

Oella Homeowners Association, Inc.

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Table of Contents

INFORMATION BROCHURE.....	1
1. Organizational structure of the Association.....	2
2. Membership and voting rights of Owners and Developer.....	2
3. Annexation of additional property.....	2
4. Merger or dissolution of the Association.....	3
5. Assessments.....	3
6. The Common Areas.....	3
7. Services provided by the Association.....	4
8. Exterior maintenance of dwellings.....	4
9. Miscellaneous information.....	4
DECLARATION OF RESTRICTIONS AND GRANT OF EASEMENTS.....	8
I STATEMENT OF BACKGROUND AND PURPOSE.....	8
II DEFINITIONS.....	9
III GRANT OF EASEMENTS AND LICENSES.....	12
Section 3.1. Easements benefiting Lots and burdening other Lots.....	12
Section 3.2. Temporary Licenses.....	12
Section 3.3. Indemnification.....	13
Section 3.4. Dedication.....	13
Section 3.5. Easements for Self-Help and Lien for Failure to Reimburse.....	13
Section 3.6. Work.....	14
Section 3.7. Maintenance.....	14
Section 3.8. Contribution to utility expenses.....	14
Section 3.9. Restoration.....	15
IV ARCHITECTURAL CONTROL.....	16
Section 4.1. Restrictions.....	16
Section 4.2. Content of Plans.....	16
Section 4.3. Disapproval of Plans.....	16
Section 4.4. Process.....	16
Section 4.5. Effect of approval.....	17
Section 4.6. Inspection of Lots.....	17
Section 4.7. Removal.....	17
Section 4.8. Uses prohibited without approval by Developer.....	18
Section 4.9.....	18
Section 4.10.....	19
Section 4.11.....	19
V RIGHTS OF MORTGAGEES.....	19
Section 5.1.....	19
Section 5.2.....	19
VI MISCELLANEOUS.....	19
Section 6.1. Amendment.....	19
Section 6.2. Waiver.....	20
Section 6.3. Applicable Law.....	20
Section 6.4. Time of Essence.....	20
Section 6.5. Heading.....	20
Section 6.6. Covenants Running with the Property.....	20

Section 6.7. Partial Invalidity.....	20
Section 6.8. Successors and Assigns.....	20
Section 6.9. General Plan of development.....	21
Section 6.10. Notices	21
Section 6.11. Waiver of reversionary right.....	21
Section 6.12. Developer.....	21
CONSENT AND AGREEMENT OF.....	23
TRUSTEES AND BENEFICIARY	23
CONSENT AND AGREEMENT OF MORTGAGEE.....	25
CONSENT AND AGREEMENT OF TRUSTEES AND BENEFICIARY	26
PRO-FORMA BUDGET FOR OELLA FOR FIRST YEAR OF OPERATION.....	29
PRO-FORMA BUDGET FOR LIMITED ASSESSMENT FOR OELLA FOR FIRST YEAR OF OPERATION.....	30
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS	31
ARTICLE I - DEFINITIONS	31
ARTICLE II – RESIDENTIAL LOTS	34
Section 1. Number of Lots.....	34
Section 2. Number of Lots after Expansion.....	34
ARTICLE III - PROPERTY RIGHTS	34
Section 1. Property Rights in and to Common Areas.....	34
Section 2. Permitted Action by the Association.....	34
Section 3 – Maintenance.....	36
Section 4. Control of the Common Areas.....	36
Section 5. Management.....	36
Section 6. Delegation of Use.....	37
ARTICLE IV – INSURANCE AND CASUALTY LOSSES	37
Section 1. Types of Insurance.....	37
Section 2. Premiums.....	37
Section 3. Damage and Destruction.....	37
Section 4. Repair and Reconstruction.....	38
ARTICLE V – MEMBERSHIP AND VOTING RIGHTS	38
Section 1. Association Membership.....	38
Section 2. Classes of Voting Membership.....	38
Section 3. Number of Votes.....	38
Section 4. Commencement and Termination of Development Period.....	39
ARTICLE VI – COVENANT FOR MAINTENANCE ASSESSMENTS.....	40
Section 1. Right to Levy Assessments.....	40
Section 2. Classes of Assessments.....	40
Section 3. Period of Assessments.....	41
Section 4. Allocation of Assessments among Lots.....	41
Section 5. Adoption by Board of Directors; Notice of Assessment; when Assessments are Due and Payable.....	41
Section 6. Limitations on Certain Assessments.....	43
Section 7. Owners' Personal Liability for Assessments.....	44
Section 8. Assessment Lien.....	44
Section 9. Recordation of Assessment Lien.....	44
Section 10. Priority of Assessment Lien.....	45
Section 11. Interest on Unpaid Assessments.....	45

Section 12. Recovery of Unpaid Assessments.....	45
Section 13. Certificate as to Payment of Assessments.	45
Section 14. Exempt Property.	46
ARTICLE VII – EXPANSION OF THE PROPERTY	47
Section 1. Reservation of Right.	47
Section 2. (no title).....	47
Section 3. Reservation of Right to Add Specified Lots.	47
Section 4.(no title).....	47
Section 5. Easement Rights.....	48
Section 6. Subjection to Declaration.....	48
ARTICLE VIII - USE RESTRICTIONS.....	48
Section 1. Residential Use	48
Section 2. Signs.....	48
Section 3. Garbage, Motor Vehicle Repairs.	48
Section 4. Yards.....	48
Section 5. Visibility.	48
Section 6. Recorded Covenants.	49
Section 7. Additional Rules and Regulations	49
Section 8. Commercial Lots.....	49
Section 9. Right of Entry.	49
Section 10. Sales and Other Offices.	49
ARTICLE IX – PARTY WALLS.....	50
Section 1. General Rules of Law to Apply.	50
Section 2. Sharing of Repair and Maintenance.....	50
Section 3. Destruction by Fire or Other Casualty.	50
Section 4. Weatherproofing.	50
Section 5. Right to Contribution Runs With Land.....	50
ARTICLE X – RIGHTS OF MORTGAGEES.....	50
Section 1. General.....	50
Section 2. Rights of First Refusal.	51
Section 3. Priority over Assessment.	51
Section 4. Actions Conditioned on Mortgagee’s Approval.....	51
Section 5. Inspection; Statement and Notice.	52
Section 6. Taxes on Common Areas.....	52
ARTICLE XI – ENCROACHMENTS.....	52
ARTICLE XII – EASEMENTS.....	53
Section 1. Easement Benefiting Lots and Burdening Common Areas and Lots.	53
Section 2. Easement Benefiting Lots and Burdening Common Areas.	53
Section 3. Development Easements of Declarant.....	53
Section 4. Easement of Board of Directors.....	54
Section 5. Use of Easement Areas.	54
Section 6. Easement to the Public.....	54
ARTICLE XIII – COMMON DRIVEWAYS	54
Section 1. Grant of Easement.....	54
Section 2. Manner of Exercise.....	55
Section 3. Owner's Use of the Easement Area.....	55
Section 4. Benefit and Burden.	55
Section 5. Allocation and Liability for Expenses	55

ARTICLE XIV – RULES AND REGULATIONS	56
Section 1. Initial Rules and Regulations Board of Directors Authorized to Adopt; Scope	56
Section 2. Notice.....	56
Section 3. Adoption; Referendum.....	56
ARTICLE XV – GENERAL PROVISIONS.....	56
Section 1. Enforcement.....	56
Section 2. Severability	57
Section 3. Amendment.....	57
Section 4. Indemnification.....	57
ARTICLES OF INCORPORATION OF OELLA HOMEOWNERS ASSOCIATION, INC.	63
ARTICLE I – NAME.....	63
ARTICLE II - PRINCIPAL OFFICE	63
ARTICLE III - RESIDENT AGENT	63
ARTICLE IV - PURPOSES AND POWERS	63
ARTICLE V – ASSOCIATION NOT AUTHORIZED TO ISSUE STOCK.....	64
ARTICLE VI – MEMBERSHIP	64
ARTICLE VII - VOTING RIGHTS	65
ARTICLE VIII – BOARD OF DIRECTORS	65
ARTICLE IX – DISSOLUTION	66
ARTICLE X – DURATION.....	66
ARTICLE XI – AMENDMENTS	66
BY-LAWS OF OELLA HOMEOWNERS ASSOCIATION, INC.....	68
ARTICLE I – NAME AND LOCATION	68
ARTICLE II – DEFINITIONS	68
ARTICLE III – MEETING OF MEMBERS	68
Section 1. Annual Meetings.....	68
Section 2. Special Meetings.....	68
Section 3. Notice of Meetings.....	68
Section 4. Quorum	69
Section 5. Proxies.....	69
ARTICLE IV - BOARD OF DIRECTORS: SELECTION; TERM OF OFFICE.....	69
Section 1. Number	69
Section 2. Term of Office	69
Section 3. Removal	69
Section 4. Compensation	69
ARTICLE V - NOMINATION AND ELECTION OF DIRECTORS.....	69
Section 1. Nomination	69
Section 2. Election	70
ARTICLE VI – MEETINGS OF DIRECTORS.....	70
Section 1. Regular Meetings.....	70
Section 2. Special Meetings.....	70
Section 3. Quorum	70
Section 4. Open Meetings.....	70
Section 5. Closed Session	70
Section 6. Action without a Formal Meeting.....	71
ARTICLE VII – POWERS AND DUTIES OF THE BOARD OF DIRECTORS.....	72
Section 1. Powers.....	72
Section 2. Duties	73

Section 3. Hearing Procedure	73
ARTICLE VIII – OFFICERS AND THEIR DUTIES	74
Section 1. Enumeration of Offices.....	74
Section 2. Election of Officers.....	74
Section 3. Term.....	75
Section 4. Special Appointments	75
Section 5. Resignation and Removal	75
Section 6. Vacancies	75
Section 7. Multiple Offices.....	75
Section 8. Duties	75
ARTICLE IX – INDEMNIFICATION OF OFFICERS AND DIRECTORS.....	76
ARTICLE X – COMMITTEES.....	76
ARTICLE XI – BOOKS AND RECORDS.....	76
Section 1. (no title).....	76
Section 2. (no title).....	76
Section 3. (no title).....	76
ARTICLE XII – ASSESSMENTS	76
ARTICLE XIII – CORPORATE SEAL.....	77
ARTICLE XIV – AMMENDMENTS.....	77
Section 1.(no title).....	77
Section 2.(no title).....	77
ARTICLE XV – FISCAL YEAR	77
HOMEOWNERS ASSOCIATION ADDENDUM.....	78

Oella

(Phase I)

INFORMATION BROCHURE

Oella is a planned community ("the Community") located in Baltimore County, Maryland, being developed by Charles L. Wagandt (" the Developer"), with an address at 732 Oella Avenue, Ellicott City, Maryland 21043. Phase I of Oella will consist of six (6) semi-detached lots and five (5) single family, detached lots (collectively, the "Lots") and open space, floodplain, drainage and utility easements and a public pedestrian easement ("the Common areas") . Each Lot will be owned in fee simple by an individual homeowner ("owner"), while the Common Areas will be owned and operated for the private and exclusive use and enjoyment of the Owners and their: tenants, families and guests by Oella Homeowners Association, Inc., a nonstock corporation organized and existing under the law of Maryland ("the Association"), which is the Community's governing entity. The layout of the Community is set forth on Plats for Oella (the "Community Plats"), as the same may be recorded and/or amended by the Developer from time to time and re-recorded among the Plat Records of Baltimore County, Maryland.

A Declaration of Covenants, Conditions and Restrictions for Oella ("the Declaration") is recorded among the Land Records of Baltimore County, establishing the Community in a manner designed to assure its continued, smooth operation. By virtue of the Declaration, each owner has the right both to share with the other Owners in the use and enjoyment of the Common Areas (subject to rules adopted from time to time by the Association), and to participate in managing the Community's affairs through his automatic membership in the Association. In return, each Owner is obligated to pay to the Association, an assessment to be used by the Association in defraying the cost of operating and maintaining the Common Areas for the Owners. Certain Owners having the benefit of certain limited Common Areas will also be obligated to pay .to the Association a Limited Assessment with respect to the maintenance of specific limited Common Areas.

This brochure is intended formation about the Community in conjunction with the Declaration and the Associations' articles of incorporation, by-laws and budget (copies of which are distributed prior to the entry into an agreement for the purchase of a dwelling located within the Community), as well as a declaration recorded in 1984, a copy of which is attached to this brochure.

The remainder of this brochure sets forth in greater detail information about Oella, the Association, and the rights and benefits which are held by the Owners. Information about particular dwellings is beyond the scope of this document and should be discussed with the Developer, if the Developer is building the particular dwelling, or the builder, if other than the Developer.

1. Organizational structure of the Association.

The Community's affairs will be conducted on a day-to-day basis by the Association, acting through a Board of Directors elected by the Association's members, and through officers elected by the Board of Directors. The Association has three (3) directors, as well as a president, a vice-president, a secretary and a treasurer. The Board of Directors may elect to increase the number of Directors to a maximum of nine (9). At the first annual meeting of the Association's membership, all the directorships will be filled, one-third (1/3) for terms of three (3) years each, one-third (1/3) for terms of two (2) years each, and one-third (1/3) for a term of one (1) year. At each subsequent annual meeting of the membership, a successor will be elected to fill the place of each director whose term expires as of such meeting, for a term of three (3) years (with the result that, eventually, each director will be elected for a three-year term, with only some of the directors' terms expiring as of any given annual meeting). Until the first annual meeting of the membership, the directors are designated by the Developer.

2. Membership and voting rights of Owners and Developer.

The Association's membership is comprised of and limited to all of the Owners (including the Developer, so long as it is an Owner). During the period in which the Developer is developing and marketing the Lots ("the Development Period"), the membership will be divided into two classes, the Class A Membership consisting of all of the Owners other than the Developer and any builders and the Class B Membership consisting of the Developer and each builder. Each person or group of persons which constitutes an Owner and which is a Class A member has one (1) vote in the Association's affairs for each Lot which it owns, while each Class B member has three (3) votes for each Lot which it owns. After the expiration of the Development Period, the membership will no longer be divided into two classes, and each Owner will thereafter have one vote in the Association's affairs for each Lot which it owns.

3. Annexation of additional property.

When the Declaration is initially recorded, there will be 11 Lots within the Community. Under Article VII of the Declaration, the Developer has reserved the right to expand the Community by adding to it any or all of the adjoining Lots or parcels of land owned by the Developer which would be subdivided into Lots, open spaces and roadways prior to such expansion. In addition, under Article VII of the Declaration, the Developer has the right to expand the Community by adding to it previously subdivided Lots owned by others that are located in the vicinity of the Community but are not part of the Community as of the date hereof. At the time of any expansion of the Community, the Developer may designate certain Lots in the expansion as "commercial lots" for use as hotel, motel, office, retail or other commercial purposes. The commercial lots will not be subject to the same use restrictions imposed on Owners of residential Lots. An expansion would be accomplished through the subjection of the title to the annexed land to the operation and effect of the Declaration. If an expansion occurs, each Owner of a Lot in the annexed land would have the same rights and obligations as the Owner of any original Lot and would automatically become a member of the Association, with the same voting rights as those held by the initial Owners. Any open spaces in the

annexed land would become part of the Common Areas, would be owned by the Association when title is conveyed to the Association, and could be used by all of the Owners in the manner set forth in the Declaration. When fully expanded, Oella may contain up to 150 Lots. The Developer has until 1999 to complete all expansions.

4. Merger or dissolution of the Association.

The Association may be voluntarily dissolved only by the affirmative votes of eighty percent (80%) of all of the votes held by each Class of membership, in which event (unless such dissolution is incidental to a consolidation or merger with another entity) its assets must be granted to an appropriate public agency which would operate such assets in the same way as that prescribed for the Association itself.

5. Assessments.

Each Owner is liable for an assessment levied annually against his Lot by the Association (an "Annual Assessment") and payable in quarterly installments (subject to any other payment method adopted by the Association). Each Owner is also liable for any special assessment levied by the Association from time to time to defray any special costs incurred by it. With respect to certain of the Lots, there are also limited assessments ("Limited Assessment") levied annually by the Association with respect to the maintenance of specific Limited Common Areas which benefit exclusively the Owners of certain designated Lots. (At the present time, the only Limited Common Area is the area designated "H.O.A. Parking for 737, 739, 741, 743, 745 and 747", shown on the Community Plat. These initial Limited Common Areas benefit the Owners of Lots 737, 739, 741, 743, 745 and 747). The Declaration limits the amount of the Annual Assessment for a Lot during the Association's initial fiscal year to \$198.00, limits the amount of the Limited Assessment to \$150.00 for the Association's initial fiscal year, and provides that these maximum amounts may not be increased thereafter by more than ten percent (10%) annually without the approval of two-thirds (2/3) of the members of each Class of membership. While these are maximum amounts, the actual Annual Assessment or Limited Assessment per Lot could in fact be in a lower amount. In addition to the assessments described above, each owner, at the time title to the Lot is transferred to the Owner, will also be required to contribute to the initial working capital of the Association an amount equal to one-sixth (1/6) of the Annual Assessment.

6. The Common Areas.

The Common Areas consist of all of the land within the Community which is not part of any dedicated roadway or an Owner's Lot, and any improvements on such land (including, for example, improvements on the Limited Common Areas such as private streets, pads, parking spaces and similar facilities). No portion of the Common Areas will be encumbered by any mortgage at the time of conveyance by the Developer to the Association.

No fees are charged for the use of the Common Areas by the Owners and their family members and guests (although the Declaration empowers the Association to do so if a sufficient

number of its members desire it).

As shown on the Community Plat, large portions of the Common Areas are designated as "H.O.A. Open Space", "100-year Floodplain, Drainage and Utility Easement" and/or "Public Pedestrian Easement". These Common Areas will be deeded by the Developer to the Association, but are required by Baltimore County to remain in their natural, undeveloped state. The Developer will have certain easement rights to the Common Areas during the Development Period.

