

1863 Kings Place

**COURTS OF CROFTON
DECLARATION OF COVENANTS, CONDITIONS,
RESTRICTIONS, BY-LAWS, DECLARATION OF RESTRICTIONS,
AND ARTICLES OF INCORPORATION**

- DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

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COURTS OF CROFTON

**DECLARATION OF COVENANTS, CONDITIONS,
AND RESTRICTIONS**

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

COURTS OF CROFTON

ANNE ARUNDEL COUNTY, MARYLAND

THIS DECLARATION, made on the date hereinafter set forth, by LAMAZA ASSOCIATES, a Partnership (hereinafter referred to as "Declarant"),

WITNESSETH:

WHEREAS, Declarant is the owner of all that certain property in the Second Election District, Anne Arundel County, State of Maryland, shown on a plat of subdivision entitled COURTS OF CROFTON, SECTION 1, and described as follows:

Beginning at a point on the western line of Mayfair Place, said point being identified as point 1 on the plat of Courts of Crofton, Section One, prepared by Dewberry, Nealon & Davis, to be recorded among the Plat Records of Anne Arundel County, Maryland, thence

- 1. North 71°15'02" East, 1049.34 feet to point 2, thence
2. South 18°10'54" East, 396.71 feet to point 3, thence
3. South 18°10'55" East, 276.74 feet to point 4, thence
4. South 71°23'47" West, 1040.36 feet to point 5 on the said western line of Mayfair Place, thence with said western line
5. North 19°22'27" West, 332.48 feet to point 74, thence
6. North 16°46'17" West, 110.11 feet to point 75, thence
7. North 19°22'27" West, 228.27 feet to the point of beginning. Containing 16.12708 acres of land.

NOW, THEREFORE, Declarant hereby declares that all of the properties described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with, the real property and be binding on all parties having any rights, title or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each Owner thereof.

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ARTICLE I DEFINITIONS

Section 1. "Association" shall mean and refer to COURTS OF CROFTON HOMEOWNERS ASSOCIATION, INC., a nonprofit corporation, its successors and assigns.

Section 2. "Owner" shall mean and refer to the record owner, whether one or more persons, of a fee simple

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title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 3. "Properties" shall mean and refer to that certain real property hereinbefore described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 4. "Common Area" shall mean all real property owned by the Association including all recreation areas, open space areas, and private courts as shown on the plat of Courts of Crofton, Section 1, for the common use and enjoyment of the owners.

Section 5. "Lot" shall mean and refer to any plot of land shown upon any recorded plat of the Properties with the exception of the Common Area.

Section 6. "Declarant" shall mean and refer to LAMAZA ASSOCIATES, a Partnership, its successors and assigns, if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

ARTICLE II
PROPERTY RIGHTS

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

(a) The right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area.

(b) The right of the Association to suspend the voting rights and right to use of the recreational facilities by an Owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations.

(c) The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument signed by two-thirds (2/3) of each class of members, agreeing to such dedication or transfer, has been recorded.

(d) The right of the Association to limit the number of guests of members.

(e) The right of the Association to establish uniform rules and regulations pertaining to the use of the Common Area and the facilities thereon.

(f) The right of Declarant (and its sales agents and representatives) to the non-exclusive use of the Common Area for display and exhibit purposes, which right Declarant

hereby reserves; provided, however, that such use shall not be for a period of more than three (3) years after the conveyance of the Common Area to the Association, or the sale of all the residential Lots within the aforesaid real property, whichever is the earlier; provided, further, that no such use by Declarant or its sales agents or representatives shall otherwise restrict the members in their use and enjoyment of the Common Area or facilities thereon.

Section 2. Delegation of Use. Any owner may delegate, in accordance with the By-Laws, his right of enjoyment of the Common Area and facilities to the members of his family, his tenants, or contract purchasers, who reside on the property.

Section 3. Waiver of Use. No member may exempt himself from personal liability for assessments duly levied by the Association, nor release the Lot owned by him from the liens and charges hereof, by waiver of the use and enjoyment of the Common Area and the facilities thereon, or by abandonment of his Lot.

ARTICLE III
MEMBERSHIP AND VOTING RIGHTS

Section 1. Every owner of a Lot which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

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

(a) Class A. Class A members shall be all Owners with the exception of the Declarant and shall be entitled to one (1) vote for each Lot owned. When more than one (1) person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Lot.

(b) Class B. Class B member(s) shall be the Declarant and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(1) When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, or

(2) Three (3) years from the date of recordation of this Declaration.

ARTICLE IV
COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot by

acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs and reasonable attorneys' fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with the interest, costs and reasonable attorneys' fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents in the Properties and for the improvement and maintenance of the Common Area.

Section 3. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment shall be \$ _____ per Lot, provided, however, that the maximum annual assessment for each unimproved Lot owned by Declarant shall be twenty-five (25%) percent of said amount until such Lot has had an improvement completed thereon.

(a) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the annual assessment may be increased each year not more than three per cent (3%) above the maximum assessment for the previous year without a vote of the membership.

(b) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased above three per cent (3%) by the vote of two-thirds (2/3) of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose.

(c) The Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

(d) At no time shall the maximum annual assessment for Lots owned by Developer exceed twenty-five per cent (25%) of the amount assessed against other Lots.

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

Section 5. Notice and Quorum for Any Action Authorized Under Sections 3 and 4. Any action authorized under Sections 3 and 4 shall be taken at a meeting called for that purpose,

written notice of which shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty per cent (60%) of all votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 6. Uniform Rate of Assessment. Except as provided to the contrary in Section 3 of this Article IV, both annual and special assessments must be fixed at a uniform rate for all Lots and may be collected on a monthly basis.

Section 7. Date of Commencement of Annual Assessments; Due Dates. The annual assessments provided for herein shall commence as to all Lots on the first day of the month following the conveyance of the Common Area, provided, however, that Declarant shall have the right to defer commencement of the assessment for a period not to exceed six (6) months by its assumption of all of the obligations of the Association hereunder during such period and payment of all of the costs thereof. The first annual assessment shall be adjusted according to the number of months remaining in the fiscal year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid.

ARTICLE V
REMEDIES OF THE ASSOCIATION FOR
NONPAYMENT OF ASSESSMENTS

Section 1. Delinquency. Any assessment provided for in this Declaration which is not paid when due, shall be delinquent. If any such assessment is not paid within thirty (30) days after the delinquency date, the assessment shall bear interest from the date of delinquency at the rate of six per cent (6%) per annum, and the Association may, at its option, bring an action at law against the Owner personally obligated to pay the same, or, upon compliance with the notice provisions set forth in Section 2 hereof, to foreclose the lien (provided for in Section 1 of Article IV hercof) against the Lot, and there shall be added to the amount of such assessment the late charge, the costs of preparing and filing the complaint in such action, and in the event a judgment is obtained, such judgment shall include said interest and a reasonable attorney's fees, together with costs of action. Each Owner vests in the Association or its assigns the right and power to bring all actions at law or lien foreclosures against such Owner or other Owners for the collection of such delinquent assessments.

