residential Use of a Lot improved by a Dwelling and shall be given to the Association for deposit in a segregated fund, and shall not be deemed a prepayment of such Owner's regular assessments.

ARTICLE V

Environmental Protection

Section 1. Architectural Review.

(a) Formation; Composition. The Architectural Review Committee for the Association referred to herein and in the succeeding sections of this Declaration (the "Architectural Review Committee") is hereby created and shall have all the rights and powers and duties granted to it by the Declarant pursuant to this Declaration. The Architectural Review Committee is composed of the following members: Jeffrey Attman, Herbert Kishter and Shellye Attman Gilden, each of whom shall act and serve for a term of five (5) years accounting from the date hereof, and thereafter until his successor shall be duly appointed. At any time after the expiration of the aforesaid five (5) year period, the then members of the Association shall have the power upon a majority vote of the members present of a duly constituted meeting of the Association, the minutes of which shall be maintained among the records of the Association, to elect new members to, or otherwise change the membership of the Architectural Review Committee, so long as the Architectural Review Committee shall at all times be comprised of three members. After the expiration of the aforesaid five (5) year period, newly elected members of the Committee shall have a term of office of one (1) year; in the event of the death or

resignation of a Committee member during his tenure, the Board of Directors shall select a replacement member to serve during the balance of the tenure. In the event of death or resignation of any members of the Architectural Review Committee during said five (5) year period, the Declarant shall have the sole right and authority to appoint a successor by a duly executed instrument, a copy of which shall be maintained in the records of the Association, designating the name and address of such successor. At any time, or from time to time, during said five (5) year period, the initial members of the Architectural Review Committee may be replaced for any reason with other individuals selected by the Declarant in its sole discretion. All questions shall be decided by a majority of the members of the Architectural Review Committee, and such majority shall be necessary and sufficient to act in each instance and on all matters. Each member of the Architectural Review Committee, now or hereafter appointed, shall act without compensation for services performed pursuant to these Covenants.

(b) General. Except for the initial construction of a Dwelling or structures by the Declarant, no Dwelling, improvement, building, fence, wall or other structure shall be commenced, erected or maintained upon the Property, nor shall any exterior addition to or change or alteration, landscaping or planting of any kind thereon or therein be made (such proposed construction, alteration or improvements to a Lot hereinafter referred to as an "Improvement") 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 Architectural Review Committee of the Association. In the event said Architectural Review Committee fails to approve or disapprove such design and location within thirty (30) days after receipt of said plans and specifications, approval will not be required and this Article will be deemed to have been fully complied with. Nothing in this Article V shall be construed to permit any review of architectural and building decisions made by the Declarant with respect to any Lot.

(c) Administration. For any proposed Improvement to a Lot, there shall be submitted in writing to the Architectural Review Committee, in duplicate, plans and specifications (hereinafter, the "Plans") showing the nature, kind, shape and dimensions, material, floor plans, color scheme, location, exterior plans and details, driveway plans and location, proposed topographical changes, together with the estimated costs of said proposed Improvement, alteration or other change, and together with a designation of the party or parties to perform the work in said proposed Improvements, alterations or other changes. No work shall begin on such proposed Improvements or alterations until the Architectural Review Committee has approved, in writing, the Plans.

The Architectural Review Committee shall consider applications for approval of plans, specifications, etc., upon the basis of conformity with this Declaration and shall be guided by the extent to which such proposal will insure reasonable conformity and harmony in exterior design and appearance, based upon, among other things, the following factors: the quality of workmanship; nature and durability of materials; harmony of external design with existing structures; choice of colors; changes in topography, grade elevations and/or drainage; the ability of the party or parties designated by the owner to complete the proposed Improvements, alterations and/or other changes proposed in accordance with this Declaration, including without limiting the foregoing, such factors as background, experience, skill, quality or workmanship, financial ability, etc.; factors of public health and safety; the effect of the proposed Improvements, alterations and/or other changes on the use, enjoyment and value of other neighboring properties, and/or on the outlook or view from adjacent or neighboring properties; and the suitability of the proposed Improvements, alterations and/or other changes with the general aesthetic values of the surrounding area.

The Architectural Review Committee shall have the right to refuse to approve any such plans or specifications, including grading and location plans, which are not suitable or desirable in its opinion, for aesthetic or other considerations. Written requests for approval, accompanied by the foregoing described plans and specifications or other specifications and information as may be required by the Architectural Review Committee from time to time shall be submitted to the Architectural Review Committee by registered or certified mail or in person in which case a written receipt shall be obtained. The Architectural Review Committee shall have the right to charge a processing fee, in the amount of \$75.00 or such other amount as the Board of Directors may by resolution determine for such requests.

After construction, all Improvements, alterations and/or other changes continuously shall be maintained in strict conformity with the plans and specifications so approved.

(d) Specific Approval Required. Without limiting the generality of subsection (a) of this Section and except for actions of the Declarant, none of the following actions may be taken upon any Lot unless the Architectural Review Committee has approved such action in the manner hereinabove set forth:

(1) any installation, enlargement, alteration, restaining or repainting (other than in the same stain or color as the stain or color therefor immediately before such restaining or repainting), of any patio or deck in the rear or the front of any Dwelling, or the addition of any steps thereto;

(2) the construction of any storage shed anywhere on a Lot;

(3) any alteration in the color or type of the roof of a Dwelling;

(4) any alteration in the color or type of exterior of any Dwelling;

(5) any alteration in the color or type of any exterior trim or mailbox on any Dwelling;

(6) any change in the shape, size or color of any window of any Dwelling;

(7) any change in the design or color of any exterior door of any Dwelling;

(8) any alteration in the size, shape or material of any exterior sidewalk;

(9) any change in the color of any privacy screen located upon a Lot;

(10) any change in the color of the existing roof-top flue and chase, or any installation of any cover for such flue, upon any Dwelling;

(11) the construction or installation of any fireplace requiring the use of an exterior flue or chase upon any Dwelling;

(12) the construction or installation of any awning of any type over the front, side or rear porches, doors or windows of any Dwelling;

(13) the construction or installation of any in-ground or above-ground swimming pool of any type on any Lot;

(14) the construction or installation of any fencing on the Property.

(15) the installation of, or change of color, type, shape, style of any stormdoor on any Dwelling;

(e) Authority of Committee. The Architectural Review Committee shall have the authority to promulgate rules and regulations regarding the form and content of plans and specifications to be submitted for approval and may publish and record such statements of policy, standards, guidelines and establish such criteria relative to architectural styles or details, fences, colors, set-backs, materials or other matters relative to architectural control and the protection of the environment, as it may consider necessary or appropriate. No such rules, regulations, statements, criteria or the like shall be construed as a waiver of the provisions of this Article or any other provision or requirement of this Declaration. The

decisions of the Architectural Review Committee shall be final except that any member who is aggrieved by any action or forbearance from action by the Committee (or by any policy, standards or guidelines established by the Committee) may appeal the decision of the Architectural Review Committee to the Board of Directors and, upon the request of such member, shall be entitled to a hearing before the Board of Directors of the Association.



Section 3. Wetlands Protection. Notwithstanding any provision of this Declaration to the contrary, there shall be no removal or disturbance of any vegetation in areas designated on the Plat as "wetlands" or "wetlands buffer" except upon approval of the Office of Planning and Zoning of Anne Arundel County and upon the approval of all other governmental agencies having jurisdiction over such areas.

ARTICLE VI

Maintenance

Section 1. Common Areas. The Association shall be responsible for the care and maintenance of the Common Areas, including both interiors and exteriors of the structures erected thereon; and shall also be responsible for the care, maintenance and replacement of any Common Area property, including utilities which serve more than one Lot and including rights-of-way dedicated to an appropriate governmental or quasi-governmental group or utility company where such group or company has not agreed to care for and maintain said property.

Section 2. Individual Lots. (a) Except as otherwise provided herein, the Owner of each Lot shall be responsible for the care, maintenance and repair of his Lot, the premises and all improvements situate thereon, therein and thereunder. In the

event that any Owner shall fail to maintain any Lot or the premises and the improvements situate thereon in a manner satisfactory to the Board, the Association, after approval by a two-thirds (2/3) vote of the Board of Directors, shall have the right, through its agents and employees to enter upon said Lot and to repair, maintain and/or restore the Lot, the premises and any improvements erected thereon. Such right of entry and repair shall be exercisable only upon fifteen (15) days' written notice given to the Owner thereof, unless, in the discretion of the Board, a genuine emergency necessitates a shorter period of time. The costs of any such repairs, maintenance and/or restoration shall be added to and become part of the lien for assessment to which such Lot and Lot Owner is subject. Enforcement of the right to recover these assessments may be had pursuant to Article IV, Section 8, or Article VII-A hereof.

The Association shall have the authority, but not the obligation, to arrange for and provide various services to the Owners, which services the Owners would otherwise be required to provide for themselves (e.g., lawn cutting, mulching, landscaping and/or beautification for the various Lots), upon the approval of two-thirds (2/3) of the Owners present at any duly constituted meeting. The costs of any such approved services shall be included in the annual budget and annual maintenance assessments.