7. Services provided by the Association.

The Association is responsible for maintaining the Common Areas, including the Limited Common Areas, (but not the Lots or improvements thereon belonging to individual Owners). The Association may provide other services to the Community, if its board of directors or, membership elects for it to do so. The Association may perform certain other important duties, such as engaging a management agent for the operation of the Community (if the Association deems it necessary), determining the degree and type of maintenance and service, promulgating rules and regulations for the use of the Common Areas, and adopting an operating budget which will reflect assessments adequate to operate and maintain the Common Areas. Each Owner's possession of a voting right means that he participates (through the directors which he and the other members elect) in managing the Community's affairs. Since any management agent will take its assignments from the Association's president and directors, one of the most important functions which the Owners will be called upon from time to time to perform is that of selecting qualified persons to be directors. The proposed Operating Budget for Phase I (11 Lots) is enclosed with this brochure.

8. Exterior maintenance of dwellings.

The dwellings are owned in fee simple by the individual Owners of the Lots, each of whom is individually responsible for maintaining his own dwelling. The Owner's maintenance obligation will include keeping trees and shrubbery on his own Lot trimmed so as not to interfere with the visibility of the Patapsco River from other Lots. The Association has no responsibility for maintaining the exterior or any other area of any such dwelling. The Declaration does empower the Association, however, to enter upon any Lot to enforce certain maintenance obligations imposed upon the individual Owners, and to charge the Owner in question for the expense of such action. Such right enables the Association to ensure that the exterior of the homes in the Community and their surrounding yards will be properly maintained in good order and repair, for the good of the entire Community.

9. Miscellaneous information.

The following is a summary of additional information (or references to the Declaration, by-laws and articles of the Association wherein relevant information is set forth) which is required to be given to you under the provisions of Section 11B-105(b) of the Maryland Homeowners Association Act:

A. The telephone number of the Developer is: (301) 465-1700. The person to whom information regarding the Community, the Association or the Developer should be addressed, is Charles L. Wagandt, 732 Oella Avenue, Ellicott City, Maryland 21043. The Developer will also serve as the builder of some of the dwellings in the Community.

B. The legal name of the Association is Oella Homeowners Association, Inc., a Maryland non-stock corporation, whose resident agent is James C. Oliver, 17th Floor, 300 East Lombard Street, Baltimore, Maryland 21202.

C. Site development plans showing pathways and sidewalks to be installed by your builder for each section of the Community, as the same are approved by Baltimore County prior to the development of each such section, will be available for review at the Office of Planning and Zoning of Baltimore County. Current plans do not call for there to be street light fixtures to be owned and maintained by the Association. Instead, unless the Association shall otherwise elect at some time in the future, individual lighting on each Lot will be installed by your builder, and maintained by the Owner thereof. Some single family Lots will share driveways. Provision has been made in the Declaration for the necessary easements and shared maintenance of these common driveways. .

D. The construction of all public utilities (roads, storm drains and water and sewer facilities) are required by Baltimore County to be bonded or otherwise .guaranteed by the Developer and must be built to County standards. At such times as are appropriate during the Development Period, the facilities will be dedicated by the Developer to and thereafter maintained by Baltimore County. Certain storm drains serving the storm water management facilities will be owned and maintained by the County.

E. Initially there will be no management company managing the Association.

F. Certain zoning and building code approvals are required to be obtained from Baltimore County. Information on County requirements can be obtained by calling Baltimore County Office of Planning and Zoning at (301) 494-3211.

G. There are no current plans for any recreational facilities, or tot lots. (There is, however, presently one (1) tot lot maintained by Baltimore County under a year-to-year lease which can be terminated by either the Developer or the County upon notice to the other.) There will be an easement area along the Patapsco River granted to Baltimore County for the use of the public as a pedestrian footpath. The easement area is shown on the Community Plat and is labeled "Public Pedestrian Easement".

H. The description, location and size of the Community, including the minimum number of Lots in the Community and the description of expansion parcels can be found in Article II, Article VII and Exhibits A and B of the Declaration.

I. For a description of the enforceability of the Declaration vis-à-vis owners of Lots, see sections 7 and 8 of Article VI of the Declaration.

J. For a description of the use restriction, including:

- (i) Restrictions on occupancy density: see Section 1 of Article VIII of the Declaration and notes set forth on the Community Plat.
- (ii) Restrictions on vehicles: see Section 3 of Article VIII and Exhibit C of the Declaration.
- (iii) Restrictions on commercial activity: see Section 1 of Article VIII and Exhibit C of the Declaration.

K. For information on insurance coverage required to be carried by the Association, see Article IV of the Declaration and the Budget.

L. For the procedures for levying Assessments, including

- (i) Procedure for increasing or decreasing Assessments: see Sections 4, 5 and 6 of Article VI of the Declaration.
- (ii) Timing of initial levying of Assessments: see Sections 2, 5 and 6 -of Article VI of the Declaration.
- (iii) Collection of Assessments: See Article VI of the Declaration.
- (iv) Lot owner's personal liability for Assessments: see Section 7 of Article V of the Declaration.
- (v) Interest on unpaid Assessments: see Section 11 of Article VI of the Declaration.
- (vi) Recovery of unpaid Assessments: see Section 12 of Article VI of the Declaration.
- (vii) Liability for interest on unpaid Assessments and costs of the Association in obtaining recovery of unpaid Assessments: see Section 7 of Article VI of the Declaration.

M. Charges to be collected at settlement for operating reserves or other Association charges and intended use of funds will be determined prior to settlement, based upon the pro-rated Annual Assessment and Limited Assessment, if applicable, then in effect, including the contribution to the initial working capital of the Association equal to one-sixth (1/6) of the Annual Assessment.

N. For general remedies available to the Association and Owners for violation of Declaration, see Section 1 of Article XV of the Declaration.

O. For remedies for violations, including violation of use restrictions: see Section 8 of Article VIII of the Declaration.

P. For special rights or exemptions of the Developer and builders, including:

- (i) special voting rights during the Development period: see Section 3 or Article V of the Declaration.
- (ii) development easements reserved to Developer: see Section 3 of Article XII of the Declaration.
- (iii) reservation of right to expand the Community: see Article VII of the Declaration.
- (iv) right of the Developer to use Lots owned by it for offices: see Section 10 of Article VIII of the Declaration.
- (v) right of the Developer to designate Expansion Lots for commercial purposes: see Section 8 of Article VIII of the Declaration.
- (vi) right of the Developer to cure violations of use restrictions: see Section 9 of Article VIII of the Declaration.
- (vii) Developer's assignment rights: see Section 10 of Article I of the Declaration.
- (viii) Developer's amendment rights: see Section 3 of Article XV of the Declaration.
- (ix) Developer's and Builders' rights to pay reduced Assessments until conveyance of a Lot to a homeowner: see Section 4 of Article VI.

Q. For the state of title to Common Areas upon conveyance by the Developer to the Association: see Section 1 of Article II of the Declaration. . No title insurance will be issued to the Association at the time of conveyance.

R. For the easements, benefits, burdens, maintenance and cost allocations regarding Common Driveways and Party Walls, see Articles XIII and XII, respectively, of the Declaration.

S. No warranties, express or implied, are made by the Developer.

NOTICE: Nothing in the foregoing information brochure is in any way intended to alter or amend the Declaration or other documents referred to herein. Any conflict between the information provided herein and the terms of such documents is inadvertent and in case of conflict, the terms of the documents shall control.

(Signature on Original)

 Charles L. Wagandt
 (The Developer)

DECLARATION OF RESTRICTIONS AND GRANT OF EASEMENTS

THIS DECLARATION OF RESTRICTIONS AND GRANT OF EASEMENTS ("this Declaration made this 28th day of June 1984 by CHARLES L. WAGANDT, a resident of the State of Maryland, having an address at 803 Oella Avenue. Ellicott City, Maryland 21043 (hereinafter referred to as "the Developer").

I STATEMENT OF BACKGROUND AND PURPOSE

Section 1.1. The Developer is the owner of all of that land, situate and lying in Baltimore County, Maryland. more particularly described in Exhibit A attached hereto in the community known as Oella located in Baltimore County. Maryland, which is intended to be subdivided into certain lots; and

Section 1.2. The Developer intends by this Declaration to provide for the preservation of certain community's values and amenities And the maintenance of such lots Common improvements and other facilities. by (1) incurring their proper development, improvement and use; (2) protecting their respective owners' against their development or other use in any manner which may depreciate their value; (3) guarding against the erection on any such of any building or other improvement containing improper or unsuitable materials; (4) securing and maintaining improvements proper setbacks of such buildings or other improvements from the roadways and sidewalks within such community; (5) enforcing high standards of maintenance And operation of common improvements and other facilities for the benefit of the owners of such lots and any other residents of such community; (6) granting and reserving rights, easements and other privileges, all in order to provide adequately for a residential community of the highest quality and character; (7) and to specify the rights and obligations of benefited owners and burdened owners with respect to the easements including those shown on that certain sub-division plat (consisting of two (2) sheets) prepared by WHITMAN, REQUARDT AND ASSOCIATES, entitled "Subdivision of the Property owned by Charles L. Wagandt", dated June 19, 1984 (hereinafter called "Subdivision Plat") recorded in Plat Book 51 at folios 82 and 83 in the Land Records of Baltimore County, Maryland; and

Section 1.3. further To such purposes, the Developer intends to by this Declaration subject such residential lot s together with the improvements thereon and the appurtenances thereto, to certain covenants, easements, all as are hereinafter set forth; and

Section 1.4. The Developer hereby subjects to the operation and effect of the provisions of this Declaration all of that land, situated and lying in Baltimore County, which is described in Exhibit A, all of the improvements thereon and all of the rights, alleys, ways, waters, privileges, appurtenances and advantages. to the same belonging or in any way appertaining (all of which tract, improvements hereinafter and appurtenances are referred to collectively as "Property"), the operation and effect of any and all instruments recorded among the said Land Records before the recordation of this Declaration.

II DEFINITIONS

Section 2.1. As used in the provisions of this Declaration, the following terms have the meanings hereinafter ascribed to them:

- 2.1.1. "The Code" means the Annotated Code of Maryland (in each instance of reference whichever edition contains the most recent codification of the statute referred to), as from time to time amended.
- 2.1.2. "Benefited Lot" means that portion of the Property benefited by the easements and rights created in this Declaration.
- 2.1.3. "Benefited Owner" means the Owner of a benefited lot.
- 2.1.4. "Burdened Lot" means that portion of the Property, burdened by the obligations and restrictions created by this Declaration,
- 2.1.5. "Burdened Owner" means the Owner of a Burdened Lot.
- 2.1.6. "this Declaration" means this instrument, as from time to time amended.
- 2.1.7. "the Developer" means (a) the person hereinabove named as such, (b) such person's heirs, personal representatives and successors, (c) each person to whom such named person or any other person who is the Developer expressly assigns its rights as the Developer hereunder and (d) each such assignee's heirs, personal representatives and successors; provided, that no Owner shall, merely by virtue of its status as such, be deemed to be the Developer.
- 2.1.8. "Default Rate" has the meaning ascribed to it in Section 3.5.
- 2.1.9. "The Land Records" means the Land Records of Baltimore County.
- 2.1.10. "Lot" means those individual lots or the residual land created by subdivisions of the Property as evidenced by subdivision plats recorded in the Land Records.
- 2.1.11. "Mortgage" means any mortgage or deed of trust encumbering any Lot and any other- security interest therein existing by virtue of any other form of security instrument or arrangement used from time to time in the locality of the Property (including, by way of example rather than of limitation, any such other form of security arrangement arising under any deed of trust, sale and leaseback documents, security deed or conditional deed or any financing statement, security agreement or other documentation used pursuant to the provisions of the Uniform Commercial Code or any successor or similar statute), provided that such mortgage, deed of trust or other form of security instrument, and an instrument evidencing any such other form of security arrangement, has been recorded among the Land Records.
- 2.1.12. "Mortgagee" means the person secured by a Mortgage.

2.1.13. "Mortgagee in Possession" means any person who is either (a) a Mortgagee which has possession of a Lot as a result of a default under a Mortgage held by such person, or (b) the owner of a Lot as the result of the conveyance to such person of the Mortgagor's equity of redemption therein either through a foreclosure proceeding under a Mortgage securing such person and covering such Lot, or in lieu of such foreclosure proceeding.

2.1.14. "Mortgagor" means the Owner of a Lot, the title to which is encumbered by a Mortgage.

2.1.15. "Owner" means the Developer and any person or combination of persons who (a) holds the legal title to a Lot under a deed or other instrument, or (b) is the purchaser of a Lot under a land installment contract (as that term is defined by the provisions of title 10, section 10-101(b) of the Real Property Article of the Code), if and only if such, deed, other instrument or land installment contract is recorded among the Land Records at the time in question; provided that (a) no lessee or contract purchaser shall, merely by virtue of its status as such, be deemed an Owner; and (b) no Mortgagee shall be deemed the Owner of a Lot unless and until it acquires of record the Mortgagor's equity of redemption therein.

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

2.1.17. "Private Roadway" means those portions of the Property which have been improved as streets and not dedicated to Baltimore County.

2.1.18. "Property" has the meaning described to it in the Statement of Background and Purposes.

2.1.19. "Structure" means anything which constitutes a "Structure" for purposes of the provisions of the zoning ordinance of Baltimore County; provided that, in addition, each of the following shall be deemed a Structure for purposes of the provisions of this Declaration:

- (a) anything or device, the placement of which upon any Lot might affect the physical appearance thereof (including, by way of example rather than of limitation, any building, shed, covered patio, fountain, pool, tree, shrubbery, paving, curbing, landscaping, fence or wall, sign or signboard); and
- (b) any excavation or fill, the volume of which exceeds ten (10) cubic yards; and
- (c) any excavation, fill, ditch, diversion dam or other thing or device which affects or alters the natural flow of surface waters upon or across any Lot or the flow of any water in any natural or artificial stream, wash or drainage channel on or across any Lot.

2.1. 20. "Subdivision Plat" shall have the meaning ascribed to it in the Statement of Background and Purpose.

2.1.21. "Use" has the meaning ascribed to it in the zoning ordinance of Baltimore County; provided, that without limiting the generality of the foregoing provisions of this sentence, (a) any activity or purpose deemed by any governmental authority charged with enforcing such regulations to be a "use" for purposes of such regulations and (b) any purpose for which any Structure or land is used or occupied, and (c) any activity, occupation, business or operation carried on in a Structure or on any land, shall be deemed a "Use".

Section 2.2. Any other term to which meaning is specifically ascribed by any other provision of this Declaration shall for the purpose of this Declaration have such meaning.

III GRANT OF EASEMENTS AND LICENSES

Section 3.1. Easements benefiting Lots and burdening other Lots. Each Lot shall have the benefit of a non-exclusive easement for the use of

- (a) each main, duct, stack, raceway, wire, conduit, drain, pipe, meter or other device providing utilities (including, without limitation, gas, electric, telephone, water, sewer, storm drain, cable utilities) located within another Lot and used in providing any utility or service to the first such Lot;
- (b) each Private Street;
- (c) each area shown and designated on the Subdivision Plat as an "Access Easement", irrespective of width and
- (d) each Area between an Access Easement and a Private Road where the Access Easement and Private Road do not intersect, such area to be measured from the center line of the Access Easement following the same course, distance and width of the Access Easement to the point where such area would intersect a Private Road.

Section 3.2. Temporary Licenses.

3.2.1. Developer hereby grants to each Owner a temporary license across the Burdened Lot for the benefit of each Benefited Lot for the construction and rehabilitation of the improvements to be constructed on the Benefited Lot. Such temporary license shall entitle the Owner of the Benefited Lot to use any roads constituting part of the Burdened Lot to provide access for all personnel, equipment, supplies and like matters to and from the Benefited Lot, for the purpose of performing the construction on the Benefited Lot; provided that

- (a) the temporary license shall be restricted to those portions of the Burdened Lot reasonably necessary for the performance of the construction,
- (b) in the case of initial construction or rehabilitation, the Benefited Owner exercising the license shall give the Burdened owner at least thirty (30) days prior written notice of the time and manner in which the Benefited owner intends to exercise its rights under this temporary easement which notice shall include (without limitation) the route of trucks and equipment, construction schedule, hours of operation, name and phone number of the on-site representative of Benefited Owner and the location of the temporary license area;
- (c) such license shall terminate on the earlier to occur of (i) the completion of the construction which gave rise to such license, or (ii) twelve (12) months from the date of commencement of such construction; and

(d) the work to be performed in the temporary license area shall be conducted in accordance with Section 3.6 of this Declaration.

3.2.2. Each owner hereby grants to each other Owner a temporary license across the Burdened Lot for the Benefit of each Benefited Lot for Work to be performed on utilities, roadways, and parking areas servicing the Benefited Lot and located on the Burdened Lot, provided (i) such temporary license is exercised in accordance with Section 3.2.1(a), (c) and (d) of this Declaration and (ii) the party exercising the license shall give the Burdened Owner and each other Benefited Owner obligated to maintain and repair the same utilities, roadways and parking area **at least twenty (20) days** prior written notice of the scope of Work to be performed, hours of operation and construction schedule, except in the case of an emergency in which case such notice shall be given as soon as practicable.

3.2.3. Notwithstanding any other provision to the contrary in this Declaration, no owner shall have a right to install utilities, roadways or parking areas in, on or across any other Owner's Lot without the other Owner's prior written consent, which consent shall not be unreasonably withheld, and without the Developer's prior written consent as to matters relating to the location and manner of construction, maintenance, insurance and indemnification.

Section 3.3. Indemnification. Each Owner shall indemnify, defend, and save the other Owners harmless from and against any and all claims, actions, damages, liability and expense (including, without limitation, reasonable attorney's fees) in connection with the loss of life, personal injury or damage to the property, or any of them, in, on, or about the indemnifying Owner's Lot (except inside the buildings of the Owner) and in, on or about the other Owner's Lot (except inside the buildings of the other Owner) if the indemnifying Owner is performing Work or exercising its easements hereunder, occasioned wholly or in part by any negligent act or omission of the indemnifying Owner, its agents, contractors, or employees.

Section 3.4. Dedication. The granting of an easement hereunder shall not prohibit the Burdened owner from dedicating the easement, or any portion of the Burdened Lot, or the utilities which lie therein, to Baltimore County, Maryland or to any other governmental body; provided that the Benefited Owner is following such dedication, permitted to continue to enjoy the benefit thereof upon the payment of customary governmental charges therefore.