Section 2. Notice of Lien. No action shall be brought to foreclose said assessment lien or to proceed under the power of

sale herein provided less than thirty (30) days after the date a notice of claim of lien is deposited in the United States Mail, certified or registered, postage prepaid, to the Owner of said Lot, and a copy thereof is recorded by the Association in the office of the County Recorder in which the Properties are located; said notice of claim must recite a good and sufficient legal description of any such Lot, the record Owner or reputed Owner thereof, the amount claimed (which may, at Association's option, include interest on the unpaid assessment at the legal rate, plus reasonable attorneys' fees and expenses of collection in connection with the debt secured by said lien), and the name and address of the claimant.

Section 3. Foreclosure Sale. Any such sale provided for above is to be conducted in accordance with the provisions of the laws of the State of Maryland applicable to the exercise of powers of sale in mortgages and deeds of trust, or in any other manner permitted by law. The Association, through duly authorized agents, shall have the power to bid on the Lot at foreclosure sale, and to acquire and hold, lease, mortgage and convey the same.

Section 4. Curing of Default. Upon the timely curing of any default for which a notice of claim of lien was filed by the Association, the officers of the Association are hereby authorized to file or record, as the case may be, an appropriate release of such notice, upon payment by the defaulting Owner of a fee, to be determined by the Association, but not to exceed \$15.00, to cover the costs of preparing and filing or recording such release.

Section 5. Cumulative Remedies. The assessment lien and the rights to foreclosure and sale thereunder shall be in addition to and not in substitution for all other rights and remedies which the Association and its assigns may have hereunder and by law, including a suit to recover a money judgment for unpaid assessments, as above provided.

Section 6. Subordination of Assessment Liens. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage or deed of trust. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage or deed of trust foreclosure or any proceeding in lieu thereof shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

ARTICLE VI ARCHITECTURAL CONTROL

No building, fence, wall or other structure shall be commenced, erected or maintained upon the Properties, nor shall any exterior addition to or change (including change of external paint, paneling and the like) or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials, exterior colors and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an architectural committee composed of three (3) or more representatives appointed by the Board. In the event said Board,

or its designated committee, fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with.

ARTICLE VII
USE RESTRICTIONS

In addition to all other covenants contained herein, the use of the Properties and each Lot therein is subject to the following:

Section 1. None of the Lots shall be used except for residential purposes. No building shall be erected, altered, placed or permitted to remain on any such Lot other than one used as a single family dwelling.

Section 2. No part of the Properties shall ever be used or caused to be used or allowed or authorized in any way, directly or indirectly, for any business, commercial, manufacturing, mercantile, storing, vending or other such non-residential purposes, except Declarant, its successors or assigns, may use the Properties for a model home site and display and sales office during the construction and sales period.

Section 3. No sign or billboard of any kind shall be displayed to the public view on any portion of the Properties or any Lot, except one (1) sign for each building site, of not more than eighteen inches (18") by twenty-four inches (24"), advertising the property for sale or rent, or except signs used by Declarant, its successors or assigns, to advertise the property during the construction and sales period.

Section 4. No noxious or offensive activity shall be carried on upon any Lot or any part of the Properties; nor shall anything be done thereupon which may be, or may become, an annoyance or nuisance to the neighborhood, or which shall in any way interfere with the quiet enjoyment of each of the Owners of his respective dwelling unit, or which shall in any way increase the rate of insurance.

Section 5. No structure of a temporary character, trailer, basement, tent, shack, garage, barn or other outbuilding shall be used on any Lot at any time as a residence, either temporarily or permanently. No trailer, camper, boat or similar equipment shall be permitted to remain upon any property within the Properties, unless placed or maintained within an enclosed garage or carport.

Section 6. No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot, except that dogs, cats or other household pets may be kept on the Lots subject to such rules and regulations as may be adopted by the Association and provided they are not kept, bred or maintained for any commercial purpose, or in unreasonable numbers. Notwithstanding the foregoing, no animals or fowl may be kept on the Properties which result in an annoyance or are obnoxious to residents in the vicinity.

Section 7. No oil drilling, oil development operations, oil refining, quarrying, or mining operations of any kind, shall be permitted upon or in any Lot, nor shall oil wells, tanks,

tunnels or mineral excavations or shafts be permitted upon the surface of the Properties. No derrick or other structure designed for use in boring for water, oil or natural gas shall be erected, maintained or permitted upon any Lot.

Section 8. All rubbish, trash and garbage shall be regularly removed from the Properties, and shall not be allowed to accumulate thereon. All clotheslines, refuse containers, wood piles, storage areas and machinery and equipment shall be prohibited upon any Lot, unless obscured from view of adjoining Lots and streets by a fence or appropriate screen approved by the Architectural Committee. Nothing herein shall be deemed to apply to the storage on the Properties by Declarant of building materials during, and for use in, the construction of the improvements on the Properties.

Section 9. No radio or television receiving or transmitting antennae or external apparatus shall be installed on any Lot. Normal radio and television installations wholly within a building are excepted.

Section 10. The rights and duties with respect to sanitary sewer and water, cable television, electricity, gas and telephone lines and facilities shall be governed by the following:

(a) Whenever water, sanitary sewer, electricity, gas, cable television or telephone connections, lines, cables or any portion thereof, are or have been installed within the Properties, the Owner of any Lot, or the Association in the case of Common Area, served by said installation shall have the right, and are hereby granted an easement to the extent necessary therefor, to enter upon or have a utility company enter upon any portion of the Properties in which said installations lie, to repair, replace and generally maintain said installations.

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

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

Section 11. Easements over the Common Area for the installation and maintenance of electric, telephone, cable television, water, gas, drainage and sanitary sewer lines and facilities and the like are hereby reserved by Declarant, until such time as Declarant has conveyed the Common Area to the Association, together with the right to grant and transfer the same. Declarant also reserves the right to enter on the Lots for the purpose of completing improvements thereon, and for the further purpose of

carrying out any obligations which it may have, or assume, with respect to the curing of any defects in workmanship or materials in the Properties or the improvements thereon.

Section 12. All Owners and occupants shall abide by the By-Laws and any rules and regulations adopted by the Association.

