

THE TOWNHOMES AT ELLENDALE CONDOMINIUM, INC.

DECLARATION

THIS CONDOMINIUM DECLARATION is made this 28th day of March, 2008, by Reliable Development Company, LLC, a Maryland limited liability company having an address 1 Churchview Road, Millersville, Maryland 21108 ("Declarant").

WHEREAS, Declarant holds the fee simple title to the Land hereinafter described and desires to subject said Land, together with the Buildings and improvements erected or to be erected thereon, and all rights, alleys, ways, waters, privileges, appurtenances and advantages thereunto belonging, or in anywise appertaining, including the hereinafter described rights-of-ways, to a residential condominium regime to be comprised of up to 174 Units, as provided for in the Maryland Condominium Act, and hereby to establish for the property, a residential condominium regime to be known as "THE TOWNHOMES AT ELLENDALE."

NOW, THEREFORE, THIS CONDOMINIUM DECLARATION WITNESSETH: That Declarant, for itself, its successors and assigns, does hereby expressly establish and declare the following:

ARTICLE 1
DEFINITIONS

Any words not defined in this Article 1 or elsewhere in this Condominium Declaration shall have the meanings given to them in the Neighborhood Declaration. As used in this Condominium Declaration and the Condominium By-laws attached hereto and incorporated herein or otherwise resulting from necessary implication, the following terms shall have the meanings herein ascribed thereto:

1.1. "Assessment" and, more particularly, "Annual Assessments" and "Special Assessments", mean and include the assessment levied annually against the Units pursuant to Article 7 of this Condominium Declaration.

1.2. "Authority" means Queen Anne's County, Maryland, the State of Maryland, or another governmental or quasi-governmental entity having jurisdiction over any of The Townhomes at Ellendale, the Development Area, or the Condominium Assets, or any entity, utility company, gas, fuel oil or other energy distributor, telecommunications company or other company which provides a utility service.

1.3. "Builder" means any person or entity, which shall, in the ordinary course of such person's business, construct a dwelling on a Townhouse Lot (as said term is defined in the Neighborhood Declaration) and sell or lease it to another person to occupy as such person's residence.

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1.4. **"Building"** means and includes each building, if any, hereafter subjected to the condominium regime as provided in Article 9 hereof. The architectural, mechanical and other drawings for the Townhouse Buildings, and the architectural, mechanical and other drawings for any Buildings hereafter added to the Condominium, shall be filed by Declarant, and forever maintained by the Council of Unit Owners, at the principal office of the Condominium. **"Townhouse Building"** means and includes each of those 10 buildings, the sum of which contains a total of 54 Units, as the same are shown on the Condominium Plat as Phase 1.

1.5. **"Charter"** means the Council of Unit Owners' Articles of Incorporation dated April 2, 2008 and filed with the State Department of Assessments and Taxation of Maryland, as amended from time to time.

1.6. **"Common Expense"** means any (a) real property tax and/or Assessment levied against a Common Element or Condominium Asset, (b) other current, capital or other expense incurred by the Council of Unit Owners in owning, operating, maintaining, improving, repairing or otherwise dealing with a Common Element or other Condominium Asset, or otherwise, if pursuant to the Condominium Documents, (c) the cost of keeping in force liability insurance and property damage insurance covering the Condominium, (d) the cost of any accounting necessary to maintain a system of books and records as described in the By-Laws, or (e) sum which it elects to place in a Reserve Fund.

1.7. **"Common Profit(s)"** means and includes the profit(s) of the Council of Unit Owners, if any.

1.8. **"Common Receipts"** means all sums beneficially received or derived by the Council of Unit Owners in any manner whatsoever, including but not limited to any income which it receives from leasing or licensing the use of Condominium Assets, as interest or dividends, or through payment of an Assessment.

1.9. **"Condominium"** means and includes the Land and Buildings, together with all improvements, fixtures, and structures erected thereon or therein, and all rights, ways, easements, privileges and appurtenances thereunto belonging, or in anywise appertaining, including all space in, upon, above or below the foregoing, all, however, subject to the following:

1.9.1. Covenants, conditions and restrictions set forth in the Neighborhood Declaration which provides for the levying of Annual and Special Assessments against the Units within this Condominium, the interpretation, and the administration and enforcement of the regulations and architectural control over certain improvements proposed to be constructed by Declarant, any Builder, Unit Owner or the Council of Unit Owners.

1.9.2. Covenants, conditions and restrictions contained in the Neighborhood Declaration reserving the right to approve the addition or alteration of any improvements to the ground in the Development Area, and governing the manner in which said ground is to be maintained.

1.9.3. Setbacks, easements, conditions and other matters shown on any of the plats mentioned in this Article 1 of this Condominium Declaration or in any of the exhibits attached hereto.

1.9.4. Easements and agreements of public record concerning (A) electricity, gas, water, sanitary sewer, and other public and private utilities, and (B) storm water drainage and management.

1.10. **"Condominium Asset"** means any General Common Element or other real or personal property legally or beneficially owned by the Council of Unit Owners.

1.11. **"Condominium Board"** means and includes the board of directors of the Council of Unit Owners, who are charged with the government and administration of the affairs of the Condominium.

1.12. **"Condominium By-Laws"** means and includes the Condominium By-Laws Recorded immediately after this Condominium Declaration, as said Condominium By-Laws may, from time to time, be amended.

1.13. **"Condominium Declaration"** means and includes this Condominium Declaration, as said Declaration may, from time to time, be amended.

1.14. **"Condominium Documents"** means and includes this Condominium Declaration, the Condominium By-Laws and the Condominium Plat, and all rules and regulations adopted pursuant to the Condominium By-Laws.

1.15. **"Condominium Plat"** means and includes the plat prepared by Lane Engineering, LLC entitled "Ellendale, Phase 1, Residential Condominium Plat," dated February 11, 2008 and Recorded, as said Condominium Plat may, from time to time, be amended.

1.16. **"Council of Unit Owners"** means The Council of Unit Owners of the Townhomes at Ellendale, Inc., a Maryland nonstock corporation, its successors, and each assignee of its rights. The Council of Unit Owners is comprised of all Unit Owners.

1.17. **"Declarant"** means Reliable Development LLC, a Maryland limited liability company, and its successors and assigns to whom it may expressly (a) convey or otherwise transfer all right, title and interest in the Land as an entirety, without reservation of any kind; or (b) transfer, set over and assign all right, title and interest under this Condominium Declaration, or any amendment or modification thereof, as Declarant.

1.18. **"Development Area"** means and includes all that Land within The Townhomes at Ellendale, and any additional Land Declarant annexes to the Condominium.

1.19. **"Easement Area"** means and includes, but is not limited to, those public water, sewer, utility and forest conservation easements shown on the Condominium Plat.

1.20. **"Eligible Mortgagee"** means and includes each mortgagee who (a) holds a First Mortgage on a Unit, and (b) is eligible to receive the notices and information as set forth herein.

1.21. **"First Mortgage"** means and includes a Mortgage with priority over all other Mortgages.

1.22. **"General Common Element(s)"** means and includes all the Land and improvements within the Condominium, excluding all Units and Limited Common Elements, and including, without limitation, all parts of the Condominium, if any, necessary or convenient to the maintenance, care, safety and operation of the Condominium or to the use of the Condominium by the Unit Owners in common. Without limitation, a side yard along any Building shall be a General Common Element.

1.23. **"Land"** means and includes all that tract of ground, located in the Fourth Election District of Queen Anne's County, Maryland, all of which is more particularly described in Exhibit A attached hereto, subject, however, to those rights and easements in favor of Declarant set forth in the Neighborhood Declaration. The term "Land" also means and includes each Phase, if any, hereafter subjected to this condominium regime as provided in Article 8 hereof.

1.24. **"Limited Common Element(s)"** means and includes only those Limited Common Elements, if any, identified herein or on the Condominium Plat, as reserved for the exclusive use of one or more, but less than all, of the Unit Owners.

Specifically, the Limited Common Elements include particularly, but not by way of limitation, the following Limited Common Elements appurtenant to the Units in each (if more than one) Townhouse Building: (a) all stairs, stairways, porches, common entrances and exits to and from the Units, if any; (b) all central and appurtenant installations, including meter enclosures, for utilities and services, including power, light, electricity, telephone, water, sewerage, ventilation, and plumbing (excluding the sprinkler systems, which will be a part of each Unit), together with all pipes, lines, ducts, wires, cables, conduits, fixtures, facilities, equipment and installations used in connection with the foregoing, including, among other things, those located within a Townhouse Building for the service of more than one Unit or for the service of a Unit other than the one in which located; and, (c) an easement running between (i) the sheetrock drop ceiling or bulkhead ceiling of each Unit and (ii) the upper boundary of a Townhouse Unit, for mechanical, electrical and other utilities.

Additionally, the Limited Common Elements shall include:

1.24.1. the rear yard or paved area of a Unit, consisting of the space which is bounded on its front by the rear plane of such Unit, on its bottom by the ground, on its two (2) perimetrical sides by extensions of the two (2) side planes of the Unit to the lines of intersection of such extensions with the rear plane of such space, on its rear by a vertical plane intersecting the ground at the edge of the alley behind the Unit, and on its top, the sky; and

1.24.2. the front yard of a Unit, consisting of the space which is bounded on its rear by the front plane of the Unit, on its bottom by the ground, on its two (2) perimetrical sides

by extensions of the (2) side planes of the Unit to the lines of intersection of such extensions with the front plane of such space, on its front by a vertical plane intersecting the ground at the right of way line in front of the Unit, and on its top, the sky; and

1.24.3. the ground underlying all of the spaces referred to in the foregoing paragraphs 1.24.1 and 1.24.2.

1.25. **"Majority of the Condominium Board"** means the vote of a majority of the directors present in person or by proxy at a meeting at which a quorum is present.

1.26. **"Majority of the Unit Owners"** means the vote of the Unit Owners present in person or by proxy and voting representing 51% of the votes at that meeting, unless the question is one upon which, by express provision of the Maryland Condominium Act, this Condominium Declaration or the Condominium By-Laws, a different vote is required, in which case such express provision shall govern and control. No Unit Owner shall be eligible to vote at any annual or special meeting of the Council of Unit Owners if the Council of Unit Owners has recorded a Statement of Condominium Lien against said Owner's Unit and the amount necessary to release the lien has not been paid at the time of the meeting.

1.27. **"Manager"** means and includes the Person from time to time employed by the Council of Unit Owners to administer or supervise the Condominium. If the Council of Unit Owners does not employ a Person to administer or supervise the Condominium, then the Condominium Board shall be deemed the Manager. If the Unit Owners fail to elect a Condominium Board, however, then the Council of Unit Owners shall be deemed the Manager.

1.28. **"Maryland Condominium Act"** means and refers to Title 11 of the Real Property Article of the Annotated Code of Maryland, as heretofore and hereafter amended.

1.29. **"Material Change"** shall have the meaning ascribed thereto in Section 12.1.

1.30. **"Mortgage"** means and includes a mortgage, deed of trust or other conveyance in the nature of a mortgage.

1.31. **"Mortgagee"** means and includes the holder of any recorded mortgage, the beneficiary of any recorded deed of trust, or the grantee (including personal representatives, successors and assigns of such grantee) named in any recorded conveyance in the nature of a mortgage, encumbering one or more Units.

1.32. **"Neighborhood"** means all that land subjected by Declarant to the Neighborhood Declaration.