Section 3. Management Agent. The Board of Directors may employ for the Association a management agent or manager (the "Management Agent") at a rate of compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall from time to time authorize in writing. The Management Agent shall perform such duties and services as the Board of Directors shall authorize in writing, including, without limitation:

(a) to establish (with the approval of the Board of Directors of the Association) and provide for the collection of the annual maintenance assessments and any other assessments provided for in this Declaration and to provide for the enforcement of liens therefor in a manner consistent with law and the provisions of this Declaration; and

(b) to provide for the care, upkeep, maintenance and surveillance of the common areas and community facilities; and

(c) to designate, hire and dismiss such personnel as may be required for the good working order, maintenance and efficient operation of the common areas and community facilities; and

(d) to promulgate (with the approval of the Board of Directors of the Association) and enforce such rules and regulations and such restrictions or requirements, "house rules" or the like as may be deemed proper respecting the use of the common areas and community facilities; and

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

Any management agreement entered into by the Association shall provide, inter alia, that such agreement may be terminated, with or without cause and without the payment of any termination fee, by either party upon sixty (60) days' written notice thereof to the other party. The term of any such management agreement shall not exceed one (1) year; provided, however, that the term of any such management agreement may be renewable by mutual agreement of the parties for successive one-year periods.

Section 4. Limitation of Liability. The Association shall not be liable for any failure of any service to be obtained by the Association or paid for out of the common expense funds, or for injury or damage to person or property caused by the elements or resulting from water which may leak or flow from any portion of the common areas or community facilities, or from any wire, pipe, drain, conduit or the like. The Association shall not be liable to any owner for loss or damage, by theft or otherwise, of articles which may be stored upon the common areas or community facilities. No diminution or abatement of assessments, as herein elsewhere provided for, shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the Common Areas or community facilities, or from any action taken by the Association to comply with any of the provisions of this Declaration or with any laws or ordinance or with the order or directive of any municipal or other governmental authority.

ARTICLE VII

Use Restrictions

Section 1. Use of Lots. The following restrictions shall run with and bind the Property. Except for the activities of the Declarant during the construction or development of the community, or except with the prior written approval of the Board of Directors or the Architectural Review Committee, and as may be necessary in connection with reasonable and necessary repairs or maintenance to any dwelling or upon the common areas:

(a) No Lot shall be used for any purpose other than for residential use.

(b) No noxious or offensive activity shall be carried on upon any Lot, nor shall anything be done thereon which reasonably may be or become an annoyance or nuisance to any other occupant of a Lot. Without limiting the generality of the foregoing, no speaker, horn, whistle, siren, bell, amplifier or other sound device, except such devices as may be used exclusively for security purposes, shall be located, installed or maintained upon the exterior of any dwelling or upon the exterior of any other improvements constructed upon any Lot.

(c) There shall not be erected on the Property any Improvement of a temporary character including, by way of example rather than of limitation, any trailer, tent, shack, garage, barn or other out-building except as may be approved by the Architectural Review Committee pursuant to Article V hereof.

(d) No tractor-trailer truck, or any house trailer, boat or boat trailer, camper or other recreational vehicle, shall be placed or kept on the Property, either temporarily or permanently. No motorized vehicle of any kind shall be parked on the Property except in the driveways of Lots or in curb-side parking areas.

(e) No livestock or other animals or poultry of any kind shall be raised, bred or kept upon any Lot, either temporarily or permanently; except, however, two (2) or fewer dogs or cats may be kept on a Lot so long as such pet(s) are not kept, bred or maintained thereon for any commercial purpose. Pets shall not be permitted on the Common Areas unless accompanied by an adult, and unless they are leashed. Any Owner who keeps or maintains any pet on any portion of the Property shall be deemed to have indemnified and agreed to hold harmless the Association, each of the Owners and the Declarant from any loss, claim or liability of any kind or character whatsoever arising by reason of keeping or maintaining such pet. All pets shall be registered with the Board of Directors, and shall otherwise be registered and inoculated as required by law. The Board of Directors shall have the right to order any person whose pet is a nuisance to remove such pet from the Property, and the Board of Directors will have the exclusive authority to declare any pet a nuisance. Pets shall not be permitted to roam free on the Property but at all times pets shall be attended and accompanied by a responsible person and shall be either carried or leashed. The owner of any pet shall immediately remove from the Property any excrement deposited on the Property by such owner's pet. Violation of any provision of this subsection (f) shall subject the owner of such pet to a daily fine of not more than Twenty-Five Dollars (\$25.00) for each such violation, which fine may be included in the Pet Owner's monthly assessment or Enforcement Assessment; each day that a violation occurs or has not been corrected by the owner shall be deemed a separate violation.

(f) No lumber, materials, bulk materials, refuse or trash shall be kept, stored or allowed to accumulate on any Lot or Common Areas except building materials during the course of construction, maintenance or repair of or on Common Areas by Declarant. Trash, garbage and other waste shall be kept only in sanitary containers and such shall not be visible from the streets. All containers or other equipment for the storage or disposal of such materials shall be kept in a clean and sanitary condition. Grass and lawn clippings shall not be disposed of on the Common Areas.

(g) No water pipe, gas pipe, sewer pipe or drainage pipe shall be installed or maintained on any Lot above the surface of the ground. Easements through and over Lots have been reserved for water, sewers, drainage and utility installations and maintenance for such purposes and uses as are shown on the Development Plan and/or the Plat for the Property. Within these easements, no structure, planting or 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 or flow of drainage channels in the easements, or which may obstruct or retard the flow of water through drainage channels in the easements. Declarant, its agents, successors and assigns, shall have the right to enter upon all parts of the easement area of each Lot for any of the purposes for which said easements and rights-of-way are reserved. Declarant shall also have the right at the time of, or after, grading any street, driveway or parking area, or any part thereof, to enter upon any abutting Lot and grade the portion of such Lot adjacent to such street, driveway or parking area, but there shall be no obligation on Declarant to do such grading, unless otherwise properly required to do so by an appropriate government authority. Declarant shall further have the right to establish contiguous five (5) foot drainage easements on any two adjacent lots if it is deemed necessary in the sole discretion of Declarant.

(h) All Common Areas may be used for, and only for, parks and recreational purposes, parking, trash storage and collection, ingress and egress, and for Common Utilities, including, but not limited to, storm water and sanitary sewers, telephone, water, gas, electricity and cable T.V., and for such other purposes authorized by the Association or its Board of Directors, subject to the provisions of this Declaration.

(i) The rights and duties with respect to sanitary and water, cable T.V., electricity, gas and telephone lines and other Common Utilities shall be governed by the following:

(A) Whenever water, sanitary sewer, electricity, gas, cable T.V. or telephone connections, lines, cables or any portion thereof, are or have been installed within the Property, the Owner of any Lot, or the Association shall have the right, and are hereby granted an easement to the extent

necessary therefor, to enter upon or have a utility company enter upon any portion of the Property in which said installations lie, to repair, replace and generally maintain said installations.

(B) The right granted in subparagraph (i) above shall be only to the extent necessary to entitle the Owner or Association serviced by said installation to its full reasonable use and enjoyment, and provided further that anyone exercising said right shall be responsible for restoring the surface of the easement area so used to its condition prior to such use.

(C) In the event of a dispute between Owners with respect to the repair or rebuilding of said installations, or with respect to sharing of the cost thereof, upon written request of one of such Owners addressed to the Association, the matter shall be submitted to its Board of Directors who shall decide the dispute, and the decision of the Board shall be final and conclusive on the parties.

(j) Easements over the Property for the installation and maintenance of electric, telephone, cable T.V., water, gas, drainage and sanitary sewer lines and facilities and the like are hereby reserved by Declarant, together with the right to grant and transfer the same during such time that Declarant is the Owner of any part or all of the Property. Declarant also reserves the right to enter upon the Common Areas and Lots for the purpose of completing the improvements thereon, and for the further purpose of carrying out any obligations which it may have, or assume, with respect to the curing of any defects in workmanship or materials in the Property or the improvements thereon or to correct any condition which adversely affects the Property or any portion thereof.

(k) No clothing or any other household fabric shall be hung in the open on or about the Property, on clothes-line or otherwise.

(l) No unlawful use shall be made of any portion of the Property, and all laws, zoning and other ordinances and regulations of governmental and other municipal bodies and the like shall be observed at all times.

(m) Nothing contained in this Article VII shall be construed to limit in any way the rights and powers of the Board of Directors to approve or disapprove of the erection of buildings, fences, walls or other structures or of changes or alterations to the Property, as more fully provided in Article V hereof.

(n) Nothing contained in this Declaration shall be construed to in any way limit the right of Declarant to use any Lot owned by Declarant for the purposes of a construction

office, sales office, executive and/or management office and/or for model and display purposes and for the carrying out of the above activities.

(o) Declarant reserves the right to place electric and/or utility meters on the exterior of any Dwelling or Improvement which may be located on any Lot. Said meters may serve the Improvements to which they are attached, and may serve other Improvements located within the Property. A perpetual easement running with each Lot shall exist for the placement of such electric and other utility meters on the exterior of the Improvements located on said Lots.

(p) No sign of any kind other than those of Declarant, its builder or designated agent, shall be displayed to the public view on any Lot, except that one sign of not more than four (4) square feet advertising the Lot for sale or rent will be permitted.