ARTICLE VIII
DUTIES AND POWERS OF THE ASSOCIATION

In addition to the duties and powers enumerated in its Articles of Incorporation and By-Laws, or elsewhere provided for herein, and without limiting the generality thereof, the Association shall:

- (a) Own, maintain and otherwise manage all of the Common Areas and all facilities, improvements and landscaping thereon, and all other property acquired by the Association.
- (b) Pay any real and personal property taxes and other charges assessed against the Common Areas.
- (c) Have the authority to obtain, for the benefit of the Common Areas, all water, gas, sewer and electric service and refuse collection and to pay for such services.
- (d) Grant easements where necessary for utilities and sewer facilities over the Common Areas to serve the Common Areas and the Lots.
- (e) Have the authority to employ a manager or other persons and to contract with independent contractors or managing agents to perform all or any part of the duties and responsibilities of the Association, provided that any contract with a person or firm appointed as a manager or managing agent shall provide for the right of the Association to terminate the same at the first annual meeting of the members of the Association.
- (f) Contract for and pay fire, casualty, liability and other insurance insuring the Association, Board of Directors and Owners with respect to the Common Areas.
- (g) Contract for and pay maintenance, gardening, utilities, materials and supplies, and services relating to the Common Areas and to employ personnel necessary for the operation of the project, including legal and accounting services.
- (h) Delegate its powers to its committees, officers and employees.
- (i) At the request of the public body authorized to accept such, dedicate those portions of the Common Areas which are used for vehicular ingress and egress as public streets.

ARTICLE IX
EXTERIOR MAINTENANCE

Each Owner shall keep all Lots owned by him, and all improvements therein or thereon, in good order and repair and free of debris, including but not limited to the seeding, watering and mowing of all lawns, the pruning and cutting of all trees and shrubbery and the painting (or other appropriate external care) of all buildings and other improvements, all in a manner and with such frequency as is consistent with good property management. In the event an Owner of any Lot in the Properties shall fail to maintain the premises and the improvements situated thereon, as provided herein, the Association, after notice to the Owner as provided in the By-Laws and approval by vote of the Board of Directors, shall have the right to enter upon said Lot to correct drainage and to repair, maintain and restore the Lot and the exterior of the buildings and any other improvements erected thereon. All costs related to such correction, repair or restoration shall become a lien upon such Lot, and such lien may be enforced in the same manner as a Maintenance Assessment levied in accordance with Article IV hereof.

ARTICLE X
PARTY WALLS

The rights and duties of the Owners of Lots with respect to party walls shall be governed by the following:

Section 1. General Rules of Law to Apply. Each wall which is constructed as a part or the original construction on the Properties and any part of which is placed on the dividing line between separate Lots, shall constitute a party wall, and with respect to such wall, each of the adjoining Owners shall assume the burdens, and be subject to an easement for that portion of a party wall on his land, and be entitled to the benefits of these restrictive covenants and, to the extent not inconsistent herewith, the general rules of law regarding party walls and of liability for property damage due to negligence or willful acts or omissions, shall apply thereto.

Section 2. Sharing of Repair and Maintenance and Destruction by Fire or Other Casualty. If any such party wall is damaged or destroyed by fire or other casualty or by some cause other than the act of one of the adjoining Owners, his agents, or family (including ordinary wear and tear and deterioration from lapse of time), then, in such event, both such adjoining Owners shall proceed forthwith to rebuild or repair the same to as good condition as formerly, in proportion to their respective use of the party wall.

Section 3. Repairs of Damage Caused by One Owner. If any such party wall is damaged or destroyed through the act of one adjoining Owner or any of his agents or guests or members of his family (whether or not such act is negligent or otherwise culpable) so as to deprive the other adjoining Owner of the full use and enjoyment of such wall, then the first of such Owners shall forthwith proceed to rebuild and repair the same to as good condition as formerly, without cost to the adjoining Owner.

Section 4. Other Changes. In addition to meeting the other requirements of these restrictive covenants and of any building code or similar regulations or ordinances, any Owner proposing to modify, make additions to or rebuild his residence in any manner which requires the extension or other alteration of any party wall, shall first obtain the written consent of the adjoining Owner.

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

Section 6. Dispute. In the event of a dispute between Owners with respect to the repair or rebuilding of a party wall or with respect to the sharing of the cost thereof, then, upon written request of one of such Owners addressed to the Association, the matter shall be submitted to its Board of Directors who shall decide the dispute, and the decision of such Board of Directors shall be final and conclusive upon the parties.

ARTICLE XI
GENERAL PROVISIONS

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

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

Section 3. Duration and Amendment. The covenants and restrictions of this Declaration shall run with and bind the land for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first 20-year period by an instrument signed by not less than ninety per cent (90%) of the Lot Owners, and thereafter, by an instrument signed by the Owners of not less than seventy-five per cent (75%) of the Lots. Any amendment must be recorded.

Section 4. Annexation. Additional residential property and Common Area may be annexed to the Properties with the consent of two-thirds (2/3) of each class of members.

Section 5. FHA/VA Approval. As long as there is a Class I membership, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration: Annexation of additional properties, dedication of Common Areas, and amendment of this Declaration of Covenants, Conditions and Restrictions.

Section 6. Encroachment Easement. Each Lot within the Properties is hereby declared to have an easement, not exceeding one foot (1') in width, over all adjoining Lots for the purpose of accommodating any encroachment due to engineering errors, errors in original construction, settlement or shifting of the building, roof overhangs, gutters, architectural or other appendages, draining of rainwater from roofs, or any other similar cause. There shall be valid easements for the maintenance of said encroachments so long as they shall exist, and the rights and obligations of Owners shall not be altered in any way by said encroachment, settlement or shifting; provided, however, that in no event shall a valid easement for encroachment be created in favor of an Owner or Owners if said encroachment occurred due to the willful misconduct of said Owner or Owners. In the event a structure on any Lot is partially or totally destroyed and then repaired or rebuilt, the Owners of each Lot agree that minor encroachments over adjoining Lots shall be permitted and that there shall be valid easements for the maintenance of said encroachments so long as they shall exist.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has executed this instrument this 7th day of December, 1976.

ATTEST:

LAMAZA ASSOCIATES

Murray L. O'Neal
Murray L. O'Neal

BY:

BY:

[Signature]
[Signature]

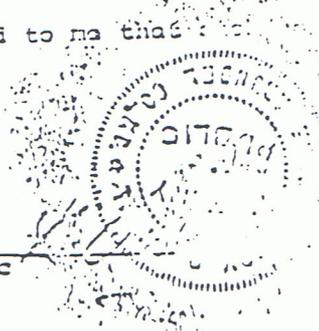
STATE OF Massachusetts
COUNTY OF Dorset

On December 7th, 1976, before me, the undersigned, Notary Public in and for said County and State, personally appeared Ernie S. Long and Norman Rice known to me to be the person(s) authorized to sign on behalf of the above-named partnership, and acknowledged to me that said partnership executed the same.

Witness my hand and official seal.

Filed to: Ernie S. Long
& Rice

[Signature]
Notary Public



COURTS OF CROFTON

BY-LAWS

BY-LAWS

OF

COURTS OF CROFTON HOMEOWNERS ASSOCIATION, INC.