1.33. **"Neighborhood Association"** means the Ellendale Neighborhood Association, Inc., a Maryland nonstock corporation, which is comprised of all of the Record Owners of Lots (as said term is defined in the Neighborhood Declaration) in the Neighborhood.

1.34. **"Neighborhood Association Board"** means the board of directors of the Ellendale Neighborhood Association, Inc., a Maryland nonstock corporation, charged with the government and administration of the affairs of the Neighborhood.

1.35. **"Neighborhood Declaration"** means Ellendale Neighborhood Association, Inc.'s Declaration of Covenants, Conditions and Restrictions dated March 14, 2008 and Recorded Liber No. 175, folio 145, et seq.

1.36. **"Neighborhood Documents"** means the Neighborhood Declaration, articles of incorporation which incorporated the Neighborhood Association, the Neighborhood By-Laws, and any Neighborhood rules, as all of the same may be amended.

1.37. **"Neighborhood Plat"** means the plats entitled "FINAL PLAT FOR 'ELLENDALÉ'" Recorded at SM 38, Folio 46A-P, as the same may be amended from time to time.

1.38. **"Percentage Interest Factor"** means and includes the proportionate interest of each Unit Owner in the General Common Elements and in the Common Profits and Common Expenses, expressed as a fraction, the percentage interest in the General Common Elements and the percentage interest in the Common Profits and Common Expenses being identical. The particular Percentage Interest Factor of each Unit Owner, referred to in this Condominium Declaration as "such Unit Owner's Percentage Interest Factor," or "his Percentage Interest Factor," equals the Percentage Interest Factor of the Unit owned by the Unit Owner, as specified in Article 3 hereof.

1.39. **"Permittee"** means and includes, for any Unit or Limited Common Element, its Unit Owners and Tenants, and their agents, contractors, subcontractors, visitors, invitees, licensees and subtenants, if any, insofar as their activities relate to the intended development, use and occupancy of such Unit or Limited Common Element. Persons engaged in civic, public or political activities within a Unit or Limited Common Element (including, but not limited to any of the following activities, if permitted by this Condominium Declaration), but who are not otherwise Permittees, shall not be deemed Permittees by virtue of the following activities: (a) exhibiting any placard, sign or notice; (b) distributing any circular, handbill, placard or booklet; (c) soliciting memberships or contributions for private, civic, public or charitable purposes; (d) parading, picketing or demonstrating; or (e) failing to follow rules relating to the use of such Unit or Limited Common Element and established by its Unit Owner.

1.40. **"Person"** means a natural person, trust, firm, corporation, partnership, limited liability company or other legal entity.

1.41. **"Phase 1"** means and includes that area shown and designated as "Phase 1" on the Condominium Plat, as well as the Building(s) located thereon, together with all structures, fixtures and other improvements erected thereon or therein, and all rights, ways, easements, privileges and appurtenances thereunto belonging, or in anywise appertaining, including, without limitation, the rights, easements and rights of way set forth in this Article 1.

1.42. **"Recorded"** means recorded among the land records of Queen Anne's County, Maryland.

1.43. **"Subsequent Phase"** means and includes each Phase hereafter added to the Condominium pursuant to Article 8 hereof.

1.44. **"Super Majority of the Unit Owners"** means the vote of the Unit Owners present in person or by proxy and voting representing 80% of the votes at that meeting, unless the question is one upon which, by express provision of the Maryland Condominium Act, this Condominium Declaration or the Condominium By-Laws, a different vote is required, in which case such express provision shall govern and control. No Unit Owner shall be eligible to vote at any annual or special meeting of the Council of Unit Owners if the Council of Unit Owners has recorded a Statement of Condominium Lien against said Owner's Unit and the amount necessary to release the lien has not been paid at the time of the meeting.

1.45. **"Tenant"** means and includes any Person holding leasehold title to a Unit, whether by lease, sublease or otherwise, and includes, but is not limited to, the sublandlord and subtenant, if any, of a Unit.

1.46. **"The Townhomes at Ellendale"** means and includes all that Land included within the residential condominium regime, as shown on the Condominium Plat, as may be amended from time to time.

1.47. **"Title Matter"** means, as to any of The Townhomes at Ellendale, (a) this Condominium Declaration and the other Condominium Documents, (b) each Recorded or other document or matter existing when this Condominium Declaration is Recorded, and encumbering its title, and (c) each covenant, easement or other right hereafter granted by Declarant and encumbering such title before it is conveyed to the Council of Unit Owners, a Unit Owner or another Person, either pursuant to Article 5, or because Declarant deems it necessary or desirable for the development of The Townhomes at Ellendale.

1.48. **"Unit"** means and includes that three dimensional space generally described by planes as follows, the location of which plane is as specifically designated on the Condominium Plat:

1.48.1. The bottom of a Unit is a horizontal plane the elevation of which coincides with and includes the area below lower most finished surface of the concrete slab floor of the building structure, including any slab, foundation and footers.

1.48.2. The top of a Unit is a horizontal plane the elevation of which coincides with the uppermost surface of the outer shingles or other outer covering of the roof (including specifically that area above the elevation coinciding with the lowermost surface of the outer shingles or other outer covering of the roof).

LIBER 1775 FOLIO 223

1.48.3. The perimeter of a Unit is circumscribed by vertical planes which are formed by the front, back and sides of the building structure as more particularly shown on the Condominium Plat and as described as follows:

(a) The front of a Unit shall consist of the outermost exterior surface of its front wall.

(b) The rear of a Unit shall consist of the outermost exterior surface of its rear wall.

(c) When a Unit is an interior Unit bounded on both sides by other Units, the sides of that interior Unit shall correspond to the center planes passing through the center of the party walls so as to enclose one half of the thickness of the party wall on each side, and for Units bounded on one side by a party wall, the other side shall correspond to the outermost interior surface of the non-party wall side; and when the upper level outermost finished interior surface of a Unit does not correspond to the lower level of a Unit due to architectural design of the structure, the perimeter vertical planes of that Unit will be coincident with the outermost finished interior surface of each respective level of that Unit.

A Unit shall also include:

1.48.4. The air conditioning system condenser(s) which serves the Unit, and all pipes, lines, wires and ducts running between said condenser(s) and the Unit.

1.48.5. The plumbing (including sprinkler systems), electrical and other pipes, lines (including lines or cable run for internet access), wires and ducts which (i) run between or through the concrete ribs or wood trusses above the sheetrock ceiling of the Unit and/or run through one of the exterior walls, or the roof, of the Townhouse Building, and (ii) are designed solely for the service of such Unit.

1.48.6. The ducts and other HVAC facilities which (aa) run, or are located, between or through the concrete ribs or wood trusses above the sheetrock ceiling of the Unit, and (bb) are designed solely for the service of the Unit.

1.48.7. All pilings, columns, trusses, beams, planks, supports and other structural elements or improvements of the Units.

"Unit" also means and includes each portion of any Subsequent Phase that Declarant may designate as a Unit in the Declaration amendment adding such Subsequent Phase to the Condominium.

1.49. **"Unit Owner"** means and includes any Person holding legal title to any Unit, and, without regard to the number or gender thereof, is referred to by the singular pronoun of the masculine gender. However, no Mortgagee, as such, shall be deemed a Unit Owner. If more than one person, firm, corporation, trustee or other legal entity, or any combination thereof, holds the legal title to any one Unit, whether in a real property tenancy, partnership relationship, or

otherwise, all of same shall be deemed a single Unit Owner and a single member of the Council of Unit Owners by virtue of Unit Ownership of such Unit. If any single membership in the Council of Unit Owners is comprised of two or more persons, firms, corporations, trustees or other legal entities, or any combination thereof, then each constituent may cast such portion of the vote of the member as the several constituents may mutually determine; provided, however, that in the absence of such a determination, (a) each constituent may cast such portion of the vote of the member as shall equal his, her or its proportionate interest in the Unit or Units held by the member, and (b) if only one votes, he, she or it may cast the entire vote of the member and such act shall bind all. In no event may such constituents cast, in the aggregate, more than the number of votes appurtenant to the Unit(s) owned by the member.

ARTICLE 2 CREATION OF CONDOMINIUM REGIME

2.1. Fee Simple Unit Ownership. Declarant hereby subjects Phase 1 to the regime established by the Maryland Condominium Act and establishes a residential condominium regime therefore to be known as "The Townhomes at Ellendale," to the end and intent that: in each Unit Owner shall vest the exclusive fee simple Unit Ownership of his or her Unit and, as set forth in Article 4 hereof, an undivided fee simple interest in the General Common Elements. Each Unit, together with the undivided interest in the General Common Elements appurtenant thereto, may be purchased, leased, optioned or otherwise acquired, held, developed, improved, mortgaged, sold, exchanged, rented, conveyed, devised, inherited, or in any manner encumbered, dealt with, disposed of or transferred.

2.2. Types of Joint Unit Ownership. A Unit may be held or owned by more than one person, firm, corporation or other legal entity, as joint tenants, tenants in common, or in any other real property tenancy relationship recognized under the laws of the State of Maryland, including, in the case of husband and wife, as tenants by the entirety.

ARTICLE 3 CONDOMINIUM UNITS

3.1. Units. As to Phase 1, there will be eight Townhouse Buildings consisting of a total of 54 Units. The Units shall be designated by the Unit's number specified on the Condominium Plat.

3.2. Percentage Interests.

3.2.1. The Unit Owner of each Unit shall own an undivided percentage interest in the General Common Elements and a percentage interest in the Common Profits and Common Expenses of the Council of Unit Owners. The Percentage Interest Factor appurtenant to each Unit shall be identical for the percentage interest in the General Common Elements and the percentage interest in the Common Profits and Common Expenses. The Percentage Interest Factor shall be a fraction, the numerator of which shall always be the number one (1), and the denominator of which shall be the number of Units that have been subjected to the this Condominium Declaration. During Phase 1, there will be 54 units (Units A-1 through A-12;

LIBER 1775 FOLIO 225

Units B-1 through B-32, and Units C-1 through C-10, inclusive). Each Unit Owner of each Unit during Phase 1 shall have a Percentage Interest Factor of $1/54^{\text{th}}$.

3.2.2. The Unit Owner of each Unit shall also own an undivided percentage interest in the Limited Common Elements, if any, appurtenant to the Building in which that Unit was constructed. A Unit's percentage interest in its Building's Limited Common Elements, if any, shall be calculated using a fraction, which shall have a denominator equal to the total amount of Units in that Unit's Building, and a numerator equal to one (1). During Phase 1 of the Condominium, each Unit's percentage interest in the Limited Common Elements shall be as follows:

<u>Unit</u>	<u>Percentage Interest in Limited Common Elements</u>
A-1, A-2, A-3, A-4, A-5 and A-6	$1/6^{\text{th}}$ each
A-7, A-8, A-9, A-10, A-11 and A-12	$1/6^{\text{th}}$ each
B-1, B-2, B-3, B-4, B-5, B-6	$1/6^{\text{th}}$ each
B-7, B-8, B-9, B-10, B-11	$1/5^{\text{th}}$ each
B-12, B-13, B-14, B-15 and B-16	$1/5^{\text{th}}$ each
B-17, B-18, B-19, B-20, B-21 and B-22	$1/6^{\text{th}}$ each
B-23, B-24, B-25, B-26 and B-27	$1/5^{\text{th}}$ each
B-28, B-29, B-30, B-31 and B-32	$1/5^{\text{th}}$ each
C-1, C-2, C-3, C-4 and C-5	$1/5^{\text{th}}$ each
C-6, C-7, C-8, C-9 and C-10	$1/5^{\text{th}}$ each

3.3. Voting Rights. The Council of Unit Owners shall have two (2) classes of voting membership:

3.2.1. Class A member: Except for the Declarant, who shall initially be a Class B member, the Class A members shall be all Unit Owners holding title to one (1) or more Units; provided, however, that any Mortgagee or any other person or entity who holds such interest solely as security for performance of an obligation shall not be a Class A member solely on account of such interest. Each Class A member shall be entitled to one (1) vote per Unit, for each Unit owned by it, in all proceedings in which action shall be taken by the Council of Unit Owners.