(q) No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in any Lot, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in any Lot. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any Lot.

(r) No trees having a diameter of six (6) inches or more (measured at a point two feet above ground level) except during initial construction shall be removed from any Lot without the express written authorization of the Board of Directors or the Architectural Review Committee or unless properly authorized by an appropriate governmental authority. The Board, in its discretion, may adopt and promulgate rules and regulations regarding the preservation of trees and other natural resources and wild life upon the Property. If it shall deem it appropriate, the Board may mark certain trees, regardless of size, as not removable without written authorization.

(s) The Board of Directors or the Architectural Review Committee or their authorized agents shall have the right to enter upon any Lot and trim or prune, at the expense of the Owner, any hedge or other planting which in the opinion of the Board, by reason of its location upon the Lot or the height to which it is permitted to grow, is unreasonably detrimental to the adjoining property or obscures the view of the street traffic or is unattractive in appearance; provided, however, that the Owner shall be given fifteen (15) days prior written notice to correct the problem. The costs of such entry, trimming or pruning shall be levied against the Owner of such Lot and added to such Owner's monthly assessment or Enforcement Assessment.

(t) No fence may be approved by the Board of Directors unless said fence meets all of the following characteristics: it shall be constructed with the same or substantially similar material and be of the same color, height and type as any type of fence which may be initially approved by Declarant. Fences shall be within the property lines of the Lot on which it is proposed to be located, and be entirely to the rear of the rearmost portion of the house located on said Lot, and otherwise be fully in accordance with the Zoning Regulations or other applicable regulations of Anne Arundel County, Maryland. Nothing herein shall require the Board of Directors to approve any fences even if such proposed fences meet the characteristics herein set forth.

(u) Roof top television and other antennas (including satellite dishes) shall not be permitted without the prior approval of the Architectural Committee.

(v) No amateur radio transmission antenna shall be constructed anywhere on the Property.

(w) No junk vehicle, unlicensed or inoperable motor vehicle, trailer, camper, camp truck, house trailer, boat or other similar machinery or equipment of any kind or character (except for such equipment and machinery as may be reasonable, customary and usual in connection with the use and maintenance of any dwelling and except for such equipment and machinery as the Association may require in connection with the maintenance and operation of the common areas and community facilities) shall be kept upon the Property nor (except for bona fide emergencies) shall the repair or extraordinary maintenance of automobiles or other vehicles be carried out thereon.

(x) No Lot shall be divided or subdivided and no portion of any Lot (other than the entire Lot) shall be transferred or conveyed for any purpose. The provisions of this subsection shall not apply to the Declarant and, further, the provisions hereof shall not be construed to prohibit the granting of any easement or right-of-way to any municipality, political subdivision, public utility or other public body or authority, or to the Association, the Declarant or any other person for any purpose.

ARTICLE VII-A

Enforcement

Section 1. Right to Remove or Correct Violations. In the event any violation or attempted violation of any of the covenants or restrictions contained in Articles V, VI and VII shall occur or be maintained upon any Lot, or in the event of any other conduct in violation of any of the provisions or requirements of such Articles, then the same shall be considered to have been undertaken in violation of such Articles and without the

approval of the Architectural Review Committee or the Board of Directors (as the case may be), and upon written notice from the Architectural Review Committee or the Board of Directors (as the case may be), such violation shall be promptly removed or abated. In the event the same is not removed, or the violation is not otherwise terminated or abated, within fifteen (15) days (or such shorter period as may be required in any such notice) after notice of such violation is sent to the Owner of the Lot upon which such violation exists, or to the member responsible for such violation if the same shall be committed or attempted on premises other than the Lot owned by such member, then the Association shall have the right, through its agents and employees (but only after a resolution of the Architectural Review Committee or the Board of Directors) to enter upon such Lot and to take such steps as may be necessary to remove or otherwise terminate or abate such violation and the cost thereof shall be assessed against the Lot upon which such violation occurred and when so assessed, a statement for the amount thereof shall be rendered to the Owner of said Lot at which time the assessment together with interest at the rate of eighteen percent (18%) per annum and attorneys fees incurred by the Association in connection with such violation or attempted violation and any enforcement proceedings (the "Enforcement Assessment") shall become due and payable and a continuing lien upon such Lot, and a binding personal obligation of the Owner of such Lot. Notwithstanding anything to the contrary contained in this Section 1, so long as the Association reserves the right to use summary abatement or similar means to enforce the covenants, conditions and restrictions of this Declaration and provided that the Federal National Mortgage Association (FNMA) or its successors or assigns shall hold a Mortgage encumbering a Lot, then, if required by FNMA, the Association shall institute judicial proceedings before any items of construction can be altered or demolished; in the event that FNMA shall cease to require such judicial proceedings, this entire sentence shall automatically become void and of no force or effect.

Section 2. Creation of Lien and Personal Obligation of Enforcement Assessment. Each Owner of a Lot, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association any Enforcement Assessment levied against such Owner or his Lot. The Enforcement Assessment shall be due when rendered, together with interest at the rate of eighteen percent (18%) per annum, plus costs and reasonable attorney's fees, shall be a charge on the land, and shall be a continuing lien upon the Lot against which each such Enforcement Assessment is made. Each such Enforcement Assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such Lot at the time when the Enforcement Assessment fell due. The personal obligation for delinquent Enforcement Assessments shall not pass to his/her successors in title, unless expressly assumed by them by written agreement.

Section 3. Effect of Non-Payment of Enforcement Assessments: Remedies of the Association. Any Enforcement Assessment not received within ten days of the due date shall automatically be subject to a late payment charge of Twenty-Five Dollars (\$25.00) and shall bear interest from the due date at the rate of eighteen percent (18%) per annum. The Association may bring an action at law against the Owner personally obligated to pay the same, and/or the Association may foreclose the lien against the Lot. The lien may be enforced and foreclosed by the Association in the same manner and subject to the same requirements, as the foreclosure of Mortgages on real property in Maryland containing a power of sale, or an assent to a decree. Suit for any deficiency following foreclosure may be maintained in the same proceeding and suit to recover a money judgment for unpaid charges may be maintained without waiving the lien during the same period. No action may be brought to foreclose the lien except after twenty (20) days written notice to the current owner of the Lot given by registered mail, return receipt requested; notice shall be deemed given on date of mailing.

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

In addition, to and not in lieu of, other remedies which may be available to the Association to collect unpaid Enforcement Assessments, the Association may assert a lien against the Lot for which Enforcement Assessments have not been paid, and may foreclose upon such lien in accordance with the Maryland Contract Lien Act, as amended.

In any proceeding brought by the Association to recover unpaid Enforcement Assessments, there shall be added to such unpaid amount interest, costs, late fees (if any) and reasonable attorneys fee (but not less than twenty-five percent of the sum claimed).

Section 4. Subordination of the Lien to Taxes and First Mortgage. The lien of the Enforcement Assessments provided for herein shall be subordinate to the lien for taxes imposed by any lawful authority and for the lien or equivalent security interest of any First Mortgage on the Lot recorded prior to the date such assessments are due. Sale or transfer of any Lot pursuant to Mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such Enforcement Assessments as to payments which become due prior to such sale or

transfer. No sale or transfer shall relieve such Lot from liability for any Enforcement Assessments thereafter becoming due or from the lien thereof.

ARTICLE VIII

Annexation

Additional land within the areas described in Exhibit B, attached hereto and made a part hereof, may be annexed by the Declarant, its successors and assigns, without the consent of members within seven (7) years from the date of the recording of this Declaration. The Declarant shall have no obligation to annex any of such land. Other land may be annexed which is not described in Exhibit B, or which is described in Exhibit B, but which was not annexed in the said seven (7) year period, but only upon the approval of two-thirds (2/3) of the Class A and Class B members voting in person or by proxy at the meeting at which such approval is sought. If any Lot is security for any Mortgage insured by the Federal Housing Administration (FHA) or the Veterans Administration (VA), as long as there is a Class B member, the approval of the FHA and/or VA, as the case may be, shall be required prior to the annexation of any additional land not described in Exhibit B. The annexation authorized hereunder shall be made by filing of record, a Supplemental Declaration of Covenants, Conditions and Restrictions with respect to the additional land, which shall extend the scheme of the covenants, conditions and restrictions of this Declaration to such land, which land shall thereupon become part of the Property. Upon the filing of any Supplemental Declaration, Owners of Lots situated on the annexed land shall be subject to the same obligations and entitled to the same privileges, as applied to the Owners of Lots in the initial Property. All improvements for such possible future phases must be substantially completed prior to annexation and any such future improvements must be consistent, in terms of the quality of construction, with the initial improvements of the Dwellings located within the areas described in Exhibit A.

Notwithstanding the requirements of any Mortgagee consent provisions contained in this Declaration or the By-Laws (including but not limited to Articles X and XI hereof), such consent provisions shall not be deemed applicable to any annexation, in accordance with the provisions of this Article, of any or all of the property described in Exhibit B hereto, nor to any Supplemental Declaration filed pursuant thereto.

ARTICLE IX

Easements

Section 1. Reservation of Easement Rights by the Declarant.