ARTICLE I
NAME AND LOCATION

Section 1. Name and Location. The name of the corporation is COURTS OF CROFTON HOMEOWNERS ASSOCIATION, INC. Its principal office is located at 1756 Lang Drive, Crofton, Maryland 21114.

ARTICLE II
DEFINITIONS

Section 1. Articles of Incorporation. As used herein, "Articles of Incorporation" means the Articles of Incorporation filed on _____, 197____ as amended on _____, 197____ on behalf of the Corporation with the Department of Assessments and Taxation of the State of Maryland.

Section 2. Common Area. "Common Area" shall mean all real property owned by the Association including all recreation areas, open space areas, and private courts as shown on the plat of Courts of Crofton, Section 1, for the common use and enjoyment of the owners.

Section 3. Corporation. "Corporation", as used herein, means COURTS OF CROFTON HOMEOWNERS ASSOCIATION, INC.

Section 4. Declarant. "Declarant" shall mean and refer to LAMAZA ASSOCIATES, a Partnership, its successors and assigns, if such successors and assigns shall acquire more than one undeveloped Lot from the Declarant for the purpose of development.

Section 5. Declaration. "Declaration", as used herein, means that certain Declaration of Covenants, Conditions and Restrictions made the _____ day of _____, 197____ which Declaration is recorded in Liber _____, at Folio _____, among the Land Records for Anne Arundel County, Maryland.

Section 6. Lot. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Property with the exception of the Common Area.

Section 7. Member. "Member" shall mean and refer to every person and entity who holds membership in the Corporation. "Membership" shall mean having the status of a Member in the Corporation.

Section 8. Mortgage. "Mortgage", as used herein, shall include deed of trust, and the term "holder" or "mortgagee" shall include the party secured by any deed of trust or any beneficiary thereof.

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Section 9. Owner. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of fee simple title to any Lot which is a part of the Property, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 10. Property. "Property" shall mean and refer to the real property described in the Declaration and such additions thereto as may hereafter be brought within the jurisdiction of the Corporation.

Section 11. Assessment Period. "Assessment Period" means the twelve-month period for which assessments shall be levied by the Corporation pursuant to the Declaration.

Section 12. Other Definitions. Unless it is plainly evident from the context that a different meaning is intended, all other terms used herein shall have the same meaning as they are defined to have in the Articles of Incorporation of the Corporation or in the Declaration.

ARTICLE III MEMBERSHIP

Section 1. Every owner of a Lot which is subject to assessment shall be a member of the Corporation. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

Section 2. Members. The Corporation shall have two classes of voting members.

(a) Every person, group of persons or entity (other than the Class B Member with respect to any Lot for which Class B Membership exists) who is a record owner of a fee interest in any Lot which is or becomes subject under the Declaration to assessment by the Corporation shall be a Class A Member of the Corporation, provided, however, that any such person, group of persons or entity who hold such interest solely as security for the performance of an obligation shall not be a Member on account thereof. Class A Members shall be entitled to one (1) vote for each Lot in which they hold the interest required for Membership.

(b) All Lots which are owned by Declarant shall be subject to Class B Membership. The Class B Member shall be entitled to three (3) votes for each Membership so held, provided, however, that each Class B Membership shall lapse and become a nullity on the first to happen of the following events:

- (i.) When the total votes outstanding in the Class A Membership equal the total votes outstanding in the Class B Membership, or
- (ii.) Three (3) years from the date of recordation of the Declaration.

Section 3. Membership Certificates. Each Membership certificate shall state (1) that the Corporation is organized under the laws of the State of Maryland, (2) the name of the

registered holder or holders of the Membership represented thereby and the class of Membership, and (3) shall be in such form as shall be approved by the Board of Directors. Membership certificates shall be consecutively numbered, bound in one or more books, and shall be issued therefrom upon certification as to the transfer of title to the Lot to which such Membership is appurtenant. Membership is not otherwise transferable. Every Membership certificate shall be signed by the President or a Vice President and the Secretary or an Assistant Secretary and shall be sealed with the corporate seal.

Section 4. Lost Certificates. The Board of Directors may direct a new certificate or certificates to be issued in place of any certificate or certificates previously issued by the Corporation and alleged to have been destroyed or lost, upon the making of an affidavit of that fact by the person claiming the Membership certificate to be lost or destroyed. When authorizing such issuance of a new certificate or certificates, the Board of Directors may, in its discretion, and as a condition precedent to the issuance thereof, require that the registered holder or holders of such lost or destroyed certificate or certificates, or his legal representative, advertise the same in such manner as the Board of Directors may require, at such Owner's expense, and that he give the Corporation a bond in such sum as the Board of Directors may require as indemnity against any claim that may be made against the Corporation.

Section 5. Liquidation Rights. In the event of any voluntary or involuntary dissolution of the Corporation, the assets of the Corporation shall be distributed as provided in the Articles of Incorporation.

ARTICLE IV
MEETINGS OF MEMBERS

Section 1. Place of Meetings. Meetings of the Membership shall be held at the principal office or place of business of the Corporation or at such other suitable place convenient to the Membership as may be designated by the Board of Directors.

Section 2. Annual Meetings. The first annual meeting of the Members of the Corporation shall be held within one (1) year from the date of recordation of the Declaration. Thereafter, the annual meetings of the Members of the Corporation shall be held on the first Wednesday in November of each succeeding year. At such meeting, there shall be elected by ballot of the Members a Board of Directors in accordance with the requirements of Section 5 of Article V of these By-Laws. The Members may also transact such other business of the Corporation as may properly come before them.

Section 3. Special Meetings. It shall be the duty of the President to call a special meeting of the Members as directed by resolution of the Board of Directors or upon a petition signed by at least twenty per cent (20%) of the Members, of each class, having been presented to the Secretary. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except such as shall have been stated in the notice thereof.

Section 4. Notice of Meetings. It shall be the duty of the Secretary to mail a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Member of record, at his address as it appears on the Membership book of the Corporation, at least twenty (20) but not more than thirty (30) days prior to such meeting. Service may also be accomplished by the personal delivery of any such notice to the Member at his last known address. Notice by either such method shall be considered as notice served. Attendance by a Member at any meeting of the Members shall be a waiver of notice by him of the time, place and purposes thereof.

Section 5. Quorum. The presence, either in person or by proxy, of Members representing at least fifty-one per cent (51%) of the then Members of record shall be requisite for and shall constitute a quorum for the transaction of business at all meetings of Members, and all business which might properly come before the meeting may be transacted thereat.

Section 6. Adjourned Meetings. If any meeting of Members cannot be organized because a quorum has not attended, the Members who are present, either in person or by proxy, may, except as otherwise provided by law, adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called for, without the service of further notice with respect to such meeting.