3.2.2. Class B member. The Class B member shall be the Declarant. The Class B member shall be entitled to five hundred twenty-two (522) votes per Unit for each Unit owned in all proceedings in which actions shall be taken by the Council of Unit Owners.

If more than one (1) person, firm, corporation, trustee, or other legal entity, or any combination thereof, holds the record title to any Unit, all of the same, as a unit, and not otherwise, shall be deemed a single member of the Council of Unit Owners. The vote of any member comprised of two (2) or more persons, firms, corporation, trustees, or other legal entities, or any other combination thereof, shall be cast in the manner provided for in the Condominium Documents, or as the several constituents may determine, but in no event shall all such constituents cast more than one (1) vote per Unit for each Unit owned by them.

3.3. Conversion. The Class B membership in the Council of Unit Owners shall cease and be converted to Class A membership in the Council of Unit Owners, upon the earlier to occur of (i) December 31, 2023; or (ii) at such time as the total number of votes entitled to be cast by Class A members of the Council of Unit Owners equals or exceeds the total number of votes entitled to be cast by the Class B member of the Council of Unit Owners. If after such conversion Additional Property is made subject to the Declaration, then the Class B member shall be reinstated until December 31, 2024, or such earlier time as the total number of votes entitled to be cast by Class A members again equals or exceeds the total number of votes entitled to be cast by the Class B member. The Declarant and any Builder shall thereafter remain Class A members of the Council of Unit Owners as to each and every Unit from time to time subject to the terms and provisions of this Condominium Declaration in which the Declarant and any Builder then holds the interest otherwise required for Class A membership.

3.4. Interests Appurtenant to Unit. Neither the Percentage Interest Factor nor voting rights shall be separated from the Unit to which they appertain. Accordingly, any instrument, matter, circumstance, action, occurrence, or proceeding in any manner affecting a Unit shall also affect, in like manner, the Percentage Interest Factor and voting rights appurtenant to the Unit. Except as otherwise required by the Maryland Condominium Act, and except as otherwise provided with respect to the expansion of the Condominium, or with respect to a failure to rebuild a Unit following a casualty, or with respect to a condemnation of part of the Condominium, neither the Percentage Interest Factor nor the voting rights appurtenant to any Unit shall be changed without the written consent of all the Unit Owners and Mortgagees. Any change in such Percentage Interest Factor or voting rights shall be evidenced by a Recorded amendment to this Condominium Declaration.

3.5. Freehold Estate. Each Unit is a freehold estate. Except in the event of a condemnation of part of a Unit, or the sale of part of a Unit in lieu thereof, (a) no Unit shall be divided into two or more Units, nor shall any part of a Unit be sold, leased, mortgaged, rented, conveyed, devised, or in any manner encumbered, disposed of or transferred, and (b) each Unit shall forever contain the minimum area shown therefor on the aforesaid Condominium Plat. Further, the conveyance or other disposition of a Unit by any Unit Owner shall be deemed to include and convey the entire undivided interest of the Unit Owner in the General Common Elements, general and limited, together with all rights and easements appertaining to his Unit, without specific or particular reference to such undivided interest in the General Common Elements or the appurtenances to the Unit.

ARTICLE 4
GENERAL COMMON ELEMENTS AND COMMON EXPENSES

4.1. Interest in General Common Elements. The fee simple title to the General Common Elements is vested in the Unit Owners, each Unit Owner having the proportionate undivided interest therein equal to his Percentage Interest Factor. No percentage interest in the Common Elements shall be separated from the Unit to which such percentage interest appertains. Further, the General Common Elements shall remain undivided, and, except as provided in Section 11-123 of the Maryland Condominium Act (or any successor section pertaining to termination of the Condominium), no Unit Owner or group of Unit Owners, or anyone claiming by, through or under him or them, shall bring any action for the partition or division of the co-Unit Ownership of the Common Elements. Except as otherwise expressly provided herein, each Unit Owner may use the General Common Elements for the purposes for which intended, without, however, hindering or encroaching upon the right of the other Unit Owners likewise to use the same.

4.2. Right of Entry. The Council of Unit Owners and its agents, servants, employees and contractors shall have the irrevocable right and a perpetual easement to enter any Unit, or upon any Limited Common Element appurtenant to any Unit, for the purpose of performing any cleaning, maintenance, repair or replacement which the Council of Unit Owners is obligated or entitled to perform, and any inspection related thereto, whether said cleaning, maintenance, repair, replacement or inspection pertains to said Unit or Limited Common Element, or to any other Unit or General Common Element accessible from the Unit or Limited Common Element so entered, whether or not the Unit or General Common Element that is the subject of such cleaning, maintenance, repair, replacement or inspection is also accessible from any other Unit or General Common Element. Except in cases involving manifest danger to public safety or to property, the Council of Unit Owners shall make a reasonable effort to give notice to the Unit Owner who owns the Unit, or has the right to use the Limited Common Element, that is to be entered for the purpose of such cleaning, maintenance, repair, replacement or inspection. In cases involving manifest danger to public safety or to property resulting from conditions which are the fault of said Unit Owner, said Unit Owner shall be responsible for the prompt repair of any damage inflicted upon said Unit or Limited Common Element, or any other portion of the Condominium, as a result of such entry; in all other cases, the Council of Unit Owners shall be responsible for the prompt repair of such damage.

4.3. Use of General Common Elements.

4.3.1. No public right to use General Common Elements. (a) Nothing in this Condominium Declaration or any other Ellendale Document, and no action or inaction pursuant thereto, shall be deemed to constitute any General Common Elements (or confer thereon the status of) a public forum or other public place, or otherwise to confer on the public at large or its members any right whatsoever (i) to occupy or use any General Common Elements for any purpose, or (ii) without limiting the generality of the foregoing terms of this Subsection, to engage in civic, public or political activities thereon, including but not limited to (1) exhibiting any placard, sign, or notice; (2) distributing any circular, handbill, placard or booklet; (3) soliciting memberships or contributions for private, civic, public or charitable purposes; (4)

parading, picketing or demonstrating; or (5) failing to act in accordance with the Condominium Documents in such Person's use thereof. Nothing in this Subsection shall impair any Person's rights as a Unit Owner, Tenant or Permittee under the Condominium Documents. Except for reasonable restrictions as to the time of distribution, as may be determined by Declarant and/or the Condominium Board, nothing in this Subsection may restrict a Unit Owner from distributing written information or materials regarding the operation of or matters relating to the operation of the Condominium in any manner or place that the governing body distributes written information or materials.

(b) Rights to avoid dedication and prohibit non-Permittees. Declarant and the Council of Unit Owners (as to all Condominium Assets) and each Unit Owner (as to its Unit) shall have the right,

(i) where any part of such Condominium Asset or Unit, respectively, is encumbered by an easement created by this Condominium Declaration, not more frequently than one day in each fiscal year, to close such part thereof to use by Permittees in the exercise of such easement (which, if such right is exercised as to a Unit, must include its Unit Owner's own Permittees if it includes the Permittees of any other Unit) for such time as is reasonably necessary, in such person's judgment, to prevent the acquisition of prescriptive rights thereto by the public or any Person, as long as (1) before doing so, such Person gives Notice to the Council of Unit Owners and each Unit Owner whose ability to use such area will be affected by such closure, and (2) such closure does not prevent or unreasonably interfere with the passage of pedestrians or vehicles between or among any Units, General Common Element, Limited Common Element and public road, or interrupt any utility service to any General Common Element or Limited Common Element or Unit. Nothing in this subparagraph shall give any Person a right to interrupt the exercise of an easement granted to an Authority.

(ii) to exclude and restrain any Person who is not a Permittee of its Limited Common Element or Unit from using any easement or other part thereof. Unless expressly authorized by this Condominium Declaration, no Unit Owner holding an easement over a General Common Element, Limited Common Element or Unit under this Article may permit it to be exercised by any Person not expressly permitted to do so under this Condominium Declaration.

4.3.2. Interference with Development. The Council of Unit Owners shall not, in its management and control of a General Common Element or otherwise, take any action which prohibits, impairs, delays, or makes more expensive Declarant's (a) division or development of any of the Neighborhood as a whole, the Condominium or any Development Area, if any (even if not in the Neighborhood) in accordance with a preliminary subdivision plan, site development plan or other plan approved by Queen Anne's County, Maryland, or (b) performance of its obligations under any public works or other agreement with an Authority, the subdivision or zoning Laws, other law or otherwise, arising in connection with such subdivision or development. The Council of Unit Owners shall defend, indemnify and hold harmless Declarant against and from all liability, claim of liability, damages or other expense arising out of a breach of its obligations under this Subsection.

4.3.3. Condominium Assets. No Unit Owner shall, as such or as a member of the Council of Unit Owners, have any right, title or interest in, or right to possess or use, any Condominium Asset other than as is expressly conferred on it by (a) the Condominium

Documents or law, or (b) Declarant or the Council of Unit Owners, acting in accordance with the Condominium Documents and applicable Title Matters.

4.4. Payment of Common Expenses. Each Unit Owner, in proportion to his Percentage Interest Factor, shall contribute toward payment of the Common Expenses, and no Unit Owner shall be exempt from contributing toward said Common Expenses, either by waiver of the use or enjoyment of the General Common Elements, or any thereof, or by the abandonment of his Unit. The contribution of each Unit Owner toward the Common Expenses shall be determined, levied and assessed in the form of Annual and Special Assessments and a working capital fee, all in the manner set forth in Article IX of the Condominium By-Laws.

4.5. Priority of Liens.

4.5.1. A lien established by the Council of Unit Owners by a Statement of Condominium Lien shall have preference over any other Assessments, liens, judgments or charges of whatever nature, except the following:

(a) a General Assessment or Special Assessment levied by the Neighborhood Association Board;

(b) a General Assessment and Special Assessments for real estate taxes on the Unit; and

(c) the lien of any bona fide deed of trust, mortgage, or other encumbrance duly Recorded and encumbering the Unit prior to the recordation of the Statement of Condominium Lien, or duly Recorded on the Unit after receipt by the holder of any such mortgage (or the holder of the indebtedness or note secured thereby) of a certificate or statement in writing signed by an officer or agent of the Council of Unit Owners stating that the payment on account of all Assessments levied by the Council of Unit Owners against the Unit were current as of the date of recordation of such deed of trust, mortgage instrument or other encumbrance.

4.5.2. Notwithstanding any other provisions hereof to the contrary, the lien of any Assessment levied pursuant to the Condominium Documents upon any Unit in the Condominium shall be subordinate to, and shall in no way affect the rights of the holder of any indebtedness secured by any prior recorded First Mortgage; provided, however, that such subordination shall apply only to Assessments which have become due and payable prior to a sale or transfer of such Unit pursuant to a decree of foreclosure, or any other proceeding in lieu of foreclosure. Such sale or transfer shall not relieve the Unit from liability for any Assessment thereafter becoming due, nor from the lien of any such subsequent Assessments, which lien, if claimed, shall have the same effect and be enforced in the same manner as provided herein.

