

THE VILLAS AT CATTAIL CREEK CONDOMINIUM, INC.
DECLARATION

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THE VILLAS AT CATTAIL CREEK CONDOMINIUM DECLARATION

THIS DECLARATION ("Declaration") is made this 18th day of December, 2003, by NVR, INC., a Virginia corporation, hereinafter called the "Condominium Developer".

WHEREAS, the Condominium Developer holds the fee simple title to the Condominium Land (as such term is defined herein) and desires to subject said Condominium Land, together with the improvements erected thereon, and all rights, alleys, ways, waters, privileges, appurtenances and advantages thereunto belonging, or in anywise appertaining, including the hereinafter described rights-of-ways, to a condominium regime, as provided for in the Condominium Act (hereinafter defined), and hereby to establish for the property, a condominium regime to be known as "The Villas at Cattail Creek Condominium".

NOW THEREFOR, THIS DECLARATION WITNESSETH: The Condominium Developer for itself, its successors and assigns, does hereby expressly establish and declare the following:

ARTICLE I. DEFINITIONS

As used in this Declaration, and the Condominium By-Laws annexed hereto, except to the extent otherwise expressly provided, or otherwise resulting from necessary implication, the following terms shall have the meaning herein ascribed thereto:

(a) Annual Assessment. "Annual Assessment" means the assessment levied annually against the Units pursuant to Section I of Article IX of the Condominium By-Laws.

(b) Common Element(s). "Common Element(s)" (a) means all of the Condominium other than Units the legal title to which is held by a person other than the Condominium Association and (b) shall be comprised of the Limited Common Elements and the General Common Elements.

(c) Common Expense(s). "Common Expense(s)" means the expenses of the Condominium Association, including particularly, but not by way of limitation, the following: the cost and expense of administration, operation, care, cleaning, maintenance, repair or replacement of the Common Elements (unless otherwise provided herein); payment into a repair and replacement reserve fund established for the foregoing; premiums on any policy of insurance, indemnity or bond required to be procured or maintained under the Declaration or Condominium By-Laws, or deemed necessary or advisable by the Condominium Association or Condominium Board; compensation for accountants, attorneys, engineers, financial experts, superintendents, Manager, and such other employees and agents as may be deemed necessary or advisable for the operation of the Condominium; all other costs and expenses declared to be a Common Expense by any provision of the Condominium Act, this Declaration or the Condominium By-Laws, or by the Condominium Association or Condominium Board.

(d) Common Profit(s). "Common Profit(s)" means the profit(s) of the Condominium

Association.

(e) Condominium. "Condominium" means the Condominium Land and Units, together with all improvements, fixtures, and structures erected thereon or therein, and all rights, ways, easements, privileges and appurtenances thereunto belonging, or in anywise appertaining, including all space in, upon, above or below the foregoing, all, however, subject to easements, agreements, conditions and other matters of public record.

(f) Condominium Act. "Condominium Act" means Title 11 of the Real Property Article of the Annotated Code of Maryland, as heretofore and hereafter amended.

(g) Condominium Association. "Condominium Association" means the incorporated legal entity that is comprised of all Unit Owners, which is charged with the governing and administration of the affairs of the Condominium.

(h) Condominium Board. "Condominium Board" or "Board" means the board of directors of the Condominium Association.

(i) Condominium By-Laws. "Condominium By-Laws" means the Condominium By-Laws attached hereto as Exhibit "B", as said Condominium By-Laws may, from time to time, be amended.

(j) Condominium Declaration. "Condominium Declaration" (or as used herein, "Declaration") means this Declaration, as said Declaration may, from time to time, be amended.

(k) Condominium Developer. "Condominium Developer" means NVR, Inc., its successors, and any assignee to whom the Condominium Developer specifically assigns in writing its rights as Condominium Developer under this Declaration.

(l) Condominium Documents. "Condominium Documents" means this Declaration, the Condominium By-Laws and the Condominium Plat, and all rules and regulations adopted pursuant to Article X of the Condominium By-Laws.

(m) Condominium Land. "Condominium Land" means all of that real property described in Exhibit "A" attached hereto.

(n) Condominium Plat. "Condominium Plat" means collectively the plats prepared by Fisher, Collins & Carter, Inc., entitled "The Villas at Cattail Creek Condominium", intended to be recorded among the Land Records of Howard County, Maryland, simultaneously with the recording of this Declaration, as said Condominium Plat may, from time to time, be amended.

(o) Eligible Mortgagee. "Eligible Mortgagee" means and includes each mortgagee who (i) holds a First Mortgage on a Unit, and (ii) is eligible to receive the notices and information provided in this Declaration.

(p) First Mortgage. "First Mortgage" means and includes a Mortgage with priority over all other Mortgages.

(q) Gatehouse. "Gatehouse" means the community building shown as "Gatehouse" on any Condominium Plat, which building will contain meeting rooms, common dining area and water storage facility.

(r) General Common Element(s). "General Common Element(s)" means and includes all the Common Elements (except the Limited Common Elements) located on the Condominium Land and includes, without limitation, the Gatehouse, any recreational areas and Roads.

(s) Land Records. "Land Records" means the Land Records of Howard County, Maryland.

(t) Limited Common Element(s). "Limited Common Element(s)" means those Common Elements which are identified in Article V, or on the Condominium Plat, as reserved for the exclusive use of one or more, but less than all, of the Unit Owners.

(u) Majority of the Unit Owners. "Majority of the Unit Owners" means Unit Owners holding more than fifty percent (50%) of the votes appurtenant to all Units in the Condominium.

(v) Majority of the Unit Owners Present and Voting. "Majority of the Unit Owners Present and Voting" means Unit Owners casting more than fifty percent (50%) of the total votes cast on any matter by Unit Owners present, in person or by proxy, at a meeting of the Condominium Association.

(w) Manager. "Manager" means the person, firm or corporation from time to time employed by the Condominium Association to administer or supervise the Condominium. If there is no person, firm or corporation employed by the Condominium Association to administer or supervise the Condominium, then the Condominium Board shall be deemed the Manager. However, if there is no Condominium Board elected by the Unit Owners, then the Condominium Association shall be deemed the Manager.

(x) Material Change. "Material Change" shall have the meaning ascribed thereto in this Declaration in Article XII.

(y) Mortgage. "Mortgage" means any mortgage or deed of trust of (i) the seller of a Unit (including, without limitation, the Condominium Developer, to the extent the Condominium Developer holds a Mortgage on one or more Units); (ii) an individual held on a Unit, and (iii) a bank, trust company, savings bank, savings and loan association, mortgage service company, insurance company, credit union, pension fund, real investment trust or like institutional investor or lender.

(z) Mortgagee. "Mortgagee" means the holder of any recorded mortgage, the beneficiary

of any recorded deed of trust, or the grantee (including personal representatives, successors and assigns of such grantee) named in any recorded conveyance in the nature of a mortgage, encumbering one or more Units.

(aa) Percentage Interest Factor. "Percentage interest Factor" means the proportionate interest of each Unit Owner in the Common Elements and in the Common Profits and Common Expenses as specified in Article III hereof.

(ab) Roads. "Roads" means all private roadways located within the Condominium Land which are shown on the Condominium Plat as "Callaway Court", "Cattail Greens Court" and "Players Way" and depicted as a portion of Stage 28. The Roads are General Common Elements.

(ac) Special Assessment. "Special Assessment" means the assessment, if any, levied against the Units from time to time pursuant to Section 2 of Article IX of the Condominium By-Laws.

(ad) Stages 7, 11, 14, 18, 22 and 47. "Stages 7, 11, 14, 18, 22 and 47" means the land designated as Stages 7, 11, 14, 18, 22 and 47 on the Condominium Plat and the improvements located thereon with postal addresses of 15288 Callaway Court, 15296 Callaway Court, 15297 Callaway Court, 3700 Cattail Greens Court, 3707 Cattail Greens Court, 15111 Players Way, 15113 Players Way, 15115 Players Way and 15117 Players Way, including the Common Elements together with all structures, fixtures and other improvements erected thereon or therein, and all rights, ways, easements, privileges and appurtenances thereunto belonging, or in anywise appertaining.

(ae) Subsequent Stage. "Subsequent Stage" means each stage hereafter added to the Condominium pursuant to Article VIII hereof.

(at) Tenant. "Tenant" means any person, firm, corporation, trustee or other legal entity, or combination thereof, holding leasehold title to a Unit, whether by lease, sublease or otherwise, and includes, but is not limited to, the sublandlord and subtenant, if any, of a Unit.

(ag) Unit. "Unit" shall have the meaning ascribed in Article BEE of this Declaration. The term "Unit" also means each portion of any Subsequent Stage that the Condominium Developer may designate as a Unit in the Declaration amendment adding such Subsequent Stage to the Condominium. Each Unit shall have all of the incidents of real property under applicable law.

(ah) Unit Owner; Owner. "Unit Owner" or "Owner" means any person, firm, corporation, trust or other legal entity, or any combination thereof, holding legal title to a Unit. However, no Mortgagee, as such, shall be deemed a Unit Owner. If more than one person, firm, corporation, trustee or other legal entity, or any combination thereof, holds the legal title to any one Unit, whether in a real property tenancy, partnership relationship, or otherwise, all of same shall be deemed a single Unit Owner and a single member of the Condominium Association by virtue of ownership of such Unit. If any single membership in the Condominium Association is comprised of two or more persons, firms, corporations thereof, then each constituent may cast such portion of the vote of the

member as the several constituents may mutually determine, provided, however, that in the absence of such a determination, (i) each constituent may cast such portion of the vote of the member as shall equal his, her or its proportionate interest in the Unit or Units held by the member, and (ii) if only one votes, he, she or it may cast the entire vote of the member and such act shall bind all. In no event may such constituents cast, in aggregate, more than the number of votes appurtenant to the Unit(s) owned by the member.

ARTICLE II. CREATION OF CONDOMINIUM REGIME

(a) Submission of Condominium Land to Condominium Act. The Condominium Land and all appurtenances thereto shall be held, conveyed, divided, subdivided, leased, rented, occupied, improved, hypothecated and/or encumbered subject to the Condominium Act and the covenants, restrictions, uses, limitations, obligations, easements, equitable servitudes, charges and liens herein set forth, including the provisions of the Condominium By-Laws (a copy of which is attached hereto and made a part hereof as Exhibit "B"), all of which are declared and agreed to be in aid of a plan for the division of the Condominium Land into a Condominium pursuant to the Condominium Act, and all of which shall be deemed to run with and bind the land, and shall inure to the benefit of and be enforceable by the Condominium Developer and by any person acquiring or owning an interest in the Condominium Land, including, without limitation, any person, group of persons, corporation, partnership, trust or other entity, or any combination thereof, which holds such interest solely as security for the performance of an obligation; provided, however, that the rights, reservations, easements, interests, exemptions, privileges and powers of the Condominium Developer shall inure to the benefit of and be enforceable by only those successors and assigns of the Condominium Developer to whom any of the same have been specifically assigned or transferred in writing.

By the recordation of this Declaration, the Condominium Association hereby assumes all liability, responsibility and duty for the care, operation and maintenance of the Common Elements and each Unit Owner hereby assumes or agrees to assume all liability and duty for the care; operation and maintenance of their respective Units, subject, however, to any rights and/or obligations the Condominium Association or each Unit Owner may have pursuant to this Declaration and the Condominium By-Laws. Further, the Condominium Association and each Unit Owner, on their own behalf, and on behalf of their successors and assigns, hereby agrees to indemnify and hold Condominium Developer, its successors and assigns harmless from any loss, liability or damage (including attorneys' fees and court costs) arising out of or resulting from the failure of the Condominium Association or each Unit Owner to care for, maintain or properly operate the Common Elements or Units, as applicable.