Section 7. Voting. At every meeting of the Members, each of the Class A Members shall have the right to cast one (1) vote on each question for each Class A Membership which he owns. Each of the Class B Members shall have the right to cast three (3) votes on each question for each Class B Membership which he owns. The vote of the Members representing fifty-one per cent (51%) of the total of the Memberships present at the meeting, in person or by proxy, shall be necessary to decide any question brought before such meeting, unless the question is one upon which, by express provision of statute or of the Articles of Incorporation, or of the Declaration or of these By-Laws, a different vote is required, in which case such express provision shall govern and control. The vote for any Membership which is owned by more than one person may be exercised by any of them present at any meeting unless any objection or protest by any other Owner of such Membership is noted at such meeting. In the event all of the co-owners of any Membership who are present at any meeting of the Members are unable to agree on the manner in which the vote for such Membership shall be cast on any particular question, then such vote shall not be counted for purposes of deciding that question. The vote for any Membership which is owned by a corporation, trust or partnership may be exercised by any officer, trustee or partner, as the case may be, and, unless any objection or protest by any other such officer, trustee or partner is noted at such meeting, the Chairman of such meeting shall have no duty to inquire as to the authority of the person casting such vote or votes. No Class A Member shall be eligible to vote, either in person or by proxy, or to be elected to the Board of Directors, who is shown on the books or management accounts of the Corporation to be more than thirty (30) days delinquent in any payment due the Corporation.

Section 8. Proxies. A Member may appoint any other Member of the Declarant as his proxy. Any proxy must be in writing and

must be filed with the Secretary in form approved by the Board of Directors before the appointed time of each meeting. All proxies shall be revocable. Unless limited by its terms, any proxy shall continue until revoked by a written notice of revocation filed with the Secretary or by the death of the Member or by the conveyance of the Lot of the Member giving or holding such proxy.

Section 9. Order of Business. The order of business at all regularly scheduled meetings shall be as follows:

- (a) Roll call and certificate of proxies.
- (b) Proof of notice of meeting or waiver of notice.
- (c) Reading of minutes of preceding meeting.
- (d) Reports of officers, if any.
- (e) Reports of committees, if any.
- (f) Unfinished business.
- (g) New business.
- (h) Appointment of inspectors of election.
- (i) Election of directors.

In the case of special meetings, Items (a) through (d) shall be applicable and thereafter the agenda shall consist of the items specified in the notice of the meeting.

ARTICLE V DIRECTORS

Section 1. Number and Qualification. The affairs of the Corporation shall be governed by the Board of Directors composed of three (3) natural persons, a majority of whom (after the lapse of all of the Class B Memberships as provided in Article III of these By-Laws) shall be Members of the Corporation.

Section 2. Initial Directors. The initial Directors shall be selected by the Declarant and need not be Members of the Corporation. The names of the Directors who shall act as such until the first annual meeting of the Members, or until such time as their successors are duly chosen and qualified, are as follows: Boris S. Lang, Norman Zaret, Marcus Marx.

Section 3. Powers and Duties. The Board of Directors shall have all of the powers and duties necessary for the administration of the affairs of the Corporation, and may do all such acts and things as are not by law or by these By-Laws directed to be exercised and done by the Members. The powers and duties of the Board of Directors shall include, but not be limited to, the following:

To provide for:

(a) Care, upkeep and surveillance of the Common Area, all as provided in the Declaration, in a manner consistent with law and the provisions of these By-Laws and the Declaration.

(b) To establish and provide for the collection of assessments and/or carrying charges from the Members and for the assessment and/or enforcement of liens therefor in a manner consistent with law and the provisions of these By-Laws and the Declaration.

(c) Designation, hiring and/or dismissal of the personnel necessary for the good working order of the Common Area, all as provided in the Declaration, and to provide services for the project in a manner consistent with law and the provisions of these By-Laws and the Declaration.

(d) To promulgate and enforce such rules and regulations with respect to the use, occupancy and maintenance of the Common Area, all as provided in the Declaration; to prevent unreasonable interference with the use and occupancy of such areas or portions of Lots by the Members, all of which shall be consistent with law and all the provisions of these By-Laws and the Declaration.

(e) To authorize, in their discretion, patronage refunds from residual receipts when and as reflected in the annual report

(f) As more fully provided in the Declaration, to:

(1) Fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period (as defined in the Declaration);

(2) Send written notice of each assessment to every Owner subject thereto at least fifteen (15) days in advance of each annual assessment period; and

(3) Foreclose the lien against any Lot for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the Owner personally obligated to pay the same.

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

Section 4. Management Agent. The Board of Directors may (but shall not be required to) employ for the Corporation a management agent (the "Management Agent") at a rate of compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall from time to time authorize in writing.

Section 5. Election and Term of Office. The term of the Directors named herein and in the Articles of Incorporation shall expire when their successors have been elected and are duly qualified at the first annual meeting of Members. At the first annual meeting of the Members, the term of office of the Director receiving the greatest number of votes shall be fixed at two (2) years, and the term of office of the other Directors shall be fixed at one (1) year. In the alternative, the Membership may, by resolution duly made and adopted at such first annual meeting,

or at any subsequent annual meeting, elect to fix the term of each Director elected at such meeting at one (1) year. Unless the Members shall resolve to fix the term of office of each Director at one (1) year, at the expiration of the initial term of office of each respective Director, his successor shall be elected to serve a term of three (3) years. Directors shall hold office until their successors have been duly elected and qualify. Election to the Board of Directors shall be by secret written ballot. The persons receiving the largest number of votes shall be elected. Cumulative voting shall not be permitted.

Section 6. Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a Director by a vote of the Membership shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum; and each person so elected shall be a Director until a successor is elected by the Members at the next annual meeting to serve out the unexpired portion of the term.

Section 7. Removal of Directors. At a regular meeting, or special meeting duly called for such purpose, any Director may be removed, with or without cause, by the affirmative vote of the majority of the entire Membership, and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the Members shall be given an opportunity to be heard at the meeting. The term of any Director who is a Class A Member and who becomes more than thirty (30) days delinquent in payment of any assessment and/or carrying charges due the Corporation shall be automatically terminated and the remaining Directors shall appoint his successor as provided in Section 6 of this Article.

Section 8. Compensation. No compensation shall be paid to Directors for their services as Directors. After the lapse of all of the Class B Memberships as provided in Article III of these By-Laws, no remuneration shall be paid to any Director who is also a Class A Member of the Corporation for services performed by him for the Corporation in any other capacity unless a resolution authorizing such remuneration shall have been adopted by the Board of Directors before the services are undertaken.

Section 9. Organization Meeting. The first meeting of a newly elected Board of Directors shall be held within ten (10) days of election at such place as shall be fixed by the Directors at the meeting at which such Directors were elected, and no notice shall be necessary to the newly elected Directors in order legally to constitute such meeting, provided a majority of the whole Board of Directors shall be present.

Section 10. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the Directors, but at least two (2) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director, personally or by mail, telephone or telegraph, at least six (6) days prior to the day named for such meeting.