Section 3.5. Easements for Self-Help and Lien for Failure to Reimburse. If the Benefited Owner fails or neglects to maintain, repair, keep up or restore the roadway, utilities and parking area located within the easement area as required by this Declaration. the Burdened Owner or any other Benefited Owner shall be entitled, upon giving to the defaulting Benefited Owner reasonable notice and a reasonable opportunity to cure (unless an emergency makes such notice and opportunity to cure impracticable), to enter upon the Burdened Lot for the purpose of repairing and maintaining the utilities, roadway, and parking' area and taking such action as shall render the easement burdening the same usable for its intended purposes and shall be entitled to collect the reasonable cost thereof from the defaulting Benefited Owner. If the defaulting Benefited Owner fails to pay the Burdened Owner or other Benefited Owner any cost or sum required under this Section and such failure continues for more than thirty (30) days following written notice from the Burdened Owner

or other Benefited Owner entitled to contribution, the unpaid sum shall become a lien on the Lot of the defaulting Benefited Owner, which shall, however, be subject and subordinate to the lien of any Mortgage and shall be payable together with interest at an annual rate equal to the rate charged by Citibank, N.A. to its prime borrowers plus two percent (2%) per annum (or if such rate contravenes the now or then maximum rate permitted by law, then such rate shall be the maximum rate now or then permitted by law) ("Default Rate").

Section 3.6. Work, All work to be performed in the nature of initial construction, reconstruction, maintenance, repairs, upkeep, alterations, or restoration (hereinafter called the "Work") shall be performed in the following manner and in accordance with the following criteria:

- (i) except for the notice pursuant to the temporary easement granted under Section 3.2 hereof, the party performing the Work shall give reasonable notice thereof to any other Owner adversely affected by the Work;
- (ii) all Work shall be performed in a good and workmanlike manner and in accordance with good construction practices, using first class materials and in accordance with all applicable laws, codes and governmental requirements;
- (iii) the Work shall be performed in a manner so as not to interrupt the business, use or occupancy of the other Owners, any tenants or other occupants and so as not to interfere with such use or occupancy other than to the minimum extent necessary;
- (iv) the exercise of any temporary license granted under this Declaration shall be during normal business hours except in the case of an emergency or as otherwise agreed to in writing between the Benefited Owner and the Burdened Owner,
- (v) the Owner performing the Work, at its sole expense, shall restore the surface of the ground as promptly as possible to its condition immediately preceding the commencement of the Work, or better, shall leave such area affected free and clear of all loose dirt, debris and construction materials; and
- (vi) if during any periods of Work a condition exists which might reasonably be deemed to constitute a hazard to the employees or invitees of other Owners, the Owner conducting the Work shall erect or cause to be erected adequate construction barricades or other protective devices so as to provide adequate protection to, and screening from, the public, and shall maintain the same until removal would be justified, under good construction practices.

Section 3.7. Maintenance, Each Benefited Owner shall be obligated to and responsible for, the maintenance and, upkeep of the utilities, roadways and parking areas located within the easement area benefiting their Benefited Lot, which maintenance and upkeep shall be performed in a first class manner comparable with other similar residential development in Baltimore County, The expense of such Work required under this Declaration to be performed for the maintenance and upkeep of utilities, roadways and parking areas shall be borne solely by the Benefited Owner where the utility, roadway, or parking area directly serves only the Benefited Lot, and where the utility, roadway or parking area serve more than one Owner, the reasonable expense of such work shall be shared by such Owner in proportion to their use thereof.

Section 3.8. Contribution to utility expenses. Where a utility facility (including,

without limitation, a well or pumping station) is located on an Owner's Lot And the utility benefits another Owner's Lot, the Benefited Owner shall contribute its proportionate share of the actual cost of operating such utility facility incurred by the Owner on whose Lot the utility facility is located. If the Benefited Owner fails to make such payment within twenty (20) days of receipt of written notice that such payment is due, the unpaid sum shall become a lien on the defaulting Owner's Lot which shall be subject and subordinate to the lien of any Mortgage and shall be payable together with interest at the Default Rate.

Section 3.9. Restoration.

- (a) Subject to the terms of any Mortgage, in the event of a taking (which shall include a transfer in lieu of condemnation) of any utilities, roadways or parking area located within the easement area on an Owner's Lot, the Owner of the Lot in question shall immediately apply so much of the award as shall be available to the replacement of the utilities, roadways and parking area as shall be necessary in order to support the improvements of the Benefited Owner and so much of the improvements of the Owner of the Lot so condemned as shall remain or be restored after such taking.
- (b) Subject to the terms of any Mortgage, the owner of the Lot so condemned shall be entitled to all proceeds of condemnation, but this shall not prevent the other Owner from claiming severance damages.

IV ARCHITECTURAL CONTROL

Section 4.1. Restrictions. No Structure may be commenced, constructed, rehabilitated, erected, placed, maintained or permitted to remain on a Lot, and no Structure existing on a Lot may be altered in any way (including, without limitation) exterior painting and interior painting or other modifications which are visible from the exterior which materially change the exterior appearance thereof, and no use may be commenced on a Lot, unless prior thereto plans and specifications therefore, and a description of any such use (herein referred to collectively as "Plans"), have, been submitted to and approved in writing by the Developer.

Section 4.2. Content of Plans. Such Plans shall (a) designate by reference to a subdivision plat each Lot for which such Plans are submitted; (b) include a plan of each such Lot showing the nature, exterior color scheme, kind, shape, height, materials and location (both with respect to each such Lot and with respect to Structures located on adjoining portions of the Property) of all Structures then existing or proposed by such Plans to be placed thereon, any existing or proposed front, rear and side setbacks from such Structures, and the location of any existing or proposed parking spaces and driveways upon such Lot; and (c) be in such form and contain such other information as are required by the Developer.

Section 4.3. Disapproval of Plans. The Developer may disapprove any Plans submitted to him whenever, in his opinion, any of the following circumstances exist:

- (a) such Plans, or any Structure or Use covered by such Plans, are not in accordance with the provisions of this Declaration;
- (b) such Plans do not contain information which the Developer may reasonably require to be contained therein;
- (c) any Structure covered by such Plans is incompatible with any Structure on or Use of any Lot, due to the former's exterior design, height, bulk, shape, color scheme, finish, style of architecture, configuration, appearance, materials, location or relative cost;
- (d) any Use covered by such Plans incompatible with any Structure on or Use of any Lot;
- (e) the existence, size, configuration or location of any parking area proposed for such Lot is incompatible with, or insufficient, inadequate or inappropriate in relation to, any existing or proposed Use or Structure on such Lot or elsewhere on the Property; and is
- (f) any other set of circumstances which, in the reasonable judgment of the Developer, should render any Structure or Use which is the subject of such Plans inharmonious with the general plan of development of the Property.

Section 4.4. Process.

- (a) If the Developer disapproves any Plans or approves them only upon the satisfaction of any specified condition requiring the modification of such Plans or the taking of any other action, shall immediately notify the applicant thereof in writing, and shall furnish with such notice a statement of the grounds on which it was based.

- (b) If the Developer approves Any Plans without conditioning such approval on the satisfaction, of any such condition, it shall immediately notify the applicant thereof in writing.
- (c) Unless the Developer, by written notice to the applicant, disapproves any Plans submitted to it or approves them only upon the satisfaction of any specified condition, as aforesaid, within thirty (30) days after such plans are submitted to the Developer, the Developer shall conclusively be deemed for all purposes of this Declaration to have approved such Plans unconditionally for each Lot for which they were so submitted.

Section 4.5. Effect of approval. The Developer's approval of Plans for any Lot for which such Plans are submitted to him shall not constitute a waiver of his right, in his sale discretion, to disapprove such Plans or any of the features or elements included therein if such Plans are subsequently submitted to him for any other Lot; but as to any Lot for which such plans are so approved, such approval shall be final and irrevocable.

Section 4.6. Inspection of Lots. Any agent of the Developer may at any reasonable time (but only after having given written notice of the same to the Owner thereof by not later than five (5) days prior thereto) enter upon and inspect any Lot and the exterior ,of any Structure thereon to ascertain whether the maintenance, construction or alteration of such Lot or Structure, and any Use thereof, are in accordance with the provisions hereof, and neither the Developer no:: such agent shall' be deemed to have committed any trespass or other wrongful act by reason of such entry or inspection.

Section 4.7. Removal.

4.7.1. If any Structure is altered, erected, placed or maintained, or any new Use commenced, on any Lot other than in accordance with Plans approved by the Developer pursuant to the foregoing provisions of this Section, such action shall be deemed to be a violation of the provisions of this Section and promptly after the Developer gives written notice thereof to its Owner, such Structure shall be removed or restored to its condition prior to such action, and such Use shall cease, so as to terminate such violation.

4.7.2. If within fifteen (15) days after having been given such notice such such owner has not taken reasonable steps to terminate such violation, any agent of the Developer may enter upon such Lot and take such steps as are reasonably necessary to terminate such violation. Such Owner shall be personally liable to the Developer for the cost thereof, or Developer may bring such action at law or in equity as is necessary to cure such condition.

Section 4.8. Uses prohibited without approval by Developer.

The following Uses are prohibited on the Property without Developer's prior approval:

4.8.1. no (a) house trailer, trailer, tractor trailer or other truck (other than a van or "pick-up" truck) or any similar item, boat, boat trailer, camper, recreational bus or (b) (unless current and valid license plates are affixed thereto) automobile, van or "pick-up" truck shall be temporarily or permanently stored or parked in the open on any Lot or on any street or parking area.

4.8.2. no machinery shall be placed or operated on any Lot, except for such machinery as is customarily utilized in occupying a private residence

4.8.3. no profession or home industry shall be conducted on any Lot.

4.8.4. no lumber, metals, bulk materials, refuse or trash shall be kept, stored or allowed to accumulate on any Lot; provided, that

(a) building materials being utilized in the construction, reconstruction or repair of any Structure may be stored thereon while such activities are being carried on, and

(b) if trash or other refuse from such Lot is disposed of by being collected and carried away on a regular and recurring basis, containers containing the same may be placed in the open on any day on which a collection is to be made, at a place on or adjacent to such Lot which affords access thereto to the person making such collection (but further provided. that such containers shall be stored at all other times so that they are not visible from elsewhere on the Property.

4.8.5. no. tree having a diameter of three inches or more, as measured at a point two feet above the ground level, shall be removed from any Lot.

4.8.6. (a) no chain link fence shall be erected or maintained on any Lot.

(b) no fence or wall shall (i) exceed forty-eight inches in height, unless it is a retaining wall required by the topography of such Lot or any adjacent portion of the Property, or (ii) interfere with any underground or surface drainage structure, pipe or ditch.

(c) no fence or wall shall be located within the area lying between the front boundary line of a Lot and any Structure on such Lot.

4.8.7. no livestock, poultry, or other animal, bird or insect of any kind shall be raised, bred or kept on any Lot, either temporarily or permanently (except that one (1) dog, cat or other: household pet may be kept on a Lot if not kept, bred or maintained thereon for any commercial purpose).

Section 4.9. No noxious or offensive activity shall be carried on upon any Lot, no odor shall be permitted to emanate there from, and no condition shall be maintained thereon, so as

to render any Lot or portion thereof unsanitary, unsightly, unreasonably offensive or detrimental, or a nuisance, to any of the Property, any occupant thereof or any property.

Section 4.10. Each Owner shall at all times keep his Lot and the exterior of all Structures thereon in good condition and repair and adequately painted or otherwise finished.

Section 4.11. Except for patios, walkways, flower gardens, hedges and trees, which shall be neatly maintained, all unimproved open areas on any Lot shall be maintained as lawns, open fields, or wooded areas. All lawns shall be kept mowed to a height not exceeding four inches.

V RIGHTS OF MORTGAGEES

Section 5.1. Regardless of whether a Mortgagee in Possession of a Lot is its Owner, (a) such Mortgagee in Possession shall have, in addition to its rights hereunder as a Mortgagee, all of the rights under the provisions of this Declaration and applicable law which would otherwise be held by such Owner, subject to the operation and effect of anything to the contrary contained in its Mortgage, and (b) each other Owner or person shall be entitled, in any matter arising under the provisions of this Declaration and involving the exercise of such rights, to deal with such Mortgagee in Possession as if it were the Owner thereof.

Section 5.2. Any Mortgagee in Possession of a Lot shall (subject to the operation and effect of the provisions of this Declaration and applicable law) bear all of the obligations under the provisions thereof which are borne by its Owner; provided, that nothing in the foregoing provisions of this Section 5 shall be deemed in any way to relieve any Owner of any such obligation, or of any liability to such Mortgagee in Possession on account of any failure by such Owner to satisfy any of the same.

VI MISCELLANEOUS

Section 6.1. Amendment.

6.1.1. Except as is otherwise provided in this Declaration, this Declaration may be amended or terminated by and only by an instrument or plat (a) executed by the Developer, all Owners who would be adversely affected thereby and by each Mortgagee who's right, title or interest hereunder would be adversely affected thereby, and (b) recorded among the Land Records.

6.1.2. This Declaration as amended' from time to time shall remain in full force and effect until the earlier to occur of (a) the execution of an agreement to terminate this Declaration by the Developer, each Owner and Mortgagee and the recording of such agreement among the Land Records, or (b) establishment of a homeowner's association by the Developer for the Property.

6.1.3. Anything contained in the provisions of this Declaration to the contrary notwithstanding, the Developer may, without obtaining the consent thereto of any Owner, Mortgagee or other person, amend this Declaration (a) if such amendment is (in the

Developer's reasonable opinion) necessary to correct obvious typographical, mathematical or similar errors therein or (b) if such amendment is solely for the purpose of withdrawing all or part of the area shown and designated as "Site 118" on plan entitled "Plan, Oella, Md." prepared by Land Design Research, Inc., last revised on September 9, 1983, a copy of which is attached hereto as Exhibit B, from the operation and effect of this Declaration.

Section 6.2. Waiver. The Developer shall not be deemed to have waived the exercise of any right existing hereunder unless such waiver is made either expressly and in writing or pursuant to other provisions of this Declaration (and, without limiting the generality of the foregoing, no delay or omission by the Developer in exercising any such right shall be deemed to constitute a waiver of the exercise thereof). No such waiver made with respect to one or more instances involving the exercise of any such right shall be deemed to constitute a waiver with respect to other instances involving the exercise of such right, or with respect to other such rights.

Section 6.3. Applicable Law. This Declaration shall be given effect, and shall be construed, by application of the law of Maryland.

Section 6.4. Time of Essence. Time shall be of the essence of this Declaration.

Section 6.5. Heading. The headings of the sections and subsections hereof are provided herein for convenience of reference only, and shall not be considered in construing the contents of any such section or subsection.

Section 6.6. Covenants Running with the Property. The provisions of this Declaration shall be binding upon all successors in interest to the Property and shall be for the benefit of and shall be binding upon all Owners of such Property and all easements and agreements hereinafter set forth shall be appurtenant to the dominant estates.

Section 6.7. Partial Invalidity. Notwithstanding any other portion of this Declaration, if any provision or portion thereof of this Agreement, or the application thereof to any person or circumstances shall, to any event, be invalid or unenforceable, the remainder of this Agreement, or the applications of such provision, or portion thereof, to any other persons or circumstances shall not, be affected thereby, and each such provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

Section 6.8. Successors and Assigns. This Declaration and the covenants herein contained shall inure to the benefit of and be binding upon the Owners, their successors and assigns. The obligations of any Owner shall apply only with respect to the period during which such Owner is the owner of a fee simple interest or equity of redemption in the parcel of land and improvements with respect to which such obligations apply and is in possession of the applicable parcel of land and improvements (except as between Owners of the same parcel as may be agreed in a Mortgage or otherwise), When such Owner ceases to own a fee simple interest or equity of redemption therein, the obligations thereafter accruing shall be the obligations of its successor in ownership and interest.

Section 6.9. General Plan of development.

6.9.1. The provisions of this Declaration shall conclusively be deemed to be part of a general plan or scheme of development and use for the Property and, as such, to be covenants running with, binding upon, benefiting and burdening the respective titles to each Lot.

6.9.2. If any Owner or other person fails to comply with any of such provisions, such failure shall give rise to a cause of action for the recovery of damages, injunctive relief, or both, in any or all of the Developer, and each Owner, and their respective heirs, personal representatives, successors and assigns.

6.9.3. Each person who, together with' any other person,' is an Owner or a lessee shall be jointly and severally liable for adhering to the terms and satisfying the conditions hereof.

Section 6.10. Notices. Any notice, demand, consent, approval, request or other communication or document to be provided hereunder to any person shall be in writing, and (a) shall, be deemed to have been provided forty-eight (48) hours after having been deposited as first class mail in the United States mails, postage pre-paid, and addressed (i) if the addressee is the Developer, to its address which is set forth hereinabove or to such other address in the United States of America as the Developer may designate from time to time, with a copy to the Developer's attorney, Ronald P. Fish, Esquire (whose address is Suite 1700,300 East Lombard Street, Baltimore, Maryland 21202), (ii) if the addressee is an Owner (other than the Developer) who had notified the Developer of its status as such and furnished the Developer with its address in the United States of America, to such person's said address, and (iii) if the addressee either (A) has not so notified the Developer and furnished it with its address, as aforesaid, or (B) is any other person, to such address in the United States of America as is used by the United States Postal Service for the delivery of mail to such person or his Lat, or (b) shall be deemed to have been provided upon actual hand or other delivery to such person, Each Owner serving a notice of default under this Declaration shall send by registered or certified U.S. mail, postage prepaid, a copy of such notice to any Mortgagee of the Lot of the Owner so served, provided such Mortgagee shall have sent the Owner serving the notice of default a notice informing it of the existence of such Mortgagee and the address to which copies of such notices of default are to be sent, and such Mortgagee shall be permitted to cure

Section 6.11. Waiver of reversionary right. The provisions of this Declaration shall not be construed as conditions subsequent, or as creating a possibility of reverter, and no provision hereof shall be deemed to vest in the Developer or any other person any reversionary right with respect to any Lot, Any such reversionary right is hereby expressly waived.