(b) Name of Condominium. The name by which the Condominium shall be known is "The Villas at Cattail Creek Condominium".

(c) Housing for Older Persons: Age Restriction.

(i) For purposes of this Article II (c), the following terms shall have the following meanings:

(a) "Age Qualified Resident" shall mean an owner or occupant of a Unit who is fifty-five (55) years of age or older (or such other age as may be required by the Fair Housing Acts, as defined below);

(b) "Qualifying Resident" shall mean an owner or occupant of a Unit who meets one of the following requirements:

– was residing with the Age Qualified Resident in the Unit prior to the death or departure, by reason of divorce or incapacity, of the Age Qualified Resident;

– was residing with the Age Qualified Resident in the Unit prior to the placement of the Age Qualified Resident in a facility for the care of the elderly or the disabled;
or

– was the spouse of the Age Qualified Resident and was residing with the Age Qualified Resident in the Unit prior to the dissolution of the marriage with the Age Qualified Resident.

(ii) The Condominium is intended to constitute housing intended and operated for occupancy by at least one person fifty-five (55) years of age or older per Unit, to the extent required by the federal Fair Housing Act, 42 U.S.C. §3601, *et seq.*, and Art. 49B §19 *et seq.*, of the Annotated Code of Maryland, as such laws are amended from time to time (collectively, the "Fair Housing Acts"). Except as provided herein, occupancy of any Unit shall be in accordance with the Fair Housing Acts.

(iii) Subject to the Fair Housing Acts, a Qualifying Resident who is eighteen (18) years of age or older may continue to occupy a Unit, without Condominium Board approval, following the death or departure, by reason of divorce or incapacity, of the Age Qualified Resident. Persons eighteen (18) years of age or older (a "Permitted Resident") may occupy a Unit with an Age Qualified Resident, without the approval of the Condominium Board, so long as the Age Qualified Resident at all times resides in the Unit with such Permitted Resident.

(iv) Notwithstanding anything to the contrary contained herein, no Unit may be occupied by any person under the age of eighteen (18) years unless such person is (i) necessary to provide a reasonable accommodation to a handicapped Age Qualified Resident or Qualifying Resident, or (ii) is a handicapped dependent of an Age Qualified Resident or Qualifying Resident, to the extent required by the provisions of the Fair Housing Acts.

(v) Nothing contained in this Article shall be deemed to prohibit the visitation by persons not otherwise permitted to occupy a Unit (including persons under the age of eighteen (18)) who are the family members or guests of the owner or occupant of a Unit, provided that such visitation shall not be for more than (60) days in any calendar year.

(vi) Once the Condominium Board has granted a request pursuant to this Article, the Board of Director's permission with respect to the person who was the subject of the request may

not be rescinded for so long as such person continually occupies the Unit he or she began occupying upon the granting of the Board of Director's approval.

(vii) Each Owner or occupant of a Unit, if requested to do so by the Condominium Board, shall furnish the Condominium Board with the names and ages of all occupants of the Unit and such affidavits and other documents as the Condominium Board may request to verify the age of such occupants.

(viii) The Condominium Board may adopt, publish and enforce such policies and procedures and rules and regulations as are deemed necessary by the Condominium Board in order to demonstrate an intent to maintain the status of the Condominium as housing for older persons under the Fair Housing Acts. Such policies and procedures may provide for verification of the age of the occupants by reliable surveys and affidavits.

(ix) The requirements contained in this Article are intended to comply with the exemption requirements under the Fair Housing Acts and any regulations issued thereunder. Notwithstanding anything contained herein to the contrary, all Unit Owners acknowledge and agree that although it is the intent of the Condominium Developer that the Condominium is to be operated in compliance with the Fair Housing Acts, which exempt "housing for older persons" from the prohibitions against discrimination because of familial status, no representation or warranty is made that the Condominium complies or will comply with the Fair Housing Acts, and if for any reason the Condominium is deemed not in compliance with the Fair Housing Acts and, therefore, not exempt from the prohibitions against discrimination because of familial status, neither the Condominium Developer nor the Condominium Association nor their respective directors, officers, agents or employees shall have any liability in connection therewith. Notwithstanding any other provision of this Declaration to the contrary, the Condominium Developer, so long as the Condominium Developer owns any Unit, and thereafter the Condominium Board, may amend the provisions of this Article and/or promulgate rules and regulations to the extent that it deems it necessary or appropriate, without the approval of the Unit Owners, in order to comply with the exemption requirements under the Fair Housing Acts and any regulations promulgated thereunder. Such amendments, rules or regulations by the Condominium Developer or Condominium Board may include, without limitation, permitting additional exceptions to the age restrictions hereunder which are consistent with the Fair Housing Acts and any regulations promulgated thereunder.

ARTICLE III. -CONDOMINIUM UNITS

(a) Each Unit shall consist of:

(i) A three dimensional space generally described by planes as follows, the location of which plane is as specifically designated on the Condominium Plat:

a. Bottom. The bottom of the Unit is a horizontal plane the elevation of which coincides with the elevations of four feet (4') below the lower most finished surface of the concrete slab floor of the building structure and shall include the foundation and footers.

b. Top. The top of each Unit is a horizontal plane the elevation of which coincides with one foot (1') above the uppermost surface of the outer shingles or other outer covering of the roof, and to the top of the chimney and shall include any other protrusion from the roof.

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

i. The front of the Unit shall consist of the outermost finished exterior surface of its front wall.

ii. The rear of the Unit shall consist of the outermost finished exterior surface of its rear wall.

iii. When the upper level outermost finished exterior surface of a Unit, does not correspond to the lower level of the Unit due to architectural design of the structure, the perimeter vertical planes of each Unit will be coincident with the outermost finished exterior surface of each respective level of the Unit.

(ii) Improvements. Each exterior or interior wall, part of party wall, roof, footer or footing, foundation, basement or other floor, column, girder, joist, beam, partition, window, storm window, screen, door, storm door, patio, pipe, drain, gutter, wire, electrical device, duct, furnace, water shutter, chimney, steps or other improvement or structure (regardless of whether any of the same are load-bearing, provide support for the Unit or otherwise are part of its structure) which either (i) is in the airspace defined above, or (ii) is not in such airspace but forms a connected and integral part of, or is appended or affixed to, the improvements in such airspace, and does not lie on the land or in the airspace forming part of another Unit. Without limiting the generality of the foregoing, each (if any) concrete slab, fence, heating or air conditioning device on or above the surface of the ground outside of the Unit in the front yard or rear yard or side yard of the Unit shall be part of the Unit, provided that the space occupied by any such improvements shall not be part of the Unit and any fence which is a party wall shall only be included to its miter, so as to include in the Unit only one half of its thickness.

(b) Each Unit shall *be* conveyed by the name of the Condominium and its Unit number. The Unit number, the dimensions, the area, and the location of each Unit are shown on the Condominium Plat.

(c) Each Unit shall consist of an enclosed space or spaces designated as a single family residential dwelling.

(d) Anything contained in the foregoing provisions of this Article to the contrary

notwithstanding, whenever there is located within the boundaries of a Unit, as described herein, any main, stack, raceway, wire, conduit, line, drain, pipe, meter or other similar thing or device used in providing any utility or service to any portion of the Condominium other than, or in addition to, such Unit, such Unit shall not include such thing or device.

(e) Nothing in the provisions of this Declaration shall be deemed to confer upon a Unit Owner, by virtue of his ownership of the legal title to a Unit, any interest in any other Unit.

(f) Stages 7, 11, 14, 18, 22 and 47 Subdivision. Stages 7, 11, 14, 18, 22 and 47 are hereby

subdivided into a total of nine (9) Units as shown and designated by a combination Unit numbers and street address on the Condominium Plat. In addition, the area shown on the Condominium Plat as part of Stage 28 is subdivided into the Roads.

(g) Percentage Interests. The Owner of each Unit shall own an undivided percentage interest in the Common Elements and a percentage interest in the Common Profits and Common Expenses of the Condominium Association. The Percentage Interest Factor appurtenant to each Unit, identical for the percentage interest in the Common Elements and the percentage interest in the Common Profits and Common Expenses, is a fraction, the numerator of which is one, and the denominator of which is the sum of the number of Units then contained within the Condominium. Initially, the Percentage Interest Factor will be 1/9th for each Unit, and thereafter shall be adjusted in accordance with Article V111 herein.

(h) Voting Rights. The number of votes (at meetings of the Condominium Association) appurtenant to each Unit contained in the Condominium from time to time shall be one (1) vote.

(i) Interests Appurtenant to Unit. Neither the Percentage Interest Factor nor voting rights shall be separated from the Unit to which they appertain. Accordingly, any instrument, matter, circumstance, action, occurrence, or proceeding in any manner affecting a Unit shall also affect, in like manner, the Percentage Interest Factor and voting rights appurtenant to the Unit. Except as otherwise required by the Condominium Act or by Article VIII hereof with respect to the expansion of the Condominium, or by Article XII (c) hereof with respect to a failure to rebuild a Unit following a casualty, or by of Article XII (e) hereof with respect to a condemnation of part of the Condominium, neither the Percentage Interest Factor nor the voting rights appurtenant to any Unit shall be changed without the written consent of all the Unit Owners and Mortgagees. Any change in such Percentage Interest Factor-or voting-rights shall be_ evidenced by an amendment to this Declaration recorded among the Land Records of Howard County, Maryland.

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

in the Common Elements or the appurtenances to the Unit.

ARTICLE IV. COMMON ELEMENTS AND COMMON EXPENSES

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

(b) Right of Entry.

(i) The Condominium Association and its agent, servants, employees and contractors shall have the irrevocable right and a perpetual easement to enter any Unit, or upon any Limited Common Element appurtenant to any Unit, for the purpose of performing any cleaning, maintenance, repair or replacement which the Condominium Association is obligated or entitled to perform, and any inspection related thereto, whether said cleaning, maintenance, repair, replacement or inspection pertains to said Unit or Common Element, or to any other Unit or Common Element accessible from the Unit or Limited Common Element so entered, whether or not the Unit or Common Element that is the subject of such cleaning, maintenance, repair, replacement or inspection is also accessible from any other Unit or Common Element.

(ii) In addition to the foregoing, the Condominium Association, or its duly authorized designee, shall have an irrevocable right and easement to enter in and upon any Unit to make repairs when the repairs reasonably appear necessary for public safety or to prevent damage to other portions of the Condominium. Except in cases involving manifest danger to public safety or to property, the Condominium Association shall make a reasonable effort to give written notice of at least ten (10) days to the Unit Owner who owns the Unit, or has the right to use the Limited Common Element, that is to be entered for the purpose of maintenance and repair as described in this Article IV (b) (ii). In cases involving manifest danger to public safety or to property resulting from conditions which are the fault of said Unit Owner, said Unit Owner shall be responsible for the prompt repair of any damage inflicted upon said Unit or Limited Common Element, or other portion of the Condominium, as a result of such entry; in all other cases, the Condominium Association shall be responsible for the prompt repair of such damage.

(iii) Any entry by the Condominium Association hereunder shall not be considered a trespass.

(c) Payment of Common Expenses.