Section 11. Special Meetings. Special meetings of the Board of Directors may be called by the President on three (3) days' notice to each Director given personally or by mail, telephone or telegraph, which notice shall state the time, place

(as hereinabove provided) and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least one-third (1/3) of the Directors.

Section 12. Waiver of Notice. Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board of Directors shall be a waiver of notice by him of the time, place and purpose thereof. If all the Directors are present at any meeting of the Board of Directors, no notice shall be required and any business may be transacted at such meeting.

Section 13. Quorum. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum was present shall be the acts of the Board of Directors.

Section 14. Action Without Meeting. Any action by the Board of Directors required or permitted to be taken at any meeting may be taken without a meeting if all of the members of the Board of Directors shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board of Directors.

Section 15. Fidelity Bonds. The Board of Directors shall require that all officers and employees of the Corporation handling or responsible for corporate or trust funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Corporation.

ARTICLE VI OFFICERS

Section 1. Designation. The principal officers of the Corporation shall be a President, a Vice President, a Secretary and a Treasurer, all of whom shall be elected by the Board of Directors. Prior to the lapse of all of the Class B Memberships as provided in Article III of these By-Laws, the officers of the Corporation need not be Members of the Corporation. Thereafter, except for the President, the officers of the Corporation need not be Members of the Corporation. The Directors may appoint an assistant treasurer and such other officers as in their judgment may be necessary. The offices of Secretary and Treasurer may be filled by the same person.

Section 2. Election of Officers. The officers of the Corporation shall be elected annually by the Board of Directors at the organization meeting of each new Board and shall hold office at the pleasure of the Board of Directors.

Section 3. Removal of Officers. Upon an affirmative vote of a majority of the members of the Board of Directors, any officer may be removed either with or without cause, and his successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board of Directors called for such purpose.

Section 4. President. The President shall be the chief executive officer of the Corporation. He shall preside at all meetings of the Members and of the Board of Directors. He shall have all of the general powers and duties which are usually vested in the office of president of a corporation, including, but not limited to, the power to appoint committees from among the Membership from time to time as he may, in his discretion, decide is appropriate to assist in the conduct of the affairs of the Corporation.

Section 5. Vice President. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board shall appoint some other member of the Board to do so on an interim basis. The Vice President shall also perform such other duties as shall from time to time be delegated to him by the Board of Directors.

Section 6. Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the Members of the Corporation; he shall have custody of the seal of the Corporation; he shall have charge of the Membership transfer books and of such other books and papers as the Board of Directors may direct; and he shall, in general, perform all the duties incident to the office of Secretary.

Section 7. Treasurer. The Treasurer shall have the responsibility for corporate funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Corporation. He shall be responsible for the deposit of all moneys and other valuable effects in the name, and to the credit, of the Corporation in such depositories as may from time to time be designated by the Board of Directors.

ARTICLE VII
LIABILITY AND INDEMNIFICATION OF
OFFICERS AND DIRECTORS

Section 1. Liability and Indemnification of Officers and Directors. The Corporation shall indemnify every officer and director of the Corporation against any and all expenses, including counsel fees, reasonably incurred by or imposed upon any officer or director in connection with any action, suit or other proceeding (including the settlement of any such suit or proceeding if approved by the then Board of Directors of the Corporation) to which he may be made a party by reason of being or having been an officer or director of the Corporation, whether or not such person is an officer or director at the time such expenses are incurred. The officers and directors of the Corporation shall not be liable to the Members of the Corporation for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The officers and directors of the Corporation shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Corporation and the Corporation shall indemnify and forever hold each such officer and director free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer or director of the Corporation, or former officer or director of the Corporation, may be entitled.

Section 2. Common or Interested Directors. The Directors shall exercise their powers and duties in good faith and with a view to the interests of the Corporation and consistent with the purposes set forth in the Declaration. No contract or other transaction between the Corporation and one or more of its Directors, or between the Corporation and any corporation, firm or association (including the Declarant) in which one or more of the Directors of this Corporation are directors or officers or are pecuniarily or otherwise interested, shall be either void or voidable because such Director or Directors are present at the meeting of the Board of Directors or any committee thereof which authorizes or approves the contract or transaction, or because his or their votes are counted for such purpose, if any of the conditions specified in the following subparagraphs exist:

(a) The fact of the common directorate or interest is disclosed or known to the Board of Directors or a majority thereof or noted in the Minutes, and the Board authorizes, approves or ratifies such contract or transaction in good faith by a vote sufficient for the purpose; or

(b) The fact of the common directorate or interest is disclosed or known to the Members, or a majority thereof, and they approve or ratify the contract or transaction in good faith by a vote sufficient for the purpose; or

(c) The contract or transaction is commercially reasonable to the Corporation at the time it is authorized, ratified, approved or executed.

Common or interested Directors may be counted in determining the presence of a quorum of any meeting of the Board of Directors or committee thereof which authorizes, approves or ratifies any contract or transaction, and may vote thereat to authorize any contract or transaction with like force and effect as if he were not such director or officer of such other corporation or was not so interested.

ARTICLE VIII
MANAGEMENT

Section 1. Management and Common Expenses. The Corporation, acting by and through its Board of Directors, may manage, operate, and maintain the Common Area, and the Corporation shall enforce the provisions hereof and of the Declaration, and shall pay out of the common expense fund herein elsewhere provided for, the following:

(a) The cost of such insurance as the Corporation may effect, as provided elsewhere herein.

(b) The cost of the services of a person or firm to manage the Common Area to the extent deemed advisable by the Corporation together with the services of such other personnel as the Board of Directors of the Corporation shall consider desirable or necessary.

(c) The cost of providing such legal and accounting services as may be considered necessary to the operation of the Corporation.

(d) The cost of maintaining (including snow removal) and repairing the private road which shall abut the Lots.

(e) The cost of any and all other materials, supplies, labor, services, maintenance, repairs, taxes, assessments, or the like, which the Corporation is required to secure or pay for by law, or otherwise, or which in the discretion of the Board of Directors shall be necessary or proper for the performance of the above.

Section 2. Management Agent. The Corporation may by contract in writing delegate any of its ministerial duties, powers or functions to the Management Agent. The Corporation and the Board of Directors shall not be liable for any omission or improper exercise by the Management Agent of any such duty, power or function so delegated.

Section 3. Limitation of Liability. The Corporation shall not be liable for any failure of water supply or other services to be obtained by the Corporation or paid for out of the common expense funds, or for injury or damage to person or property caused by the elements, or by any Member, or any other person, or resulting from electricity, water, snow or ice which may leak or flow from any portion of the Common Area or from any wire, pipe, drain, conduit, appliance or equipment installed on or for the benefit of the Common Area. No diminution or abatement of assessments, as herein elsewhere or in the Declaration provided, shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the Common Area, or from any action taken by the Corporation to comply with any law, ordinance or with the order or directive of any municipal or other governmental authority.