**ARTICLE 5
LIMITED COMMON ELEMENTS**

5.1. Limited Common Elements in Phase 1. The Unit Owner(s) of Units in a Townhouse Building, to the exclusion of the Unit Owners of all other Units in other Townhouse Buildings, have the exclusive right to use and enjoy those Limited Common Elements indicated on the Condominium Plat and identified in this Condominium Declaration.

5.2. Limited Common Elements in Subsequent Phases. The Limited Common Elements shall also include those Limited Common Elements, if any, in a Subsequent Phase that Declarant elects to designate as Limited Common Elements in the Declaration amendment or Condominium Plat amendment adding such Subsequent Phase to the Condominium.

**ARTICLE 6
BOUNDARIES AND CONVEYANCES**

6.1. Boundaries and Encroachments. The existing physical boundaries of each Unit constructed in substantial conformity with the Condominium Plat shall be conclusively presumed to be its boundaries, regardless of variations between existing physical boundaries of the Unit and physical boundaries described in the Declaration or those boundaries shown on the Condominium Plat. However, if any General Common Element, or any part thereof, now or at any time hereafter, encroaches upon any Unit, or any Unit encroaches upon any General Common Element, or any other Unit, whether such encroachment is attributable to or results from construction, settlement, shifting of the Building, any fully authorized reconstruction designed to remedy, repair or restore any damage or destruction from fire or other casualty, or from condemnation proceedings, or any other reason whatsoever beyond the control of the Council of Unit Owners and any Unit Owner, there shall forthwith arise, without the necessity of any further or additional act or instrument, a good and valid easement for the maintenance of such encroachment, either for the benefit of the Council of Unit Owners or for the Unit Owner, their respective heirs, personal representatives, successors and assigns, to provide for the encroachment and nondisturbance of the General Common Element, or the Unit, as the case may be. Such easement shall remain in full force and effect so long as the encroachment shall continue and shall be relocated, if necessary, to permit the maintenance of such encroachment wherever found. Additionally, and in all events, an easement for mutual support shall exist in the Units and General Common Elements.

6.2. Conveyance. The conveyance or other disposition of a Unit shall be deemed to include and convey, or be subject to, any easement arising under the provisions of this Article 6, without specific or particular reference to such easement.

6.3. Leases. All lease agreements with respect to any Unit shall be in writing and submitted to the Condominium Board for approval. Each Unit may be leased under such terms and conditions as the Unit Owner thereof may desire, except as otherwise provided in this Section 6.3. No Unit may be leased for a period of less than one (1) year. Additionally, (a) each lease shall be subject to the Condominium Documents, (b) any breach or violation of any Condominium Document by the Tenant shall constitute a default under the lease, and (c) the

Tenant (as well as the landlord) shall be directly liable to, and subject to enforcement action(s) by, the Council of Unit Owners for any breach or violation by the Tenant of any Condominium Document. Each lease shall be in writing and shall set forth, and provide for the Tenant's acknowledgement of, each of the provisions of the preceding sentence. The Unit Owner of any leased Unit shall promptly deliver to the Condominium Board a copy of the form of lease used, and a copy of each amendment which is made thereto from time to time. Unit Owners who do not reside in their Unit must provide current addresses and phone numbers to the Condominium Board. The Council of Unit Owners, through the Condominium Board, shall be entitled, but not obligated, to exercise the default remedies of any Unit Owner, as the landlord under any such lease. Upon any breach or violation by the Tenant of any Condominium Document, the Condominium Board, after notice to the Unit Owner and Tenant of such breach or violation, and after the subsequent failure of such Unit Owner and Tenant to correct the same within a reasonable time thereafter, shall be entitled, but not obligated, to summarily evict the Tenant from the leased premises, subject to any applicable laws governing the speedy recovery of possession of lands or tenements in redress of a breach or violation of a lease.

ARTICLE 7 AUTHORITY FOR GRANT OF SPECIFIC EASEMENTS

7.1. Authority. The Council of Unit Owners shall have the right, power and authority to grant any easement, right-of-way, license, lease or similar interest affecting the General Common Elements of the Condominium, to the extent permitted by the Maryland Condominium Act, if the grant is approved by a Majority of the Unit Owners, and with the express written consent of the Mortgagees holding an interest in the Units whose Unit Owners vote affirmatively; provided that if the grant affects any Limited Common Element, such grant shall also require the express written consent of all Unit Owners having the right to use such Limited Common Element, and of all Mortgagees holding an interest in the Units to which such Limited Common Element is appurtenant. Any easement, right-of-way, license, lease or similar interest granted by the Council of Unit Owners pursuant to this Article 7 shall state that the grant was approved (a) by a Majority of the Unit Owners, and by the corresponding Mortgagees, and (b) if appropriate, by all Unit Owners having the right to use any Limited Common Element affected by the easement, and by the corresponding Mortgagees.

7.2. Reservation. Notwithstanding the proceeding provisions in this Article 7, Declarant reserves the right to grant, substitute, and/or relocate any easements on, in, or through Phase 1 or any Subsequent Phases. Such relocated or substituted easement area shall be located as determined by Declarant.

ARTICLE 8 AUTHORITY FOR EXPANSION OF THE CONDOMINIUM

8.1. Expansion Rights. Declarant expressly reserves, for a period of ten (10) years from and after the date upon which the Condominium is created, the right to expand and add to the Condominium the Subsequent Phases shown on the Condominium Plat, which would expand the Condominium to a maximum of 174 Units; provided, however, that upon the termination of the ten (10) year period described herein, Declarant may call a special meeting of the

Condominium Board for the purpose of voting to extend the expansion period by an additional ten (10) years. A quorum must be present at such meeting, and a Majority of the Condominium Board is required for the measure to pass.

8.2. Easements Across Subsequent Phases. In addition to the above specified Land and Buildings, the property to be subjected to the Condominium as part of each Subsequent Phase may include all structures, fixtures and other improvements erected upon or within the Land and Buildings contained within said Subsequent Phase, and all rights, ways, easements, privileges and appurtenances thereunto belonging, or in anywise appertaining. Each Subsequent Phase may be added to the Condominium subject to the rights, rights-of-way, covenants, conditions, restrictions, setbacks and easements mentioned in Article 1, and to such other rights, rights-of-way, covenants, conditions, restrictions, setbacks and easements deemed necessary or advisable in the opinion of Declarant to facilitate the orderly development, or the construction, installation, maintenance and operation, of the Condominium or the remaining property of Declarant and its affiliates in the Condominium, or the convenience or services of the Council of Unit Owners or Ellendale Neighborhood; and, in particular, but not in limitation of the foregoing, Declarant shall have the right to reserve, at or prior to the time each Subsequent Phase is added to the Condominium, such easements and rights-of-way on, over, under and across such Subsequent Phase as are deemed appropriate by Declarant for (i) vehicular and pedestrian access between (A) the remaining property of Declarant and its affiliates in the Condominium, and (B) any public road or other property which borders upon the Condominium, (ii) vehicular parking for the benefit of any remaining property of Declarant and its affiliates in the Condominium, and (iii) the construction, installation, maintenance (including, but not limited to, inspection, cleaning, repair and replacement) and operation of telephone, electric, gas, cable TV, internet, water, sanitary sewer, storm water drainage, and other utility lines, mains, facilities and installations deemed appropriate by Declarant to serve any remaining property of Declarant and its affiliates in the Condominium, and (iv) the construction, installation, maintenance and operation of the exercise course, which is to run throughout the Neighborhood at Declarant's discretion. Each such right, right-of-way, covenant, condition, restriction, setback and easement shall run with and bind the General Common Elements and each Unit contained in the Condominium, and all Unit Owners and residents of such Units, and their respective heirs, personal representatives, successors and assigns, forever, unless the recorded document establishing such right, right-of-way, covenant, condition, restriction, setback or easement specifically provides otherwise.

8.3. Development Criteria for Subsequent Phase. Subject to the limitations of this Section 8.3:

8.3.1. all Buildings and other improvements included in any Subsequent Phase shall be constructed in accordance with such architectural and other drawings as Declarant, in its discretion, may deem appropriate;

8.3.2. the quantity and location of the Buildings and other improvements shown on the Condominium Plat as being located within any Subsequent Phases may be changed to such extent as Declarant, in its discretion, may deem appropriate;

LIBER 1775 FOLIO 233

8.3.3. in addition to the Land and Buildings set forth in Subsection 8.3.1 and the General Common Elements, which are shown as being located within any Subsequent Phase on the Condominium Plat, each and any Subsequent Phase may contain General Common Elements of the kind set forth in Article 1 hereof and such other General Common Elements as Declarant, in its discretion, may deem appropriate;

8.3.4. Declarant may divide any Subsequent Phase into two or more parts and may add the various parts of such Subsequent Phase to the Condominium at different times; and

8.3.5. Declarant is not required to add any Subsequent Phase (or any part thereof) to the Condominium, and the Subsequent Phases (and/or parts thereof), if any, which are added to the Condominium may be added in any sequence chosen by Declarant.

8.4. Adjustment of Percentage Interests. Immediately upon the addition of any Subsequent Phase to the Condominium, (i) the Percentage Interests in the General Common Elements and in the Common Profits and Common Expenses of the Unit Owner of each Unit contained within the Condominium immediately prior to such expansion shall be reduced in accordance with the formula(s) set forth in Article 3 hereof, and (ii) Percentage Interests in the General Common Elements and in the Common Profits and Common Expenses, as determined in accordance with the formula(s) set forth in Article 3 hereof, shall vest in the Unit Owner of each Unit contained within the Subsequent Phase then being added to the Condominium. The Unit Owner of each Unit contained within any Subsequent Phase that is added to the Condominium shall be a member of the Council of Unit Owners, and shall have the voting rights set forth in Article 3 hereof. Immediately following any such expansion, the interest of each Mortgagee shall attach, by operation of law, to the new percentage interest in the General Common Elements appurtenant to the Unit on which it holds a lien.

8.5. Recordation of Expansion Documents. Subject to the foregoing and to all laws then applicable, expansion of the Condominium shall be effected by Declarant (without need for the approval of any Unit Owner or Mortgagee) by recordation among the Land Records of Queen Anne's County, Maryland of the following: (i) an amendment to the Declaration describing the property then being added to the Condominium, the new Percentage Interests of the Unit Owners and the number of votes appurtenant to each Unit in the Condominium as expanded; and (ii) an amendment to the Condominium Plat which includes the same detail and information concerning the property then being added to the Condominium as was required to be shown for the property originally subjected to this condominium regime. In such Declaration amendment, Declarant may (i) identify each Building included within said Subsequent Phase and describe the architectural, mechanical and other drawings therefor, (ii) identify, and define the boundaries of, each Unit included within said Subsequent Phase, (iii) designate each Common Element included within said Subsequent Phase as a General Common Element, or as a Limited Common Element restricted to the use of one or more, but less than all, Unit Owners, (iv) allocate the responsibilities for the cleaning, maintenance, repair and replacement of each such Common Element and Unit to the Council of Unit Owners and/or the respective Unit Owners, and provide to the Council of Unit Owners and the respective Unit Owners such easements and rights as Declarant, in its discretion, may deem appropriate to facilitate the carrying out of such responsibilities, and (v) include such other provisions as are required or

permitted by the Maryland Condominium Act, this Condominium Declaration and the Condominium By-Laws.

8.6. Development of Unused Area. If any one or more parts of the Development Area are not added to the Condominium, such non-added part(s) may be developed in any manner and to any density that Declarant, in its discretion, may deem appropriate.