(i) Each Unit Owner, in proportion to this Percentage Interest Factor, shall

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

(d) Priority of Liens. Any assessment levied by the Condominium Association (including any Annual Assessment or Special Assessment or assessment of the type described in Article IX of the Condominium By-Laws), until paid, together with interest thereon, late charges, actual costs of collection, and reasonable attorney's fees, shall constitute a lien on the Unit against which it is levied, effective from and after the recordation of a statement of lien in the manner and form prescribed by the Condominium By-Laws, or as otherwise required by law. Such lien shall be subordinate to (i) general and special assessments for real estate taxes against the Unit; and (ii) the lien of any Mortgage duly recorded against the Unit (A) prior to the recordation of said statement of lien, or (B) after receipt by the Mortgagee of a written statement issued by the Condominium Association pursuant to the Condominium By-Laws acknowledging that payments of all assessments (and all interest, late charges, costs of collection and attorney's fees payable with respect to any delinquent assessments) against the Unit are current as of the date of recordation of the mortgage. A sale or transfer of a Unit by a deed in lieu of foreclosure to a Mortgagee holding a bona fide First Mortgage of record on the Unit, to the Federal Housing Commissioner (if such Mortgage is insured by the Federal Housing Administration) or to the Veterans Administration (if such Mortgage is guaranteed by the U.S. Veteran's Administration), shall extinguish the lien of any assessment recorded against said Unit by the Condominium Association after the recordation of such First Mortgage, but prior to the recordation of such deed in lieu of foreclosure. No sale or transfer of a Unit shall relieve the transferee Unit Owner from liability for any assessments thereafter becoming due or from the lien thereof.

ARTICLE V. LIMITED COMMON ELEMENTS

(c) Limited Common Elements in Stages 7, 11, 14, 18, 22 and 47. The Limited Common Elements shall consist of those Common Elements which are designated as Limited Common Elements on the Condominium Plat and shall be comprised of the following types of Limited Common Elements:

(i) "Yard Limited Common Elements" which shall include each of those front, side or rear yard areas specifically designated by such name on the Condominium Plat.

(ii) The driveways, decks, patios (if any), front stoops and leadwalks serving each Unit.

(c) Subject to any easements reserved or granted herein, and subject to the right of the Condominium Association to enter upon the Limited Common Elements as provided herein or in the By-Laws or in the Act, the right to use such Limited Common Elements is reserved to such Unit or Units in accordance with such designation and no person other than the Unit Owner of such Unit, their family members, guests and lessees, shall have any right to use them. For purposes of this Declaration, those Limited Common Elements located between the front entrance of the Unit and the

roadway shall constitute the Unit's front yard and such an area may include the driveway for entrance to the Unit's garage. Except for the paved surface of the Limited Common Elements, the front, side and rear yards shall be maintained as yard areas, including the planting of grass, shrubbery and other plants subject to approval of alterations and exterior modifications as hereinafter provided.

(b) Limited Common Elements in Subsequent Stages. The Limited Common Elements shall also include those Common Elements, if any, in a Subsequent Stage that the Condominium Developer elects to designate as Limited Common Elements in the Declaration amendment or Condominium Plat amendment adding such Subsequent Stage to the Condominium.

ARTICLE VI. CONDOMINIUM UNITS AND COMMON ELEMENTS

(a) Boundaries and Encroachments. The existing physical boundaries of each Unit constructed in conformity with the Condominium Plat shall be conclusively presumed to be its boundaries, regardless of variations between existing physical boundaries of the Unit and physical boundaries described in the Declaration or those boundaries shown on the Condominium Plat. However, if any Common Element, or any part thereof, now or at any time hereafter, encroaches upon any Unit, or any Unit encroaches upon any Common Element, or any other Unit, there shall forthwith arise, without the necessity of any further or additional act or instrument, a good and valid easement for the maintenance of such encroachment, either for the benefit of the Condominium Association or for the Unit Owner, their respective heirs, personal representatives, successors and assigns, to provide for the encroachment and nondisturbance of the Common Element, or the Unit, as the case may be. Such easement shall remain in full force and effect so long as the encroachment shall continue and shall be relocated, if necessary, to permit the maintenance of such encroachment wherever found. Additionally, and in all events, an easement for mutual support shall exist in the Units and Common Elements.

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

ARTICLE VII. GRANT OF EASEMENTS

(a) Easements Reserved by Condominium Developer. The Condominium Developer reserves to itself, an irrevocable, perpetual and non-exclusive easement in, under, over and through Stages 7, 11, 14, 18, 22 and 47 and the Roads, as well as over Subsequent Stages at the time such Subsequent Stages are annexed to the Condominium under Article VIII of this Declaration (the "Developer Easement Area") for the construction, connection, installation, maintenance, repair, replacement and use of (1) a hard-surfaced road for ingress and egress across Stages 7, 11, 14, 18, 22 and 47 and across Future Stages, and (2) underground sanitary sewer and water lines, meters, storm drain facilities and other utility lines (collectively, the "Developer Easement Facilities"), to serve the improvements now or hereafter existing upon all of the Future Stages, regardless of whether any one (1) or more of the Future Stages are subjected to the Condominium; and in general, an irrevocable, perpetual and non-exclusive easement in, under, over and through the Developer Easement Area for ingress, egress, access and utilities necessary for the construction, reconstruction, development, repair, marketing, leasing and sale of the Units.

The Condominium Developer shall pay for the initial installation of the Developer Easement Facilities. The Condominium Association shall at its expense from time to time perform all necessary maintenance and repair of, and replacements to, the Developer Easement Facilities and all of the above-described land on which the Developer Easement Facilities are located. The Condominium Developer shall have the right to relocate the Developer Easement Facilities at its expense.

(b) Authority of Condominium Association to Grant Easements. The Condominium Association shall have the right, power and authority to grant any easement, right-of-way, license, lease or similar interest affecting the Common Elements of the Condominium, to the extent permitted by the Condominium Act, if the grant is approved by the affirmative vote of Unit Owners having sixty-six and two-thirds percent (66 2/3%) of the votes appurtenant to all Units, and with the express written consent of any Mortgagee holding an interest in the Units whose Owners vote affirmatively, provided that if the grant affects any Limited Common Element, such grant shall also require the express written consent of all Unit Owners having the right to use such Limited Common Element, and of all Mortgagees holding an interest in the Units to which such Limited Common Element is appurtenant. Any easement, right-of-way, license, lease or similar interest granted by the Condominium Association pursuant to this Article VII shall state that the grant was approved (a) by Unit Owners having at least sixty-six and two-thirds percent (66 2/3%) of the votes, and by the corresponding Mortgagees, and (b) if appropriate, by all Unit Owners having the right to use any Limited Common Element affected by the easement, and by the corresponding Mortgagees. Such easement procedure may be used for the purpose (among other things) of permitting reasonable modifications of the General Common Elements to be made by or at the request of, and at the expense of, a Unit Owner, if such modifications are necessary under applicable law for a person who has a handicap ("handicapped person") as such term is defined in the Federal Fair Housing Act and Article 49B §20 of the Annotated Code of Maryland (1998 Repl. Vol.) (as such laws may be amended from time to time) or otherwise which is appropriate to afford such a person residing at or intending to reside at the Unit of such Unit Owner the full enjoyment of such Unit, the Limited Common Elements appurtenant to such Unit and/or the General Common Elements of the Condominium.

(c) Use of Roads.

(i) In addition to the provisions of this Declaration and the Condominium By-Laws pertaining to the Roads and notwithstanding any language in this Declaration, the Condominium By-Laws or any other Condominium Document to the contrary, the Condominium Association shall take every and all necessary steps to ensure that the Roads be and remain accessible at all times for Condominium Developer, its successors, assigns and Unit Owners and its successors and assigns and any other parties entitled to the use thereof; provided, however, Condominium Developer may relocate the Roads. The Condominium Developer and/or Condominium Association, as the case may be, reserves the right to close portions of the Roads in connection with road construction, repair and maintenance; provided, however, that during such periods of closure a temporary alternative means of ingress and egress will be provided for the benefit of the Condominium Developer, Condominium Association and Unit Owners; and further, provided, such closure does not occur for any longer than necessary to effectuate such construction, repair and maintenance and if a non-emergency repair prior written notice of at least five (5) business days is provided by the party performing such repairs to the other parties. All parties entitled to the use of

the Roads hereunder shall be subject to any rules and regulations pertaining to the Roads which may be promulgated by Condominium Developer or the Condominium Association under this Declaration and Condominium By-Laws, provided, such rules and regulations are imposed and enforced uniformly against the Unit Owners.

(d) Repair, Condition and Appearance of Units and General Common Elements. Except as provided in herein or in the By-Laws, the Unit Owners shall be responsible for maintaining their Units in good order, repair and in an attractive appearance. The maintenance of the General Common Element& and Limited Common Elements shall be performed by the Condominium Association in accordance with the provisions of this Declaration and the Condominium By-Laws.

(e) Easements. In addition to the easements provided for by the Act, the following easements are hereby created.

(i) If any portion of the Common Elements improvements encroaches upon any Unit, or if any Unit improvements presently encroach upon any other Unit improvements or upon any portion of the Common Elements as a result of the construction, reconstruction, repair, shifting, settlement or movement of the improvements of a Unit and/or Common Elements, a valid easement for the encroachment and for the maintenance of the same exists so long as the encroaching Unit improvements and/or Common Elements shall stand.

(ii) If any Unit improvements shall be partially or totally destroyed as a result of fire or other casualty or as a result of condemnation or eminent domain proceedings, and then constructed, reconstructed or repaired, any encroachment resulting from such reconstruction, construction or repair shall be permitted, and valid easements for such encroachment and the maintenance thereof shall exist so long as the encroaching improvements shall stand, provided that such encroachment is not intentional.

(iii) An easement for mutual support shall exist in the Units and the Common Elements.

(iv) The Units and the Common Elements are subject to easements in favor of the Unit Owners for the following purposes:

(a) to the extent permitted by law and subject to reasonable rules established by the Architectural Committee (or defined in the Condominium By-Laws), or if none, then by the Board, from time to time, if any portion of the Condominium (other than the Limited Common Elements or any other portion of the Condominium that is subject to an exclusive easement in favor of, or otherwise assigned for the exclusive use of, a particular Unit or Unit Owner(s)), now or hereafter contains paved areas or other improvements designed or designated for pedestrian access, vehicular access or parking, then for ingress and egress for pedestrians and vehicles (including temporary delivery trucks) and parking of the passenger motor vehicles of the Unit Owners and occupants of any portion of any Unit within the Condominium, their guests, lessees and invitees; and

(b) if any portion of the Condominium now or hereafter contains sidewalks or pathways, then for pedestrian movement of the Unit Owners and occupants of any portion of any Unit within the Condominium and their guests, lessees, and invitees; and

(c) for reasonable and necessary pedestrian and vehicular ingress and egress to and from public and private roadways and streets. Each Unit Owner shall have a right of ingress and egress to such Unit Owner's Unit.

(v) The Units and Common Elements are subject to easements in favor of the Condominium Developer, Unit Owners, appropriate utility and service companies, and governmental agencies or authorities for such utility and service, lines and equipment as may be reasonably necessary or desirable to serve any portion of the Condominium Land and/or Subsequent Stages, as the case may be. The easements created in this sub-paragraph (g) (v) shall include, without limitation, rights of the Condominium Developer, Unit Owners, utility service providers, and governmental agencies or authorities to install, lay, maintain, repair, relocate and replace any and all utilities serving the Condominium including, but not limited to, gas lines, pipes and conduits, water mains and pipes, sewer and drain lines, telephone wires and equipment, television equipment and facilities (cable or otherwise), electric wires, conduits and equipment, over, under, through, along and on the Common Elements and Units. Notwithstanding the foregoing provisions of this sub-paragraph (f) (v), such elements shall be located within the Condominium Land so as to avoid unreasonable interference with the *use* or occupancy of the Unit by any Unit Owner or resident.

(vi) The Condominium Board and the Condominium Developer shall have the right to create an easement, on, over and under the Common Elements or Units for the purpose of maintaining and correcting drainage of surface water and in order to maintain reasonable standards of health, safety and appearance. The easement created herein expressly includes the right to cut or remove any vegetation, to grade the soil, or to take any other action reasonably necessary to achieve this purpose, which does not materially interfere with the use and occupancy of the affected Unit, following which the Condominium Board or Condominium Developer (whichever is applicable) shall restore the affected Unit as closely to its original condition as practicable.