Section 4. Rules. There shall be no violation of any rules for the use of the Common Area or other "Rules", which may from time to time be reasonably adopted by the Board of Directors and promulgated among the Membership by them in writing, and the Board of Directors is hereby and elsewhere in these By-Laws authorized to adopt such Rules.

ARTICLE IX
INSURANCE

Section 1. Insurance. The Board of Directors shall obtain and maintain, to the extent available, at least the following:

(a) Public liability insurance in such amounts and in such forms as may be considered appropriate by the Board of Directors with respect to the Common Area, including, but not limited to, hired automobile, non-owned automobile and any and all other liability incident to the ownership and/or use of the Common Area or any portion thereof; and

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

(c) Such other policies of insurance, including insurance for other risks of a similar or dissimilar nature, as are or shall hereafter be considered appropriate by the Board of Directors with respect to the Common Area.

ARTICLE X
FISCAL MANAGEMENT

Section 1. Fiscal Year. The fiscal year of the Corporation shall begin on the first day of January every year, except for the first fiscal year of the Corporation which shall begin at the date of incorporation. The commencement date of the fiscal year herein established shall be subject to change by the Board of Directors.

Section 2. Books and Accounts. Books and accounts of the Corporation shall be kept under the direction of the Treasurer in accordance with good accounting practices. The same shall include books with detailed accounts, in chronological order, of receipts and of the expenditures of the Corporation and its administration and shall specify the maintenance and repair expenses of the Common Area and services and any other expenses incurred. The amount of any assessment required for payment of any capital expenditures of the Corporation shall be credited upon the books of the Corporation to the "Paid-in Surplus" account as a capital contribution by the Members.

Section 3. Auditing. At the close of each fiscal year, the books and records of the Corporation shall be audited by an independent Certified Public Accountant whose report shall be prepared and certified in accordance with generally accepted auditing standards. Based upon such report, the Corporation shall furnish its Members with an annual financial statement, including the income and disbursements of the Corporation.

Section 4. Inspection of Books. The books and accounts of the Corporation, and vouchers accrediting the entries made thereupon, shall be available for examination by the Members of the Corporation, and/or their duly authorized agents or attorneys, and to the institutional holder of any first mortgage on any Lots, and/or its duly authorized agents or attorneys, during normal business hours and for purposes reasonably related to their interests as Members.

Section 5. Execution of Corporate Documents. With the prior authorization of the Board of Directors, all notes and contracts shall be executed on behalf of the Corporation by either the President or Vice President, and all checks shall be executed on behalf of the Corporation by such officers, agents, or other persons as are from time to time so authorized by the Board of Directors.

Section 6. Seal. The Board of Directors shall provide a suitable corporate seal containing the name of the Corporation, which seal shall be in the charge of the Secretary. If so directed by the Board of Directors, a duplicate seal may be kept and used by the Treasurer or any assistant secretary or assistant treasurer.

ARTICLE XI
COMMITTEES

Section 1. The Corporation shall appoint an Architectural Control Committee, as provided in the Declaration.

ARTICLE XII
ASSESSMENTS

Section 1. As more fully provided in the Declaration, each Member is obligated to pay to the Corporation annual and special assessments which are secured by a continuing lien upon the Lot against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of six per cent (6%) per annum, and the Corporation may bring an action at law against the Owner personally obligated to pay the same or may foreclose the lien against the Lot, and interest, costs and reasonable attorneys' fees incurred in any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or by abandonment of his Lot.

ARTICLE XIII
AMENDMENT

Section 1. Amendment. These By-Laws may be amended by the affirmative vote of Members representing two-thirds (2/3) of the Members of record, of each class, at any meeting of the Members duly called for such purpose, but only after thirty (30) days' prior written notice to the institutional holders of all first mortgages on the Lots. Amendments may be proposed by the Board of Directors, or by petition signed by Members representing at least thirty per cent (30%) of the total number of Lots. A description of any proposed amendment shall accompany the notice of any regular or special meeting at which such proposed amendment is to be voted upon.

ARTICLE XIV
MORTGAGES - NOTICE

Section 1. Notice to Board of Directors. Any Member who mortgages the Lot to which his Membership is appurtenant shall promptly notify the Board of Directors of the name and address of his mortgagee and, if requested so to do, shall file a conformed copy of such mortgage with the Board of Directors. The Board of Directors shall maintain suitable records pertaining to such mortgages. All notices to mortgagees required to be given under these By-Laws must be given only to mortgagees of whom the Corporation has received the aforesaid notice.

ARTICLE XV
INTERPRETATION - MISCELLANEOUS

Section 1. Conflict. These By-Laws are subordinate and subject to all provisions of the Declaration. All of the terms hereof, except where clearly repugnant to the context, shall have the same meaning as in the Declaration. In the event of any conflict between these By-Laws and the Declaration, the provisions of the Declaration shall control.

Section 2. Committees. The Board of Directors may, from time to time, appoint such committees as it considers necessary or appropriate from the membership of the Corporation, each of which shall consist of a chairman and at least two (2) other Members. Any committee so appointed shall serve at the pleasure of the Board of Directors.

Section 3. Notices. Unless another type of notice is herein elsewhere specifically provided for, any and all notices called for in the Declaration and in these By-Laws shall be given in writing.

Section 4. Severability. In the event any provision or provisions of these By-Laws shall be determined to be invalid, void or unenforceable, such determination shall not render invalid, void or unenforceable any other provisions hereof which can be given effect.

Section 5. Waiver. No restriction, condition, obligation or provision of these By-Laws shall be deemed to have been abrogated or waived by reason of any failure or failures to enforce the same.

Section 6. Captions. The captions contained in these By-Laws are for convenience only and are not a part of these By-Laws and are not intended in any way to limit or enlarge the terms and provisions of these By-Laws.

Section 7. Gender. Whenever in these By-Laws the context so requires, the singular number shall include the plural and the converse, and the use of any gender shall be deemed to include all genders.

IN WITNESS WHEREOF, we, being all the Directors of COURTS OF CROFTON HOMEOWNERS ASSOCIATION, INC., have hereunto set our hands this 14th day of December, 1976.


Boris S. Lang


Norman Zaret


Marcus Marx

CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly-elected and acting Secretary of COURTS OF CROFTON HOMEOWNERS ASSOCIATION, INC., and

That the foregoing By-Laws constitute the original By-Laws of said Corporation, as duly adopted at a meeting of the Board of Directors thereof, held on the 1st day of October, 1976.

IN WITNESS WHEREOF, I have hereunto subscribed my name as the Secretary of said Corporation this 1st day of October, 1976.


Secretary

Secretary Homeowners Association

COURTS OF CROFTON
DECLARATION OF RESTRICTIONS

DECLARATION OF RESTRICTIONS FOR COURTS OF CROFTON.