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Section 2. Easements for Utilities and Related Purposes. The Association is authorized and empowered to grant (and shall from time to time grant) such other licenses, easements and rights-of-way over the common areas and community facilities for sewer lines, water lines, electrical cables, telephone cables, gas lines, storm water detention ponds and similar facilities, storm drains, cables, underground conduits and such other purposes related to the provision of utility and similar services to the Project as may be considered necessary and appropriate by the Board of Directors of the Association or by the Declarant for the orderly maintenance, preservation and enjoyment of the Common Areas and community facilities and for the preservation of the health, safety, convenience and welfare of the members of the Association or the Declarant.

Section 3. Easement to Anne Arundel, Maryland. The Declarant hereby grants to Anne Arundel, Maryland, a municipal body corporate, its agents and contractors, a non-exclusive

easement and right-of-way in, through, over and across the Common Areas and community facilities for all purposes reasonably associated with the inspection, operation, installation, construction, reconstruction, maintenance or repair of any storm water management facilities constructed upon the Property; with respect to any storm water management facility not dedicated to and accepted by Anne Arundel County, in the event that after reasonable notice to the Association by Anne Arundel County, Maryland, the Association shall fail to maintain any storm water management facility constructed upon the Property in accordance with applicable law and regulations, then Anne Arundel County, Maryland may do and perform all necessary repair and/or maintenance work and may assess the Association for the cost of the work and any applicable penalties.

Section 4. Parking and Sidewalk Easements. There is hereby established for the benefit of the owners of the several Lots a perpetual and non-exclusive easement and right-of-way for pedestrian and vehicular ingress, egress and regress, and for the parking of motor vehicles, in, through, over and across any private streets and roadways and in, through, over and across any sidewalks and leadwalks constructed upon the Common Areas and community facilities or the Lots. Any grant of a Lot made by the Declarant shall be conclusively deemed to incorporate this easement and right-of-way, whether or not specifically set forth in such grant. At the request in writing of either the Declarant or the Association, the Owner of any Lot shall, from time to time, execute, acknowledge and deliver such other and further assurances of this easement and right-of-way as may be necessary.

Section 5. Easements for Expansion.

(i) Declarant hereby subjects those Common Areas of the Property described in Exhibit A hereof, to a perpetual non-exclusive easement, for use in common with the owners, licensees, tenants and invitees of all or any portion of the property described in Exhibit B hereof, for purposes of pedestrian and vehicular ingress, egress, access, parking, and discharge of storm water, and for purposes of connecting to, extending and maintaining utilities (including, but not limited to telephone, storm drains, sanitary sewer, water, electric and gas hook-ups, lines and/or mains), which utilities may be used for the purpose of serving the land, structures and other improvements which may be constructed on all or any portion of the property described in Exhibit B. The use of the easement granted herein shall at all times be subject to the provisions of this Declaration and the By-Laws as same may from time to time exist. In the event that any portion of the land described in Exhibit B shall be annexed to the Property pursuant to the provisions of Article VIII, hereof, upon the recordation of any such annexation instrument, the Common Areas of such annexed land shall also be automatically subject to the easement hereinabove described.

(ii) Declarant hereby subjects the land described in Exhibit B, excluding however, any buildings erected thereon and lots designated therein, to a perpetual non-exclusive easement, for use in common with the owners, licensees, tenants and invitees of all or any portion of the Property described in Exhibit A hereof, for purposes of pedestrian and vehicular ingress, egress, access, parking, and discharge of storm water, and for purposes of connecting to, extending and maintaining utilities (including, but not limited to telephone, storm drains, sanitary sewer, water, electric and gas hook-ups, lines and/or mains), which utilities may be used for the purpose of serving the land, structures and other improvements which may be constructed on all or any portion of the Property described in Exhibit A hereof. In the event that any portion of the land described in Exhibit B shall be annexed to the Property described in Exhibit A hereof pursuant to the provisions of Article VIII, hereof, upon the recordation of any such annexation instrument, the easement described in this subparagraph (ii) shall automatically terminate with respect to such annexed land.

ARTICLE X

Mortgagees

Section 1. Definition. As used in this Article, the term "Mortgagee" shall mean any mortgagee or any trustee under a deed of trust which is a lien upon a lot or the party secured or any beneficiary of any recorded deed of trust, and shall not be limited to institutional mortgagees; and the term "Mortgage" shall include a deed of trust. As used generally in this Article, the term "Institutional Holder" or "Institutional Mortgagee" shall include banks, mortgage insurance companies, mortgage companies, credit unions, saving and loan associations, pension funds, FNMA, GNMA, FHLMC, and any corporation, including a corporation of, or affiliated with, the United States Government, or any agency thereof. "First Mortgage" shall mean a Mortgage with priority over all other Mortgages.

Section 2. Notice to Board of Directors. An Owner who mortgages his lot shall, in writing, notify the Board of Directors of the name and address of his Mortgagee, and shall, upon request, file a conformed copy of the note and Mortgage with the Board of Directors. The Board of Directors shall maintain such information in a book entitled "Mortgagees of Units."

Section 3. Notice of Action. Upon written request to the Association, identifying the name and address of the holder, insurer or guarantor and the Lot number or address, any such Mortgage holder, insurer or guarantor will be entitled to timely written notice of:

(a) Any condemnation loss or any casualty loss which affects a material portion of the project or any Lot on which there is a Mortgage held, insured, or guaranteed by such Mortgage holder, insurer or guarantor, as applicable;

(b) Any delinquency in the payment of assessments or charges owed by an Owner of a Lot subject to a First Mortgage held, insured or guaranteed by such holder, insurer or guarantor, or any other default by such Owner in performance of an obligation under this Declaration or the By-Laws, which delinquency or default remains uncured for a period of 60 days;

(c) Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association;

(d) Any proposed action which would require the consent of a specified percentage of Mortgage holders as herein specified.

Section 4. Distributional Priority. No provision of this Declaration or the By-Laws of the Association shall entitle any Owner to any priority over the holder of any First Mortgage of record on his Lot with respect to the distribution to such Owner of any insurance proceeds paid or payable on account of any damage or destruction of any of the Common Areas or community facilities. No provision of this Declaration or the By-Laws of the Association shall entitle any Owner to any priority over the holder of any First Mortgage of record on his Lot with respect to the distribution to such Owner of the proceeds of any condemnation or settlement relating to a taking of any of the Common Areas and community facilities.

Section 5. Notice of Meetings. Any Institutional Mortgagee of any Lot within the Property who desires notice of the annual and special meetings of the Association and/or meetings of the Board of Directors shall notify the Board of Directors to that effect by registered mail, return receipt requested. Any such notice shall contain the name and post office address of such Institutional Mortgagee and the name of the person to whom notice of the annual and special meetings should be addressed. The Secretary of the Association shall maintain a roster of all Institutional Mortgagees from whom such notices are received and it shall be the duty of the Secretary to mail or otherwise cause the delivery of a notice of each annual or special meeting of the Association and/or each Board of Directors' meeting, as aforesaid, to each such Institutional Mortgagee, in the same manner and subject to the same require-

ments and limitations as are provided for in this Declaration or in the By-Laws with respect to notice of such meetings to the Owners or the Board of Directors, as the case may be. Any such Institutional Mortgagees shall be entitled to designate a representative to attend any such annual or special meeting of the Association and such representative may participate in the discussion at any such meeting and may, upon his request made to the chairman of the meeting in advance of the meeting, address the Owners or the Board of Directors, as the case may be, present at any such meeting. Such representative shall have no voting rights at any such meeting. Such representative shall be entitled to a copy of the minutes of all meetings of the Association and the Board of Directors upon request made in writing to the Secretary.

Section 6. Right to Pay Charges. First Mortgagees of any Lots may, jointly or singly, pay taxes, assessments or other charges which are in default and which may or have become a charge against any Common Area property and may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy, for such Common Area property and First Mortgagees making such payments shall be entitled to immediate reimbursement therefor from the Association.

Section 7. Right to Inspect Records. Any First Mortgagee may examine the books and records of the Association during reasonable business hours and may require submission of annual reports and other financial data compiled by the Association in the ordinary course of business.

Section 8. Actions Requiring Approval. (a) Unless at least two-thirds (2/3) of the First Mortgagees (based upon one vote for each first mortgage owned) of individual Lots in the Association have given their prior written approval, the Board of Directors and/or the Association shall not be entitled to:

(i) change the method of determining the obligations, assessments, dues or other charges which may be levied against an Owner;

(ii) by act or omission change, waive or abandon any scheme of regulations, or enforcement thereof, pertaining to the architectural design or the exterior appearance of Dwellings, the exterior maintenance of Dwellings, the maintenance of the Common Areas, or the upkeep of lawns and plantings in the Property;

(iii) fail to maintain fire and extended coverage on insurable Common Area property on a current replacement cost basis in an amount not less than one hundred percent (100%) of the insurable value (based on current replacement cost);

(iv) use hazard insurance proceeds for losses to any Common Area property for other than the repair, replacement or reconstruction of such property.

(v) Abandon or terminate this Declaration, or modify or amend any material or substantive provision of this Declaration or the By-Laws of the Association; except, however, such approval shall not be necessary in the event of expansion of the project, by the filing of a Supplemental Declaration of Covenants, Conditions and Restrictions, to include the property described in Exhibit B, any such expansion being governed solely by the provisions of Article VIII hereof.