ARTICLE 9

DEVELOPMENT, MARKETING AND MANAGEMENT OF THE CONDOMINIUM

9.1. Sales, Rental and Management Offices and Model Units. Declarant and the Builders shall have the right to use any Unit(s) to which it holds fee simple or leasehold title from time to time as sales, rental and management offices and model units and for such other uses as Declarant may deem appropriate for the development, marketing (including sales and rentals) and management of any Unit(s) now or hereafter located within the Condominium. Declarant and the Builders shall have the right to make such structural and non-structural additions, alterations, improvements and decorations to each Unit to which it holds fee simple or leasehold title, to the Limited Common Elements that Declarant or Builder, as the Unit Owner or Tenant of each such Unit, has the exclusive right to use, and to the party wall located between any adjoining Units to which Declarant or Builder holds fee simple or leasehold title, as Declarant, in its discretion, may deem appropriate to facilitate the uses hereinabove set forth. Additionally, Declarant and the Builders shall also have the right to also install, among other things, one or more construction and/or sales trailers upon any portion of the Condominium Land.

9.2. Parking and Storing Vehicles. Declarant and its employees, agents and guests shall have the right to park and store such commercial and non-commercial vehicles as Declarant, in its discretion, may deem appropriate for the development, marketing and management of any Unit(s) now or hereafter located within the Condominium; provided, however, that Declarant shall not unreasonably interfere with the rights of the other Unit Owners having the right to use such parking spaces. Declarant reserves the right to also grant the Builders the rights set forth in this Section 9.2.

9.3. Advertising and Directional Signs. Declarant shall have the right to erect upon, maintain and remove from the Unit(s) to which it holds fee simple or leasehold title, the Limited Common Elements appurtenant to said Unit(s), and all General Common Elements, such advertising and directional signs and other materials as either developer, in its discretion, may deem appropriate for the development, marketing and management of any Unit(s) now or hereafter located within the Condominium. Declarant reserves the right to grant the Builders the rights set forth in this Section 9.3.

9.4. Completion and Repair Easements. Declarant shall have the right and an easement to enter upon any General Common Element, Limited Common Element and any Unit for the purpose of (a) completing the construction or installation of any Unit, General Common Element or Limited Common Element, and (b) making repairs to any Unit, General Common Element or Limited Common Element to the extent that such repairs are required pursuant to any

express or implied warranty or other legal obligation created or agreed to by Declarant or established by the operation of law. Such right and easement shall exist, with respect to item (i) above, until the construction or installation of all Units, General Common Elements and Limited Common Elements that Declarant desires, or is obligated, to construct or install has been completed, and, with respect to item (ii) above, so long as Declarant's obligation shall exist.

9.5. License of the Term "Townhomes at Ellendale". Declarant hereby grants to the Council of Unit Owners (collectively, the "Licensees") a non-exclusive license to use the term "The Townhomes at Ellendale" solely to identify the condominium hereby established. The Licensees shall not sell, assign or sub-license the use of such term to any other party. The term "The Townhomes at Ellendale" may be used or licensed or both, under any terms acceptable to Declarant, by Declarant at any time and for any purpose. The Licensees have no right against Declarant to complain of any such use or license, regardless of the proximity or similarity of use of the term "The Townhomes at Ellendale" or any version(s) or variation(s) thereof by Declarant or its direct or indirect licensees.

ARTICLE 10 USE RESTRICTIONS

10.1. Neighborhood Association Use Restrictions. The Condominium is subject to all covenants, conditions and restrictions set forth in Article 4 of the Neighborhood Declaration.

10.2. Condominium Use Restrictions. The Condominium Board is authorized, but not obligated, to create use restrictions for the purpose of maintaining a uniform scheme of development and operation of the Condominium for the benefit of each Unit Owner, his respective personal representatives, heirs, successors and assigns. Such use restrictions may pertain to the General Common Elements, the Limited Common Elements and/or each Unit, but in no event shall such restrictions be contrary to or attempt to undermine or circumvent those set forth in the Neighborhood Declaration or as otherwise enacted by the Neighborhood Board. At a minimum, the Condominium, as applicable, shall be held subject to the following restrictions:

10.2.1. Land Use. If such authority is delegated by the Neighborhood Association Board, the Condominium Board may create a Condominium Architectural Control Committee (the "ACC") to review requests by Unit Owners to modify their Units. Except with the prior approval of the Neighborhood Board or, if appropriate, the ACC, no Unit Owner shall permit any fixtures or other improvements to be installed in a manner which penetrates the unexposed surfaces of the ceilings, walls and floors of a Unit.

10.2.2. Insurance. Nothing shall be done or kept in any Unit, the General Common Elements or Limited Common Elements which will increase the rate of insurance for the Condominium applicable for residential use without the prior written consent of the Condominium Board. No Unit Owner shall permit anything to be done or kept in his or her Unit or in the General Common Elements or Limited Common Elements which will result in the cancellation of insurance on the Condominium, or the contents thereof, or which would be in violation of any law.

10.2.3. No Waste. No waste will be permitted.

10.2.4. No Unlawful Uses. No immoral, improper, offensive, or unlawful use shall be made of the Condominium or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental agencies having jurisdiction thereof shall be observed.

10.2.5. Structural Integrity. Notwithstanding the foregoing, nothing shall be done in any Unit or in, on, or to the General Common Elements or Limited Common Elements which will impair the structural integrity of the Condominium, or which would structurally change any building or improvements thereon except as is otherwise provided in this Condominium Declaration, provided, further, that interior partitions contributing to the support of any Unit shall not be altered or removed.

10.2.6. Signs. Except as otherwise provided in this Condominium Declaration or permitted by applicable governmental regulations, no sign of any kind shall be displayed to the public view on any Unit, on its appurtenant Limited Common Elements or elsewhere on the General Common Elements except (a) one (1) sign of not more than five (5) square feet advertising a Unit for sale or rent, (b) signs used by Declarant or the Builders to advertise the Condominium during the development, construction and sales period, or (c) signs erected or owned by or on behalf of the Council of Unit Owners on the General Common Elements which identify the Condominium.

10.2.7. Antennas. Except as specifically permitted by applicable governmental regulations, no exterior antennas of any type, including, but not limited to, satellite dishes for reception or transmission, may be erected or maintained within the Association; provided, however, that satellite dishes not in excess of one (1) meter in diameter are permitted. The ARC and, if appropriate, the ACC may impose reasonable rules and regulations regarding the location and screening of any such satellite dish, subject to applicable governmental regulations. Antennas situated entirely within a Townhouse Lot, and not visible from the exterior, are permitted.

10.2.8. Decks. No Unit shall extend, if at all, beyond that area shown on the site development plan and/or Condominium Plat to accommodate any deck, terrace, porch, balcony or patio. Any extension whatsoever shall require the approval of the Architectural Review Committee or, if appropriate, the ACC, which may take into consideration, but is not limited to considering, the grading, size and condition of Unit Owner's Unit. Decks constructed by Declarant or any Builder during the original construction of the Unit shall be exempt from this restriction.

10.2.9. Exterior Views. Portions of a Unit visible from the exterior of the Unit and the Limited Common Elements must be kept in an orderly condition so as not to detract from the neat appearance of the Condominium and the Neighborhood. The Architectural Review Committee or, if applicable, the ACC, in its sole and absolute discretion, may determine whether the portions of a Unit visible from the exterior of the Unit and the Limited Common Elements are orderly. If a Unit Owner shall fail to keep the portions of his Unit, or the Limited Common Elements (if any) appurtenant thereto, that are visible from the exterior of such Unit or Limited

Common Elements orderly, the Architectural Review Committee or, if applicable, the ACC may have any objectionable items removed from the portions of the Unit that are visible from the exterior of the Unit or the Limited Common Elements so as to restore their orderly appearance, without liability therefor, and charge the Unit Owner for any costs incurred in connection with such removal.

10.2.10. Trash. Trash shall be stored in accordance with county health regulations within the Unit or upon those General Common Elements or Limited Common Elements, if any, set aside for such storage. If applicable, trash shall not be set out for collection prior to the night before the date of collection and the empty containers shall be returned to the proper place of storage promptly after collection. Trash shall not be stored or placed upon patios, terraces, decks, balconies or porches, if any, or anywhere along the front or side yards of any Unit.

10.2.11. Fences. Other than fences installed (if at all) by Declarant or the Builders, no fence shall be constructed unless its location, type, color, height and texture has received the prior written approval of the Architectural Review Committee or, if applicable, the ACC. No fence may be located in the front yard of any Unit and, in particular, no fence may be located forward of the rear foundation wall of the Unit.

10.2.12. Nuisance. No noxious or offensive activities shall be carried on in any Unit or upon any General Common Element or Limited Common Element, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the Condominium.

10.3. Exceptions. Notwithstanding the foregoing provisions, the use and other restrictions set forth in Section 10.2 shall not apply to the development, construction or sales activities of Declarant or the Builders, or to the use of any portion of the Land owned by Declarant or the Builders for the display, marketing, promotion, sales, rental, leasing or construction purposes or the use of Units as "models", or the use of any portion of the Condominium as a sales, rental or management office.

ARTICLE 11

ELLENDALE NEIGHBORHOOD ASSOCIATION, INC. RIGHTS AND OBLIGATIONS

11.1. Easement to Neighborhood Association. The officers, agents, employees and independent contractors of the Neighborhood Association shall have a nonexclusive easement to enter upon the Land, or any portion thereof, for the purpose of performing or satisfying the duties and obligations of the Neighborhood Association as set forth in the Neighborhood Declaration, or as otherwise set forth in any other documents or rules and regulations applicable to the Neighborhood Association.

11.2. Subordination of Assessment Lien. The lien of any assessment imposed upon any Unit pursuant to this Condominium Declaration shall be subordinate and inferior to the lien of any assessment imposed upon such Unit pursuant to the Neighborhood Declaration.

11.3. Neighborhood Association Assessments.

LIBER 1775 FOLIO 238

11.3.1. Each Unit Owner of any Unit by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, does and is hereby deemed to covenant and agree to pay to Neighborhood Assessments (as defined in the Neighborhood Declaration) imposed upon such Townhouse Lots pursuant to the Neighborhood Declaration. Said Neighborhood Assessments levied by the Neighborhood Association may be of several types as described in the Neighborhood Declaration, and shall be levied and collected as provided in the Neighborhood Declaration.

11.3.2. Article 13 of the Neighborhood Declaration provides, generally, for Neighborhood Assessments to be levied against the Unit Owners and their Units and, *inter alia*, sets forth: (a) when Neighborhood Assessments will first be levied against the Unit Owners or their Properties; (b) the procedure for increasing or decreasing Neighborhood Assessments; (c) how Neighborhood Assessments and delinquent charges will be collected; (d) whether unpaid Neighborhood Assessments are a personal obligation of the Unit Owners; (e) whether, and if so, at what rate unpaid Neighborhood Assessments shall bear interest; (f) whether unpaid Neighborhood Assessments may be enforced by imposing a lien on a Unit under the Maryland Contract Lien Act; and (g) whether Unit Owners will be assessed late charges or attorneys' fees for the collection of unpaid Neighborhood Assessments, and any other consequence as a result of the nonpayment of Neighborhood Assessments. In addition to Neighborhood Assessments levied under the Neighborhood Declaration, each Unit Owner shall be obligated to pay assessments to the Condominium Board, as provided in Article 4 of this Condominium Declaration.