(vii) The Condominium Association (through its Condominium Board, if applicable), its agents and employees, shall have an irrevocable right and an easement to enter Units to make repairs to Units or any portion of Common Elements or Units but only to the extent such repairs reasonably appear necessary for public safety or to prevent damage to other portions of the Condominium. Except in cases involving manifest danger to public safety or property, the Condominium Board shall make a reasonable effort to give notice to the Unit Owner of any Unit to be entered for the purpose of such maintenance and repair. If, in the exercise of any of its rights pursuant hereto, the Condominium Association causes any damage to any Unit or any of the Common Elements, the Condominium Association shall be responsible for the prompt repair of such damage. An entry by the Condominium Association through its Condominium Board, agents, and employees for the purposes set forth herein shall not be deemed a trespass.

(viii) There is hereby reserved unto the Condominium Developer for the benefit of the Condominium Developer and its agents, a nonexclusive easement over, across and through all of the Condominium Land, the Common Elements and the Units, for the purpose of access, the storage of building supplies and materials and equipment, and, without any limitation, for any and all purposes reasonably related to the completion of the construction, improvement and repair of the Condominium Land and Common Elements. Condominium Developer shall also have a non-exclusive easement over, across and through all of the Condominium Land and Common Elements for the purpose of conducting any and all sales, marketing and leasing activities which it desires.

(ix) The Condominium Board shall have an easement over the Common Elements for inspection, operation, maintenance, repair, improvement and replacement of the Common Elements and any improvements thereon, and for correction of emergency conditions or casualties to the Common Elements and any improvements thereon.

(x) The Condominium Board shall have an easement over the Gatehouse, recreational areas (if any) and Roads and any improvements thereon, for the inspection operation, maintenance, repair, improvement or replacement thereof and for the correction of emergency conditions thereon or casualties thereto.

(xi) There is hereby reserved unto the Condominium Developer for the benefit of the real property described in Exhibit "C" attached hereto and made a part hereof (the "Expansion Area"), its agents and any person or entity at any time owning any portion of the Expansion Area, a non-exclusive perpetual blanket easement and right of passage on, through, over, under; and across all of the Condominium Land and Common Elements for ingress, egress, installation, replacement, repair, maintenance and use of all utilities, including, but not limited to, water, sewer, drainage, gas, cable television, telephones and electricity, and further including the right to connect to and use any such utilities which may exist or be located upon the Condominium Land from time to time. By virtue of this easement, it shall be expressly permissible to erect and maintain the necessary poles and other equipment on the Condominium Land, to affix and maintain electrical or telephone wires and conduits, sewer and water drainage lines, on, above, or below any portion of the Condominium Land, including any improvements constructed thereon and to have construction vehicles, personnel, equipment and the like exercise the aforesaid right of ingress and egress over the Condominium Land. There is further reserved unto the Condominium Developer the right to grant specific easements, both temporary and permanent, to any person or entity, including all public authorities and utility companies, over any part of the Condominium Land in furtherance of the blanket easement created by this Article. In the exercise of any rights under this Article, there shall be no unreasonable interference with the use of the Condominium Land or any Unit for residential purposes or with the Common Elements or the Expansion Area for the purposes for which each is reasonably intended. Any person or entity exercising any rights hereunder shall be obligated to promptly repair, at their own expense, any damage caused by the exercise of such rights and to restore, to the extent practicable, any damaged real or personal property to the condition of such property prior to the exercise of such rights.

(xii) There is hereby reserved unto the Condominium Developer for the benefit of the Expansion Area, its agents and any person or entity at any time owning any portion of the Expansion Area, a non-exclusive perpetual blanket easement and right of passage on, through, over, under and across all of the Condominium Land and Common Elements for (i) pedestrian and vehicular ingress and egress to and from any and all portions of the Expansion Area, including the use of the Roads and the Gatehouse, (ii) parking on the Roads, (iii) ingress and *egress* to and from any and all portions of the Expansion Area by construction equipment, construction personnel and the like to facilitate and enable the development and construction of buildings, improvements and related facilities upon the Expansion Area, (iv) the construction of the Roads, and (v) the conduct of all other development and construction related activities as are deemed necessary or desirable by the Condominium Developer or any person or entity at any time owning any portion of the Expansion Area. The Condominium Developer and any person or entity at any time owning any portion of the Expansion Area shall have all rights and privileges reasonably necessary to the exercise of the

foregoing easement, including, without limitation, a reasonable right of ingress and egress on, over and through the Condominium Land and Common Elements. In the exercise of any rights under this Article, there shall be no unreasonable interference with the use of the Condominium Land or any Unit for residential purposes, or with the Common Elements or the Expansion Area for the purposes for which each is reasonably intended. Any person or entity exercising any rights under this Article shall be obligated to promptly repair, at their own expense, any damage caused by the exercise of such rights and to restore, to the extent practicable, any damaged real or personal property to the condition of such property prior to the exercise of such rights.

(xiii) There is also hereby reserved unto the Condominium Developer a nonexclusive perpetual blanket easement and right of passage on, through, over, under and across the Yard Limited Common Element of all Units for installation of utility and service lines and equipment and maintenance and repair of any walls as may be reasonably necessary or desirable to serve any portion of the Condominium Land or Subsequent Stages. The easements created in this subparagraph (g) (xiii) shall include, without limitation, the right to install, lay, maintain, repair, relocate and replace any and all utilities serving the Condominium including, but not limited to gas, lines, pipes and conduits, water mains and pipes, sewer and drain lines, telephone wires and equipment, television equipment and facilities (cable or otherwise), electric wires, conduits and equipment, over, under, through, along and on the Yard Limited Common Elements and Units.

(f) Easements Running In Favor of The Villas at Cattail Creek, LLC. Any of the easements described in this Article VII which are reserved by Condominium Developer shall also run in favor and may be exercised by The Villas at Cattail Creek, LLC ("Villas"), so long as Villas may own any portion of the Condominium Land or such later time if the complete development, including any warranty work, has been completed.

(g) Covenants Run With Land. All easements, rights and restrictions described herein are easements appurtenant to and running with the Condominium Land and shall continue in full force and effect until the termination of this Declaration as it may be amended from time to time.

(h) Covenant Against Partition. The Common Elements, both General and Limited, shall remain undivided and, except as otherwise provided herein and in the Act, shall remain appurtenant to the designated Unit(s). No Unit Owner or any other person shall bring any action for partition or division thereof except as may be provided for herein and in the Act.

ARTICLE VIII. AUTHORITY FOR EXPANSION OF THE CONDOMINIUM

(a) Expansion Rights. The Condominium Developer hereby expressly reserves, for a period of ten (10) years from and after the date upon which the Condominium is created, the right to expand and add to the Condominium, in its sole and absolute discretion, by subjecting to the condominium regime all or any part of the real property designated on the Condominium Plat as Stages reserved for expansion ("Future Stages"), together with all of the respective improvements thereon, and all of the respective rights, alleys, ways, waters, privileges, appurtenances, and advantages, to the same belonging or in anyway appertaining. The Condominium may not contain more than ninety-three (93) Units when fully expanded.

(b) Easements for Development of Subsequent Stages. Each Subsequent Stage may be added to the Condominium subject to the rights, rights-of-way, covenants, conditions, restrictions,

setbacks and easements provided in this Declaration, and to such other rights, rights-of-way, covenants, conditions, restrictions, setbacks and easements as are deemed necessary or advisable in the opinion of the Condominium Developer to facilitate the orderly development, or the construction, installation, maintenance and operation, of the Condominium or the remaining property of the Condominium Developer, wherever located, or the convenience or services of the Condominium Association; and, in particular, but not in limitation of the foregoing, the Condominium Developer hereby expressly reserves such easements and rights-of-way over, under and across such Stages 7, 11, 14, 18, 22 and 47 and the Roads as necessary for the development of Subsequent Stages as are deemed appropriate by the Condominium Developer, even if Subsequent Stages are not included in the Condominium for (i) vehicular and pedestrian access between (A) Stages 7, 11, 14, 18, 22 and 47, the Roads and all Subsequent Stages and (B) any public road or other property which borders upon the Condominium, (ii) vehicular parking for the benefit of Stages 7, 11, 14, 18, 22 and 47, the Roads and Subsequent Stages and (iii) the construction, installation, maintenance (including, but not limited to, inspection, cleaning, repair and replacement) and operation of telephone, electric, gas, cable TV, water, sanitary sewer, storm water drainage, and other utility lines, mains, facilities and installations deemed appropriate by the Condominium Developer to serve Stages 7, 11, 14, 18, 22 and 47, the Roads and Subsequent Stages and (iv) development of Stages 7, 11, 14, 18, 22 and 47, the Roads and Subsequent Stages. Each such right, right-of-way, covenant, condition, restriction, setback and easement shall run with and bind the Common Elements and each Unit contained in the Condominium, and all Owners of such Units, and their respective heirs, personal representatives, successors and assigns, forever, unless a recorded document which confirms or creates such rights, rights-of-way, covenants, conditions, restrictions, setbacks or easements specifically provides otherwise. The easements described herein shall automatically be deemed to apply to and burden Subsequent Stages when and at such time as such Stages or any portion thereof is added to the Condominium.

(c) Development Criteria for Subsequent Stages. Subject to the limitations of Article VIII (a) and (d):

(i) all buildings and other improvements included in each Subsequent Stage shall be constructed in accordance with such architectural and other drawings as the Condominium Developer, in its sole discretion, may deem appropriate;

(ii) the quantity and location of the buildings and other improvements shown on the Condominium Plat as being located within each of the Subsequent Stages may be changed to such extent as the Condominium Developer, in its sole discretion, may deem appropriate;

(iii) in addition to the land and buildings set forth in this Article VIII (a), and the Common Elements which are shown as being located within such Subsequent Stage on the Condominium Plat, each Subsequent Stage may contain such other additional Common Elements as the Condominium Developer, in its sole discretion, may deem appropriate;

(iv) the Condominium Developer may divide any Subsequent Stage into two or more parts and may add the various parts of such Subsequent Stage to the Condominium at different times; and

(v) the Condominium Developer is not required to add any Subsequent Stage (or any part thereof) to the Condominium, and the Subsequent Stages (and/or parts thereof), if any,

which are added to the Condominium may be added in any sequence chosen by the Condominium Developer.

(d) Subsequent Stage Completion. All improvements that are added by the Condominium Developer to the Condominium as part of any Subsequent Stage shall be substantially complete prior to the addition of such Subsequent Stage to the Condominium, and shall be consistent with comparable improvements, if any, installed by the Condominium Developer in Stages 7, 11, 14, 18, 22 and 47 in terms of quality of construction and structure type.

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

(f) Recordation of Expansion Documents. Any such expansion shall be accomplished by, and shall be and become effective upon and only upon,

(i) the amendment of this Declaration by the recordation among the Land Records of Howard County of an appropriate amendatory instrument which describes the property to be added by such expansion and expressly subjects the same to the operation and effect of this Declaration, and sets forth

(a) the number of Units to be included by way of such expansion;

(b) the undivided percentage interest in the Common Elements and the percentage interest in the Common Expenses and Common Profits of each Unit Owner after such expansion, as determined in accordance with the provisions of Article III;

(c) the number of Votes which each Unit Owner is entitled to cast at meetings of the Membership after such expansion, as determined in accordance with the provisions of Article III; and

(d) the amendment of the Condominium Plat by the recordation among the Land Records of an appropriate amendatory plat setting forth the detail and information as to the property, the Units, and the Common Elements added to the Condominium by such expansion, the setting forth of which therein is required by applicable law to effectuate such expansion.