(vi) Assume self-management by the Association when professional management has been previously employed or required by any Mortgage holder, guarantor or insurer.

(vii) Fail to make any restoration or repair the project, after a partial condemnation or damage due to an insurable hazard, substantially in accordance with the Declaration and original plans and specifications

(viii) by act or omission seek to abandon, partition, encumber, sell or transfer the Common Areas owned, directly or indirectly, by the Association; except, however, the granting of easements for public utilities or for other public purposes consistent with the intended use of such Common Areas by the Association shall not be deemed a transfer within the meaning of this clause.

ARTICLE XI

General Provisions

Section 1. Enforcement. The Association, and/or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration, and all decisions of the Association, and if such enforcing party shall prevail, it shall be entitled to an amount of all costs and reasonable attorneys' fees in connection with such enforcement action. 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 judgments or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 3. Amendment.

(a) The covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. Subject to such approvals as may be required by other provisions of this Declaration, this Declaration may be amended during the first twenty (20) year period by an instrument signed by Declarant, if Declarant owns any Lot, and by not less than seventy-five per cent (75%) of the other Lot Owners, and thereafter by an instrument signed by not less than seventy-five per cent (75%) of the Lot Owners. Any amendment must be recorded and takes effect immediately upon recordation.

(b) Notwithstanding anything contained in this Declaration to the contrary, for a period of five (5) years after the recordation date of this Declaration, Declarant reserves unto itself the right to amend this Declaration, without the necessity of obtaining the approval and signatures of a specific percentage of Lot Owners as hereinabove set forth in subsection (a), if such amendment is necessary to make this Declaration acceptable to and conform with the requirements of the VA, FHA, FNMA and/or FHLMC. Any amendment made pursuant to this Subsection shall be recorded and shall relate back to and take effect from the recordation date of this Declaration.

(c) It is intended that the Project satisfy applicable project approval requirements of the Federal National Mortgage Association ("FNMA") such that mortgages for Lots within the Property will be acceptable to FNMA. Accordingly, except as otherwise specifically provided for to the contrary in this Declaration: if, and only to the extent necessary to satisfy applicable requirements of FNMA, FNMA requires that a specific percentage of mortgage holders (or their insurers or guarantors) approve any material amendment to the Declaration or By-Laws, then no such material amendment shall be made to the Declaration or By-Laws without the approval of that percentage of mortgage holders (or their insurers or guarantors) then specified by FNMA.

Section 4. Federal Housing Administration and Veterans Administration Approval. As long as there is a Class B member and if any Lot is security for a Mortgage insured by the FHA or VA, the following actions will require the prior approval of the FHA and/or VA, as the case may be:

(a) abandon, partition, subdivide, encumber, sell or transfer any of the Common Areas and community facilities; provided, however, that the granting of rights-of-way, easements and the like for public utilities or for other purposes consistent with the use of the Common Areas and community facilities by the members of the Association shall not be considered a transfer within the meaning of this Section; or

(b) abandon or terminate this Declaration; or

(c) modify or amend any material or substantive provision of this Declaration or the By-Laws of the Association, except by the filing of a Supplemental Declaration of Covenants, Conditions and Restrictions as set forth in Article VIII (governed by the provisions of that Article) if development of the land described in the Supplemental Declaration is to take place in accordance with any plans which may have previously been approved by the FHA or VA.

Section 5. Limitation on Obligations. This Declaration shall not impose upon Declarant any obligation to construct any improvement referred to herein.

Section 6. Limitation on Liability. The liability of a Declarant or of an Owner to perform or observe the covenants, conditions and restrictions of this Declaration, including without limiting the generality of the foregoing, the liability for the payment of an assessment, shall be limited to those accruing during the period of such Declarant's or Owner's ownership of the Lot or other portion of the Property.

Section 7. Conflicts. In the case of any conflict between this Declaration, the Articles of Incorporation and the By-Laws of the Association, the Declaration shall control.

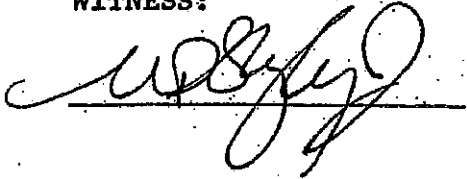
ARTICLE XIII

Additional Rights of Declarant

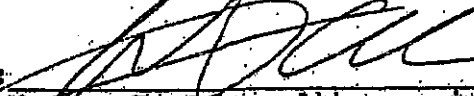
In view of the fact that the construction of the Fox Chase Townhouse development is one which will take Declarant several years to complete, Declarant, in addition to all rights reserved to it under this Declaration, and notwithstanding any other provision of the Declaration, specifically reserves the right to use any and all portions of the Property, excluding Common Area which may have previously been conveyed to the Association, for all reasonable purposes necessary or appropriate to the full and final completion of construction of the Fox Chase Townhouse development. Specifically, none of the provisions concerning architectural review and/or use restrictions shall in any way apply to any aspect of the Declarant's activities or construction, and notwithstanding any provisions of this Declaration, none of the aforesaid construction activities or any other activities associated with construction, sales management or administration of the Fox Chase Townhouse development shall be deemed noxious, offensive or a nuisance. Declarant reserves the right to store material, construction debris and trash during the construction period on the Property without keeping same in containers.

IN WITNESS WHEREOF, the undersigned being the Declarant have set their hands and seals, as of the day and year first above written.

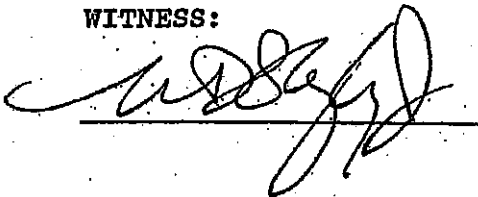
WITNESS:




ALBERT KISHTER

By:  (SEAL)
Merton E. Cohen, Attorney-in-Fact
per Power of Attorney recorded
at Book 5587, folio 708.

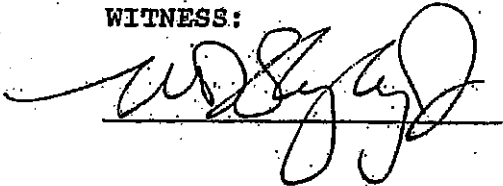
WITNESS:



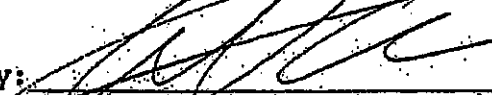
FANNIE B. KISHTER

By:  (SEAL)
Merton E. Cohen, Attorney-in-Fact
per Power of Attorney recorded
at Book 5587, folio 712.

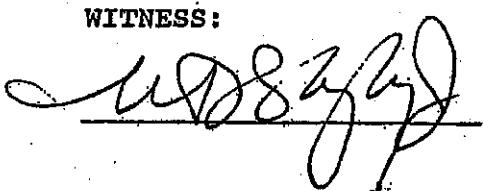
WITNESS:



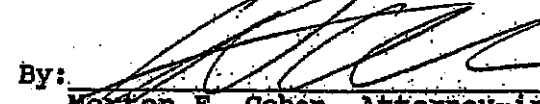
LEONARD J. ATTMAN

By:  (SEAL)
Merton E. Cohen, Attorney-in-Fact
per Power of Attorney recorded
at Book 5587, folio 716.

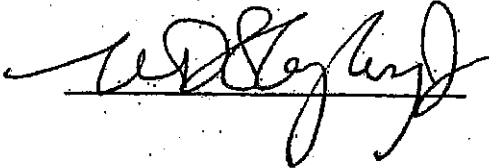
WITNESS:




PHYLLIS ATTMAN

By:  (SEAL)
Merton E. Cohen, Attorney-in-Fact
per Power of Attorney recorded
at Book 5587, folio 720.

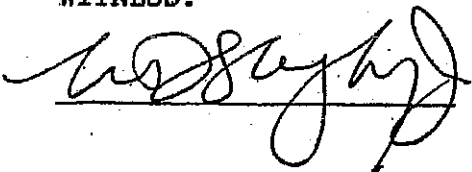
WITNESS:



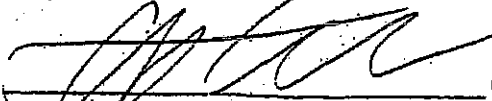
LOWELL R. GLAZER

By:  (SEAL)
Merton E. Cohen, Attorney-in-Fact
per Power of Attorney recorded
at Book 5587, folio 724.

WITNESS:



HARRIET L. GLAZER

By:  (SEAL)

Merton E. Cohen, Attorney-in-Fact
per Power of Attorney recorded
at Book 5587, folio 728.

WITNESS:

[Handwritten signature]

JACOB REALTY, INC.

By: *[Handwritten signature]* (SEAL)
Merton E. Cohen, Authorized Agent
per Appointment recorded
at Book 5587, folio 742.

WITNESS:

[Handwritten signature]

HARLOW REALTY, INC.

By: *[Handwritten signature]* (SEAL)
Merton E. Cohen, Authorized Agent
per Appointment recorded
at Book 5587, folio 737.

WITNESS:

[Handwritten signature]

LABYRINTH REALTY, INC.