Section 6.12. Developer. Wherever this Declaration provides for the approval, disapproval, consent, action or the like by Developer, the same may be performed by his duly authorized agent.

IN WITNESS 'WHEREOF, the Developer has caused this Declaration to be executed and ensealed on the day and year first above written.

Witness

Signature on file

Signature on file
CHARLES L. WAGANDT
The Developer

STATE OF Maryland: City OF BALTIMORE: TO WIT:

I HEREBY CERTIFY that on this 25th day of June 1984. before, the subscriber, a Notary Public of the state and City aforesaid, personally appeared CHARLES L. WAGANDT., known to me or satisfactorily proven to be the person whose name is subscribed to the foregoing instrument, who acknowledged that he has executed such instrument: for the purposes therein set forth, and that the same is his act and deed.

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

Signature on File
Notary Public

My Commission expires on July 1, 1986

CONSENT AND AGREEMENT OF TRUSTEES AND BENEFICIARY

ANNETTE GRIM and MALCOLM SPICER, Trustees, and BALTIMORE COUNTY, who are, respectively, the trustees and the beneficiary under a deed of trust dated November 3, 1983, and recorded among the Land Records of Baltimore County, Maryland, in Liber EHK Jr, 6619 at folios 336 et seq., from Charles L, Wagandt, hereby consent to the execution, acknowledgment And recordation among the said Land Records of the foregoing Declaration by the person named therein as "the Developer", and to the resulting subjection of the real property described in Exhibit A to such deed of trust to the operation and effect of such Declaration,

IN WITNESS WHEREOF. each of the said trustees and beneficiary has executed and ensealed this Consent and Agreement of Trustees land Beneficiary or caused it to be executed and ensealed on its behalf by its duly authorized representatives this 27th day of June, 1984,

WITNESS:

Signature on File

Signature on File

Annette Grim, Trustee

Signature on File

Signature on File

Malcolm Spicer, Trustee

ATTEST

BALTIMORE COUUTY, a body corporate and politic existing under the law of Maryland,

Signature on file

by (signature on File), (SEAL)

STATE OF Maryland, COUNTY OF Baltimore: TO WIT:

I HEREBY CERTIFY that on this 27th day of June 1984, before me, the subscriber, a Notary Public of the state and City aforesaid, personally appeared ANNETTE GRIM, Trustee., known to me or satisfactorily proven to be the person whose name is subscribed to the foregoing instrument, who acknowledged that he has executed such instrument: for the purposes therein set forth, and that the same is his act and deed.

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

Signature on File
Notary Public

My Commission expires on July 1, 1986

STATE OF Maryland, COUNTY OF Baltimore: TO WIT:

I HEREBY CERTIFY that on this 25th day of June 1984, before me, the subscriber, a Notary Public of the state and City aforesaid, personally appeared MALCOLM SPICER, trustee., known to me or satisfactorily proven to be the person whose name is subscribed to the foregoing instrument, who acknowledged that he has executed such instrument: for the purposes therein set forth, and that the same is his act and deed.

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

Signature on File
Notary Public

My Commission expires on July 1, 1986

CONSENT AND AGREEMENT OF MORTGAGEE

W. J. DICKEY & SONS INC., a corporation organized and existing under the law of Maryland who is the mortgagee under a mortgage dated December 6, 1973, and recorded among the Land Records of Baltimore County, Maryland, in Liber EHK Jr. 5413 at folios 722 et seq., from Charles L. Wagandt, hereby joins in the foregoing Declaration for the express purpose of subjecting all of its right, title and interest under such mortgage in and to the real property described in Exhibit A to such Mortgage to the operation and effect of such Declaration.

IN WITNESS WHEREOF, the said mortgagee executed and ensealed this Consent and Agreement Mortgagee or caused it to be executed and ensealed on behalf by its duly authorized representatives, this day 28th of June 1984.

ATTEST:

W. J. DICKEY & SON'S INC., a
corporation organized and existing under the
law of the Maryland,

Signature on File _____

By Charles Wagandt (signature on File) (seal)

-. £ '

STATE OF Maryland: City of Baltimore: TO WIT

. I

I HEREBY CERTIFY that on this 28th day of June 1984, before me, the subscriber, a Notary Public of the state and City aforesaid, personally appeared CHARLES WAGANDT, known to me or satisfactorily proven to be the person whose name is subscribed to the foregoing instrument, who acknowledged that he in the President of W. J. DICKEY & SON'S INC., a corporation organized and existing under the law of Maryland, that he has been duly authorized to execute and has executed such instrument: for the purposes therein set forth, and that the same is his act and deed.

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

Signature on File
Notary Public

My Commission expires on July 1, 1986

CONSENT AND AGREEMENT OF TRUSTEES AND BENEFICIARY

NANCY S, RASE And C. DALE JANNEY, Trustees, and the State of Maryland Department of Economic and Community Development, who are, respectively, the trustees and the beneficiary under a deed of trust dated November 3, 1983, and recorded among the Land Records of Baltimore County, Maryland. in Liber EHK Jr, 6619 at folios 320 et seq. from Charles L, Wagandt, hereby consent to the execution, acknowledgment and recordation among the said Land Records of the foregoing Declaration by the person named therein as "the Developer", and to the resulting subjection of the real property described in Exhibit A to such deed of trust to the operation and effect of such Declaration,

IN WITNESS WHEREOF, each of the said trustees And beneficiary has executed and ensealed this Consent and Agreement of Trustees and Beneficiary or caused it to be executed and ensealed on its behalf by its duly authorized representatives, this 24th day of 1984,

WITNESS:

Signature on File _____

Signature on File _____ (seal)
Nancy S. Rase, Trustee

Signature on File _____

Signature on File _____ (seal)
C. Dale Janney, Trustee

ATTEST:

DEPARTMENT OF ECONOMIC AND
COMMUNITY DEVELOPMENT FOR
THE STATE OF MARYLAND

STATE OF MARYLAND: CITY OF BALTIMORE

TO WIT:

I HEREBY CERTIFY that on this 25th day of June 1984, before me, the subscriber, a Notary Public of the statue and City aforesaid, personally appeared NANCY S. RASE, trustee., known to me or satisfactorily proven to be the person whose name is subscribed to the foregoing instrument, who acknowledged that he has executed such instrument: for the purposes therein set forth, and that the same is his act and deed.

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

Signature on File
Notary Public

My Commission expires on July 1, 1986

STATE OF MARYLAND: CITY OF BALTIMORE

TO WIT:

I HEREBY CERTIFY that on this 25th day of June 1984, before me, the subscriber, a Notary Public of the statue and City aforesaid, personally appeared C. DALE JANNEY, trustee., known to me or satisfactorily proven to be the person whose name is subscribed to the foregoing instrument, who acknowledged that he has executed such instrument: for the purposes therein set forth, and that the same is his act and deed.

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

Signature on File
Notary Public

My Commission expires on July 1, 1986

STATE OF MARYLAND: CITY OF BALTIMORE

TO WIT:

I HEREBY CERTIFY that on this 25th day of June 1984, before me, the subscriber, a Notary Public of the state and City aforesaid, personally appeared Leslie A. Campbell, known to me or satisfactorily proven to be the person whose name is subscribed to the foregoing instrument, who acknowledged that he is the Director of the State of Maryland Department of Economic Development, that she has been duly authorized to execute and has executed such instrument: for the purposes therein set forth, and that the same is his act and deed.

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

Signature on File
Notary Public

My Commission expires on July 1, 1986

PRO-FORMA BUDGET FOR OELLA FOR FIRST YEAR OF OPERATION

Community when Fully Expanded (140 Homesites)

	Total Annual Cost	Per Homesite
Real Estate Taxes on common areas	\$ 200.00	\$ 1.44
Liability Insurance	1,000.00	7.14
Grounds Care	7,800.00	55.71
Reserves	1,000.00	7.14
Management Fee and Administrative Expenses*	6,800.00	48.57
	\$16,800.00	\$120.00
 Total Annual Assessment for each Homesite	 =	 \$120.00
Quarterly Installment for each Homesite	=	\$ 30.00

NOTE: This budget does not include amounts for initial working capital of the Association. Each purchaser of an improved Homesite, at the time of settlement, will be required to contribute to the Association an amount equal to one-sixth (1/6th) of the Annual Assessment. For so long as these budgets apply, the amount required to be paid at settlement will be \$20.00.

NOTE: All expenses shown' are estimates based on 1988 costs. The Developer does not warrant or represent that actual costs will not exceed these estimates.

*At the present time, the Developer has waived any management fees and administrative expenses payable to him and the quarterly installments of assessments will be reduced by \$12.14 for as long as this waiver remains in effect. However, the Developer reserves the right to commence charging the Association fees and expenses in the amount set forth in the budget at any time.

PRO-FORMA BUDGET FOR LIMITED ASSESSMENT FOR OELLA FOR FIRST YEAR OF OPERATION

Lots Benefited by Initial Limited Common Areas (16 Homesites Lots 737, 739, 741, 743, 745, 747, 749, 751, 753, 755, 757, 759, 761, 763A, 763B and 765)

	Total Annual Cost	Per Homesite
Road and Parking Lot Maintenance	\$ 640.00	\$ 40.00
Grounds Care	850.00	53.13
Reserves	238.00	14.87
	1,728.00	\$108.00
 Total Annual Assessment for each Homesite	 =	 \$108.00
Quarterly Installment for each Homesite	=	\$ 27.00

NOTE: All expenses shown are estimates based on 1988 costs. The Developer does not warrant or represent that actual costs will not exceed these estimates.

OELLA HOMEOWNERS ASSOCIATION, INC.

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS (hereinafter referred to as this "Declaration"), made this - day of , 1988, by CHARLES L. WAGANDT having an address at 732 Oella Avenue, Ellicott City, Maryland 21043 (hereinafter referred to as "Declarant").

WITNESSETH:

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

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

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

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

ARTICLE I - DEFINITIONS

Section 1. "Annual Assessment" shall have the meaning ascribed to it by the provisions of Section 2 of Article VI herein.

Section 2. "Assessment" shall have the meaning ascribed to it in Section 1 of Article VI.

Section 3. "Assessment Lien" shall have the meaning ascribed to it in Section 10 of Article VI.

Section 4. "Association" shall mean and refer to Oella Homeowners Association, Inc., a Maryland corporation, its successors and assigns.

OELLA HOMEOWNERS ASSOCIATION, INC.

Section 5. "Board of Directors" means the board of directors of the Association.

Section 6. "Builder" means each person who acquires a Lot from the Declarant or another Builder, not to occupy it as a residence, but in the ordinary course of such person's business, to construct a dwelling on such Lot and sell or lease it to another person to occupy as such person's residence.

Section 7. "Common Areas" shall mean and refer to all portions of the Property (including all improvements thereon) owned by the Association or the Declarant for future conveyance to the Association, including active and passive open space, non-tidal wetlands, private streets, roadways and parking areas, and neighborhood identification signs, and real property or other facilities in which the Association acquires a right of use for the benefit of it and its members. The initial Common Areas to be conveyed to the Association are described in Exhibit B attached hereto as a part hereof.

Section 8. "Common Driveway" shall mean and refer to any private driveway or road constructed on two or more adjacent Lots or parcels of property and intended to be used by the Owners of all such Lots.

Section 9. "Contract Lien Act" means the statute entitled "Maryland Contract Lien Act" which is codified as Subtitle 2, Title 14 of the Real Property Article of the Annotated Code of Maryland.

Section 10. "Declarant" shall mean and refer to the party hereinabove referred to as such, its successors and those assigns that are expressly granted the rights of the Declarant in conjunction therewith by virtue of a written instrument recorded in the Land Records in which this Declaration is recorded.

Section 11. "Development Period" shall have the meaning ascribed to it by the provisions of Section 4 of Article V.

Section 12. "Federal Mortgage Agencies" shall mean and refer to the Federal Housing administration, the Federal National Mortgage Association, the Veterans Administration, the Federal Home Loan Mortgage Corporation or their successors.

Section 13. "Limited Assessment" shall have the meaning ascribed to it by the provisions of Section 2 of Article VI hereof.

Section 14. "Limited Common Areas" shall mean those portions of the Common Areas comprised of the area designated "H.C.A. Parking For 737, 739, 741, 743, 745 & 747", as shown on the subdivision plat prepared by Whitman, Requardt and Associates entitled "702, 728, 730, 732, 734, 736-743, 745, 747 Oella Avenue - A Subdivision of a Portion of the Property of Charles L. Wagandt" and recorded among the Land Records of Baltimore County, Maryland in Plat Book 57, folio 78, together with any parcel of land hereinafter added to the Property by

OELLA HOMEOWNERS ASSOCIATION, INC.

expansion pursuant to the provisions of Article VII hereof and designated as such at the time of such expansion to the Property.

Section 15. "Lot" shall mean and refer to any plot of land now or hereafter shown as a lot upon any recorded subdivision map of all or any Property, together with all buildings and improvements thereon, excluding, however, all Common Areas.

Section 16. "Member" has the meaning ascribed to it by the provisions of Section 1 of Article V herein.

Section 17. "the Membership" means all of the Members.

Section 18. "Mortgage" means any mortgage or deed of trust encumbering any Lot or any or all of the Common Areas, and any other security interest existing by virtue of any other form of security instrument or arrangement, provided that such mortgage, deed of trust or other form of security instrument, and an instrument evidencing any such other form of security arrangement, has been recorded among the Land Records.

Section 19. "Mortgagee" means the person secured by a Mortgage.

Section 20. "Notice of Lien" shall the have meaning ascribed to it in Section 8 of Article VI.

Section 21. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Property, including contract sellers but excluding Mortgagees.

Section 22. "person" means any natural person, trustee, corporation, partnership or other legal entity.

Section 23. "Property" shall mean and refer to that parcel of land described in Exhibit A attached hereto as a part hereof and such additions thereto as may hereafter be added thereto pursuant to the provisions of Article VI hereof.

Section 24. "Special Assessment" shall have the meaning ascribed to it by the provisions of Section 2 of Article VI herein.

Section 25. "Statement of Lien" shall have the meaning ascribed to it in Section 9 of Article VI.

OELLA HOMEOWNERS ASSOCIATION, INC.

ARTICLE II – RESIDENTIAL LOTS

Section 1. Number of Lots. As of the date hereof, the Property shall contain 11 Lots. Each Lot shall be known by a number corresponding to the number shown with respect to it on the subdivision plat for the Property recorded simultaneously herewith or prior hereto or on the subdivision plat recorded with any expansion of the Property pursuant to Article VII.

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

ARTICLE III - PROPERTY RIGHTS

Section 1. Property Rights in and to Common Areas.

- (a) The Declarant shall be entitled to convey to the Association the legal title to any or all of the Common Areas at any time hereafter, and/or to retain the legal title to the same until the Declarant has completed any improvements which the Declarant intends to make thereto, or until such earlier or later time as, in the Declarant's judgment, the Association is able to maintain the same in accordance with the provisions of this Declaration.
- (b) The title to the Common Areas to be conveyed to the Association, as aforesaid, shall be good and marketable, free and clear of encumbrances, and shall be conveyed in fee simple by a special warranty deed, all subject to and only to the operation and effect of
 - (i) each instrument and matter of record recorded among the Land Records before the recordation thereamong of this Declaration, and
 - (ii) each instrument or matter of the types enumerated in the provisions of Section 2 which is then recorded among the Land Records.
- (c) Subject to the operation and effect of the provisions of Sections 2 and 3, the Association shall not
 - (a) convey to any person the legal title to, or any easement, leasehold or other right of use or enjoyment in, any of the Common Areas, without the express written consent thereto of Members holding at least two-thirds (2/3) of the total number of votes then held by, respectively, each class of the Membership of the Association.

Section 2. Permitted Action by the Association. While the Association holds the legal title to any or all of the Common Areas, it may take any or all of the following actions:

OELLA HOMEOWNERS ASSOCIATION, INC.

- (a) make an express confirmatory conveyance to any Owner, including the Declarant, of such easements in and other rights with respect to the Common Areas as under the provisions of this Declaration are held by such Owner.
- (b) grant, convey or dedicate to Baltimore County, the State of Maryland or to any one or more public or quasi-public governmental bodies, utility companies or cable television companies, any and all licenses, easements and/or rights-of-way in, over and through the Common Areas for the construction, operation, maintenance, repair and replacement of any and all sanitary, sedimentary control or storm sewer lines, ponds or pumping stations, water lines, electrical lines, telephone or television lines, gas lines, cable television lines and other similar facilities, all as the Association considers appropriate for the provision of any utility or utility service to the Property. Notwithstanding a grant, conveyance or dedication of any such license, easement or right-of-way, the land subject thereto shall remain a part of the Common Areas and the Association shall continue to maintain such land (except for any improvements thereon owned by Baltimore County, the State of Maryland or such public or quasi-public governmental body, such utility company or such cable television company) in accordance with the provisions of this Declaration or any Easement Agreement. Unless specifically provided to the contrary in such grant, dedication or conveyance, no improvements shall thereafter be constructed in those areas subject to such license, easement or right-of-way.
- (c) grant a Mortgage pursuant to the provisions of Section 4.
- (d) convey the legal title to, or any interest in, any or all of the Common Areas to or at the direction of any governmental or quasi-governmental authority either (i) through the condemnation thereof, or under threat of such condemnation (after which grant, conveyance or dedication, that portion of the Common Areas which is the subject of the same shall not be part of the Common Areas) .
- (e) grant a leasehold interest in or a license with respect to any or all of the Common Areas to any person, for a period terminating not later than the third (3rd) anniversary of the date of such grant.
- (f) grant or reserve, by or to the Declarant for the benefit of any parcel of land which may be added to the Property or any portion thereof (whether or not it then or thereafter is part of the Property), an easement in, over and through the Common Areas for the construction, installation, use, operation, maintenance, repair and replacement of any facility or roadway.

OELLA HOMEOWNERS ASSOCIATION, INC.