ARTICLE IX. DEVELOPMENT, MARKETING AND MANAGEMENT
OF THE CONDOMINIUM

(a) Sales, Rental and Management Offices and Model Units. The Condominium Developer shall have the right to use any Units to which it holds fee simple or leasehold title from time to time as sales, rental and management offices and model units and for such other uses as the Condominium Developer may deem appropriate for the development, marketing (including sales and rentals) and management of any Unit(s) now or hereafter located within the Condominium. The Condominium Developer shall have the right, without any requirement to gain any approvals from the Condominium Association or Condominium Board, to make such structural and non-structural additions, alterations, improvements and decorations to each Unit to which it holds fee simple or leasehold title, to the Limited Common. Elements that the Condominium Developer, as the Unit Owner or Tenant of each such Unit, has the exclusive right to use, and to the party wall located between any adjoining Units to which the Condominium Developer, holds fee simple or leasehold title, as the Condominium Developer, in its sole discretion, may deem appropriate to facilitate the uses hereinabove set forth.

(b) Parking and Storing: Vehicles. The Condominium Developer and the Villas and their respective employees, agents and guests shall have the right to park and store in any parking area such commercial and non-commercial vehicles as the Condominium Developer or the Villas, as the case may be, in its sole discretion, may deem appropriate for the development, marketing and management of any Unit(s) now or hereafter located within the Condominium.

(c) Signs and Furniture. The Condominium Developer shall have the right to install upon and within, maintain, and remove from the Units to which it holds fee simple or leasehold title, the Limited Common Elements appurtenant to said Units, and all General Common Elements, such advertising and directional signs and other materials as the Condominium Developer, in its sole discretion, may deem appropriate for the development, marketing and management of any Unit(s) now or hereafter located within the Condominium.

(d) Completion and Repair Easements. The Condominium Developer and the Villas shall have the right and an easement to enter upon any General or Limited Common Element and any Unit for the purpose of (i) completing the construction or installation of any Unit or Common Element, and (ii) making repairs to any Unit or Common Element to the extent that such repairs are required pursuant to any express or implied warranty or other legal obligation created or agreed to by the Condominium Developer, the Villas or established by the operation of law. Such right and easement shall exist, with respect to item (i) above, until the construction or installation of all Units and Common Elements that the Condominium Developer or the Villas desires, or is obligated, to construct or install has been completed, and, with respect to item (ii) above, so long as the Condominium Developer's or the Villas obligation, if any, shall exist.

ARTICLE X. USE RESTRICTIONS

For the purpose of creating and maintaining a uniform scheme of development and operation of the Condominium for the benefit of each Unit Owner, his respective personal representatives, heirs, successors and assigns, the Common Elements and each Unit shall be held subject to the following use restrictions:

(a) Land Use.

(i) No part of the Condominium shall be used for anything other than housing and related common purposes for which the Condominium was designed. Each Unit shall be used for residential purposes and for no other purpose, except that a professional home office may be maintained in a Unit, provided that: (i) the Unit Owner pays any increase in the rate of insurance for the Condominium which results from such maintenance and use; (ii) such-maintenance and-use is limited to persons actually residing in the Unit; (iii) no employees or staff other than persons actually residing in the Unit are utilized; (iv) such maintenance and use is in strict conformity with the provisions of any applicable zoning law, ordinance or regulation; (v) such maintenance and use does not involve any visitation of the Unit whatsoever by any persons, including without limitation, clients, customers or suppliers, or door-to-door solicitation of the residents of the Condominium; and (vi) such ,maintenance and use is consistent with the residential character of the Condominium and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Condominium, as determined in the sole discretion of the Architectural Committee or if none, then the Condominium Board. As used in this Article X (a) (i), the term “professional home office” shall mean rooms used for office purposes by a member of any recognized profession, including doctors, dentists, lawyers, architects, accountants and the like, but not including medical or dental clinics, and not including the primary office of such permitted user. The use of any Unit as a professional home office shall not interfere with the quiet enjoyment or comfort of any other Unit Owner.

(ii) Nothing shall be done or kept in any Unit or in the Common Elements which will increase the rate of insurance for the Condominium applicable for residential use without the prior written consent of the Architectural Committee (or if none, then by the Condominium Board). No Unit Owner shall permit anything to be done or kept in his Unit or in the Common Elements which will result in the cancellation of insurance on the Condominium, or the contents thereof, or which would be in violation of any law. No waste will be committed in the Common Elements.

(iii) No immoral, improper, offensive, or unlawful use shall be made of the Condominium or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental agencies having jurisdiction thereof shall be observed. All laws, orders, rules, regulations, or requirements of any governmental agency having jurisdiction thereof, relating to the maintenance and repair of any portion of the Condominium, shall be complied with, by and at the sole expense of the Unit Owner or the Condominium, whichever shall have the obligation to maintain or repair such portion of the Condominium.

(iv) Nothing shall be done in any Unit or in, on, or to the Common Elements which will impair the structural integrity of the Condominium, or which would structurally change any building or improvements thereon except as is otherwise provided in this Declaration, provided, further, that interior partitions contributing to the support of any Unit shall not be altered or removed.

(v) Except with the prior approval of the Architectural Committee (or Condominium Board, if applicable), no Unit Owner shall permit any fixtures or other improvements to be installed in a manner which penetrates the unexposed surfaces of the ceilings, walls and floors of a Unit.

(vi) Except for uses permitted by this Declaration or the Condominium By-Laws,

or which may not be prohibited pursuant to law, no industry, business, trade, occupation or profession of any kind, commercial, religious, educational, or otherwise, designed for profit, altruism, exploration, or otherwise, shall be conducted, maintained, or permitted on any part of the Condominium. Except as expressly permitted by the Condominium Act, no Unit Owner may post any advertisement; poster or sign of any kind on the exterior of his Unit or in the windows of his Unit or on any of the Common Elements.

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

(viii) Leases. Each Unit may be leased under such terms and conditions as the Unit Owner thereof may desire, except as otherwise provided in this paragraph. No Unit may be leased for a period of less than six (6) months. Each lease shall be subject to the Condominium Documents and any breach or violation of any Condominium Documents by the Tenant shall constitute a default under the lease. The Tenant (as well as the landlord) shall be directly liable to, and subject to enforcement action(s) by, the Condominium Association for any breach or violation by the Tenant of any Condominium Documents. Each lease shall be in writing and shall set forth, and provide for the Tenant's acknowledgment of, each of the provisions of the two preceding sentences. The Unit Owner of any leased Unit shall promptly (within 30 days) deliver to the Architectural Committee or Condominium Board, as applicable, a copy of the executed lease and a copy of each signed amendment which is made thereto from time to time. The Condominium Association, through the Architectural Committee or Condominium Board, as applicable, shall be entitled, but is not obligated, to exercise the default remedies of any Unit Owner, as the landlord under any such lease, and upon any breach or violation by the Tenant of any Condominium Document, the Condominium Board, after notice to the Unit Owner and Tenant of such breach or violation, and the failure of such Unit Owner and Tenant to correct the same within a reasonable time thereafter, shall be entitled, but not obligated, to summarily evict the Tenant from the leased premises, subject to any applicable laws governing the speedy recovery of possession of lands or tenements in redress of a breach or violation of a lease.

(ix) Portions of a Unit visible from the exterior of the Unit and the Limited Common Elements must be kept in an orderly condition so as not to detract from the neat appearance of the community. In this regard, no motorcycles or other motorized vehicles may be parked on the patios, terraces, decks, balconies or porches. The Architectural Committee (or Condominium Board, if applicable), in its sole discretion, may determine whether the portions of a Unit visible from the exterior of the Unit and the Limited Common Elements are orderly. If a Unit Owner shall fail to keep the portions of his Unit, or the Limited Common Elements (if any) appurtenant thereto, that are visible from the exterior of such Unit or Limited Common Elements orderly, the Architectural Committee or Condominium Board, as applicable, may have any objectionable items removed from

the portions of the Unit that are visible from the exterior of the Unit or the Limited Common Elements so as to restore their orderly appearance, without liability therefor, and charge the Unit Owner for any costs incurred in connection with such removal.

(x) With the exception of lawn care equipment used by the Condominium Association, motorized vehicles may only be used or maintained on the roadways within or adjacent to the Condominium and no unlicensed vehicles are allowed within the Condominium.

(xi) Trash shall be stored in accordance with county health regulations within the Unit or upon the Common Element site, if any, set aside by the Architectural Committee or Condominium Board, as applicable, for such storage. If applicable, trash shall not be set out for collection prior to the night before the date of collection and the empty containers shall be returned to the proper place of storage promptly after collection. Trash shall not be stored or placed upon patios, terraces, decks, balconies or porches.

(xii) The maintenance, keeping, breeding, boarding and/or raising of animals, livestock, or poultry of any kind shall be and is hereby prohibited within any Unit or upon any Common Elements, except that this shall not prohibit the keeping of two (2) household pets provided that they are not kept or maintained for commercial purposes or for breeding and the cumulative weight does not exceed sixty (60) pounds and further provided no pit bull dogs or similar type of dogs shall be permitted. Pets shall not be permitted upon the Common Elements except in areas designated by the Architectural Committee or Condominium Board, as applicable. All pets shall be accompanied by an adult and are to be carried or leashed. The person accompanying any pet is responsible for the removal and disposal of any solid waste deposited by the pet upon any portion of the Condominium. Any member who keeps or maintains any pet upon any portion of the Condominium shall indemnify and hold the Condominium Association and each of its members free and harmless from any loss, claim or liability of any kind or character whatever arising by reason of keeping or maintaining such pet within the Condominium. The Architectural Committee or Condominium Board, as applicable, shall have the right to order any person whose pet is a nuisance (including, without limitation, barking which is a nuisance to any person in the Condominium), to remove such pet from the Condominium.

(xiii) No junk vehicle or other vehicle on which current registration plates are not displayed, shall be kept upon any of the Common Elements, nor shall the repair or extraordinary maintenance of automobiles or other vehicles be carried out on any of the Common Elements or within any other portion of the Condominium, subject to such reasonable rules as may be adopted or promulgated by the Architectural Committee or Condominium Board, if applicable, from time to time. In addition, a maximum of two (2) vehicles shall be permitted for each Unit, unless otherwise approved by the Architectural Committee or Condominium Board, if applicable. Vehicles shall be stored in any garage serving a Unit and (to the extent there is not sufficient space in the garage), on the driveway pad, if any, for such Unit.

(xiv) No commercial vehicles (including vans used for commercial purposes and vehicles displaying commercial signage), trucks (as defined by the Maryland Department of Motor

Vehicles and/or by common usage and practice; provided, however that pickup trucks of three-quarter (3/4) tons of capacity or less and used solely for non-commercial purposes are permitted), trailers, recreational vehicles, house trailers, boats or other water apparatus, boat trailers, or the like shall be kept upon any of the Common Elements. The Condominium Association may, in the discretion of the Architectural Committee (or Condominium-Board, if applicable); provide and maintain a suitable area designated for the parking of such vehicles or the like. The Architectural Committee or Condominium Board, as the case maybe, may establish supplemental rules regarding parking and traffic control on the Condominium Land.

(xv) No structure of a temporary character, trailer, tent, shack, barn or other outbuilding shall be maintained upon any Common Elements at any time. Outdoor clothes dryers or clotheslines shall not be maintained upon any Common Elements at any time. No clothing, laundry or the like shall be hung from any part of any Unit or upon any of the Common Elements or from or upon any patio, terrace, deck, balcony, or porch.

(xvi) Other than fences installed by Condominium Developer, or as may be installed in connection with development of the Condominium Land and/or construction of the Units, no other type of fence shall be allowed.

(xvii) Except when being used for entrance and exit, garage doors shall be maintained in a closed position at all times.