By: *[Handwritten signature]* (SEAL)
Merton E. Cohen, Authorized Agent
per Appointment recorded
at Book 5587, folio 732.

STATE OF MARYLAND, COUNTY OF BALTIMORE, TO WIT:

I HEREBY CERTIFY that on this 11th day of February, 1993, before me, the subscriber, a Notary Public in and for the State aforesaid, personally appeared MERTON E. COHEN, who acknowledged himself to be the attorney-in-fact for ALBERT KISHTER, FANNIE B. KISHTER, LEONARD J. ATTMAN, PHYLLIS ATTMAN, LOWELL R. GLAZER, and HARRIET L. GLAZER (collectively, the "Principals"), and authorized agent for JACOB REALTY, INC., LABYRINTH REALTY, INC. and HARLOW REALTY, INC. (collectively, the "Corporations"), and he further acknowledged that being authorized to do so, he executed the foregoing Declaration for and on behalf of the aforesaid Principals and Corporations for the purposes herein contained.

AS WITNESS my hand and Notarial Seal.

[Handwritten signature]
Notary Public

My Commission Expires:

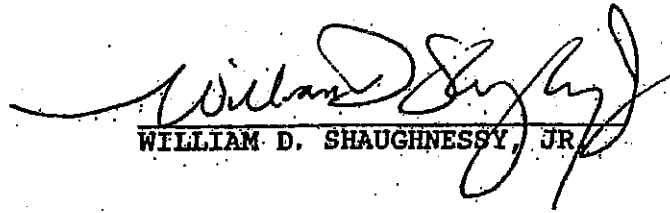


WILLIAM D. SHAUGHNESSY, JR.
Notary Public, Baltimore County,
Maryland
My Commission Expires: 9/26/94

BOOK 5959 PAGE 064

CERTIFICATION

I hereby certify that the foregoing instrument was prepared by or under the supervision of the undersigned, an attorney admitted to practice before the Court of Appeals of Maryland.


WILLIAM D. SHAUGHNESSY, JR.

CLERK - After recordation
return to:

William D. Shaughnessy, Jr.
20 S. Charles Street
10th Floor-Sun Life Building
Baltimore, Maryland 21201

BOOK 5959 PAGE 065

EXHIBIT A
TO DECLARATION

Description of property to be initially subjected to
Covenants.

All those areas shown and depicted on Plat 4 of 12 of a
Plat entitled "A Townhouse Subdivision: SECTION FOUR FOX CHASE
PHASE ONE - A", consisting of twelve sheets, dated March, 1991,
and recorded among the Plat Records of Anne Arundel County,
Maryland in Plat Book 153, Pages 20 as Plat Nos.
8273.

EXHIBIT B
TO DECLARATION

Description of property which may be annexed into development.

(1) All or any portion of those areas (exclusive of public roads) shown and designaed on the following plat:

Plat entitled "A Townhouse Subdivision: SECTION FOUR FOX CHASE PHASE ONE - A", consisting of twelve sheets, dated March, 1991, and recorded among the Plat Records of Anne Arundel County, Maryland in Plat Book 153, Pages 17-28 as Plat Nos. 8240-8251, the area of such Plat being included within the property described in Rider I attached hereto and incorporated by reference herein.

(2) Any or all of that property described in Rider I attached hereto and incorporated by reference herein.

OUTLINE DESCRIPTION OF 21.579 ACRES
 A TOWNHOUSE SUBDIVISION
 NORTH OF B.G. & E. RIGHT-OF-WAY
 FOX CHASE, SECTION FOUR, PHASE ONE-A
 THIRD DISTRICT
 ANNE ARUNDEL COUNTY, MARYLAND

JRB/caw
 0486005D.1
 1/16/92

Beginning for the same at a point on the north side of Hospital Drive 80 feet wide, at a point designated #39 as shown on plat 3 of 12 Fox Chase, Section Four, Phase One-A, thence leaving the said north side of Hospital Drive and running with and binding on part of the outline of Plat 3 of 12 firstly mentioned above and referring the course of the description contained herein to the Maryland State Grid Meridian,

- 1.) South 89° 22' 15" East 44.83 feet, thence
- 2.) North 52° 54' 51" East 50.83 feet, thence
- 3.) North 67° 03' 07" West 138.68 feet, thence
- 4.) North 31° 10' 07" West 141.45 feet, thence
- 5.) North 30° 13' 49" East 75.31 feet, to the south side of Maryland Route 100 variable width right of way, thence running with and binding on the south side of said right of way the following five (5) courses and distances, viz;
- 6.) South 65° 37' 42" East 263.27 feet,
- 7.) North 83° 24' 28" East 81.63 feet,
- 8.) South 65° 37' 42" East 50.00 feet,
- 9.) South 56° 48' 56" East 130.54 feet,
- 10.) South 65° 37' 42" East 175.46 feet, to Point #58 thence continuing with Maryland Route 100 as aforesaid and also with part of the outline of Plat 4 of 12 Fox Chase, Section Four, Phase One-A

RIDER I to EXHIBIT B TO DECLARATION (7 pages)

Fox Chase
0486005D.1

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January 16, 1992

- 11.) South $65^{\circ} 37' 42''$ East 298.41 feet, thence
- 12.) South $63^{\circ} 40' 55''$ East 86.27 feet, to Point #65. Thence continuing with Maryland Route 100 as aforesaid and also with part of the outline of plat 6 of 12 Fox Chase, Section Four, Phase One-A,
- 13.) South $63^{\circ} 40' 55''$ East 60.95 feet, thence
- 14.) South $65^{\circ} 37' 42''$ East 250.00 feet, thence
- 15.) South $62^{\circ} 11' 41''$ East 100.18 feet, to Point #1107 thence continuing with Maryland Route 100 as aforesaid and also with part of the outline of Plat 7 of 12 Fox Chase, Section Four, Phase One-A
- 16.) South $65^{\circ} 37' 42''$ East 300.00 feet, thence
- 17.) South $66^{\circ} 57' 54''$ East 228.34 feet, to Point #1111 on the west right of way line of the Baltimore Gas and Electric Company transmission line recorded among the land records of Anne Arundel County, Maryland in Liber G.T.C. 1090 at Folio 355. Thence running with and binding on said west right of way line mentioned above
- 18.) South $62^{\circ} 21' 42''$ West 610.75 feet, to Point #77 thence continuing with said right of way line and also part of Plat 8 of 12 Fox Chase, Section Four, Phase One-A
- 19.) South $62^{\circ} 21' 42''$ West 549.68 feet, to Point #644 on the east side of Hospital Drive 80.00 feet wide, thence running with and binding on the east side of Hospital Drive as aforesaid
- 20.) North $29^{\circ} 42' 46''$ West 100.07 feet, to point #5075 thence continuing

Fox Chase
0486005D.1

January 16, 1992

21.) North 29° 42' 46" West 169.09 feet, to Point #66 thence continuing with the East side of Hospital Drive as aforementioned and also with and part of outline of Plat 5 of 12, Fox Chase, Section Four, Phase One-A

22.) North 29° 42' 46" West 374.99 feet, to point #59 continuing with the East side of Hospital Drive as aforementioned and also part of the outline of Plat 4 of 12, Fox Chase, Section Four, Phase One-A

23.) North 29° 42' 46" West 193.00 feet, to Point #5452, thence continuing with The East side of Hospital Drive as aforementioned and Plat 4 of 12 and also part of Plat 3 of 12, Fox Chase, Section Four, Phase One-A

24.) 481.31 feet, along the arc of a curve to the left having a radius of 1140.00 feet, being subtended by a chord bearing of North 41° 48' 29" West 477.74 feet, to the point of beginning

CONTAINING 21.579 acres of land more or less.

BEING part of those parcels of land which by deed dated January 28, 1964, and recorded among the Land Records of Anne Arundel County, Maryland in Liber L.N.P. 1727 at Folio 514, were granted and conveyed by Welsh Homes, Incorporated, to Phyllis Realty, Inc., Harriet Realty, Inc., and Fran Realty, Inc.

BEING also part of those Parcels of Land which by deed dated March 25, 1971, and recorded among the aforementioned Land Records in Liber M.S.H. 2395 at Folio 454, were granted and conveyed by Fran Realty, Inc., Phyllis Realty, Inc., and Harriet Realty, Inc.,

Fox Chase
0486005D.1

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January 16, 1992

PASADENA, MARYLAND

to Albert Kishter, Et. AL.

(Fran Realty, Inc., is now known as Jacob Realty, Inc., by virtue of a merger dated September 11, 1980, and recorded among the corporate records of the Maryland State Department of Assessments and Taxation in Liber F2485 at Folio 2189)

(Phyllis Realty, Inc., is now known as Labyrinth Realty, Inc., by virtue of a merger dated September 11, 1980, and recorded among the corporate records of the Maryland State Department of Assessments and Taxation in Liber F2485 at Folio 2193)

(Harriet Realty, Inc., is now known as Harlow Realty, Inc., by virtue of a Merger dated September 11, 1980, and recorded among the Corporate Records of the Maryland State Department of Assessments and Taxation in Liber F2485 at Folio 2197)

Being also part of that parcel of land which by deed dated July 15, 1974, and recorded among the aforementioned Land Records in Liber W.G.L. 2694 at Folio 472, was granted and conveyed by J. Phelps Hand, Jr., Et. Al., to Albert A. Kishter, Et. Al.