11.3.3. The Condominium Board shall have responsibility for collecting the Neighborhood Assessments, which shall be due and payable to the Condominium Board on the same date that such assessments are due and payable to the Neighborhood Association. The Condominium Board shall levy late charges and, upon instructions from the Neighborhood Board, may levy interest charges against any Unit Owner who fails to pay such Neighborhood Assessments within the time periods specified under this Condominium Declaration. Within three (3) business days of payment of the Neighborhood Assessments to the Condominium Board, the Condominium Board shall deliver such Neighborhood Assessments to the Neighborhood Board. Any Neighborhood Assessments collected by the Condominium Board shall be held in trust for the benefit of the Neighborhood Association. If the Condominium Board fails to pay Neighborhood Assessments to the Neighborhood Association after the same are collected, and in accordance with the provisions of any guidelines established by the Neighborhood Board, the Neighborhood Board may bring any action, at law or equity, against the Council of Unit Owners and all costs of enforcement shall be levied as an enforcement assessment against the Association under the Neighborhood Declaration. The Neighborhood Board may, upon the approval by a Majority of the Condominium Board, elect to terminate the obligation of the Condominium Board to collect the Neighborhood Assessments, in which event such Neighborhood Assessments shall be paid directly from each Unit Owner to the Neighborhood Association, when and as due under the Neighborhood Declaration.

11.3.4. With the consent of the Condominium Board, which consent shall not be unreasonably withheld, conditioned or delayed, the Neighborhood Association may elect to

administer, levy, collect and enforce the assessments provided for under this Condominium Declaration; provided, however, the Neighborhood Association may elect to pre-empt the rights of the Condominium Board and may fix, levy, collect and enforce said assessments if the Condominium Board fails to levy or collect all assessments, or fails to duly operate and maintain the standards reasonably established by the Neighborhood Association. All funds collected pursuant to this Condominium Declaration shall be utilized in the manner and for the purposes specified in this Condominium Declaration, in the Neighborhood Documents, and the Architectural Review Committee for the Neighborhood Association.

11.3.5. All Neighborhood Assessments shall be payable in the amount specified for the particular type of Neighborhood Assessment, and no offset against such amount shall be permitted for any reason, including, without limitation, a claim that the Declarant or the Neighborhood Association is not properly exercising its duties or powers as provided for herein or in the Neighborhood Declaration.

11.4. Waiver of Right to Object to Alteration in Development of Neighborhood. The Council of Unit Owners and each Unit Owner or purchaser, tenant or Mortgagee of any Unit waives any rights they may have to object to modifications or changes in final development plans, record plats or subdivision plans for any land which may be developed in Neighborhood outside of the Condominium. This waiver shall appear in all contracts of sale, leases, or assignments of a Unit Owner's interest in any portion of the Neighborhood

11.5. Enforcement. Breach of any of the limitations, restrictions, conditions and covenants set forth in this Condominium Declaration, or the continuation thereof, may be enjoined, abated or remedied by appropriate legal proceedings by the Neighborhood Association, and in such event the Neighborhood Association shall be deemed to be a person who may enforce the provisions of this Condominium Declaration. The failure of the Neighborhood Association to enforce any of said limitations, restrictions, conditions or covenants shall not constitute a waiver of the right to enforce the same thereafter. No liability shall be imposed on, nor incurred by, the Neighborhood Association as a result of such failure. The prevailing party in any action at law or in equity instituted by the Neighborhood Association to enforce or interpret said limitations, restrictions, conditions or covenants, shall be entitled to all costs incurred in connection therewith, including without limitation, reasonable attorneys' fees.

11.6. Supremacy of Neighborhood Declaration. In addition to all of the rights and obligations which have been conferred or imposed upon the Council of Unit Owners pursuant to the Condominium Documents, the Council of Unit Owners shall be entitled to exercise any of the rights conferred upon it and be subject to all of the obligations imposed upon it pursuant to the Neighborhood Documents. The Council of Unit Owners (including, without limitation, the ACC, if any) shall also be subject to all superior rights and powers which have been conferred upon the Neighborhood Association pursuant to the Neighborhood Documents.

11.6.1. Each Unit Owner and each Unit shall be subject to all of the covenants, conditions, restrictions and provisions contained in the Neighborhood Documents.

11.6.2. In the event of any conflict between any of the covenants, conditions, restrictions or provisions of the Condominium Documents, with any of the covenants, conditions, restrictions or provisions of the Neighborhood Documents, then, in such event, the covenants, conditions, restrictions and provisions of the Neighborhood Documents shall govern and prevail.

11.6.3. In the event of any conflict between a term in the Neighborhood Declaration and the Condominium Documents, then in such event, the Neighborhood Declaration shall control to the extent necessary to eliminate the conflict and as permitted under the Maryland Condominium Act.

11.7. Delegate Selection. The Neighborhood Declaration provides for representation of the Council of Units Owners to the Neighborhood Association by selecting a delegate. The President of the Condominium Board, or his or her designee, shall constitute the delegate to the Neighborhood Association with the right and obligation to represent and vote on behalf of the Council of Unit Owners in accordance with the terms of the Neighborhood Declaration. The President, at meetings of the Neighborhood Association, shall cast the votes of the members of the Council of Unit Owners at the direction of the Condominium Board, in the manner provided in the By-Laws of the Condominium. Notwithstanding the foregoing, if the matter to be decided would require the approval of the members of the Council of Unit Owners pursuant to the terms of the Condominium Documents, had such matter arisen hereunder or thereunder, then such matter shall be decided by the appropriate vote of the members of the Council of Unit Owners.

ARTICLE 12 AMENDMENTS

12.1. Condominium By-Laws Amendments. The administration of the Condominium shall be governed by the Condominium By-Laws. Except as otherwise provided in the Condominium By-Laws and/or in the Maryland Condominium Act, the Condominium By-Laws shall not be amended without the approval of a Majority of the Unit Owners, effective upon being Recorded. Any amendment to the Condominium By-Laws involving any "Material Change," as said term is defined below, shall also require the affirmative vote of a majority of the Eligible Mortgagees, each such Eligible Mortgagee to have the number of votes appurtenant to the Unit or Units upon which it holds a Mortgage or Mortgages. The term "Material Change" shall include a change to any of the following:

12.1.1. voting rights (except in connection with the expansion of the Condominium pursuant to Article 8 hereof, in connection with the failure to rebuild a Unit following a casualty or in connection with the condemnation of part of the Condominium pursuant to Article 13);

12.1.2. reallocation of interests in the General Common Elements or Limited Common Elements, or rights to their use (except in connection with the expansion of the Condominium pursuant to Article 8 hereof, in connection with the failure to rebuild a Unit following a casualty or in connection with the condemnation of part of the Condominium pursuant to Article 13, and except for the allocation by Declarant, pursuant to Article 4 hereof, of

the right to use the various General Common Elements and Limited Common Elements, if any, in each Subsequent Phase added to the Condominium by Declarant, and any reallocation of the right to use a Limited Common Element which is effected pursuant to Section 11-108(b) of the Maryland Condominium Act);

12.1.3. redefinition of any Unit boundaries (except for the designation by Declarant, pursuant to Article 5 hereof, of the boundaries of the Units in each Subsequent Phase added to the Condominium by Declarant);

12.1.4. convertibility of Units into General Common Elements or vice versa;

12.1.5. expansion or contraction of the Condominium, or the addition, annexation or withdrawal of property to or from the Condominium (except for the expansion of the Condominium pursuant to Article 8 hereof);

12.1.6. insurance or fidelity bond requirements;

12.1.7. imposition of any restrictions on a Unit Owner's right to sell or transfer his Unit; and

12.1.8. restoration or repair of the Condominium (after a hazard damage or partial condemnation) in a manner other than that specified in the Condominium Documents; and.

12.2. Condominium Declaration and Condominium Plat Amendments.

12.2.1. Except for those matters as to which the Maryland Condominium Act permits an amendment to this Condominium Declaration or the Condominium Plat by the Council of Unit Owners without the express approval of its members (including, but not limited to, the reallocation of Percentage Interests and voting rights as provided in Section 11.3 in connection with either a failure to rebuild a Unit following a casualty or as provided in Article 13 in connection with a condemnation of part of the Condominium), and except as otherwise provided in Article 8 hereof with respect to the expansion of the Condominium, amendments to this Condominium Declaration and the Condominium Plat shall be governed as follows:

(a) Except as provided in item (b) below, neither this Condominium Declaration nor the Condominium Plat shall be amended without the vote of at least 67% of the Unit Owners present in person or by proxy and voting at a properly convened meeting, and no amendment adopted pursuant to this item (a) shall take effect until an appropriate written instrument is Recorded, which instrument shall be executed by the Unit Owners whose approval was required for the adoption of such amendment. Any amendment to the Condominium Declaration or Condominium Plat involving any "Material Change," as said term is defined above, shall also require the affirmative vote of a majority of the Eligible Mortgagees, each such Eligible Mortgagee to have the number of votes appurtenant to the Unit or Units upon which it holds a Mortgage or Mortgages.

LIBER 1775 FOLIO 242

(b) Neither this Condominium Declaration nor the Condominium Plat shall be amended so as to change:

- (i) the boundaries of any Unit;
- (ii) the undivided percentage interest of any Unit Owner in the General Common Elements;
- (iii) the percentage interest of any Unit Owner in the Common Profits and Common Expenses;
- (iv) the number of votes in the Council of Unit Owners appurtenant to any Unit;
- (v) General Common Elements to Limited Common Elements, or Limited Common Elements to General Common Elements;
- (vi) any right of any Unit Owner pertaining to the use of any Limited Common Element appurtenant to his Unit; or
- (vii) the right of any Unit Owner to lease his Unit, or the terms and conditions under which the Unit may be leased, without the written consent of every Unit Owner and Mortgagee, and no amendment adopted pursuant to this Subsection 11.2 shall take effect until an appropriate written instrument is Recorded, which instrument shall be executed by every Unit Owner and Mortgagee.

12.2.2. Furthermore, this Condominium Declaration, the Condominium By-Laws and the Condominium Plat shall not be amended so as to change:

- (a) any right expressly reserved for the benefit of Declarant, including, but not limited to, the easements reserved by Declarant in Article 1 hereof, Declarant's right to expand the Condominium as provided in Article 8 hereof, and Declarant's right to develop, market and manage The Townhomes at Ellendale, as provided in Article 9 hereof,
- (b) any provision required by any governmental authority, or
- (c) any provision provided for the benefit of any public utility, without the written consent of Declarant, such governmental authority or such public utility, as applicable, and no such amendment shall take effect until an appropriate written instrument is Recorded, which instrument shall be executed by Declarant, such governmental authority or such public utility, as applicable.

12.2.3. Notwithstanding any provisions made herein or elsewhere in this Condominium Declaration or in the Condominium By-laws, Declarant hereby retains the right to amend the Condominium Plat and the site development plan for the entire Development Area, prior to the commencement of the construction of specific Units; where specific Units have

commenced construction, either developer shall retain the right to amend the site development plan and the Condominium Plat as to the rest of the Development Area.

**ARTICLE 13
DAMAGE AND DESTRUCTION**

13.1. Destruction or Damage. Notwithstanding any other provision of this Condominium Declaration, if the Condominium is destroyed or damaged to the extent of at least 80% of its then replacement cost, the Condominium may be terminated pursuant to Section 11-123 of the Maryland Condominium Act, as the same may be amended.