Section 3 – Maintenance

- (a) The Association shall maintain the Common Areas and all of the improvements thereon in good order, condition and repair. The maintenance and repair and replacement of all sidewalks and driveway aprons now or hereafter constructed adjacent to any roads or streets shall be the responsibility of each Owner whose Lot abuts such sidewalks or driveway aprons. The Association shall maintain in a clean and sightly condition, free of all trash and debris, those portions of the Common Areas constituting the banks of the Patapsco River.
- (b) In addition to the obligation to maintain the Common Areas as described in Section 3(a) above, the Association shall maintain areas encumbered by easements benefiting the Association, and the Association shall maintain other areas the maintenance of which, pursuant to the provisions of an amendment to this Declaration, is the obligation of the Association.

Section 4. Control of the Common Areas.

Anything contained in the foregoing provisions of this Section to the contrary notwithstanding, the Association

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

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

- (a) expressly provides that either party thereto may terminate such agreement on thirty (30) days prior notice without cause at any time and without payment of a termination fee; and
- (b) is for a term of not longer than one (1) year; provided that such agreement may contain provision for a single renewal term not exceeding one (1) year in length. The Association shall not effectuate any decision by it both (i) to terminate any such management agreement,

OELLA HOMEOWNERS ASSOCIATION, INC.

and (ii) thereafter to assume or undertake the management of the Common Areas without utilizing or employing professional management services, without obtaining each first mortgagee's prior written approval thereof.

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

ARTICLE IV – INSURANCE AND CASUALTY LOSSES

Section 1. Types of Insurance. The Board Directors shall have the authority to and shall obtain

- (a) insurance on all insurable improvements on the Common Areas against loss or damage by fire or other hazards, including extended coverage, vandalism, and malicious mischief in an amount sufficient to cover the full replacement cost of such improvements in the event of damage or destruction.
- (b) a public liability insurance policy covering the Association, its officers, directors and managing agents, having at least a Two Hundred Thousand Dollar (\$200,000.00) limit per individual claim and a Five Hundred Thousand Dollar (\$500,000.00) limit per total claims that arise from the same occurrence.
- (c) workmen's compensation insurance, if and to the extent required by law.
- (d) if the Board of Directors deems it necessary, fidelity bond or bonds covering all Directors, officers, employees and other persons handling or responsible for the funds of the Association, in such amounts as the Board of Directors deems appropriate.

Section 2. Premiums. Premiums for all insurance and bonds required to be carried under Section 1 hereof or otherwise obtained by the Association on the Common Areas shall be an expense of the Association, and shall be included in the Annual Assessments.

Section 3. Damage and Destruction.

- (a) Immediately after any damage or destruction by fire or other casualty to all or any part of the insurable improvements on the Common Areas, the Board of Directors, or its agent, shall proceed with the filing and adjustment of all claims arising under the fire and extended coverage insurance maintained by the Association and obtain reliable estimates of the cost of repair or reconstruction of the damaged or destroyed improvements. Repair or reconstruction means repairing or restoring the improvements to substantially the same condition in which they existed prior to the fire or other casualty.

OELLA HOMEOWNERS ASSOCIATION, INC.

- (b) Any damage or destruction to insurable improvements on the Common Areas shall be repaired or reconstructed unless both at least seventy-five (75%) percent of the Members present at a meeting of the Membership held within ninety (90) days after the casualty shall decide not to repair or reconstruct, and at least two thirds (2/3) of the First Mortgagees of all Lots have given their prior written approval not to rebuild as provided in Section 4 of Article X.
- (c) If, in accordance with paragraph (b), the improvements are not to be repaired or reconstructed and no alternative improvements are authorized by the Members, then and in that event the damaged Common Areas shall be restored to their natural state and maintained as an undeveloped portion of the Common Areas by the Association in a neat and attractive condition.

Section 4. Repair and Reconstruction. If any improvements on the Common Areas are damaged or destroyed, and the proceeds of insurance received by the Association are not sufficient to pay in full the cost of the repair and reconstruction of the improvements, the Board of Directors shall, without the necessity of a vote of the Members, levy a special assessment against all Owners in order to cover the deficiency in the manner provided in Article VI hereof. If the proceeds of insurance exceed the cost of repair, such excess shall be retained by the Association and used for such purposes as the Board or Directors shall determine.

ARTICLE V – MEMBERSHIP AND VOTING RIGHTS

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

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

- (a) The Class A Membership shall consist of all of the Members other than the Declarant and any Builder, and the Class B Membership shall consist of the Declarant and each Builder.
- (b) After the Development Period, the Membership shall be all of one class, consisting of all of the Members.

Section 3. Number of Votes.

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

OELLA HOMEOWNERS ASSOCIATION, INC.

- (i) who alone is the Owner of a Lot shall be entitled to cast one vote in the Association's affairs for each such Lot; or
- (ii) who with any other person is the Owner of a Lot shall, jointly with such other persons, be entitled to cast one vote in the Association's affairs for each such Lot (which vote shall be exercised as such persons determine among themselves, provided that in no event may such persons cast fractional votes or cast with respect to any such Lot more than one such vote).

(b) During the Development Period,

- (i) each Class B Member shall be entitled to cast three votes in the Association's affairs for each vote which it would be entitled to cast, were it a Class A Member;
- (ii) each Builder shall be conclusively presumed, by its having accepted the conveyance from the Declarant or another Builder of the legal title to a Lot once owned by the Declarant,
 - (A) to have given the Declarant an irrevocable and exclusive proxy entitling the Declarant, at each meeting of the Membership held while such Builder holds such title, to cast the votes in the Association's affairs which such Builder holds under the foregoing provisions of this Section on each question which comes before such meeting;
 - (B) to have agreed with the Declarant that such proxy is given to and relied upon by the Declarant in connection with the Declarant's development, construction, marketing, sale and leasing of any or all of the Property (including any parcel of land which may be added to the Property), and is coupled with an interest; and
 - (C) such proxy shall cease with respect to the votes appurtenant to a Lot when a dwelling has been constructed on such Lot and legal title to such Lot is conveyed to a person who intends to occupy such dwelling as his residence; and

Section 4. Commencement and Termination of Development Period. The Development Period shall consist of the period commencing on the date hereof and terminating on the date on which the total number of votes held by the Class A Membership becomes equal to the total number of votes held by the Class B Membership; provided, that if at any time after such termination the Property is expanded pursuant to the provisions of Article VII, the Development Period shall re-commence as of the time at which such expansion occurs, and shall terminate thereafter on the date on which the total number of votes held by the Class A Membership becomes equal to the total number of votes held by the Class B Membership. Notwithstanding the foregoing, the Development Period, if not sooner terminated, shall terminate on the fifth anniversary of the date hereof and shall not thereafter recommence.

OELLA HOMEOWNERS ASSOCIATION, INC.

ARTICLE VI – COVENANT FOR MAINTENANCE ASSESSMENTS

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

Section 2. Classes of Assessments.

- (a) The Assessments shall consist of Annual Assessments, Special Assessments and Limited Assessments.
- (b)
 - (i) The proceeds of the Annual Assessment may be used by the Association to defray any cost incurred by it in accordance with, or for any other purpose permitted by, the provisions of this Declaration, the Articles of Incorporation and the By-Laws.
 - (ii) The proceeds of any Special Assessment shall be used by the Association to defray any cost incurred by it either in constructing, reconstructing, repairing, replacing or improving any of the Common Areas or as the result of any expansion of the Property pursuant to the provisions of Article VII, or any other extraordinary expense incurred by the Association.
 - (iii) As to each Limited Common Area, the Association may levy a Limited Assessment against the Lots benefited thereby, as such Lots are designated in this Declaration or on the subdivision plat or any expansion plat. The proceeds of any Limited Assessment shall be used by the Association to defray any cost incurred by it in constructing, reconstructing, repairing, replacing or improving each Limited Common Area. The following Lots are deemed benefited by the Initial Limited Common Areas: Lots 737, 739, 741, 743, 745 and 747.
 - (iv) Each Owner initially acquiring title to an improved Lot from the Builder or Declarant shall, in addition to any and all Assessments levied against his Lot, deliver to the Association, at the time of the transfer of such title, a contribution to the initial working capital of the Association equal to one-sixth (1/6) of the then Annual Assessment.

OELLA HOMEOWNERS ASSOCIATION, INC.

Section 3. Period of Assessments. Each Assessment shall be levied for each calendar year during which this Declaration remains in effect; provided, that the initial assessment year shall commence on the date on which legal title to a Lot improved by a dwelling is conveyed to a person other than the Declarant or a Builder, and shall terminate on the thirty-first (31st) day of December next succeeding such date. Not more than one Annual Assessment shall be levied against a Lot for any assessment year.

Section 4. Allocation of Assessments among Lots.

- (a) The respective amounts of any Annual Assessment or Special Assessment for each Lot shall be equal. The respective amounts of any Limited Assessment assessed against each Limited Common Area shall be equal for each Lot benefited by such Limited Common Area.
- (b) If during an assessment year the Property is expanded,
 - (i) the Association shall be deemed, automatically and without the necessity of further action, to have levied against such Lot for such assessment year each Assessment which the Association has levied against the other Lots for such assessment year, subject, however, to the provisions of this Section 4; and
 - (ii) the respective amount of each such Assessment shall be determined in accordance with the foregoing provisions of this Section but shall then be reduced based upon the number of days remaining in such assessment year as of the date of such expansion.
- (c) If a Lot is one to which, either alone or together with other Lots, is designated as primarily benefiting from a specific Limited Common Area under the provisions of Section 14 of Article I, the Association may levy against such Lot and against each of such other Lots, if any, benefited thereby equally, one or more Limited Assessments. If a Lot is not one to which, either alone or together with other Lots, primarily benefits from a specific Limited Common Area, the Association may not levy against such Lot any such Limited Assessment.
- (d) Until the earliest to occur of (i) the acquisition of the legal title to a Lot by a person other than the Declarant or a Builder, (ii) the issuance by Baltimore County of a certificate of occupancy for the first dwelling constructed upon such Lot, or (iii) the . second (2nd) anniversary of the date on which such Lot is first subjected to the operation and effect of this Declaration, each Annual Assessment or Special Assessment or Limited Assessment levied against such Lot shall be in an amount equal to twenty-five percent (25%) of the amount which such Assessment would be but for the provisions of this subsection (d).

Section 5. Adoption by Board of Directors; Notice of Assessment; when Assessments are Due and Payable.

- (a) By not later than the thirtieth (30th) day before an assessment year commences, the Board of Directors shall adopt a budget for the Association setting forth (i) the aggregate amount of

OELLA HOMEOWNERS ASSOCIATION, INC.

the Annual Assessments to be levied, (ii) the respective amount of the Annual Assessment to be levied against each Lot, (iii) the aggregate amount of the Limited- Assessments to be levied with respect to each Limited Common Area, and (i v) the respective amount of the Limited Assessment to be levied against each Lot in each Limited Common Area subject to the Limited Assessment. By not later than the fifteenth (15th) day before such assessment year commences, the Association shall provide a copy of such budget to each Owner at its notice address. The Association's failure to take any such action by the time set forth hereinabove for taking the same shall not invalidate such action if taken later, but until such action is taken each Member shall pay to the Association on account of the Annual and Limited Assessment for the next assessment year, on the date or dates on which such Annual and Limited Assessment would have been due had the Association taken such action before such date, an amount equal to the Annual and Limited Assessment for the preceding assessment year (or the initial installment thereof, if such Annual and Limited Assessment was payable in installments).

- (b) Except as provided in Section 4 of Article IV, a Special Assessment may only be levied by the Board of Directors if such Special Assessment does not require the Membership's approval under Section 6 hereof.
- (c) If the Association so permits, any Assessment may be paid to the Association in monthly, quarterly or other installments in accordance with a schedule determined by the Association.
- (d) Annual and Limited Assessments (or the initial installment thereof, if payable in installments) shall be due on the first (1st) day of the assessment year without the necessity of further action by the Association (and any subsequent installments thereof shall be due on the respective dates set forth in such schedule). Special Assessments shall be due on such date as is set forth in the resolution authorizing the Special Assessments.
- (e) Anything contained in the foregoing provisions of this section to the contrary notwithstanding, if a Lot is exempt from such levy at the commencement of an assessment year but during such assessment year becomes eligible for such levy, the "Assessment thus levied shall be due on the later of (i) the date on which such Assessment would have been due were such Lot part of the Property at the commencement of such assessment year, or (ii) the date on which such Lot becomes eligible for such levy.

OELLA HOMEOWNERS ASSOCIATION, INC.

Section 6. Limitations on Certain Assessments.

- (a) Without Membership's Approval. Except as provided in subsection (b) hereof, the Association may not levy against any Lot any Annual Assessment in an amount which,
- (i) for the initial assessment year, exceeds One Hundred Ninety-eight Dollars (\$198.00); or
 - (ii) for any assessment year thereafter, exceeds one hundred ten percent (110%) of the maximum amount permitted to be levied as an Annual Assessment for the immediately preceding assessment year.

Except as provided in subsection (b) hereof, the Association may not levy against any Lot benefited by the Initial Limited Common Areas (i. e., initially Lots 737, 739, 741, 743, 745 and 747) any Limited Assessment in an amount which,

- (i) for the initial assessment year, exceeds One Hundred Fifty Dollars (\$150.00); or
- (ii) for any assessment year thereafter, exceeds one hundred ten percent (110%) of the maximum amount permitted to be levied as a Limited Assessment for the immediately preceding assessment year.

(b) With Membership Approval

- (i) The Association may levy against each Lot for an assessment year an amount which exceeds the maximum amount permitted under subsection (a) only after having been authorized to do so by two-thirds of the votes cast on such question by those Members of each class of Membership who are present and voting on such question at a Membership Meeting held in accordance with the following provisions of this subsection 6(b).
- (ii) The Association shall send to each Member at its notice address a written notice of the date, time and place of any Membership Meeting at which such question is to be considered by not later than the thirtieth (30th) and not more than the sixtieth (60th) day before such date. The presence at such date, time and place, in person or by proxy, of Members holding at least sixty percent (60%) of the total number of votes then held by, respectively, each class of the Membership shall be required to constitute a quorum for such Membership Meeting. If such quorum does not exist thereat, the Association may call another Membership Meeting for such purpose for a date not more than sixty (60) days after the first said date, by sending to each Member at its Notice Address a written notice of the date, time and place thereof in the same manner as that set forth hereinabove. The presence at such date, time and place, in person or by proxy, of Members holding at least thirty percent (30%) of the total number of votes then held by, respectively, each

OELLA HOMEOWNERS ASSOCIATION, INC.

class of the Membership shall be required to constitute a quorum for such Membership Meeting.

Section 7. Owners' Personal Liability for Assessments.

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

Section 8. Assessment Lien.

- (a) At any time within two (2) years after an Assessment is levied against a Lot and before it is paid in full to the Association, the Association may give notice to the Owner (by certified mail, return receipt requested) of the Association's intent to create a lien against the Lot (hereinafter referred to as a "Notice of Lien").
- (b) The form of the Notice of Lien shall be determined by the Association in the exercise of its sole discretion, provided that the Notice of Lien complies with the requirements of the Contract Lien Act.

Section 9. Recordation of Assessment Lien.

- (a) The Association may execute and record among the land records of Baltimore County, Maryland, in accordance with the provisions of section 14-204 of the Contract Lien Act, a statement hereinafter referred to as a "Statement of Lien") for such Assessment, (i) within one hundred twenty (120) days after giving the Notice of Lien, if the Owner fails to file a complaint in the appropriate judicial court in accordance with the provisions of the Contract Lien Act within thirty (30) days after the Association gives the Notice of Lien, or (ii) within thirty (30) days after the appropriate judicial court orders the imposition of a lien pursuant to such provisions.
- (b) The form of such Statement of Lien shall be determined by the Association in the exercise of its sole discretion, so long as it constitutes a "statement of lien" for purposes of the provisions of section 14-203 of the Contract Lien Act.

OELLA HOMEOWNERS ASSOCIATION, INC.

Section 10. Priority of Assessment Lien.

- (a) Each Assessment levied against a Lot shall be a lien (herein referred to as an "Assessment Lien") upon the title to such Lot, from the time when a Statement of Lien for such Assessment is recorded among the Baltimore County land records pursuant to the provisions of this Article, until such Assessment is paid in full.
- (b) An Assessment Lien shall be subordinate to the lien of any Mortgage covering the Lot against which such Assessment Lien is imposed, if and only if such Mortgage is recorded among the land records of Baltimore County before a Statement of Lien imposing such Assessment Lien is recorded thereamong.
- (c) An Assessment Lien may be enforced and foreclosed by the Association in the same manner and subject to the same requirements as are specified by the law of Maryland for the foreclosure of mortgages or deeds of trust containing a power of sale or an assent to a decree.
- (d) The Association shall have the power to bid for a Lot at the foreclosure sale and to acquire and hold, lease, mortgage, and convey the same. During the period when such a Lot is owned by the Association, following foreclosure: (a) no right to vote shall be exercised on its behalf; (b) no Assessment shall be assessed or levied on it; and (c) each other Lot shall be charged, in addition to its usual Assessment, its equal pro rata share of the Assessment that would have been charged such Lot had it not been acquired by the Association as a result of foreclosure.

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

Section 12. Recovery of Unpaid Assessments.

- (a) The Association shall be entitled to recover in an action at law or in equity, from the Owner liable for payment of any or all of an Assessment, and without waiving the Assessment Lien therefore, a money judgment for such Assessment and any and all interest accrued thereon through the date of such recovery, and costs incurred by the Association in obtaining such recovery (including, without limitation, reasonable attorneys' fees).
- (b) Notwithstanding anything to the contrary contained in this Article, no action may be brought to foreclose upon an Assessment Lien or otherwise to recover an Assessment, unless it is brought on or before the third (3rd) anniversary of the date on which a Statement of Lien is recorded against the Lot.

Section 13. Certificate as to Payment of Assessments. The Association, upon written request, shall deliver to the Owner or Mortgagee of a Lot a certificate signed by an officer of

OELLA HOMEOWNERS ASSOCIATION, INC.

the Association, setting forth whether all Assessments then due and payable against the Lot have been paid. Any such certificate shall be conclusive evidence of the payment of Assessments stated to have been paid in the certificate. The Board of Directors may establish reasonable fees for the processing of these certificates in accordance with Article XIV hereof.