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

(xix) No drying or airing of any clothing or bedding shall be permitted outdoors on any Unit, Limited Common Element or General Common Element, nor shall any outdoor clothes-hanging devices such as lines, reels, poles or frames of any nature be erected, installed or maintained on any Unit, Limited Common Element or General Common Element.

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

(xxi) No type of pool shall be permitted on any Limited Common Element; provided, however, that the foregoing shall not apply to children's portable pools which are stored in a non-visible area when not in use or spas or Jacuzzis which have been approved in advance by the Condominium Board in its sole and absolute discretion.

(xxii) Notwithstanding the foregoing provisions, the use and other restrictions set forth in this Article X shall not apply to the development, construction or sales activities of the Condominium Developer or to the use of the Common Elements and/or Units owned by the Condominium Developer for display, marketing, promotion, sales, rental, leasing or construction purposes or the use of Units as "models", or the use of any portion of the Condominium as a sales, rental or management office.

(b) Family Day Care. The use of any Unit within the Condominium Land as a "family day care home", as defined in Section 11-111.1 of the Condominium Act, is prohibited. Pursuant to Section 11-111.1 (b), the provisions of Section 11-111.1 of the Maryland Condominium Act relating to family day care homes do not apply to the Condominium because the Condominium is limited to housing for senior persons as described in Article II (c) of this Declaration.

(c) No-Impact Home-Based Business. Notwithstanding anything herein to the contrary, (including, with limitation, Article X (a) (i)), the use of any Unit within the Condominium as a "no-impact home-based business", as defined in Section 11-111.1 of the Condominium Act, is prohibited. The enforceability of the foregoing prohibition is subject to all applicable laws and such prohibition may be eliminated and no-impact home-based businesses approved by the vote of a majority of Unit Owners at any regular or special meeting of the Condominium Association duly called for this purpose. In the event that no-impact home-based businesses are approved by the Unit Owners pursuant to this Article X (c), no-impact home-based businesses shall be permitted within the Condominium, subject to the following requirements:

(i) Before any Unit may be operated as a no-impact home-based business the Owner and/or resident of such Unit shall notify the Condominium Association, in writing, at least thirty (30) days prior to the opening of the no-impact home-based business.

(ii) No-impact home-based businesses are expressly prohibited in any Common Element.

(iii) Such additional requirements as may be specified by the Architectural Committee or Condominium Board, as applicable, to the extent permitted by applicable law. The foregoing provisions are intended to be a restatement of the provisions of Section 11-111.1 of the Condominium Act, and any future amendments or modifications thereto shall be deemed incorporated by reference herein as a part hereof.

(iv) For purposes hereof, a "no-impact home-based business" means a business that:

(a) Is consistent with the residential character of the Unit;

(b) Is subordinate to the use of the Unit for residential purposes and requires no external modifications that detract from the residential appearance of the Unit;

(c) Uses no equipment or process that creates noise, vibration, glare, fumes, odors, or electrical or electronic interference detectable by neighbors or that causes an increase of common expenses that can be solely and directly attributable to a no-impact home-based business; and

(d) Does not involve use, storage, or disposal of any grouping or classification of materials that the United States Secretary of Transportation or the State of Maryland or any local governing body designated as a hazardous material.

(d) Architectural Committee. The Architectural Committee, and not the Condominium Board, shall have exclusive rights and powers over the matters described in Article X of this Declaration as well as Article X and Article XIII, Section 3, of the Condominium By-Laws, unless otherwise specified in the Condominium Documents or required by applicable law until the earlier of: (i) the date when all Units have been conveyed and are occupied by Owners for residential purposes; (ii) the date the Architectural-Committee decides, in its sole and absolute discretion, that it no longer desires to serve as the Architectural Committee and such decision is evidenced in writing to the Condominium Association; or (iii) the date the Architectural Committee is dissolved or no longer exists. Thereafter, the Condominium Board shall assume the rights and powers of the Architectural Committee. In addition, the Architectural Committee shall have the right to exercise any easements granted to the Condominium Board under the Condominium Documents in connection with the matters described in this Article X as well as Article X and Article XIII, Section 3, of the Condominium By-Laws. All references in this Declaration to Architectural Committee shall have the meaning ascribed to it in the Condominium By-Laws.

As provided in the Condominium By-Laws, Condominium Developer shall have the right to use the Units it may own or lease from time to time as sales, rental and management offices and model units and for such other uses as the Condominium Developer may deem appropriate for the development, marketing (including sales and rentals) and management of any structures now or hereafter located on the Condominium Land. The Condominium Developer shall have the right to install, among other things, one or more construction and/or sales trailers upon any portion of the Condominium Land. The Condominium Developer shall also have the right to erect on any portion of the Condominium Land it may own or lease from time to time, advertising and directional signs and other materials as the Condominium Developer shall deem appropriate for the development, marketing and management of the Expansion Area or any structure now or hereafter located in the Condominium Land.

ARTICLE XI
UNITS SUBJECT TO DECLARATION, CONDOMINIUM BY-LAWS AND
RULES AND REGULATIONS

(a) All present and future Owners, tenants, and other occupants of Units shall be subject to, and shall comply with, the provisions of the Condominium Act, this Declaration and By-Laws, and any amendments thereto, and the rules and regulations as provided for in the By-Laws, as they

maybe amended from time to time. The acceptance of a deed, or conveyance, or the entering into of a lease, or the entering into occupancy of any Unit, shall constitute an agreement that the provisions of this Declaration and Condominium By-Laws and any amendments thereto, and the rules and regulations, as they may be amended from time to time, are accepted and ratified by such Owner, tenant, or other occupant; and all of such provisions shall be deemed and taken to be covenants running with the land, and shall bind any person having, at any time, any interest or estate in such Unit, as though such provisions were recited and stipulated at length in each and every deed, conveyance or lease thereof.

ARTICLE XII. GENERAL PROVISIONS

(a) Condominium By-Laws Amendments. The administration of the Condominium shall be governed by the Condominium By-Laws. Except as otherwise provided in the Condominium By-Laws, the Condominium By-Laws shall not be amended without the affirmative vote of Unit Owners having at least sixty-six and two-thirds percent (66 2/3%) of the votes appurtenant to all Units, and any amendment to the Condominium By-Laws involving any "Material Change", as said term is defined below, shall also require the affirmative vote of at least fifty-one percent (51%) of the Eligible Mortgagees, each such Eligible Mortgagee to have the number of votes appurtenant to the Unit or Units upon which it holds a Mortgage or Mortgages. The term "Material Change" shall include a change to any of the following provisions:

(i) voting rights (except in connection with the expansion of the Condominium pursuant to Article VIII hereof, in connection with the failure to rebuild a Unit following a casualty pursuant to this Article XII (c), or in connection with the condemnation of part of the Condominium pursuant to Paragraph (e) of this Article XII);

(ii) increases in assessments that raise the previously assessed amount by more than twenty-five percent (25%), assessment liens, or the priority of assessment liens.

(iii) reductions in reserves for maintenance, repair and replacement of Common Elements;

(iv) responsibility for maintenance and repairs;

(v) reallocation of interests in the General or Limited Common Elements, or rights to their use (except in connection with the expansion of the Condominium pursuant to Article VDT hereof, and the failure to rebuild a Unit following a casualty pursuant to this Article XII (c), or in connection with the condemnation of part of the Condominium pursuant to this Article XII (e), and except for the allocation by the Condominium Developer, pursuant to Paragraph (f) of Article VIII hereof, of the right to use the various Common Elements in each Subsequent Stage added to the Condominium by the Condominium Developer, and any reallocation of the right to use a Limited Common Element which is affected pursuant to Section 11- 108(b) of the Condominium Act);

(vi) redefinition of any Unit boundaries (except for the designation by the Condominium Developer, pursuant to paragraph (f) of Article VIII hereof, of the boundaries of the

Units in each Subsequent Stage added to the Condominium by the Condominium Developer);

(vii) convertibility of Units into Common Elements or vice versa;

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

(ix) insurance or fidelity bond requirements;

(x) imposition of any restrictions on the leasing of Units;

(xi) imposition of any restrictions on a Unit Owner's right to sell or transfer his Unit;

(xii) a decision by the Condominium Association to establish self-management if professional management had been required previously by the Condominium Documents or by an Eligible Mortgagee;

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

(xiv) any provisions that expressly benefit Mortgage holders, insurers or guarantors;

and

(xv) termination of the Condominium regime pursuant to this Article XII (f) .

If a proposed amendment of the Condominium By-Laws involves any change described in items (i) through (xv) above, each Eligible Mortgagee who fails to submit to the Condominium Association a written response to the proposed amendment within sixty (60) days after the Eligible Mortgagee is given written notice (by certified or registered mail, return receipt requested) of the proposed amendment shall be deemed to have judged all changes resulting from the proposed amendment to be immaterial, and to have cast an affirmative vote with respect to the proposed amendment.

(b) Declaration and Condominium Plat Amendments.

(i) Except for those matters as to which the Condominium Act permits an amendment to this Declaration or the Condominium Plat by the Condominium Association without the express approval of its members (including, but not limited to, the reallocation of percentage interests and voting rights as provided in this Article XIII (c) in connection with a failure to rebuild a Unit following a casualty or as provided in this Article XIII (e) in connection with a condemnation of part of the Condominium), and except as otherwise provided in Article VIII hereof with respect to the expansion of the Condominium, amendments to this Declaration and the Condominium Plat shall be governed as follows:

(A) Except in the case of the expansion of the Condominium pursuant to Article VIII hereof and except as provided in item (B) below, neither this Declaration nor the Condominium Plat shall be amended without the written consent of Unit Owners having at least eighty percent (80%) of the votes appurtenant to all Units and the affirmative vote of at least sixty-six and two-thirds percent (66 2/3%) of the Eligible Mortgagees, each such Eligible Mortgagee to have the number of votes appurtenant to the Unit or Units upon which it holds a Mortgage or Mortgages, and no amendment adopted pursuant to this item (A) shall take effect until an appropriate written instrument is recorded in the Land Records of Howard County, Maryland, which instrument shall be executed by the Unit Owners and Eligible Mortgagees whose approval was required for the adoption of such amendment.

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

- (1) the boundaries of any Unit,
- (2) the undivided percentage interest of any Unit Owner in the Common Elements, except in the case of the expansion of the Condominium pursuant to Article VDT hereof,
- (3) the percentage interest of any Unit Owner in the Common Profits and Common Expenses, except in the case of the expansion of the Condominium pursuant to Article VDT hereof,
- (4) the number of votes in the Condominium Association appurtenant to any Unit,
- (5) residential Units to non-residential Units, or non-residential Units to residential Units,
- (6) General Common Elements to Limited Common Elements, or Limited Common Elements to General Common Elements,
- (7) any right of any Unit Owner pertaining to the use of any Limited Common Element appurtenant to his Unit, without the written consent of every Unit Owner and Mortgagee, and no amendment adopted pursuant to this item (B) shall take effect until an appropriate written instrument is recorded among the Land Records of Howard County, Maryland, which instrument shall be executed by every Unit Owner and Mortgagee.

(ii) Furthermore, notwithstanding any language in this Declaration, the Condominium By-Laws or any other Condominium Document to the contrary, this Declaration, the Condominium By-Laws and the Condominium Plat shall not be amended so as to change:

(A) any right reserved for the benefit of, or any obligation imposed upon the Condominium Developer, which rights include, but are not limited to, the Condominium Developer's right to expand the Condominium as provided in Article VIII hereof, and the Condominium Developer's right to develop, market and manage the Condominium, as provided in Article IX hereof,

(B) any provision required by any governmental authority, or

(C) any provision provided for the benefit of any public utility, without the written consent of the Condominium Developer, such governmental authority or such public utility, as applicable, and no such amendment shall take effect until an appropriate written instrument is recorded among the Land Records of Howard County, which instrument shall *be* executed by the Condominium Developer, such governmental authority or such public utility, as applicable.