13.2. Condemnation.

13.2.1. The Council of Unit Owners shall represent the Unit Owners in any condemnation proceeding (for the purposes of this Condominium Declaration, a condemnation includes any sale in settlement of a pending or threatened condemnation) to the extent said condemnation pertains to all or any part of the General Common Elements, except that each Unit Owner shall be entitled to assert a separate claim for the consequential damages to his Unit resulting from said condemnation. Any award made in connection with the condemnation of all or any part of the Condominium, including the net proceeds of any sale in settlement of a condemnation proceeding, shall be allocated among the Unit Owners as follows: (a) each Unit Owner shall be entitled to the entire award for the taking of all or part of his Unit and for the consequential damages to said Unit resulting from said condemnation; (b) any award for the taking of any Limited Common Element shall be allocated among the Unit Owners having the right to use said Limited Common Element in proportion to their respective Percentage Interests in the Limited Common Element; and, (c) any award for the taking of General Common Elements shall be allocated among all Unit Owners in proportion to their respective Percentage Interests in the General Common Elements. All such awards shall be payable to The Council of Unit Owners, which shall distribute the amount(s) allocated to each Unit Owner pursuant to the preceding sentence in accordance with the priority of interests in his Unit, to the end and intent that all Mortgages and other liens on such Unit shall first be paid out of the award allocated to such Unit Owner, all in the order in which same appear, but in no event shall such award exceed the total Percentage Interests a Unit Owner has in the Condominium. The Council of Unit Owners shall not be obligated to replace property taken, but promptly shall undertake to restore the remaining property within the Condominium to a safe and habitable condition. The cost of such restoration shall be a Common Expense. Following the taking of all or part of any Unit, the Percentage Interests (in the General Common Elements and in the Common Profits and Common Expenses) appurtenant to said Unit shall be reduced in the same proportion as the amount of floor area of said Unit so taken bears to the floor area of said Unit immediately prior to the taking, except that if the taking specifically includes part or all of the Percentage Interests appurtenant to said Unit, the taking authority shall have the portion of said Percentage Interests which is so taken, and the Unit Owner of said Unit shall retain the portion of said Percentage Interests which is not so taken. To the extent that the total Percentage Interests appurtenant to a Unit are reduced as above provided, rather than being split between the taking authority and the Unit Owner, the severed Percentage Interests shall be reallocated among the remaining Units in proportion to the Percentage Interests appurtenant to such Units immediately prior to the taking.

Following the taking of part of a Unit, the votes appurtenant to that Unit shall be appurtenant to the remainder of that Unit, and following the taking of all of a Unit, the right to vote appurtenant to the Unit shall terminate, except, in each case, that if the taking specifically includes part or all of the votes appurtenant to a Unit, the taking authority shall have the portion of the votes so taken, and the Unit Owner of the Unit taken shall retain the portion of the votes which is not so taken. If the votes appurtenant to a Unit are terminated, said votes shall not be reallocated among the remaining Units. Promptly after the taking is effected, the Council of Unit Owners shall prepare, execute and record an amendment to this Condominium Declaration reflecting the new arrangement of Percentage Interests and votes as above provided.

13.2.2. Notwithstanding any other provision of this Condominium Declaration, if at least 80% of the fair market value of the Condominium is taken under the power of eminent domain, the Condominium may be terminated pursuant to Section 11-123 of the Maryland Condominium Act, as the same may be amended.

13.3. Failure to Rebuild Units. If the Unit Owners decide pursuant to Section 13.2 of the Condominium By-Laws not to rebuild one or more Units following a fire or other casualty or condemnation, but the condominium regime is not terminated, then:

13.3.1. the Percentage Interests (in the General Common Elements and the Common Profits and Common Expenses) appurtenant to each damaged or destroyed or condemned Unit which is not rebuilt shall be divested from the Unit and reallocated among the remaining Units in proportion to the Percentage Interests appurtenant to said remaining Units immediately prior to the damage or destruction;

13.3.2. the votes appurtenant to each damaged or destroyed or condemned Unit which is not rebuilt shall be divested from said Unit and shall not be reallocated among the remaining Units; and,

13.3.3. the Council of Unit Owners promptly shall prepare, execute and record an amendment to the Declaration reflecting the new arrangement of Percentage Interests and votes as above provided.

13.4. Termination. Notwithstanding anything herein to the contrary, no termination may occur during the development period of the Neighborhood without the express consent of Declarant, which shall be withheld or granted in its sole and absolute discretion.

13.5. Unit Ownership upon Termination. Upon any termination of the condominium regime, except for a termination implemented after a taking under the power of eminent domain as provided in Section 13.2, each Unit Owner shall own, as a tenant in common, from the time the Condominium is terminated until the time the property which constituted the Condominium is sold, an undivided interest in such property determined, to the extent permitted by law, as follows: Based upon fair market values in effect immediately prior to the termination of the regime, such undivided interest shall equal a fraction, the numerator of which is the sum of the fair market value of his Unit, plus the fair market value of his right to use the Limited Common Elements appurtenant to his Unit, plus his share, based upon his percentage interest in the

LIBER 1775 FOLIO 245

General Common Elements, of the fair market value of the General Common Elements, and the denominator of which is the sum of the fair market values of all Units, Limited Common Elements and General Common Elements; provided, however, that if any Unit or any General or Limited Common Element has been damaged or destroyed by fire or other casualty prior to said termination, an estimate of the fair market value of such Unit or General Common Element, or of the right to use such Limited Common Element, immediately prior to such damage or destruction shall be used, and further provided that if no such estimate can reasonably be made in the opinion of the appraiser(s) with respect to any such Unit or Limited Common Element, then each Unit Owner's undivided interest in the property which constituted the Condominium shall equal his percentage interest in the Common Elements immediately prior to said termination.

ARTICLE 14 MORTGAGES

Each Unit Owner who conveys his Unit by way of any Mortgage shall give written notice thereof to the Condominium Board, setting forth the name and address of his Mortgagee and submitting a conformed copy of his Mortgage and the note secured thereby, if any. The Condominium Board shall maintain all such Mortgage information in a book or other record designated "Mortgage Book." The Condominium Board shall also include in the Mortgage Book the name and address of any holder, insurer or guarantor of a Mortgage who furnishes to the Council of Unit Owners a written notice stating the name and address of such holder, insurer or guarantor and the Unit number and address of the Unit subjected to the Mortgage of such holder, insurer or guarantor (the "**Mortgaged Unit**"). The Condominium Board shall furnish to each Mortgage holder, insurer and guarantor of record in its "Mortgage Book" timely written notice of: (a) any condemnation loss or casualty loss which affects a material portion of the Condominium or which affects the Mortgaged Unit; (b) any delinquency in the payment of assessments or charges owed by the Unit Owner of the Mortgaged Unit, where such delinquency has continued for a period of sixty (60) days; (c) any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Council of Unit Owners; (d) any proposed action which would require the consent of a specified percentage (such as a majority, 66%, 80% or 100%) of the Eligible Mortgagees or of all Mortgagees; and (e) the giving of any default or violation notice by the Council of Unit Owners to the Unit Owner of the Mortgaged Unit.

ARTICLE 15 GENERAL PROVISIONS

15.1. No Waiver. The failure of Declarant, the Council of Unit Owners, the Condominium Board or the Manager, or any Unit Owner, in any one or more instances, to enforce or otherwise insist upon the strict performance of any restriction, condition, obligation or provision of any Condominium Document, or the failure of any such party to exercise any right, shall not be construed as a waiver or relinquishment for the future, whether in the same or in any other instance, of the benefit of such restriction, condition, obligation, provision or right, but the same shall remain in full force and effect unless expressly waived in writing.

15.2. Enforceability.

LIBER 1 775 FOLIO 246

15.2.1. The terms, conditions, restrictions and provisions of this Condominium Declaration and the Condominium By-Laws shall be binding upon Declarant, its successors and assigns, all as part of a general plan or scheme for development of the Condominium, and all said terms, conditions, restrictions and provisions shall be held and construed to run with and bind the property, each Unit thereon, and all subsequent Unit Owners, tenants and residents of the Units, except as otherwise expressly set forth in this Condominium Declaration or the Condominium By-Laws.

15.2.2. All of said terms, conditions, restrictions and provisions shall inure to the benefit of and be enforceable by Declarant, its successors and assigns, and by any person or party then owning or having any recorded interest or estate in any Unit, against anyone violating or attempting to violate any of such terms, conditions, restrictions or provisions; provided, however, that except as otherwise expressly provided herein, all rights reserved by and for the benefit of Declarant under this Condominium Declaration and the Condominium By-Laws shall be exercisable and enforceable only by Declarant, its successors, and any assignee to whom said developer specifically assigns such rights in writing.

15.2.3. Notwithstanding the foregoing, neither the Council of Unit Owners nor any person acting or purporting to act on its behalf shall (a) file or otherwise commence, or prosecute, in any jurisdiction whatsoever, any (i) civil, criminal or administrative proceeding in or with any court or administrative body or officer, or (ii) appeal of or objection to any decision or other action made or taken by any court or administrative body or officer, in any judicial or administrative proceeding, or (b) testify or submit evidence (except where required by law, subpoena or formal order of such court, administrative body or officer), or otherwise take a formal position on any issue under consideration, in any such proceeding or appeal, in all cases until such action is approved in writing by a Super Majority of the Unit Owners. Nothing in this Subsection shall apply to a civil or administrative proceeding which the Council of Unit Owners commences or prosecutes with a court or administrative body or officer (a) to collect an Assessment, or enforce or foreclose a lien securing an Assessment, (b) otherwise to enforce the Council of Unit Owners' rights or another person's obligations under the Condominium Documents on account of a default or otherwise or (c) any action taken by Declarant at any time or action undertaken by the Neighborhood Association, the Neighborhood Board, the Architectural Review Committee and/or the ACC, if any, during the Development Period.

15.3. Relationships. Nothing contained in this Condominium Declaration or the Condominium By-Laws shall be deemed or construed by any Unit Owner, nor by any third party, as creating the relationship of principal and agent, partnership or joint venture between the Unit Owners or any of them. Further, no provisions contained in this Condominium Declaration or the Condominium By-Laws shall be deemed to create any relationship between any Unit Owners other than the relationship expressly created under a condominium regime, nor to confer upon a Unit Owner any interest in any other Unit Owner's Unit, nor to create any responsibility whatsoever on a Unit Owner for any debt, liability or obligation of any other Unit Owner.

15.4. Severability. If any term, condition, restriction or provision of this Condominium Declaration or the application thereof to any person or circumstance shall, at any time or to any

extent, be held to be invalid or unenforceable, the validity and enforceability of the remainder of this Condominium Declaration, or the application of such term, condition, restriction or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term, condition, restriction and provision of this Condominium Declaration shall be valid and be enforced to the fullest extent permitted by law.

15.5. Conflicts. In the event of any conflict among the provisions of this Condominium Declaration, the Condominium Plat or the Condominium By-Laws, the provisions of this Condominium Declaration, then the Condominium By-Laws, and then the Condominium Plat shall control.

15.6. Declarant's Sole and Arbitrary Discretion. Notwithstanding any provision within this Condominium Declaration or the Condominium By-Laws, any right or authority reserved unto Declarant, may be withheld at its sole and arbitrary discretion. Additionally, wherever Declarant's discretion is invoked or consent is required, said discretion or consent may be solely and arbitrarily withheld by Declarant.

15.7. Incorporation by Reference on Resale. In the event any Unit Owner sells or otherwise transfers any Unit, any deed purporting to effect such transfer shall be deemed to contain a provision incorporating by reference the covenants, restrictions, servitudes, easements, charges and liens set forth in this Condominium Declaration, whether or not the deed actually so states.