BEING also part of that parcel of land which by deed dated March 14, 1975, and recorded among the aforementioned Land Records in Liber W.G.L. 2742 at Folio 263, was granted and conveyed by the Baltimore Gas & Electric Company to Albert A. Kishter Et. Al.

1/16/92
JRB/caw
0486005D

OUTLINE DESCRIPTION OF 13.787 ACRES
A TOWNHOUSE SUBDIVISION
SOUTH OF B.G. & E. RIGHT-OF-WAY
FOX CHASE, SECTION FOUR, PHASE ONE-B
THIRD DISTRICT
ANNE ARUNDEL COUNTY, MARYLAND

Beginning for the same at point #53 as shown on plat 9 of 12, Fox Chase, Section Four, Phase One, said point being on the North right-of-way line of Hospital Drive 80.00 feet wide and also being on the East side of the Baltimore Gas & Electric Company Transmission Line Right-Of-Way, thence running with and binding on the East right-of-way line of B.G. & E mentioned above and also part of the outlines of plats 9 of 12, 11 of 12, and 12 of 12, Fox Chase, Section Four, Phase One, Unrecorded, referring the courses of the description herein to the Maryland State Grid Meridian,

1.) North $62^{\circ} 21' 42''$ East 1250.13 feet, to point #1113 on the South Side of Maryland Route 100 variable width right-of-way, thence running with and binding on the South side of Maryland Route 100 mentioned above,

2.) South $65^{\circ} 37' 42''$ East 71.44 feet, to point #1114 thence leaving Maryland Route 100 aforementioned and running with part of the outline of Plat 12 of 12, 11 of 12, and 10 of 12, Fox Chase, Section Four, Phase One

3.) South $26^{\circ} 01' 32''$ West 1380.48 feet, to point #1200 on the North side of Hospital Drive 80.00 feet wide, thence running with and binding on the North side of Hospital Drive,

Fox Chase
0486005D

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January 16, 1992

PABADENA, MARYLAND

4.) 38.95 feet, along the arc of a curve to the left having a radius of 1362.01 feet, being subtended by a chord bearing of North 39° 30' 01" West 38.94 feet, thence.

5.) North 40° 18' 53" West 180.49 feet, thence

6.) North 38° 06' 19" East 0.19 feet, thence still with Hospital Drive as aforesaid, and part of the outline of Plat 9 of 12, Fox Chase, Section Four, Phase One

7.) North 40° 17' 55" West 476.69 feet, thence

8.) 197.34 feet, along the arc of a curve to the right having a radius of 1460.00 feet, being subtended by a chord bearing of North 36° 25' 35" West 197.19 feet, to the point of beginning,

CONTAINING 13.787 acres of land, more or less.

BEING part of those parcels of land which by deed dated January 28, 1964, and recorded among the Land Records of Anne Arundel County, Maryland in Liber L.N.P. 1727 at Folio 514, were granted and conveyed by Welsh Homes, Incorporated, to Phyllis Realty, Inc., Harriet Realty, Inc., and Fran Realty, Inc.

BEING also part of those Parcels of Land which by deed dated March 25, 1971, and recorded among the aforementioned Land Records in Liber M.S.H. 2395 at Folio 454, were granted and conveyed by Fran Realty, Inc., Phyllis Realty, Inc., and Harriet Realty, Inc., to Albert Kishter, Et. AL.

(Fran Realty, Inc., is now known as Jacob Realty, Inc., by virtue of a merger dated September 11, 1980, and recorded among the

Fox Chase
0486005D

3

PABADENA, MARYLAND
January 16, 1992.

corporate records of the Maryland State Department of Assessments and Taxation in Liber F2485 at Folio 2189)

(Phyllis Realty, Inc., is now known as Labyrinth Realty, Inc., by virtue of a merger dated September 11, 1980, and recorded among the corporate records of the Maryland State Department of Assessments and Taxation in Liber F2485 at Folio 2193)

(Harriet Realty, Inc. is now known as Harlow Realty, Inc., by virtue of a Merger dated September 11, 1980, and recorded among the Corporate Records of the Maryland State Department of Assessments and Taxation in Liber F2485 at Folio 2197).

Being also part of that parcel of land which by deed dated July 15, 1974, and recorded among the aforementioned Land Records in Liber W.G.L. 2694 at Folio 472, was granted and conveyed by J. Phelps Hand, Jr., Et. Al., to Albert A. Kishter, Et. Al.

BEING also part of that parcel of land which by deed dated March 14, 1975, and recorded among the aforementioned Land Records in Liber W.G.L. 2742 at Folio 263, was granted and conveyed by the Baltimore Gas & Electric Company to Albert A. Kishter Et. Al.

AFTER RECORDATION, RETURN TO:

W. D. SHAUGHNESSY, JR., ESQ.
SUN LIFE BLDG., 10th FLOOR
20 S. CHARLES ST.
BALTIMORE, MD 21201

7 of 7

AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS

THIS AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS (the "Amendment"), made as of the 26th day of May, 1993, by ALBERT A. KISHTER, FANNIE B. KISHTER, LEONARD J. ATTMAN, PHYLLIS L. ATTMAN, LOWELL R. GLAZER, HARRIET L. GLAZER, JACOB REALTY, INC., LABYRINTH REALTY, INC. and HARLOW REALTY, INC. (hereinafter collectively referred to as "Declarant").

WHEREAS, by way of a Declaration of Covenants, Conditions and Restrictions, dated February 24, 1993, and recorded among the Land Records of Anne Arundel County, Maryland at Book 5959, Page 027 (the "Declaration"), Declarant did establish a set of covenants on property described in Exhibit A to such Declaration, all as more fully provided in such Declaration; and

WHEREAS, Declarant is owner of all of the lots which are subject to the Declaration, and Declarant desires to make various minor changes to the Declaration so that the project can be approved by FHA.

NOW, THEREFORE, the Declarant hereby amends the Declaration as follows:

1. In the second sentence of Article II, Section 1(c) of the Declaration, the phrase "of each class of members" shall be deleted, and the phrase "of the Lot Owners (excluding the Developer)" shall be inserted in lieu thereof.

2. In the first sentence of Article II, Section 1(d) of the Declaration, the phrase "of each class of members" shall be deleted, and the phrase "of the Lot Owners (excluding the Developer)" shall be inserted in lieu thereof.

3. The following sentence shall be inserted at the end of Article II, Section 3 of the Declaration:

Notwithstanding anything to the contrary contained in the Declaration, Common Area owned by the Association shall not be mortgaged or conveyed without the consent of two-thirds of the Lot Owners (excluding the Developer).

4. Immediately following the end of Section 12 of Article IV of the Declaration, the following new Section shall be added:

Section 13. Mortgages and Non-Payment of Assessments. Nothing herein shall be deemed to require that any mortgagee collect

assessments from the Owner of a Lot. Failure to pay any assessments shall not constitute a default under a mortgage insured by FHA or VA.

5. The following sentence shall be inserted at the end of Article IX, Section 4 of the Declaration:

If ingress or egress to any residence on a Lot is through the Common Area, then any conveyance or encumbrance of such Common Area is subject to the Lot Owner's easement.

6. In Article XI, Section 3(a) of the Declaration, the second sentence thereof (beginning with the words "Subject to . . ." and ending with the words ". . . the Lot Owners.") shall be deleted in its entirety and the following sentence shall be inserted in lieu thereof:

Subject to such approvals as may be required by other provisions of this Declaration, this Declaration may be amended by an instrument signed by not less than seventy-five percent (75%) of the Lot Owners.

7. Section 4 of Article XI of the Declaration shall be deleted in its entirety, and the following shall be inserted in lieu thereof:

Section 4. Federal Housing Administration and Veterans Administration Approval. As long as there is a Class B member, the following actions will require the prior approval of the FHA and/or VA, as the case may be:

(a) abandon, partition, subdivide, encumber, sell, dedicate, or transfer any of the Common Areas and community facilities; provided, however, that the granting of rights-of-way, easements and the like for public utilities by the members of the Association shall not be considered a transfer within the meaning of this Section; or

(b) annexation of additional property;
or

(c) abandon or terminate this Declaration; or

(d) modify or amend this Declaration.

All terms not defined in this Amendment shall have the same meaning as ascribed to them in the Declaration. This Amendment shall be effective upon recordation among the Land Records of Anne Arundel County. Except and as modified herein, the Declaration remains in full force and effect.

IN WITNESS WHEREOF, the Declaration has caused this instrument to be executed as of day and year first above written.

DECLARANT:

Albert A. Kishter
Fannie B. Kishter
Leonard J. Attman
Phyllis L. Attman
Lowell R. Glazer
Harriet L. Glazer

By: 

Merton E. Cohen, Attorney-in-Fact
pursuant to Powers of Attorney
recorded at Book 5587, Pages 708-
731, as from time to time ratified
and confirmed.

Jacob Realty, Inc.
Harlow Realty, Inc.
Labyrinth Realty, Inc.