Section 14. Exempt Property. The Common Areas and all Lots owned by the Association or dedicated to and accepted by a local public authority and all properties owned by a charitable or nonprofit organization exempt by reason of such ownership from taxation by the laws of the State of Maryland shall be exempt from the Annual, Special and Limited Assessments created herein. No Lot devoted to dwelling use shall be exempt from said Assessments.

OELLA HOMEOWNERS ASSOCIATION, INC.

ARTICLE VII – EXPANSION OF THE PROPERTY

Section 1. Reservation of Right. The Declarant hereby reserves the right (which shall be exercisable at its sole discretion) to expand the Property from time to time by subjecting to the operation and effect of this Declaration, and thereby add to the Property, additional parcel(s) of land, together with all improvements, rights, alleys, ways, waters, privileges, appurtenances and advantages.

Section 2. (no title) Any such expansion shall be accomplished by, and become effective upon and only upon, the amendment of this Declaration by the recordation among the land records of Baltimore County, Maryland of

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

Section 3. Reservation of Right to Add Specified Lots. The Declarant hereby reserves the right (which shall be exercisable at its sole discretion) to expand the Property from time to time by subjecting to the operation and effect of this Declaration, and thereby add to the Property, Lots 947, 970 and/or 917 shown on the subdivision plat but not a part of the Property as of the date hereof.

Section 4.(no title) Any expansion as described in Section 3 of Article VII shall be accomplished by, and become effective upon and only upon, the amendment of this Declaration by the recordation among the land records of Baltimore County, Maryland of an amendment to this Declaration which

- (a) sets forth a description of each a such Lot added to the Property by such expansion; and

OELLA HOMEOWNERS ASSOCIATION, INC.

(b) expressly subjects the same to the operation and effect of this Declaration.

Section 5. Easement Rights. Any parcel of land or Lot added to the Property pursuant to the provisions of this Article, upon such addition, shall be subject to all of the easements provided in Articles XII and, if applicable, XIII hereof and such additional easements as may be set forth in the amendment to the Declaration or subdivision plat covering such parcel or Lot.

Section 6. Subjection to Declaration. Upon any such expansion, the title to each expansion parcel or portion thereof or Lot which is thereby added to the Property shall be and thereafter remain subject to the operation and effect of the provisions of this Declaration.

ARTICLE VIII - USE RESTRICTIONS

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

Section 2. Signs. No sign of any kind shall be displayed to the public view on any Lot except (a) one (1) sign of not more than five (5) square feet advertising the property for sale or rent, (b) signs used by a Builder or the Declarant to advertise the Property during the construction and sales period which have been approved in writing by the Declarant, or (c) signs erected or owned by or on behalf of the Association on any Lot, or at the entrance to the Property which identify the development or neighborhood.

Section 3. Garbage, Motor Vehicle Repairs. No Lot shall be used or maintained as a dumping ground for rubbish, trash, garbage or other waste and every Lot shall be maintained in a clean and sanitary condition. All containers or equipment for the storage or disposal of rubbish, trash, garbage and other waste shall be constructed of metal, heavy rubber or another material permitted by County's trash contractor and kept in a clean and sanitary condition. No major repairs to motor vehicles shall be made on any Lot and no Lot shall be used for the storage of inoperable or abandoned motor vehicles.

Section 4. Yards. All landscaping, driveways and sidewalks on each Lot shall be regularly maintained by the Owner thereof.

Section 5. Visibility. Other than those buildings, structures, improvements, trees, shrubbery and vegetation approved under this Declaration or in the declaration referred to in Section 6 of Article VIII, no building, structure or other improvement shall be erected on any Lot and no tree, shrubbery or other vegetation shall be planted on any Lot which would interfere with the visibility of

OELLA HOMEOWNERS ASSOCIATION, INC.

the Patapsco River from any Lot subject to this Declaration. All trees, shrubbery and vegetation planted on the Lots shall be kept trimmed by the Owners thereof so as not to unreasonably interfere with visibility of the Patapsco River from other Lots.

Section 6. Recorded Covenants. Notwithstanding anything to the contrary contained in this Declaration, each Owner shall comply with the terms and conditions, including, without limitation, the use prohibitions contained in an instrument entitled "Declaration of Restrictions and Grant of Easements" dated June 28, 1984, and recorded among the Land Records of Baltimore County in Liber 6747 at folios 021 et seq., made by the Declarant, as from time to time amended.

Section 7. Additional Rules and Regulations. The Board of Directors, pursuant to Article XIV of this Declaration, may adopt and amend additional rules and regulations, in addition to or in lieu of those set forth in Exhibit C, pertaining to the use of Lots.

Section 8. Commercial Lots. The Declarant reserves the right, when expanding the Property pursuant to Article VI I hereof to designate one or more Lots so added to the Property as "Commercial Lots." Any Lots so designated shall not be subject to the Sections 1 and 2 of this Article VIII nor subject to any rules and regulations which would prohibit or substantially impair the use of such Lots for commercial purposes, and such Lots may be used for hotel, motel, office, retail or other commercial purposes.

Section 9. Right of Entry. The Association and the Declarant shall each have the right to enter on any Lot in order to (a) mow grass, trim or prune any tree, hedge or other planting whose height or location on such Lot is, in the Association's judgment, or obscures the view of street traffic from any Lot, or (b) cure any violation of the provisions of this section, all provided that the Owner of such Lot is given fifteen (15) days prior written notice of such action, except in the case of an emergency, in which event only such notice need be given as is reasonable under the circumstances. In such event, such Owner shall pay to the Association the amount of any and all reasonable expenses incurred by the Association in taking such action within ten (10) days after such Owner's receipt of written demand therefore from the Association, and, upon the failure to pay such expenses, the Association may establish a lien therefore upon such Lot in accordance with and subject to the provisions of this Declaration applicable to an Assessment Lien.

Section 10. Sales and Other Offices. Anything to the contrary contained in this Declaration notwithstanding, real estate sales, construction and management offices may be erected, maintained or operated on any Lot or on any portion of the Common Areas, provided that the prior written approval of the Declarant is first obtained and further provided that such offices are used solely in connection with the development of the Property and land which, under the provisions hereof, may be added to the Property.

OELLA HOMEOWNERS ASSOCIATION, INC.

ARTICLE IX – PARTY WALLS

Section 1. General Rules of Law to Apply. Each wall or fence which is built as a part of the original construction of a dwelling within the Property and placed on the dividing line between the Lots and which therefore is a party wall or party fence shall be used and enjoyed jointly as such by the Owners thereof. To the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability or property damage due to negligence or willful acts or omissions shall apply thereto. Each Lot shall have the benefit of and be burdened with an easement for the support and maintenance of such party wall or fence.

Section 2. Sharing of Repair and Maintenance. If any such party wall or fence is deliberately or negligently damaged or destroyed by the act or omission of one (but not the other) Owner (or his agent, employee, invitee, family member, visitor or guest), such Owner shall promptly repair it at his expense. If any such party wall or fence is damaged or destroyed in any other manner or otherwise requires maintenance, such Owners shall repair it at their joint expense.

Section 3. Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, either Owner of a dwelling sharing said wall may restore it and the other. Owner shall contribute one-half (1/2) the cost of restoration thereof without prejudice, however, to the right of any such Owner to call for a larger contribution from the other under any rule of law regarding liability for negligent or willful acts or omissions.

Section 4. Weatherproofing. Notwithstanding any other provision of this Article, an Owner who by his negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements and repairing any damage caused thereby.

Section 5. Right to Contribution Runs With Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

ARTICLE X – RIGHTS OF MORTGAGEES

Section 1. General.

- (a) Regardless of whether a Mortgagee in possession of a Lot is its Owner, (a) such Mortgagee in possession shall have, all of the rights under the provisions of this Declaration, the recorded subdivision plat, the Articles of Incorporation, the By-Laws and applicable law which would otherwise be held by such Owner, subject to the operation and effect of anything to the contrary contained in its Mortgage, and (b) the Association and each other

OELLA HOMEOWNERS ASSOCIATION, INC.

Owner or person shall be entitled, in any matter arising under the provisions of this Declaration and involving the exercise of such rights, to deal with such Mortgagee in possession as if it were the Owner thereof.

- (b) Any Mortgagee in possession of a Lot shall (subject to the operation and effect of the provisions of this Declaration, the Articles of Incorporation, the By-Laws and applicable law) bear all of the obligations under the provisions thereof which are borne by its Owner; provided, that nothing in the foregoing provisions of this section shall be deemed in any way to relieve any Owner of any such obligation, or of any liability to such Mortgagee on account of any failure by such Owner to satisfy any of the same.

Section 2. Rights of First Refusal. Any Mortgagee shall be exempt from any right of first refusal or similar restriction held by the Association, to and only to the extent that it arises under the provisions of this Declaration, the Articles of Incorporation or the By-Laws.

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

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

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

- (a) seek to abandon, partition, subdivide, encumber, sell or transfer the Common Areas (provided, that the granting of easements for public utilities or other public purposes consistent with the intended use of the Common Areas shall not be deemed to be prohibited by the foregoing provisions of this subsection), or
- (b) use any proceeds derived from hazard insurance and paid to the Association on account of any damage to or destruction of any of the Common Areas, for other than the repair, replacement or reconstruction thereof, or
- (c) fail to maintain fire and extended coverage insurance on 50 much of the Common Areas as is insurable, on a current replacement cost basis, in an amount not less than one hundred percent (100%) of the insurable value thereof (based on its current replacement cost), or
- (d) change the method of determining the Assessments, or

OELLA HOMEOWNERS ASSOCIATION, INC.

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

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

- (a) inspect the Association's books and records during normal business hours;
- (b) receive an annual financial statement of the Association within ninety (90) days after the end of any fiscal year of the Association;
- (c) be given timely written notice of all meetings of the Membership, and designate a representative to attend all such meetings;
- (d) be given timely written notice of the occurrence of any substantial damage to or destruction of the Common Areas, or if the Common Areas are made the subject of any condemnation or eminent domain proceeding or the acquisition thereof is otherwise sought by any condemning authority; and
- (e) be given written notice by the Association of any default by the Owner of such Mortgagee's Lot in performing such Owner's obligations under the provisions of this Declaration, the Association's articles of incorporation or the By-Laws which is not cured within thirty (30) days after such default commences.

Section 6. Taxes on Common Areas. The first Mortgagees may, jointly or singly, pay any or all taxes or other charges which are in default and which may have become a charge against any of the Common Areas, and may pay any or all overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of any such policy, for the Common Areas. Any first Mortgagee making any such payment shall be owed immediate reimbursement therefore from the Association.

ARTICLE XI – ENCROACHMENTS

If any dwelling unit or any part thereof, now or at any time hereafter, encroaches upon any adjoining Lot or any dwelling unit encroaches upon any Common Area due to settlement or shifting of the dwelling unit, there shall forthwith rise, without the necessity of any further or additional act or instrument, a good and valid easement for the maintenance of such encroachment, for the benefit of the Owner, its heirs, personal representatives and assigns, to provide for the encroachment and non-disturbance of the dwelling unit. Such easement shall remain in full force and effect so long as the encroachment shall continue. The conveyance or other disposition of a Lot shall be deemed to

OELLA HOMEOWNERS ASSOCIATION, INC.

include and convey, or be subject to, any easements arising under the provisions of this paragraph without specific or particular reference to such easement.

ARTICLE XII – EASEMENTS

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

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

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

- (a) for pedestrian and vehicular ingress and egress to and from each public roadway, from and to each Lot, for access by (i) the Declarant and its heirs, personal representatives, successors and assigns 'as Owner of each respective Lot or other portion thereof, (ii) any Builder, contractor, subcontractor, real estate agent or broker or other salesperson utilized by the Declarant, and (iii) their respective agents, officers, employees, and invitees, all for any purpose consistent with applicable law in connection with the construction, replacement, repair, maintenance, development, marketing or leasing of such respective Lot; and
- (b) for the construction, installation, maintenance, repair, replacement and use of any or all utility lines and facilities of the types enumerated in the provisions of Article III, Section 2(b) for the benefit of (i) the Declarant and its heirs, personal representatives, successors and assigns as Owner of any Lot or other portion thereof, (ii) each resident or other occupant of

OELLA HOMEOWNERS ASSOCIATION, INC.

any such Lot or other portion, and (iii) their respective agents, employees, invitees, visitors and guests.

Section 4. Easement of Board of Directors. The Board of Directors of the Association, its agents or licensees, shall have an easement for entry upon any Lot, but not the interior of any building, for the purpose of mowing and lawn maintenance on a regular basis of the Common Areas or in the event an Owner fails to mow or otherwise maintain his or her Lot. The Board of Directors, its agents or licensees shall have an easement to enter upon any portion of a Lot designated as "Neighborhood Sign Easement" on any subdivision plat of the Property for the purpose of erecting, repairing or maintaining any neighborhood identification signs erected by the Declarant or the Association within such Neighborhood Sign Easement.

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

Section 6. Easement to the Public. Notwithstanding anything to the contrary contained herein, Baltimore County shall have and is hereby granted a non-exclusive easement for use by the public as a pedestrian footpath in, over and through that portion of the Property labeled as "Public Pedestrian Easement" on the subdivision plat prepared by Whitman, Requardt and Associates entitled "Oella - Site 4 - A Subdivision of a Portion of the Property of Charles L. Wagandt" and recorded among the Land Records of Baltimore County, Maryland in Plat Book SM 58, folio 75.

ARTICLE XIII – COMMON DRIVEWAYS

Section 1. Grant of Easement. Each Owner of a Lot on which a portion of a Common Driveway is located hereby grants and conveys to each other Owner of a Lot on which a portion of a Common Driveway is located or for which access is provided to a public street over a portion of a Common Driveway, for the benefit of each other Owner and its respective Lot or Lots, an irrevocable, perpetual and non-exclusive easement for access, ingress and egress, by pedestrian and vehicular traffic, over and upon that portion of its respective Lot on which the Common Driveway is presently located, for the use, maintenance, repair and replacement of the Common Driveway, or any portion thereof. Each such Owner also grants and conveys to each such other Owner a temporary easement over and upon so much of the remainder of his respective Lot or Lots as may reasonably be needed for the construction, installation, maintenance, repair and replacement of the Common Driveway, or any portion thereof.

OELLA HOMEOWNERS ASSOCIATION, INC.

Section 2. Manner of Exercise. Any installation, maintenance, repair, replacement or use of the easement granted under this Article shall be done only in accordance with all applicable laws, ordinances, rules and regulations of each governmental entity having jurisdiction over such activities. Each Owner shall indemnify and hold the other Owner harmless against and from any and all claims, actions, damages, liabilities and expenses which the indemnified party may incur in connection with any and all injuries to or deaths of persons or damage to real or personal property, arising out of the exercise of the easement rights by the indemnifying party and any and all mechanics', materialman's or other liens or claims arising out of any action taken by such indemnifying party.

Section 3. Owner's Use of the Easement Area. Each Owner of a Lot on which a portion of a Common Driveway is located is reserved the right to make any use of the Common Driveway located on his respective Lot, or permit use of such Common Driveway, by his guests, family members and invitees, provided such use is not inconsistent with the rights herein conveyed and does not interfere with the use of the Common Driveway by the other Owner.

Section 4. Benefit and Burden. The benefit and burden of the easement granted hereunder shall run with the title to the respective Lots and bind upon each person from time to time hereafter holding title to the respective Lots.

Section 5. Allocation and Liability for Expenses. All costs incurred in connection with the reasonable maintenance, repair and replacement of a Common Driveway shall be borne by all of the Owners of Lots on which the Common Driveway is located or for which access is provided to a public street over a portion of a Common Driveway on an equal basis. Each Owner of a Lot on which a Common Driveway is located and each Owner of a Lot for which access is provided to a public street over a portion of a Common Driveway, and such Owner's successors and assigns as Owner of that Lot, shall be personally liable to the other Owners of Lots on which such Common Driveway is located or for which access is provided to a public street over a portion of a Common Driveway, for the payment of his share of any such expenses. The provisions of this Section 5 of Article XIII create a lien under the Maryland Contract Lien Act pursuant to the provisions of Section 14-202 of the Real Property Article of the Annotated Code of Maryland (1988 edition) which lien shall be enforceable by any Owner of a Lot on which a Common Driveway is located or for which access is provided to a public street over a portion .of a Common Driveway against any Lot the Owner of which fails to comply with the provisions hereof. The lien created hereby is subordinate to any mortgages or deeds of trust encumbering any of the Lots.

OELLA HOMEOWNERS ASSOCIATION, INC.

ARTICLE XIV – RULES AND REGULATIONS

Section 1. Initial Rules and Regulations Board of Directors Authorized to Adopt; Scope. The initial rules and regulations of the Association are attached hereto as Exhibit C and shall be binding on the Property and on each Owner unless and until amended as hereinafter provided. The Board of Directors shall have the power thereafter to adopt and amend reasonable rules and regulations which shall be binding on each Owner to the extent such power is expressly conferred elsewhere in this Declaration and provided such rules and regulations are adopted in accordance with the provisions of this Article.

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

Section 3. Adoption; Referendum. The adoption or amendment of rules and regulations shall require the vote of two-thirds (2/3) of the Directors present. Any rule or regulation so adopted shall take effect, subject to suspension as hereafter provided, thirty (30) days from the date on which the rule or regulation was so adopted. However, a number of Association members equal to not less than twenty percent (20%) of the members of the Association may petition a referendum on a rule or regulation by filing a written petition with the Board of Directors within twenty (20) days after the mailing of a notice of adoption by the Board. Upon verifying that the requirements of this Section have been met, the rule or regulation shall be suspended pending the results of the referendum. The rule or regulation shall be submitted to a vote of the Members at a meeting called for this purpose within sixty (60) days after the petition has been verified. The rule or regulation shall be adopted only upon the affirmative vote of a majority of the Members present at the meeting.