15.8. Notices. Any notice required to be sent to any Unit Owner under the provisions of this Condominium Declaration shall be deemed to have been properly sent when mailed, by ordinary mail, postage paid, to the last known address of the person who appears as member or Unit Owner on the records of the Council of Unit Owners at the time of such mailing.

15.9. Captions and Genders. The captions contained in this Condominium Declaration are for convenience only and are not a part of this Condominium Declaration and are not intended in any way to limit or enlarge the terms and provisions of this Condominium Declaration. Whenever the context so requires, the male shall include all genders and the singular shall include the plural.

15.10. Counterparts. This Assignment may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

15.11. Term. This Condominium Declaration shall run with the land and shall be perpetually binding from the date this Condominium Declaration is recorded, unless and until an instrument has been recorded, by which this Condominium Declaration, in whole or in part, is amended, modified or revoked pursuant to the provisions of Article 12.

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LIBER 1775 FOLIO 248

WITNESS the hand of Declarant on the day and year first above written.

WITNESS:

Barbara A. Ratliff

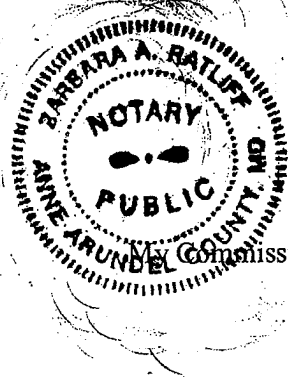
RELIABLE DEVELOPMENT COMPANY,
LLC, a Maryland limited liability company

By: [Signature]
Print Name: JOSEPH G. BALDWIN
Title: MANAGING MEMBER

STATE OF MARYLAND)
COUNTY OF Anne Arundel) SS

I CERTIFY that on this 28th day of March, 2008, before me, the subscriber, a Notary- Public for the state and county aforesaid, personally appeared Joseph G. Baldwin, known to me or satisfactorily proven to be the person whose name is subscribed to the foregoing document, who acknowledged that s/he is Managing Member of Reliable Development Company, LLC, a Maryland limited liability company, and has been duly authorized to sign, and has signed, such document on its behalf for the purposes therein set forth; and that the same is her/his act and deed. In witness whereof, I have set my hand and Notarial Seal, the date first above written.

AS WITNESS my hand and Notarial Seal.



Barbara A. Ratliff
NOTARY PUBLIC

Commission Expires: 5/14/2008

LIBER 1775 FOLIO 249

LENDER AGREEMENT

Brian J. Cannon and Barry C. Greenberg, Trustees, and PNC Bank, National Association, a national banking association, successor in interest to Mercantile-Safe Deposit and Trust Company, a Maryland banking corporation, who are, respectively, the trustees and beneficiary under an Indemnity Deed of Trust, Assignment and Security Agreement ("Deed of Trust") dated February 21, 2007, and Recorded in Liber S.M. 1655 at folios 288 et. seq., from Reliable Development Company, LLC, join in this Condominium Declaration to subject to its legal effect all of their right, title and interest under the Deed of Trust in the real property encumbered by the Neighborhood Declaration. Nothing in this Lender Agreement shall create between Declarant and the undersigned any relationship of partnership or association. In witness whereof, each such Person has signed this Lender Agreement or caused it to be signed on its behalf by its authorized representatives, this 27th day of March, 2008.

WITNESS:

Connie Starlepa

Brian J. Cannon
Brian J. Cannon, Trustee

Barry C. Greenberg

Barry C. Greenberg
Barry C. Greenberg, Trustee

PNC BANK, NATIONAL ASSOCIATION, A
NATIONAL BANKING ASSOCIATION,
SUCCESSOR IN INTEREST TO MERCANTILE-
SAFE DEPOSIT AND TRUST COMPANY

Connie Starlepa

By: Brian J. Cannon
Brian J. Cannon, Vice President

LIBER 1775 FOLIO 250

STATE OF MARYLAND)

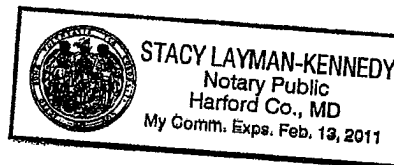
) SS

COUNTY OF Harford)

I CERTIFY that on this 27th day of March, 2008, before me, the subscriber, a Notary Public for the state of county aforesaid, personally appeared Brian J. Cannon, Trustee, known to me or satisfactorily proven to be the person whose name is subscribed to the foregoing document, who acknowledged that s/he has signed it as trustee for the purposes therein set forth and that is her/his act and deed. In witness whereof, I have set my hand and Notarial Seal, the date first above written.

Stacy Layman-Kennedy
Notary Public

My commission expires on _____.



STATE OF MARYLAND)

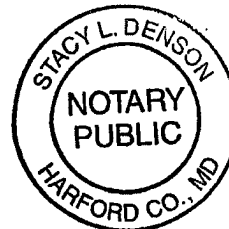
) SS

COUNTY OF Harford)

I CERTIFY that on this 27th day of March, 2008, before me, the subscriber, a Notary Public for the state of county aforesaid, personally appeared Barry C. Greenberg, Trustee, known to me or satisfactorily proven to be the person whose name is subscribed to the foregoing document, who acknowledged that s/he has signed it as trustee for the purposes therein set forth and that is her/his act and deed. In witness whereof, I have set my hand and Notarial Seal, the date first above written

Stacy L. Denson
Notary Public

My commission expires on 10-19-08



LIBER 1775 FOLIO 251

STATE OF MARYLAND)

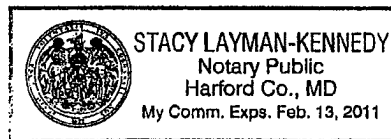
) SS

COUNTY OF Harford)

I CERTIFY that on this 27th day of March, 2008, before me, the subscriber, a Notary Public for the state of county aforesaid, personally appeared Brian J. Cannon, Vice President, on behalf of PNC Bank, National Association, a national banking association, successor in interest to Mercantile-Safe Deposit and Trust Company, known to me or satisfactorily proven to be the person whose name is subscribed to the foregoing document, who acknowledged that s/he has signed it as Vice President, on behalf of PNC Bank, National Association, a national banking association, successor in interest to Mercantile-Safe Deposit and Trust Company, for the purposes therein set forth and that is her/his act and deed. In witness whereof, I have set my hand and Notarial Seal, the date first above written.

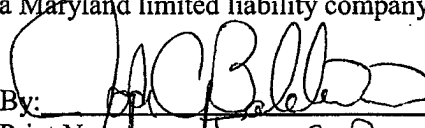
Stacy Layman-Kennedy
Notary Public

My commission expires on _____.




I hereby affirm under penalty of perjury that the notice requirements of Section 11-102.1 of the Maryland Condominium Act, if applicable, have been fulfilled.

RELIABLE DEVELOPMENT COMPANY, LLC,
a Maryland limited liability company

By: 
Print Name: JOSEPH G. BALDWIN
Title: MANAGING MEMBER

ATTORNEY'S CERTIFICATE

In accordance with Section 3-104(f) of the Real Property Article, Annotated Code of Maryland, as amended, I hereby certify that I am an attorney admitted to practice before the Court of Appeals of Maryland and that the attached Instrument was prepared either by me or under my supervision.


Francie Cohen Spahn

Upon recordation, please return this deed to:

Francie Cohen Spahn, Esq.
Saul Ewing LLP
Lockwood Place
500 East Pratt Street, 9th Fl.
Baltimore, Maryland 21202

LIBER 1 775 FOLIO 253

EXHIBIT A

LEGAL DESCRIPTION

[TO BE ATTACHED]

LIBER 1775 FOLIO 254

**DESCRIPTION OF
MULTIFAMILY PARCEL "B"
AT
"ELLENDALE"
IN THE FOURTH ELECTION DISTRICT
QUEEN ANNE'S COUNTY, MARYLAND**

PARCEL B

Beginning for the same at a point said point being the northwesterlymost corner of the herein described land, said point also being on the southerly side of Keenan Way; and from said Place of Beginning running by and with the southerly side of the said Keenan Way (1) North 82 degrees 30 minutes 20 seconds East 200.00 feet, thence (2) by and with the arc of a curve deflecting to the right which has a radius of 25.00 feet for a length of 39.27 feet the chord of which bears South 52 degrees 56 minutes 40 seconds East 35.36 feet to Parker Drive, thence by and with the westerly side of the said Parker Drive (3) South 07 degrees 56 minutes 40 seconds East 420.00 feet, thence (4) by and with the arc of a curve deflecting to the right which has a radius of 25.00 feet for a length of 39.27 feet the chord of which bears South 37 degrees 03 minutes 20 seconds West 35.36 feet to John Patrick Drive, thence by and with the northerly side of the said John Patrick Drive (5) South 82 degrees 03 minutes 20 seconds West 207.00 feet, thence (6) by and with the arc of a curve deflecting to the right which has a radius of 18.00 feet for a length of 28.27 feet the chord of which bears North 52 degrees 56 minutes 40 seconds West 25.46 feet to the aforesaid Keenan Drive, thence by and with the easterly side of the said Keenan Drive the following two courses and distances (7) North 07 degrees 56 minutes 40 seconds West 427.00 feet, thence (8) by and with the arc of a curve deflecting to the right which has a

LIBER 1775 FOLIO 255

radius of 25.00 feet for a length of 39.27 feet the chord of which bears North 37 degrees 03 minutes 20 seconds East 35.36 feet to the Place of Beginning, containing 2.687 Acres of Land, more or less, and

Being subject to all Easements as shown on the recorded subdivision plat of Ellendale, recorded in the Plat Records of Queen Anne's County in SM 38 Folio 46A.

LIBER 1775 FOLIO 256

**DESCRIPTION OF
MULTIFAMILY PARCEL "C"
AT
"ELLENDALE"
IN THE FOURTH ELECTION DISTRICT
QUEEN ANNE'S COUNTY, MARYLAND**

PARCEL C

Beginning for the same at a point, said point being the northwesterlymost corner of the herein described land, said point also being on the easterly side of Kent Manor Drive and the southerly side of Ellendale Boulevard; and from said Place of Beginning running by and with the southerly side of the said Ellendale Boulevard (1) North 82 degrees 03 minutes 20 seconds East 285.01 feet, thence (2) by and with the arc of a curve deflecting to the right which has a radius of 25.00 feet for a length of 39.27 feet the chord of which bears South 52 degrees 56 minutes 40 seconds East 35.36 feet to Parker Drive, thence by and with the westerly side of Parker Drive (3) South 07 degrees 56 minutes 40 seconds East 108.88 feet, thence (4) by and with the arc of a curve deflecting to the right which has a radius of 25.00 feet for a length of 39.27 feet the chord of which bears South 37 degrees 03 minutes 20 seconds West 35.36 feet to Keenan Way, thence by and with the northerly side of the said Keenan Way (5) South 82 degrees 03 minutes 20 seconds West 285.00 feet to the aforesaid Kent Manor Drive, thence by and with the easterly side of the said Kent Manor Drive (6) North 07 degrees 56 minutes 41 seconds West 158.88 feet to the Place of Beginning, containing 1.360 Acres of Land, more or less, and

LIBER 1775 FOLIO 257

Being subject to all Easements as shown on the recorded subdivision plat of Ellendale, recorded in the Plat Records of Queen Anne's County in SM 38 Folio 46A.