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

(i) the percentage interests (in the Common Elements and the Common Profits and Common Expenses) appurtenant to each damaged or destroyed Unit which is not rebuilt shall be divested from the Unit and reallocated among the remaining Units in proportion to the percentage interests appurtenant to said remaining Units immediately prior to the damage or destruction;

(ii) the votes appurtenant to each damaged or destroyed Unit which is not rebuilt shall be divested from said Unit and shall not be reallocated among the remaining Units; and

(iii) the Condominium Association promptly shall prepare, execute and record an amendment to the Declaration reflecting the new arrangement of percentage interests and votes as above provided.

(d) Destruction or Damage. Notwithstanding any other provision of this Declaration to the contrary, if the Condominium is destroyed or damaged to the extent of at least two-thirds (2/3) of its then replacement cost, the Condominium may be terminated by the agreement of Unit Owners having at least eighty percent (80%) of the votes appurtenant to all Units. Upon such termination, the property shall be sold and the net proceeds of sale and the net proceeds of insurance shall be combined into one fund, which shall be distributed among all the Unit Owners in accordance with their respective undivided interests in the property as tenants in common, as determined pursuant to this Article XII (g).

(e) Condemnation. The Condominium Association shall represent the Unit Owners in any condemnation proceeding (for the purposes of this Declaration, a condemnation includes any sale in settlement of a pending or threatened condemnation) to the extent said condemnation pertains to all or any part of the General Common Elements, except that each Unit Owner shall be entitled to assert a separate claim for the consequential damages to his Unit resulting from said condemnation.

Any award made in connection with the Condemnation of all or any part of the Condominium, including net proceeds of any sale in settlement of a condemnation proceeding, shall be allocated among the Unit Owners as follows: (i) each Unit Owner shall be entitled to the entire amount of the award attributable to the taking of all or part of his Unit and for the consequential damages to said Unit resulting from said condemnation; (ii) any award attributable to the taking of General Common Elements shall be allocated among all Unit Owners in proportion to their respective percentage interests in the Common Elements. All such awards shall be payable to the Condominium Association, which shall distribute the amount(s) allocated to each Unit Owner pursuant to the preceding sentence in accordance with the priority of interests in his Unit, to the end and intent that all Mortgages and other liens on such Unit shall first be paid out of the award allocated to such Unit Owner, all in the order in which same appear. The Condominium Association shall not be obligated to replace property taken, but promptly shall undertake to restore the remaining property within the Condominium to a safe and habitable condition. The cost of such restoration shall be a Common Expense. Following the taking of all or part of any Unit, the percentage interests (in the Common Elements and in the Common Profits and Common Expenses) appurtenant to said Unit shall be reduced in the same proportion as the amount of floor area of said Unit so taken bears to the floor area of said Unit immediately prior to the taking, except that if the taking specifically includes part or all of the percentage interests appurtenant to said Unit, the taking authority shall have the portion of said percentage interests which is so taken, and the Owner of said Unit shall retain the portion of said percentage interests which is not so taken. To the extent that the total percentage interests appurtenant to a Unit are reduced as above provided, rather than being split between the taking authority and the Unit Owner, the severed percentage interests shall be reallocated among the remaining Units in proportion to the percentage interests appurtenant to such Units immediately prior to the taking. Following the taking of part of a Unit, the votes appurtenant to that Unit shall be appurtenant to the remainder of that Unit, and following the taking of all of a Unit, the right to vote appurtenant to the Unit shall terminate, except, in such case, that if the taking specifically includes part or all of the votes appurtenant to a Unit, the taking authority shall have the portion of the votes so taken, and the Unit Owner of the Unit taken shall retain the portion of the votes which is not so taken. If the votes appurtenant to a Unit are terminated said votes shall not be reallocated among the remaining Units. Promptly after the taking is effected, the Condominium Association shall prepare, execute and record an amendment to this Declaration reflecting the new arrangement of percentage interests and votes as above provided.

Notwithstanding any other provision of this Declaration, if at least two-thirds (2/3) of the fair market value of the Condominium is taken under the power of eminent domain, the Condominium may be terminated by the agreement of Unit Owners having at least eighty percent (80%) of the total number of votes appurtenant to all Units. Upon such termination, (i) the award made in connection with the taking shall be distributed among the Unit Owners in the manner provided in this subparagraph (e) for the allocation of taking awards, if such award has not already been so distributed, (ii) the percentage interests and votes appurtenant to the Units taken in whole or in part shall be allocated in the manner provided in this subparagraph (e) for the allocation of percentage interests and votes appurtenant to Units so taken, and (iii) the Unit Owner of each Unit remaining a part of the Condominium after the taking shall own, as a tenant in common, until the property not taken is sold, an undivided interest in said property determined, to the extent permitted by law, as follows: Based

upon fair market values in effect immediately prior to the termination of the regime, such undivided interest shall equal a fraction, the numerator of which is the sum of the fair market value of the portion of his Unit not taken, plus the fair market value of his right to use the Limited Common Elements appurtenant to his Unit which were not taken, plus his share based on his percentage interest in the Common Elements (adjusted as above provided, if appropriate, on account of the taking), of the fair market value of the General Common Elements not taken, and the denominator of which is the sum of the fair market values of all Units, Limited Common Elements and General Common Elements not taken, provided, however, that if any Unit or any General or Limited Common Element has been damaged or destroyed by fire or other casualty prior to said termination, an estimate of the fair market value of such Unit or General Common Element, or of the right to use such Limited Common Element, immediately prior to such damage or destruction shall be used, and further provided that if no such estimate can reasonably be made in the opinion of the appraiser(s) with respect to any such Unit or General or Limited Common Element, then each Unit Owner's undivided interest in the property not taken shall equal his percentage interest in the Common Elements immediately prior to said termination adjusted as above provided, if appropriate, on account of the taking.

(f) Termination. Except as otherwise provided in this Article XII (d) and (e), the Condominium shall not be terminated without the consent of Unit Owners having one hundred percent (100%) of the total number of votes appurtenant to all Units. No termination implemented pursuant to this Article XII (d), (e) or (1) shall take effect until an appropriate written instrument executed by Unit Owners having the requisite percentage of the votes appurtenant to all Units is recorded among said Land Records.

(g) Ownership upon Termination. Upon any termination of the condominium regime, except for a termination implemented after a taking under the power of eminent domain as provided in this Article XII (e), each Unit Owner shall own, as a tenant in common, from the time the Condominium is terminated until the time the property which constituted the Condominium is sold, an undivided interest in such property determined, to the extent permitted by law, as follows: Based upon fair market values in effect immediately prior to the termination of the regime, such undivided interest shall equal a fraction, the numerator of which is the sum of the fair market value of his Unit, plus the fair market value of his right to use the Limited Common Elements appurtenant to his Unit, plus his share, based upon his percentage interest in the Common Elements, of the fair market value of the General Common Elements, and the denominator of which is the sum of the fair market values of all Units, Limited Common Elements and General Common Elements, provided, however, that if any Unit or any General or Limited Common Element has been damaged or destroyed by fire or other casualty prior to said termination, an estimate of the fair market value of such Unit or General Common Element, or of such damage or destruction shall be used, and further provided that if no such estimate can reasonably be made in the opinion of the appraiser(s) with respect to any such Unit or General or Limited Common Element, then each Unit Owner's undivided interest in the property which constituted the Condominium shall equal his percentage interest in the Common Elements immediately prior to said termination.

(h) Rights and Procedures upon Termination. Upon any termination of the condominium

regime:

(i) The fair market value of the Units and Common Elements shall be determined by an independent appraiser selected by the Condominium Association. The decision of the appraiser shall be distributed to each Unit Owner and shall become final unless Unit Owners having at least twenty-five percent (25%) of the total number of votes appurtenant to all Units disapprove such decision by written notice to the Condominium Association within thirty (30) days after said distribution. If such decision is disapproved, the Unit Owners submitting such notices of disapproval shall, as a group, by majority vote, select a second independent appraiser within fourteen (14) days after the Condominium Association notifies all Unit Owners in writing of such disapproval, and the original appraiser and the second appraiser shall select a third appraiser within seven (7) days after the selection of the second appraiser. If the Owners disapproving the decision of the original appraiser fail to select an appraiser within the time specified, or if the two appraisers fail to agree upon a third appraiser within the time specified, the one or two designated appraisers, as the case maybe, shall request the then Chief Judge of the Circuit Court for Howard County to designate an appraiser or appraisers so that there will be three appraisers. A decision of the majority of the appraisers as to all fair market value required to be determined pursuant to this Article XIII shall be final, conclusive and binding upon all parties. Each decision submitted by one or more appraisers to the Condominium Association shall be in writing, signed by the appraiser(s) making same, and shall briefly state the grounds of each determination of fair market value. The cost of the appraiser(s) shall be allocated among the Unit Owners in proportion to their respective percentage interests in the Common Elements of the Condominium.

(ii) So long as the tenancy in common exists, each Unit Owner and his successors in interest shall have the exclusive right to occupy the portion of the property that formerly constituted his Unit, and shall retain all rights which he had immediately prior to the termination of the Condominium with respect to those portions of the property that formerly constituted Limited Common Elements.

(iii) Each Unit Owner's share of any proceeds, including, without limitation, sales proceeds, insurance proceeds and taking awards, distributed to the Unit Owners upon or in connection with the termination of the Condominium shall be distributed in accordance with the priority of interests in such Unit, to the end and intent that all Mortgages and other liens on such Unit shall first be paid out of the proceeds payable to such Unit Owner, all in the order in which same appear.

(i) Consent for Construction, Development and Expansion; Grant of Power of Attorney. Except as otherwise provided in this Declaration or the Condominium By-Laws, each Unit Owner of the Condominium Association hereby agrees to cooperate fully with each and every other member of the Condominium Association and with the Condominium Developer and its successors and assigns, in the construction of Units, any improvements to the Gatehouse and Roads and any other development of the Condominium Land. Without limiting the generality of the foregoing, to the extent any Unit Owner or the Condominium Developer requires site plans, permits, consents, approvals, utility easements or other rights or information from other Unit Owners in order to fulfill

any requirements imposed by any state or local governmental or quasi-governmental agencies or authorities in connection with the use or development of such Unit Owner's Unit, such other Unit Owners hereby agree to provide such consents, approvals, rights or information, provided however, that (i) all costs reasonably related to providing such rights or information shall be borne by the requesting Unit Owner or Condominium Developer and (ii) providing such rights or information shall not materially interfere with the use or operation of the providing Unit Owner's Unit. Each Unit Owner, and Mortgagee of any Unit, hereby designates the Condominium Developer as their attorney-in-fact with respect to any approvals or consents the Condominium Developer may require from such parties in order to obtain any approval, consent, permit or the like from any governmental or quasi-governmental authority in order to develop the Condominium or any property owned by the Condominium Developer adjacent, contiguous or in proximity thereto. Each Unit Owner and Mortgagee of any Unit hereby agrees to cooperate fully with the Condominium Developer, or any nominee thereof, in any development plans of the Condominium Developer with respect to the Condominium Land or any property situated adjacent, contiguous or in proximity thereto.