ARTICLE XV – GENERAL PROVISIONS

Section 1. Enforcement. The Association or any Owner shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. In addition to the foregoing remedies, the Board of Directors may impose a fine upon an Owner for a violation by such Owner of any provision of Article VIII or any rules and regulations. No such fine shall be levied without first notifying the Owner of the violation and providing the Owner with an opportunity for a hearing before the Board of Directors. Any fine so levied shall be in the amount specified in the provisions of said Articles or rules and regulations, or, if no amount is specified, a reasonable amount determined by the Board of Directors. Any fine so levied against an Owner may be enforced in the same manner as an Assessment, including, without limitation, through the recordation of a Statement of Lien against such Owner's Lot, as provided in Section 9 of Article VI. Failure by the Association

OELLA HOMEOWNERS ASSOCIATION, INC.

or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

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

Section 3. Amendment. The covenants and restrictions of this Declaration shall run with and bind upon the Property for a term of forty (40) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first forty (40) year period by an instrument signed by not less than eighty percent (80%) of the Owners and thereafter may be amended or, prior to the commencement of any ten (10) year extension, terminated by an instrument signed by more than one-half (1/2) of the Owners; provided, however, that the easement granted to Baltimore County for use of the public, as described in Article XII, Section 6, shall not be amended without the approval of Baltimore County; and provided further that the provisions of Article V, Section 4 of Article VI, Article VI I, Sections 1, 8 and 10 of Article VIII, Section 3 of Article XII and Section 3 of Article XV shall not be amended without the approval of the Declarant. Any amendment or termination must be recorded among the land records of Baltimore County in order to be effective.

Section 4. Indemnification. The Association shall indemnify every officer and director against any and all expenses, including counsel fees, incurred by or imposed upon any officer or director in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Board of Directors) to which he or she may be a party by reason of being or having been an officer or director, to the fullest extent permitted by the Section 2-418 of the Corporations and Associations Article of the Annotated Code of Maryland. The officers and directors shall have no personal liability with respect to any contract made by them, in good faith, on behalf of the Association, and the Association shall indemnify and forever hold each such officer and director free and harmless against any and all liability to others on account of any such contract or commitment.

IN WITNESS WHEREOF, the Declarant has executed and sealed this Declaration as of the day and year first above written.

WITNESS:

CHARLES L. WAGANDT

By: _____ (SEAL)

OELLA HOMEOWNERS ASSOCIATION, INC.

STATE OF MARYLAND, COUNTY OF

I HEREBY CERTIFY that on this _____day of _____, 1988, before me, the subscriber, a Notary Public of the State and County aforesaid, personally appeared Charles L. Wagandt, known to me to be the person whose name is subscribed to the foregoing and annexed instrument and acknowledged that he executed the same for the purposes therein contained.

AS WITNESS my hand and Notarial Seal.

Notary Public

My Commission Expires: July 1, 1990

DECLARATION OF COVENANTS. CONDITIONS AND RESTRICTIONS

EXHIBIT A

Description of the Initial Property

All that property situate in the First (1st) Election District of Baltimore County, Maryland (i) designated as Lot 963 as shown on the Plat entitled "947, 963 & 970 Oella Avenue - A Subdivision of a Portion of the Property of Charles L. Wagandt" recorded among the Plat Records of Baltimore County, Maryland in Plat Book 56, at folio 136; and (ii) designated as Lots 919, '921 and 923 and the areas designated as "H.O.A. Open Space 1.4075 Ac.", "100 Yr. Flood Plain Drainage & Utility Easement" and "Public Pedestrian Easement" as shown on the Plat entitled "Oella Site 4 - A Subdivision of a Portion of the Property of Charles L. Wagandt" recorded among the Plat Records of Baltimore County, Maryland in Plat Book SM 58, at folio 75; and (iii) designated as Lots 702, 737, 739, 741, 743, 745 and 747 and the area designated as "H.O.A. Parking for 737, 739, 741, 743, 745 and 747", as shown on the Plat entitled "702, 728, 730, 732, 734, 736-743, 745, 747 Oella Avenue - A Subdivision of a Portion of the Property of Charles L. Wagandt" recorded among the Plat Records of Baltimore County, Maryland in Plat Book 57, at folio 78.

DECLARATION OF COVENANTS. CONDITIONS AND RESTRICTIONS

EXHIBIT B

Description of the Initial Common Areas

All that property situate in the First (1st) Election District of Baltimore County, Maryland, designated as "H.O.A. Open Space 1.4075 Ac.", "100 Yr. Flood Plain Drainage & Utility Easement", "Public pedestrian Easement", and "H.O.A. Parking for 737, 739, 741, 743, 745 and 747" as shown on the Plat entitled "947, 963 & 970 Oella Avenue - A Subdivision of a Portion of the Property of Charles L. Wagandt" recorded among the Plat Records of Baltimore County, Maryland in Plat Book 56, at folio 136 and the Plat entitled "Oella - Site 4 - A Subdivision of a Portion of the Property of Charles L. Wagandt II recorded among the Plat Records of Baltimore County, Maryland in Plat Book 8M 58, at folio 75, and the Plat entitled "702, 728, 730, 732, 734, 736-743, 745, 747 Oella Avenue - A Subdivision of the Property of Charles L. Wagandt II recorded among the Plat Records of Baltimore County, Maryland in Plat Book 57, at folio 78.

DECLARATION OF COVENANTS. CONDITIONS AND RESTRICTIONS

EXHIBIT C

INITIAL RULES AND REGULATIONS

General

1. Whenever in these Rules and Regulations reference is made to "Owner," such term shall also include the Owner's family, tenants, agents, visitors, guests, invitees, and licensees. Whenever in these Rules - and Regulations reference is made to the Association, such term shall mean the Association or its managing agent, if any.

Restrictions on Use

2. There shall be no obstruction of the Common Areas. Nothing shall be stored on the Common Areas without the prior written consent of the Board of Directors.
3. Nothing shall be done or kept by an Owner in any portion of the Common Areas which will increase the premiums charged for any insurance maintained by the Association without the prior written consent of the Board of Directors.
4. No dwelling on the property shall be used or rented for transient, hotel, or motel purposes.
5. No Owner shall cause or permit anything to be hung, displayed, or exposed on the exterior of a dwelling, whether through or upon windows, doors, or masonry. The prohibition herein includes without limitation laundry, clothing, rugs, signs, radio, or television antennas,
6. No Lot shall be used for any unlawful purpose and no Owner shall do or permit any unlawful act in or upon his Lot.
7. No satellite dishes, television, radio or other antennae shall be commenced, erected or maintained upon any Lot.
8. Owners of pets shall be responsible for all personal injuries and/or property damage caused by their pets within the Property.
9. Within the Common Areas, pets must leashed; be leashes may not exceed six feet in length.
10. Owners of pets walked upon the Common Areas must promptly clean up their pet I s droppings in all Common Areas. Owners of pets may not permit their pets to defecate or urinate on any other Owner's Lot.

DECLARATION OF COVENANTS. CONDITIONS AND RESTRICTIONS

Parking

11. Unless otherwise authorized by the Board of Directors, no parking areas in the Common Areas may be used for any purpose other than parking automobiles. All vehicles must have current license plates and be in operating condition.

12. All Owners shall observe and abide by all parking and traffic regulations posted by the Association or by municipal authorities. Vehicles parked in violation of any such regulations may be towed away at, the vehicle owner's sole risk and expense.

ARTICLES OF INCORPORATION OF OELLA HOMEOWNERS ASSOCIATION, INC.

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

ARTICLE I – NAME

The name of the corporation is OELLA HOMEOWNERS ASSOCIATION, INC. (hereinafter called the "Association").

ARTICLE II - PRINCIPAL OFFICE

The principal office of the Association is located at 732 Oella Avenue, Ellicott City, Maryland 21043.

ARTICLE III - RESIDENT AGENT

James C. Oliver, whose address is 17th Floor, 300 East Lombard Street, Baltimore, Maryland 21202, is hereby appointed the initial resident agent of this Association.

ARTICLE IV - PURPOSES AND POWERS

This Association does not contemplate pecuniary gain or profit to the members thereof, and the specific purposes for which it is formed are to provide for the maintenance, preservation and architectural control of the Lots and Common Areas (as those terms are defined in the Declaration hereinafter referred to) within that certain tract of real property described in Exhibit A to the Declaration (hereinafter called "the Property") and such additional real property as may be added to the Property pursuant to the provisions of the Declaration and to promote the health, safety and welfare of the residents within the above-described property and any additions thereto as may hereafter be brought within the jurisdiction of this Association. In furtherance of these purposes, the Association shall have full power to:

- A. Exercise all of the powers and privileges and perform all of the duties and obligations of the Association as set forth in that certain Declaration of Covenants, Conditions and Restrictions entitled "Oella Homeowners Association, Inc., Declaration of Covenants, Conditions and Restrictions" (hereinafter called the "Declaration"), applicable to the Property and recorded or to be recorded among the Land Records of

Baltimore County, Maryland, and as the same may be amended "from time to time as therein provided.

- B. Fix, levy, collect and enforce payment by any lawful means of all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the property of the Association.
- C. Acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association.
- D. Borrow money and, with the assent of two-thirds (2/3) of the votes of each class of members of the Association, mortgage, pledge, hypothecate or grant a deed of trust covering any or all of its real or personal property as security for money borrowed or debts incurred.
- E. Dedicate, sell or transfer all or any part of the Common Areas or other facilities to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument has been signed by the holders of two-thirds (2/3) of the votes of each class of members agreeing to such dedication, sale or transfer.
- F. Grant utility and drainage easements in, under, over and through properties owned by the Association.
- G. Participate in mergers and consolidations with other nonprofit corporations organized for the same purposes. or annex additional property and open space, provided that, except as otherwise provided in the Declaration, any such merger, consolidation, or annexation shall have the assent of two-thirds (2/3rds) of the votes of each class of the members; and
- H. Have and exercise any and all powers, rights and privileges which a non-stock corporation organized under the Corporation Law of the State of Maryland by law may now or hereafter have or exercise.

ARTICLE V – ASSOCIATION NOT AUTHORIZED TO ISSUE STOCK

The Association has no authority to issue capital stock.

ARTICLE VI – MEMBERSHIP

Every person or entity who is a record owner of a fee or undivided fee interest in any Lot which is subject to assessment by the Association pursuant to the Declaration, including contract sellers, shall

be a member of the Association. The foregoing is not intended to include and does not include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association.

ARTICLE VII - VOTING RIGHTS

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

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

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

ARTICLE VIII – BOARD OF DIRECTORS

The affairs of this Association shall initially be managed by a Board of three (3) Directors. All Directors shall be members of the Association or officers, directors, employees or agents of a corporation, partnership, trust or other entity which is a member of the Association. The number, terms and manner of election of Directors may be changed by amendment of the By-Laws of the Association. The names and addresses of the persons who are to act in the capacity of Directors until the selection of their successors are:

1. Charles Wagandt
821 West Lake Avenue
Baltimore, Md. 21210
2. Mary Jo T. Wagandt
821 West Lake Avenue

Baltimore, Md. 21210

3. Bessie Walter
8805 Autumn Hill Court
Ellicott City, Md. 21043

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

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

ARTICLE IX – DISSOLUTION

The Association may be dissolved with the assent in writing and signed by not less than the holders of eighty percent (80%) of the votes of each class of members. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association was created. In the event that such dedication is refused, such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization to be devoted to such similar purposes.

ARTICLE X – DURATION

The Association shall exist perpetually.

ARTICLE XI – AMENDMENTS

Amendment of these Articles shall require the assent of the holders of eighty percent (80%) of the votes of each class of members.

IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of Maryland, the undersigned, being the incorporator of this Association, has executed these Articles of Incorporation this _____ day of _____, 1988.

WITNESS:

BY-LAWS OF OELLA HOMEOWNERS ASSOCIATION, INC.

ARTICLE I – NAME AND LOCATION

The name of the corporation is OELLA HOMEOWNERS ASSOCIATION, INC., hereinafter referred to as the "Association". The principal office of the corporation shall be located at 732 Oe11a Avenue, Ellicott City, Maryland 21043, but meetings of members and directors may be held at such places within Baltimore County, Maryland, as may be designated by the Board of Directors.

ARTICLE II – DEFINITIONS

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

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

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

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

ARTICLE III – MEETING OF MEMBERS

Section 1. Annual Meetings. The first meeting of the Members shall be held within one (1) year from the date of incorporation of the Association, and each subsequent regular annual meeting of the Members shall be held on the same day of the same month of each year thereafter at the hour of 7:30 p.m. If the day for the annual meeting of the Members is a Saturday, Sunday or legal holiday, the meeting will be held at the same hour on the first day thereafter which is not a Saturday, Sunday or legal holiday.

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

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

Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of Members entitled to cast or of proxies entitled to cast twenty-five percent (25%) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present in person or by proxy.

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

ARTICLE IV - BOARD OF DIRECTORS: SELECTION; TERM OF OFFICE

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

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

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

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

ARTICLE V - NOMINATION AND ELECTION OF DIRECTORS

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

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

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

ARTICLE VI – MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held at such date, place and time as may be fixed from time to time by resolution of the Board. The initial meeting of the Board of Directors, if not sooner held, shall be held within ten (10) days after the first annual meeting of the Members. If such date falls on a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

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

Section 3. Quorum. The presence at such date, time and place of majority of the number of Directors shall constitute a quorum for the transaction of business. Every act done or decision made by a majority of the Directors present at a duly held meeting at which a quorum "is present shall be regarded as the act of the Board, unless a higher percentage is specifically required by these By-Laws or by the Declaration o_ Articles of Incorporation.

Section 4. Open Meetings. Except as provided in Section 5, all meetings of the Board and of any committee of the Board shall be open to all Members, but Members other than Directors may not participate in any discussion or deliberation unless expressly so authorized by a majority of a quorum of the Board.

Section 5. Closed Session. The Board or any committee of the Board may, with approval of a majority of a quorum, convene in closed session for" the following purposes:

- (i) Discussion of a matter pertaining to employees and personnel;
- (ii) Protection of the privacy or reputation of individuals in matters not related to the Association's business;
- (iii) Consultation with staff personnel, consultants, attorneys, or other persons in connection with pending or potential litigation;
- (iv) Investigative proceedings concerning possible or actual criminal misconduct;

- (v) Consideration of the terms or conditions of a business transaction in the negotiation stage if the disclosure could adversely affect the economic interests of the Association;
- (vi) Compliance with a specific constitutional, statutory, or judicially imposed requirement protecting particular proceedings or matters from public disclosure; or
- (vii) On an individually recorded affirmative vote of two-thirds of the Board of Directors or committee members present, some other exceptional reason so compelling as to override the general public policy in favor of open meetings.
 - (a) If a meeting is held in closed session under this Section:
 - (b) An action may not be taken and a matter may not be discussed if it is not permitted by enumerated clauses (i) through (vii) of subsection (a) this Section; and
 - (c) A statement of the time, place, and purpose of the closed meeting, the record of the vote of each Director or committee member by which the meeting was closed, and the authority under this Section for closing a meeting shall be included in the minutes of the next meeting of the Board of Directors or the committee, as the case may be.

Section 6. Action without a Formal Meeting. Any action to be taken at a meeting of the Directors or any action that may be taken at a meeting of the Directors may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Directors, and such consent shall have the same force and effect as a unanimous vote.

ARTICLE VII – POWERS AND DUTIES OF THE BOARD OF DIRECTORS

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

- (a) adopt and publish rules and regulations to the extent and in accordance with Article XIII of the Declaration;
- (b) suspend the voting rights of a Member during any period in which such Member shall be in default in the payment of any Assessment levied by the Association; such rights may also be suspended after notice and hearing as provided in Section 3 for a period not to exceed sixty (60) days for violation of the Declaration or rules and regulations or, in lieu thereof, the Board of Directors may impose a fine for such violation after notice and hearing as provided in Section 3;
- (c) exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the Membership by other provisions of these By-Laws, the Articles of Incorporation the Declaration, or applicable law;
- (d) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors;
- (e) employ a manager, an independent contractor or such other employees as they deem necessary and prescribe their duties;
- (f) contract with any person for the performance of the Board's various duties' and functions, including, without limitation, the right to enter into common management, operational, or other agreements with trusts, condominiums, cooperatives, apartments or neighborhood, homeowners or residents associations, both within and without the Property;
- (g) designate, hire and dismiss personnel necessary for the maintenance, operation, repair, and replacement of the Association, its property, and the Common Areas and, where appropriate, provide for the compensation of such personnel and for the purchase of equipment, supplies, and material to be used by such personnel in the performance of their duties;
- (h) collect the Annual Assessments, deposit the proceeds thereof in a financial institution which it shall approve, and use the proceeds to administer the Association;
- (i) make or contract for the making of repairs, additions, and improvements to or alterations of the Common Areas in accordance with the other provisions of the Declaration and these By-Laws including those required after damage or destruction by fire or other casualty;
- (j) enforce by legal means the provisions of the Declaration, these By-Laws, and the rules and regulations adopted by it and bring any proceedings which may be instituted on behalf of or against the Members concerning the Association; and

- (k) keep books with detailed accounts of the receipts and expenditures affecting the Association and its administrations specifying the maintenance and repair expenses and any other expenses incurred, all in accordance with generally accepted accounting practices.

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

- (a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members or at any Special Meeting when such statement is requested in writing by Members holding at least twenty-five percent (25%) of the total number of votes held by the Class A Membership.
- (b) supervise all officers, agents and employees of the Association and to see that their duties are properly performed.
- (c) as is more fully provided in the Declaration:
 - (i) prepare an annual budget and fix the amount of the Annual Assessment and the Limited Assessment against each Lot subject thereto at least thirty (30) days in advance of each assessment year;
 - (ii) send written notice of each Annual Assessment and Limited Assessment to every Owner subject thereto at least thirty (30) days in advance of each assessment year; and
 - (iii) send a Notice of Lien to the Owner of each Lot for which any Assessment is not paid within thirty (30) days after the due date and if not thereafter paid file a Statement of Lien against such Lot or bring an action at law against the Owner of such Lot personally obligated to pay the same, all in accordance with the provisions of the Declaration;
- (d) issue or cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any Assessment has been paid. A reasonable charge may be established by the Board for the issuance of these certificates in accordance with the provisions of the Declaration;
- (e) procure and maintain adequate liability and hazard insurance on property owned by the Association, such insurance to be in amounts not less than those specified in the Declaration;
- (f) cause all officers, agents or employees of the Association having fiscal responsibilities to be bonded if the Board deems it to be appropriate; and
- (g) cause the Common Areas to be operated and maintained in the manner required by the Declaration.