By: 

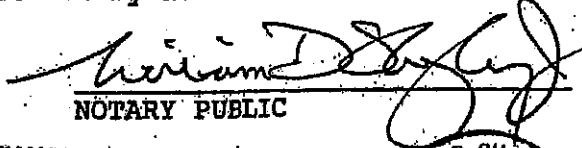
Merton E. Cohen, Authorized Agent
pursuant to Appointments recorded
at Book 5587, Pages 732-746, as
from time to time ratified and
confirmed.

STATE OF MARYLAND, COUNTY OF BALTIMORE, to wit:

I HEREBY CERTIFY that on this 27th day of May, 1993, before me, the subscriber, a Notary Public in and for the State aforesaid, personally appeared Merton E. Cohen, who acknowledged himself to be the Attorney-in-Fact for Albert A. Kishter, Fannie B. Kishter, Leonard J. Attman, Phyllis L. Attman, Lowell R. Glazer, and Harriet L. Glazer (collectively, the "Principals") and the Authorized Agent

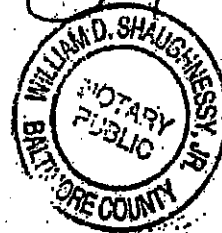
for Jacob Realty, Inc., Harlow Realty, Inc., and Labyrinth Realty, Inc. (collectively the "Corporations"), and he further acknowledged that being authorized so to do, he executed the foregoing Amendment for and on behalf of the aforesaid Principals and Corporations for the purposes herein contained.

AS WITNESS, I have hereunto set my hand and Notarial Seal.


NOTARY PUBLIC

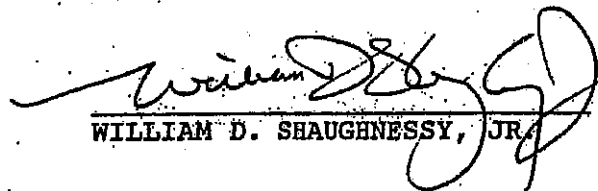
WILLIAM D. SHAUGHNESSY, JR.
Notary Public, Baltimore County,
Maryland
My Commission Expires: 8/26/94

My Commission Expires: _____



CERTIFICATION

I HEREBY CERTIFY THAT THE FOREGOING INSTRUMENT WAS PREPARED BY OR UNDER THE SUPERVISION OF THE UNDERSIGNED, AN ATTORNEY ADMITTED TO PRACTICE BEFORE THE COURT OF APPEALS OF MARYLAND.


WILLIAM D. SHAUGHNESSY, JR.

Clerk: After recordation, please return to:

William D. Shaughnessy, Jr., Esquire
20 South Charles Street
10th Floor, Sun Life Building
Baltimore, Maryland 21201
(410) 539-6967

EXHIBIT 3

Recorded covenants (other than the Declaration attached as Exhibit 2) relating to the development.

See attached Schedules "B-2" from existing title insurance policies.

SCHEDULE "B-2"

AS TO PARCEL ONE

- b) Subject to and together with the rights, duties and obligations regarding the construction, operation and maintenance of a power transmission line, contained in three (3) Deeds to Baltimore Gas and Electric Company (1) dated September 7, 1956 and recorded among the Land Records aforesaid in Liber 1063, folio 502 (2) dated December 28, 1956 and recorded in Liber 1090, folio 355 and (3) dated March 19, 1956 and recorded in Liber 1010, folio 307.
- c) Route 177 is a denied access highway and this commitment/policy in no way guarantees the insured direct access to said right of way.
- d) Subject to two Subdivision Agreements between Leonard J. Attman and Anne Arundel County, Maryland dated November 17, 1974 and November 6, 1974 and recorded among the aforesaid in Liber 2716, folios 231 and 593, respectively.
- e) Subject to a fifteen foot (15') sanitary sewer easement as shown on the Plats entitled "SOUTHGATE VILLAGE, SECTION NO. 1, PLATS 1 AND 2," which Plats are recorded among the aforesaid in Plat Book 58, folios 10 and 11, and as shown on a Plat entitled "SECTION 3, THE HIGHLANDS," which Plat is recorded among the aforesaid in Plat Book 33, folio 19.
- f) Subject to a fifteen foot (15') wide sanitary sewer line established by Easement and Agreement by and between Mercantile Safe-Deposit and Trust Company, -Trustee and the Anne Arundel County Sanitary Sewer Commission dated January 9, 1983 and recorded among the aforesaid in Liber 1626, folio 277.
- g) Subject to the right to construct, operate and maintain lines of telephone and telegraph as recorded in Libers 131, folio 180; Liber 135, folio 466 and Liber 388, folio 444.
- h) Subject to an easement and right of way for the construction, installation and maintenance of a sewer main and appurtenances thereto by virtue of an Easement and Agreement between Welsh Homes, Inc. and the Anne Arundel County Sanitary Commission dated November 7, 1962 and recorded among the Land Records of Anne Arundel County, Maryland in Liber 161, folio 141.

SCHEDULE "B-2" continued...

- i) Subject to a twenty-five foot (25') wide sanitary sewer easement running along the northerly line of Parcel no. 1 set out herein.

AS TO PARCEL TWO

- j) Subject to and together with the rights, duties and obligations regarding the construction, operation and maintenance of a power transmission line, contained in three (3) Deeds to Baltimore Gas and Electric Company (1) dated September 7, 1956 and recorded among the Land Records aforesaid in Liber 1063, folio 502 (2) dated December 28, 1956 and recorded in Liber 1090, folio 355 and (3) dated March 19, 1956 and recorded in Liber 1010, folio 307.
- k) Subject to the right to lay, construct and maintain three (3) fifteen foot (15') wide storm drains and one (1) thirty foot (30') storm drain and the right to discharge storm water by virtue of a Deed dated March 23, 1977 by and between Fran Realty, Inc., et al, and Anne Arundel County, Maryland as recorded in Liber WGL No. 3336, folio 168, and as shown on Plat recorded in Plat Book 58, folio 13.
- l) Route 177 is a denied access highway and this commitment/policy in no way guarantees the insured direct access to said right of way.
- m) Subject to the right to construct and maintain snow fences and drainage ditches as set forth in instrument recorded in Liber 1758, folio 201 and supporting slope easements as set forth in Maryland State Roads Commission Plats 25634 and 25635.
- n) Subject to two Subdivision Agreements between Leonard J. Attman and Anne Arundel County, Maryland dated November 1, 1974 and November 6, 1974 and recorded among the aforesaid in Liber 2716, folios 231 and 593, respectively.
- o) Subject to a fifteen foot (15') sanitary sewer easement as shown on Plat entitled "SOUTHGATE VILLAGE, SECTION NO. 1, PLAT NO. 3," which Plat is recorded among the aforesaid Land Records in Plat Book 58, folio 12.

SCHEDULE "B-2" continued...

- p) Subject to sixty foot (60') right of way created by a Declaration made by Phyllis Realty, Inc., et al, dated February 8, 1972 and recorded among the aforesaid Land Records in Liber 2467, folio 884.
- q) Subject to the right to construct, operate and maintain lines of telephone and telegraph by virtue of the following instruments: recorded among the Land Records of Anne Arundel County, Maryland in Liber 138, folio 11; Liber 139, folio 265; Liber 135, folio 466; Liber 131, folio 180 and Liber 388, folio 444.

As to both Parcels 1 and 2:

Subject to the legal operation and effect of a Deed of Trust securing Regal Savings & Loan Association recorded among the Land Records of Anne Arundel County in Liber WGL No. 2795, folio 314.

0608X

FoxChase - Section IV

Parcel 3

SCHEDULE "B-2"

- b) Subject to two Subdivision Agreements between Leonard J. Attman and Anne Arundel County, Maryland dated November 1, 1974 and November 6, 1974 and recorded among the aforesaid in Liber 2716, folios 231 and 593, respectively.
- c) Subject to a fifteen foot (15') wide sanitary sewer line established by Easement and Agreement by and between Mercantile Safe-Deposit and Trust Company, Trustee and the Anne Arundel County Sanitary Sewer Commission dated January 9, 1983 and recorded among the aforesaid in Liber 1626, folio 277.
- d) Subject to sixty foot (60') right of way created by a Declaration made by Phyllis Realty, Inc., et al, dated February 8, 1972 and recorded among the aforesaid Land Records in Liber 2467, folio 884.
- e) Subject to a right of way granted to The Chesapeake and Potomac Telephone Company of Baltimore City, for the right to construct, operate and maintain lines of telephone and telegraph, by Alton Arnold and wife, dated May 1, 1918 and recorded among the aforesaid Land Records in Liber 138, folio 11.
- f) Subject to a right of way granted to The Chesapeake and Potomac Telephone Company of Baltimore City for the right to construct, operate and maintain lines of telephone and telegraph, by James S. Robinson, Jr., Trustee, for the heirs of James S. Robinson, Sr., dated April 17, 1918 and recorded among the aforesaid Land Records in Liber GW 139, folio 265.
- g) Subject to the notes, easements and setbacks as shown on the Plats entitled "Plat One of Seven thru Seven of Seven, Phase Three, FOX CHASE", as recorded among the Land Records of Anne Arundel County in Plats 6831 thru 6837, Plat Book 131, folios 8 thru 14, inclusive.

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Foxchase III