(j) Successors of Condominium Developer. Any and all rights, reservations, easements, interests, exemptions, privileges and powers of the Condominium Developer hereunder, or any part of them, may be assigned or transferred (exclusively or non-exclusively) by the Condominium Developer and to its successors and assigns. (hereinafter referred to as an "Assignee") by an instrument in writing. Unless expressly otherwise agreed between the parties to any such assignment or transfer (i) the Condominium Developer shall not assume or be responsible for any liabilities, warranties or obligations which have or may accrue to any such Assignee under this Declaration or pursuant to law in connection with such Assignee's development of any lot or parcel of land subject, or to be subjected, to this Declaration, including, but not limited to, any liabilities, warranties or obligations concerning any Units, Common Elements, buildings or other improvements constructed, or to be constructed, by or on behalf of any such Assignee, and (ii) such Assignee shall not assume or be responsible for any liabilities, warranties or obligations which have or may accrue to the Condominium Developer under this Declaration or pursuant to law in connection with the development of any lot or parcel of land subject, or to be subjected, to this Declaration, including, but not limited to, any liabilities, warranties or obligations concerning any Units, Common Elements, buildings or other improvements constructed, or to be constructed, by or on behalf of the Condominium Developer. Any such written assignment or transfer shall specify that the Assignee has the obligation to meet the registration and disclosure requirements of the Condominium Act regarding any Units, Common Elements, buildings or other improvements constructed, or to be constructed, by or on behalf of such Assignee.

(k) Condominium Developer's Future Owner's Power of Attorney. The Condominium Developer and its successors and assigns hereby reserve for itself and its successors, transferees and assigns, for a period of ten (10) years from the date the first Unit is conveyed to an individual purchaser, or until it conveys title to the last Unit, whichever occurs first, the right to execute on behalf of all contract purchasers, Unit Owners, Eligible Mortgage Holders, Mortgagees, and other lienholders or parties claiming a legal or equitable interest in the Condominium (including, without limitation, any Land Unit) any such agreements, documents, amendments or supplements to this Declaration or the Condominium By-Laws which may be so required by the Federal National

Mortgage Association, the Federal Housing Administration, the Department of Veterans Affairs, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation or by any governmental or quasi-governmental agency having regulatory jurisdiction over the Condominium, or institutional lender or title insurance company designated by the Condominium Developer and its successors and assigns, or as may be required to comply with any statute, law, ordinance or regulation.

(i) By acceptance of a deed to any Unit or by the acceptance of any other legal or equitable interest in the Condominium, each and every such contract purchaser, Unit Owner, Eligible Mortgage Holder, Mortgagee or other lienholder or party having a legal or equitable interest in the Condominium does automatically and irrevocably name, constitute, appoint and confirm the Condominium Developer and its successors, transferees and assigns, as attorney-in-fact for the purpose of executing such agreement, document, amendment, supplement and other instruments necessary to effect the foregoing subject to the limitations set forth herein.

(ii) No such agreement, document, amendment, supplement or other instrument which adversely affects the value or substantially alters the boundaries of a Unit, or changes the Percentage Interest appurtenant to such Unit, or substantially increases the financial obligations of the Unit Owner, or reserves any additional or special privileges for the Condominium Developer or its successors, transferees and assigns not previously reserved, shall be made without the prior written consent of the affected Unit Owner(s) and all owners of any Mortgage(s) encumbering the affected Unit(s). Any such agreement, document, amendment, supplement or instrument which adversely affects the priority or validity of any Mortgage which encumbers any Unit shall not be made without the prior written consent of all Mortgagees thereunder.

(iii) The power of attorney aforesaid is expressly declared and acknowledged to be coupled with an interest in the subject matter hereof and the same shall run with the title to any and all Units and be binding upon the heirs, personal representatives, successors, transferees and assigns of any of the foregoing parties. Further, said power of attorney shall not be affected by the death or disability of any principal and is intended to deliver all right, title and interest of the principal in and to said power of attorney. Said power of attorney shall be vested in the Condominium Developer and its successors, transferees and assigns until the initial conveyance of all of the Units or the expiration of same. Thereafter, said power of attorney shall automatically vest in the Condominium Association to be exercised by its Condominium Board.

(1) Condominium Developer's Consent to Amendments. Any provision of this Declaration, the Condominium By-Laws or the Condominium Plat or any other Condominium Document to the contrary notwithstanding, no amendment or modification to this Declaration, the Condominium By-Laws or the Condominium Plat shall be made without the prior written consent of the Condominium Developer so long as the Condominium Developer shall own an interest in all or any portion of any Unit or the Expansion Area.

(m) Perpetuities. If any of the covenants, restrictions or other provisions of this Declaration shall be unlawfully void, or voidable for violation of the rule against perpetuities, then

such provision shall continue only until twenty-one (21) years after the death of the last survivor of the now living descendants of Elizabeth II, Queen of England.

(n) Exhibits. All exhibits attached to this Declaration are hereby made a part of this Declaration.

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

(p) Enforceability. The terms, conditions, restrictions and provisions of this Declaration and the Condominium By-Laws shall be binding upon the Condominium Developer, its successors and assigns, all as part of a general plan or scheme for development of the Condominium, and all said terms, conditions, restrictions and provisions shall be held and construed to run with and bind the property, each Unit thereon, and all subsequent Unit Owners of the Units, except as otherwise expressly set forth in this Declaration or the Condominium By-Laws. All of said terms, conditions, easements, restrictions and provisions shall inure to the benefit of and be enforceable by the Condominium Developer, its successors and assigns, by any person or party then owning or having any recorded interest or estate in any Unit and by any other person or entity which have been granted any rights, easements, privileges or benefits pursuant to this Declaration against anyone violating or attempting to violate any of such terms, conditions, restrictions or provisions, provided, however, that, except as otherwise expressly provided herein, all rights reserved by and for the benefit of the Condominium Developer under this Declaration and the Condominium By-Laws shall be exercisable and enforceable only by the Condominium Developer, its successors, and any assignee to whom the Condominium Developer specifically assigns such rights in writing. There shall be and there is hereby created and declared to be a conclusive presumption that any violation or breach or any attempted violation or breach of any of the provisions of this Declaration, the Condominium By-Laws or the rules, as amended from time to time, cannot be adequately remedied by action at law or exclusively by recovery of damages.

(q) Assessments for Sewer and Water Facilities. The Declaration of Charges and Liens for Private Water and Sewer Facilities (the "Utilities Declaration") for the Condominium Land has been recorded in Land Records of Howard County, Maryland which creates a system of assessments to defray the cost of installation of sewer and water facilities for the Condominium. The Utilities Declaration requires a payment of Sixteen Dollars and Eighty-Four Cents (\$16.84) per Unit per month, to be paid over a period of Thirty-Three (33) years.

Each Unit Owner, by acceptance of a deed hereafter conveying any Unit to it, whether or not so expressed in such deed or other conveyance shall be deemed to have covenanted and agreed

to pay to Villas at Cattail Creek, LLC. or its successors or assigns, the charges established in the Utilities Declaration.

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

(s) Severability. If any term, condition, restriction or provision of this Declaration or the application thereof to any person or circumstance shall, at any time or to any extent, be held to be invalid or unenforceable, the validity and enforceability of the remainder of this Declaration, or the application of such term, condition, restriction or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term, condition, restriction and provision of this Declaration shall be valid and be enforced to the fullest extent permitted by law.

(t) Conflicts. In the event of any conflict among the provisions of this Declaration, the Condominium Plat or the Condominium By-Laws, the provisions of each shall control in the succession hereinbefore listed in this Declaration.

(u) Miscellaneous Provisions. No change of conditions or circumstances shall operate to terminate or modify any of the provisions of this Declaration. No provision of this Declaration nor the application thereof to any Unit, Unit Owner or other person or entity in one or more instances shall be deemed waived by the Condominium Developer, the Condominium Association, or such other person except by a written instrument signed by the party to be charged or by its agent duly authorized in writing or as otherwise expressly permitted herein. No reliance upon or waiver of one or more such provisions shall constitute a waiver of any other such provision. As used herein, each gender shall include all other genders, and the singular shall include the plural, and vice versa. All headings of the articles and provisions herein are for the purpose of reference only and shall not be deemed to limit, modify or otherwise affect any of the provisions hereof.

(v) Mortgages.

(i) Each Unit Owner who conveys his Unit by way of any Mortgage shall give written notice thereof to the Condominium Board, setting forth the name and address of his Mortgagee. The Condominium Board shall maintain all such Mortgage information in a book or other record designated "Mortgage Book". The Condominium Board shall also include in the Mortgage Book the name and address of any holder, insurer or guarantor of a Mortgage who furnishes to the Condominium Association a written notice stating the name and address of such holder, insurer or guarantor and the Unit number and address of the Unit subjected to the Mortgage

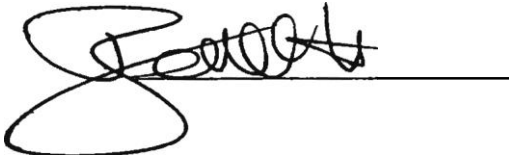
of such holder, insurer or guarantor (the "Mortgaged Unit").

(ii) The Condominium Board shall furnish to each Mortgage holder, insurer and guarantor of record in its "Mortgage Book" timely written notice of (A) any condemnation loss or casualty loss which affects a material portion of the Condominium or which affects the Mortgaged Unit; (B) any delinquency in the payment of assessments or charges owed by the Unit Owner of the Mortgaged Unit, where such delinquency has continued for a period of sixty (60) days; (C) any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Condominium Association; (D) any proposed action which would require the consent of a specified percentage (such as a majority, 66 2/3%, 80%, or 100%) of the Eligible Mortgagees or of all Mortgagees; and (E) the giving of any default or violation notice by the Condominium Association to the Unit Owner of the Mortgaged Unit.


(w) Notices. All notices, demands, bills, statements or other communications under this Declaration and the Condominium By-Laws shall be in writing and shall be deemed to have been duly given if delivered personally or five (5) days after sent by registered or certified mail, return receipt requested, postage prepaid (or otherwise as the Act may permit), (i) if to a Unit Owner, at the single address which the Unit Owner shall designate in writing and file with the Secretary of the Condominium Association or, if no such address is designated, at the address of the Owner's Unit; (ii) if to the Condominium Association, to c/o First Real Estate Management, 8000 Main Street, Ellicott City, Maryland 21043 (or at such other address as shall be designated in writing by the Condominium Association); or (iii) if to the Condominium Developer, at 555 Quince Orchard Road, Suite 300, Gaithersburg, Maryland 20878 or at such other address as shall be designated in writing by the Condominium Developer. If a Unit is owned by more than one person, each such person who so designates a single address in writing to the Secretary shall be entitled to receive all notices hereunder.

WITNESS the hand of the Condominium Developer on the day and year first written above

WITNESS/ATTEST:



NVR, INC.

By:  (SEAL)
Kevin Kerwin, Vice President

STATE OF MARYLAND, COUNTY OF Carroll WIT:

I HEREBY CERTIFY, that on this 18th of December, 2003, before me, the subscriber, a Notary Public of the State of Maryland, personally appeared Kevin Kerwin, Vke President of INC., a Virginia corporation, and he acknowledged the foregoing Declaration to be the act and deed of said entity.

AS WITNESS my hand and Notarial Seal,

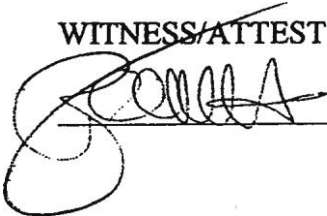
Pat Ellis
Notary Public



My Commission Expires 1/10/17

I hereby affirm under penalty of perjury that the notice requirements of Section I-1-102.1 of the Condominium Act, if applicable, have been fulfilled.

WITNESS/ATTEST:

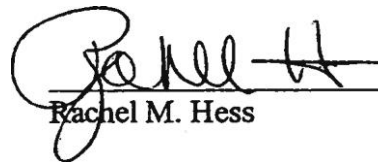


NVR, INC.

By: _____(SEAL)
Kevin Kerwin, Vice President

ATTORNEY CERTIFICATION

The undersigned, an attorney duly admitted to practice and in good standing before the Court of Appeals of Maryland, certifies that the foregoing instrument was prepared by her. _____


Rachel M. Hess