Section 3. Hearing Procedure. The Board of Directors shall not impose a fine, suspend voting, or infringe upon any other rights of a Member or other occupant for violations of the rules and regulations or Article VIII of the Declaration unless and until the following procedure is followed:

- (a) Demand. Written demand to cease and desist from an alleged violation shall be given to the alleged violator specifying:
 - (h) the alleged violation;
 - (iii) the action required to abate the violation; and
 - (iv) a time period of not less than ten (10) days, during which the violation may be abated without further sanction, if such violation is a continuing one, or a statement that any further violation of the same rule may result in the imposition of a sanction after notice and hearing if the violation is not continuing.

- (b) Notice. At any time within twelve (12) months of such demand, if the violation continues past the period allowed in the demand for abatement without penalty or if the same rule is subsequently violated, the Board of Directors shall give the alleged violator written notice that a hearing will be held by the Board of Directors. The notice shall contain:
 - (1) the nature of the alleged violation;
 - (iii) the time and place of the hearing, which time shall not be less than ten (10) days from the giving of the notice;
 - (iv) an invitation to attend the hearing and produce any statement; evidence or witness on his or her behalf; and
 - (v) the proposed sanction to be imposed.

- (c) Hearing. The hearing shall be open to all Members, shall be held at the time and place stated in the notice given to the alleged violator and the alleged violator shall be given a reasonable opportunity to be heard and to produce any statement, evidence or witness on his or her behalf. Prior to the effectiveness of any sanctions hereunder, proof of notice and the invitation to be heard shall be placed in the minutes of the Board of Directors. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, Director, or agent who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed.

ARTICLE VIII – OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Association shall be the President, who shall at all times be a member of the Board of Directors, the Vice-President, the Secretary, the Treasurer and such other officers as the Board may from time to time by resolution create.

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

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

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

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

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

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

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

- (a) President: the President shall preside at all meetings of the Board; see that all orders and resolutions of the Board are carried out ; sign on behalf of the Association all leases, mortgages, deeds and other written instruments and co-sign all checks and promissory notes.
- (b) Vice-President: The Vice-President shall act in the place and stead of the President in the event of his absence, inability or refusal to act and shall exercise and discharge such other duties as may be required of him by the Board.
- (c) Secretary: The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Membership, keep the corporate seal of the Association (if any) and affix it on all papers requiring said seal, serve notice of meetings of the Board and of the Membership, keep appropriate current records showing the Members of the Association together with their addresses and shall perform such other duties as required by the Board.
- (d) Treasurer: The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors, shall sign all checks and promissory notes of the Association, keep proper books of account, cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year, and shall prepare an annual budget and statement of income and expenditures to be presented to the membership at its regular annual meeting and deliver a copy of each to the Members.

ARTICLE IX – INDEMNIFICATION OF OFFICERS AND DIRECTORS

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

ARTICLE X – COMMITTEES

The Board of Directors shall appoint the members of the Nominating Committee as provided in these By-Laws. In addition, the Board of Directors shall appoint such other committees as it deems appropriate in carrying out the purposes of the Association.

ARTICLE XI – BOOKS AND RECORDS

Section 1. (no title) The books, records and papers of the Association, at all times during normal business hours and after reasonable notice, shall be subject to inspection and copying by any Member or any Mortgagee and their duly authorized agents and attorneys.

Section 2. (no title) Notwithstanding the foregoing, books and records kept by or on behalf of the Association may be withheld from public inspection to the extent such books and records concern:

- (a) personnel records;
- (b) an individual's medical records;
- (c) records relating to business that are currently in negotiation; or transactions
- (d) the written advice of legal counsel.

Section 3. (no title) The Association may impose a reasonable charge upon a person desiring to copy any books and records.

ARTICLE XII – ASSESSMENTS

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

ARTICLE XIII – CORPORATE SEAL

The Association shall not have a seal.

ARTICLE XIV – AMMENDMENTS

Section 1.(no title) These By-Laws may be amended, at a regular or special meeting of the Members, by a vote of two-thirds (2/3rds) of a quorum of Members present in person or by proxy. If an amendment to the By-Laws is to be considered at a meeting, the proposed amendment shall be set forth in the notice of the meeting.

Section 2.(no title) In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

ARTICLE XV – FISCAL YEAR

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

HOMEOWNERS ASSOCIATION ADDENDUM

THIS ADDENDUM is made the _____ day of _____, 198_ to the Contract of Sale dated _____, 198_, for the property known as _____ between _____ ("buyer") and CHARLES L. WAGANDT ("Seller") for valuable receipt of 'which is hereby acknowledged, the parties hereby agree as follows:

1. THIS SALE IS SUBJECT TO THE REQUIREMENTS OF THE MARYLAND HOMEOWNERS ASSOCIATION ACT (THE "ACT"). THE ACT REQUIRES THAT THE SELLER DISCLOSE TO YOU AT OR BEFORE THE TIME THE CONTRACT IS ENTERED INTO, OR WITHIN 7 CALENDAR DAYS OF ENTERING INTO THE CONTRACT, CERTAIN INFORMATION CONCERNING THE DEVELOPMENT IN WHICH THE LOT YOU ARE PURCHASING IS LOCATED. THE CONTENT OF THE INFORMATION TO BE DISCLOSED IS SET FORTH IN § 11B-105(B) OF THE ACT (THE "MHAA INFORMATION") AS FOLLOWS:

(B) THE VENDOR SHALL PROVIDE THE PURCHASER THE FOLLOWING INFORMATION IN WRITING:

(1)(1) THE NAME, PRINCIPAL ADDRESS, AND TELEPHONE NUMBER OF THE VENDOR AND OF THE DECLARANT, IF THE DECLARANT IS NOT THE VENDOR; OR

(II) IF THE VENDOR IS A CORPORATION OR PARTNERSHIP, THE NAMES AND ADDRESSES OF THE PRINCIPAL OFFICERS OF THE CORPORATION, OR GENERAL PARTNERS OF THE PARTNERSHIP;

(2)(1) THE NAME, IF ANY, OF THE HOMEOWNERS ASSOCIATION; AND

(II) IF INCORPORATED, THE STATE IN WHICH THE HOMEOWNERS ASSOCIATION IS INCORPORATED AND THE NAME OF THE MARYLAND RESIDENT AGENT;

(3) A DESCRIPTION OF:

(I) THE LOCATION AND SIZE OF THE DEVELOPMENT, INCLUDING THE MINIMUM AND MAXIMUM NUMBER OF LOTS CURRENTLY PLANNED OR PERMITTED, IF APPLICABLE, WHICH MAY BE CONTAINED WITHIN THE DEVELOPMENT; AND

(II) ANY PROPERTY OWNED BY THE DECLARANT OR THE VENDOR CONTIGUOUS TO THE DEVELOPMENT WHICH IS TO BE DEDICATED TO PUBLIC USE;

(4) IF THE DEVELOPMENT IS OR WILL BE WITHIN OR A PART OF ANOTHER DEVELOPMENT, A GENERAL DESCRIPTION OF THE OTHER DEVELOPMENT;

(5) IF THE DECLARANT HAS RESERVED IN THE DECLARATION THE RIGHT TO ANNEX ADDITIONAL PROPERTY TO THE DEVELOPMENT, A DESCRIPTION OF THE

SIZE AND LOCATION OF THE ADDITIONAL PROPERTY AND THE APPROXIMATE NUMBER OF LOTS CURRENTLY PLANNED TO BE CONTAINED IN THE DEVELOPMENT, AS WELL AS ANY TIME LIMITS WITHIN WHICH THE DECLARANT MAY ANNEX SUCH PROPERTY;

(6) A COPY OF:

(I) THE ARTICLES OF INCORPORATION, THE DECLARATION, AND ALL RECORDED COVENANTS AND RESTRICTIONS OF THE PRIMARY DEVELOPMENT AND OTHER OTHER RELATED DEVELOPMENTS TO THE EXTENT REASONABLY AVAILABLE, TO WHICH THE PURCHASER SHALL BECOME OBLIGATED ON BECOMING AN OWNER OF THE LOT, INCLUDING A STATEMENT THAT THESE OBLIGATIONS ARE ENFORCEABLE AGAINST AN OWNER AND THE OWNER'S TENANTS, IF APPLICABLE; AND

(II) THE BYLAWS AND RULES OF THE PRIMARY DEVELOPMENT AND OF OTHER RELATED DEVELOPMENTS TO THE EXTENT REASONABLY AVAILABLE, TO WHICH THE PURCHASER SHALL BECOME OBLIGATED ON BECOMING AN OWNER OF THE LOT, INCLUDING A STATEMENT THAT THESE OBLIGATIONS ARE ENFORCEABLE AGAINST AN OWNER AND THE OWNER'S TENANTS, IF APPLICABLE;

(7) A DESCRIPTION OR STATEMENT OF ANY PROPERTY WHICH IS CURRENTLY PLANNED TO BE OWNED, LEASED OR MAINTAINED BY THE 'HOMEOWNERS ASSOCIATION;

(8) A COPY OF THE ESTIMATED PROPOSED OR ACTUAL ANNUAL BUDGET FOR THE HOMEOWNERS ASSOCIATION FOR THE CURRENT FISCAL YEAR, INCLUDING A DESCRIPTION OF THE REPLACEMENT RESERVES FOR COMMON AREA IMPROVEMENTS, IF ANY, AND A COPY OF THE CURRENT PROJECTED BUDGET FOR THE HOMEOWNERS ASSOCAITION BASED UPON THE DEVELOPMENT FULLY EXPANDED IN ACCORDANCE WITH EXPANSION RIGHTS CONTAINED IN THE DECLARATION;

(9) A STATEMENT OF CURRENT OR ANTICIPATED MANDATORY FEES OR ASSESSMENTS TO BE PAID BY OWNERS OF LOTS WITHIN THE DEVELOPMENT FOR THE USE, MAINTENANCE, AND OPERATION OF COMMON AREAS AND FOR OTHER PURPOSES RELATED TO THE HOMEOWNERS ASSOCIATION AND WHETHER THE DECLARANT OR VENDOR WILL BE OBLIGATED TO PAY THE FEES IN WHOLE OR IN PART;

(10) (I) A BRIEF DESCRIPTION OF ZONING AND OTHER LAND USE REQUIREMENTS AFFECTING THE DEVELOPMENT; OR

(II) A WRITTEN DISCLOSURE OF WHERE THE INFORMATION IS AVAILABLE FOR INSPECTION!

(11) A STATEMENT REGARDING:

(I) WHEN MANDATORY HOMEOWNERS ASSOCIATION FEES OR ASSESSMENTS WILL FIRST BE LEVIED AGAINST OWNERS OF LOTS;

(II) THE PROCEDURE FOR INCREASING OR DECREASING SUCH FEES OR ASSESSMENTS;

(III) HOW FEES OR ASSESSMENTS AND DELINQUENT CHARGES WILL BE COLLECTED;

(IV) WHETHER UNPAID FEES OR ASSESSMENTS ARE A PERSONAL OBLIGATION OF OWNERS OF LOTS!

(V) WHETHER UNPAID FEES OR ASSESSMENTS BEAR INTEREST AND IF SO, THE RATE OF INTEREST;

(VI) WHETHER UNPAID FEES OR ASSESSMENTS MAY BE ENFORCED BY IMPOSING A LIEN ON A LOT UNDER THE TERMS OF THE MARYLAND CONTRACT LIEN ACT! AND

(VII) WHETHER LOT OWNERS WILL BE ASSESSED LATE CHARGES OR ATTORNEYS' FEES FOR COLLECTING UNPAID FEES OR ASSESSMENTS AND ANY OTHER CONSEQUENCES FOR THE NONPAYMENT OF THE FEES OR ASSESSMENTS;

(12) IF ANY SUMS OF MONEY ARE TO BE COLLECTED AT SETTLEMENT FOR CONTRIBUTION TO THE HOMEOWNERS ASSOCIATION OTHER THAN PRORATED FEES OR ASSESSMENTS, A STATEMENT OF THE AMOUNT TO BE COLLECTED AND THE INTENDED USE OF SUCH FUNDS; AND

(13) A DESCRIPTION OF SPECIAL RIGHTS OR EXEMPTIONS RESERVED BY OR FOR THE BENEFIT OF THE DECLARANT OR THE VENDOR, INCLUDING:

(I) THE RIGHT TO CONDUCT CONSTRUCTION ACTIVITIES WITHIN THE DEVELOPMENT;

(II) THE RIGHT TO PAY REDUCED HOMEOWNERS ASSOCIATION FEE OR ASSESSMENT! AND

(III) EXEMPTIONS FROM USE RESTRICTIONS OR ARCHITECTURAL CONTROL PROVISIONS CONTAINED IN THE DECLARATION OR PROVISIONS BY WHICH THE DECLARANT OR THE VENDOR INTENDS TO MAINTAIN CONTROL OVER THE HOMEOWNERS ASSOCIATION.

IF YOU HAVE NOT RECEIVED ALL OF THE MHAA INFORMATION 5 CALENDAR DAYS OR MORE BEFORE ENTERING INTO THE CONTRACT, YOU HAVE 5 CALENDAR DAYS TO CANCEL THIS CONTRACT AFTER RECEIVING ALL OF THE MHAA INFORMATION. YOU MUST CANCEL THE CONTRACT IN WRITING, BUT YOU DO NOT HAVE TO STATE A REASON. THE SELLER MUST ALSO PROVIDE YOU WITH NOTICE OF ANY CHANGES IN MANDATORY FEES EXCEEDING 10% OF THE AMOUNT PREVIOUSLY STATED TO EXIST AND COPIES OF ANY OTHER SUBSTANTIAL AND MATERIAL AMENDMENT TO THE INFORMATION PROVIDED TO YOU. YOU HAVE 3

CALENDAR DAYS TO CANCEL THIS CONTRACT AFTER RECEIVING NOTICE OF ANY CHANGES IN MANDATORY FEES, OR COPIES OF ANY OTHER SUBSTANTIAL AND MATERIAL AMENDMENT TO THE MHAA INFORMATION WHICH ADVERSELY AFFECTS YOU. IF YOU DO CANCEL THE CONTRACT, YOU WILL BE ENTITLED TO A REFUND OF ANY DEPOSIT YOU MADE ON ACCOUNT OF THE CONTRACT. HOWEVER, UNLESS YOU RETURN THE MHAA INFORMATION TO THE SELLER WHEN YOU CANCEL THE CONTRACT, THE SELLER MAY KEEP OUT OF YOUR DEPOSIT THE COST OF REPRODUCING THE MHAA INFORMATION, OR \$100 WHICHEVER AMOUNT IS LESS.

BY PURCHASING A LOT WITHIN THIS DEVELOPMENT, YOU WILL AUTOMATICALLY BE SUBJECT TO VARIOUS RIGHTS, RESPONSIBILITIES, AND OBLIGATIONS, INCLUDING THE OBLIGATION TO PAY CERTAIN ASSESSMENTS TO THE HOMEOWNERS ASSOCIATION WITHIN THE DEVELOPMENT. THE LOT YOU ARE PURCHASING MAY HAVE RESTRICTIONS ON:

(1) ARCHITECTURAL CHANGES, DESIGN, COLOR, LANDSCAPING OR APPEARANCE;

(2) OCCUPANCY DENSITY;

(3) KIND, NUMBER, OR USE OF VEHICLES;

(4) RENTING, LEASING, MORTGAGING OR CONVEYING PROPERTY;

(5) COMMERCIAL ACTIVITY; OR

(6) OTHER MATTERS.

YOU SHOULD REVIEW THE MHAA INFORMATION CAREFULLY TO ASCERTAIN YOUR RIGHTS, RESPONSIBILITIES, AND OBLIGATIONS WITHIN THE DEVELOPMENT.

2. In addition to the encumbrances already referenced in the Contract, the deed to be delivered to Buyer shall also be encumbered by the following:

(i) the Declaration of Covenants, Conditions and Restrictions executed by Seller and recorded among the Land Records of Baltimore County and the accompanying By-Laws and Rules and Regulations (the "Oella HOA Declaration"),

(ii) the Declaration of Restrictions and Grant of Easements executed by Seller and recorded among the Land Records of Baltimore County (the "Oella Restrictive Covenants"), and

(iii) matters shown or referred to on the Subdivision Plat covering the Property.

3. charges payable under the Oella HOA Declaration will be apportioned between Seller and Buyer as of the settlement date, whether or not assessments have been levied as of that date, and will be assumed and paid thereafter by Buyer. At the time of settlement, Buyer shall pay to Seller for delivery to the Oella Homeowners Association, Inc. an amount equal to one-sixth (1/6th) the annual assessment payable to such Association as an initial working capital contribution, such amount to be

in addition to the quarterly assessments payable to the Association. In connection herewith Buyer is hereby notified pursuant to the provisions of Section 14-118 of the Real Property Article of the Annotated Code of Maryland (1988 Edition) that the estimated cost of deferred water charges for which the Buyer may become liable are \$_____per year, and the estimated cost of deferred sewer charges for which the Buyer may become liable are \$_____per year. Such estimated costs are based upon (a) the current water or sewer benefit charges imposed by Baltimore County, Maryland, and (b) the approximate amount of _____feet of assessable footage in the Property.

4. The Seller hereby gives the Buyer notice that certified copies of the approved partial and/or final development plan (including any amendment) may be publicly inspected at the office of the Zoning Commissioner of Baltimore County, which is located in the County Office Building, 111 West Chesapeake Avenue, Towson, Maryland 21204. The purpose of the Development Plan is (a) to provide for the disclosure of development plans to prospective residents and to protect those who have made decisions based on these plans from inappropriate changes therein, and (b) to provide for review by Baltimore County of residential development plans to determine whether they comply with the Baltimore County Zoning Regulations and with the standards and policies adopted pursuant to the authority provided in Section 504 of the regulations.

All other terms and conditions of the Contract shall remain the same and in full force and effect.

WITNESS:

BUYER:

_____ (SEAL)