THIS DECLARATION, made this 21st day of February, 1978 by Woodbridge Construction Corporation, a body corporate of the State of Maryland.

WHEREAS, by deed dated October 21, 1977 and recorded among the Land Records of Anne Arundel County Liber WGL 3016, folio 338, Lula M. Chaney, Lamaza Associates Limited Partnership, et al, conveyed to Woodbridge Construction Corporation a certain parcel of land therein fully described:

WHEREAS, it is the intention of Woodbridge Construction Corporation to subdivide and develop as a community known as "Courts of Crofton" all of the aforesaid parcel of land and to that end Woodbridge Construction Corporation has caused subdivision plats to be prepared and recorded among the Plat Records of Anne Arundel County; and

WHEREAS, the said Woodbridge Construction Corporation desires, as part of its plan or scheme of development of the property shown on the recorded plats of Courts of Crofton, to impose certain covenants, restrictions and conditions thereon.

NOW, THEREFORE, THIS DECLARATION WITNESSETH: That Woodbridge Construction Corporation, for itself, its successors, and assigns, in consideration of the premises, and for the benefit of the owners from time to time of the property hereby affected,

does hereby covenant and declare that as part of the general scheme of development of Courts of Crofton all those lots or parcels of ground shown upon the plats of Courts of Crofton now or hereafter recorded among the Plat Records of Anne Arundel County shall be subject to the following covenants, restrictions and conditions; which the owners thereof from time to time hereafter shall, by

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virtue of having accepted a deed thereto, be held to have covenanted on behalf of themselves, their heirs, successors and assigns to keep and observe (Woodbridge Construction Corporation hereinafter sometimes referred to as the "Developer").

1. All lots and parcels of land shown on the recorded plat of Courts of Crofton subdivision shall be used for the purposes of residential and ancillary structures, and playground areas. Woodbridge Construction Corporation reserves the right to modify this restriction to permit the use of a portion of a residence for business purposes of a professional nature so long as the primary use is residential.

2. No building shall be erected, placed, or altered, or any additions made to any building unless construction plans, specifications, and a plan showing location, elevation of structure, including all walks and driveways, have been approved by Woodbridge Construction Corporation, or its successors and assigns. If Woodbridge Construction Corporation, or its successors and assigns, fails to approve or disapprove, in writing, within thirty (30) days after such plans and specifications have been submitted to it, approval shall be conclusively presumed to have been given.

3. No fences or walls shall be erected, placed, or altered on any lot or parcel unless approved by Woodbridge Construction Corporation, or its successors or assigns.

4. No sign of any kind shall be displayed to the public view on any dwelling lot, except one sign, not more than five square feet, advertising the property for sale, or rent, or signs used to advertise a property during the construction and sales.

5. At no time shall any lot or parcel be stripped of its top

soil, trees, or allowed to go to waste or waste away be being neglected, excavated, or having refuse or trash thrown, or dropped, or dumped upon it. No lumber, brick, stone, cinder block, concrete block, or other materials used for building purposes, shall be stored upon any lot more than a reasonable time for the construction in which they are to be used to be completed.

6. No antennas, aerials, or poles or towers shall be erected on a dwelling lot. This shall include, but not be limited to television and radio apparatus.

7. No animal or poultry of any kind other than house pets shall be kept or maintained on any lot or parcel. Dogs shall not be permitted to range if they constitute a nuisance to the neighbors.

8. All trash, garbage, and refuse stored without any building shall be stored in covered receptacles. No clothesline, which shall be visible either from the street or rear of the premises, and in particular from a golf fairway, tee or green shall be erected or retained on the premises. The nature and form of any clothesline and protective enclosure must be approved by Woodbridge Construction Corporation.

9. Boats on cradles or trailers may not be parked in streets, driveways or yards. Boats stored in garages must be small enough for garage doors to close.

10. Only vehicles classified as passenger cars or station wagons may be regularly parked in residential areas, this to include streets, drives, walks and yards.

11. All lots or parcels of ground shall be subject to all easements and agreements of record, and Woodbridge Construction

Corporation further reserves an easement five (5) feet wide along the rear boundary lines of all such lots or parcels for storm drainage and utility installation and maintenance, and such other easements as are shown on recorded plats.

12. If the parties hereto, or any of them, their successors or assigns, shall violate or attempt to violate any of the covenants herein, it shall be lawful for Woodbridge Construction Corporation, its successors or assigns, or any other person or persons owning residential lots situated in Courts of Crofton to prosecute any proceedings at law or in equity against the person or persons violating or attempting to violate any such covenants to either prevent him, or them, from so doing, or to recover damages for such violation.

13. On or after January 1, 2009, the owners of a majority of the residential lots may amend, cancel, annul or abrogate any or all of these covenants, conditions or restrictions by instrument duly recorded among the Land Records of Anne Arundel County.

14. Woodbridge Construction Corporation hereby reserves the right in its absolute discretion at any time to annul, waive, change or modify any of the restrictions, conditions or covenants contained therein, as to any part of the Courts of Crofton subdivision then owned by Woodbridge Construction Corporation and, with the consent of the owner, as to any other land in said subdivision, and shall have the further right before a sale to change the size of or locate or relocate any of the lots, parcels, streets, or roads shown on any of the plats of Courts of Crofton.

15. Invalidation of any of these covenants, conditions or restrictions by judgment or court order shall in no wise affect any

of the other provisions, which shall remain in full force and effect.

16. Any or all of the rights and powers, titles, easements and estates reserved or given to Woodbridge Construction Corporation in this Declaration may be assigned to any one or more corporations or assigns that will agree to assume said rights, powers, duties and obligations and carry out and perform the same. Any such assignment or transfer shall be made by appropriate instrument in writing in which the assignee or transferee shall join for the purpose of evidencing its acceptance of such rights and powers; and such assignee or transferee shall thereupon have the same rights and powers and be subject to the same obligations and duties as are herein given to and assumed by Woodbridge Construction Corporation, and Woodbridge Construction Corporation shall thereupon be released therefrom.

17. The determination by any Court that any provision of this Declaration of Restrictions is not enforceable, invalid, or void shall not affect the enforceability or validity of any of the other provisions hereof.

IN WITNESS WHEREOF, Woodbridge Construction Corporation has caused these presents to be executed in its name by its President, and its corporate seal attested by its Secretary to be hereunto affixed on the day and year first above written.

WOODBIDGE CONSTRUCTION CORPORATION

BY A. John Briscuso (SEAL)
A. John Briscuso, President

ATTEST:

Neva M. Briscuso
Neva M. Briscuso, Secretary

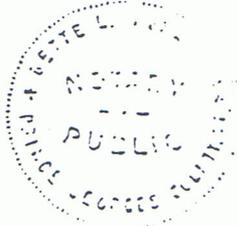
STATE OF MARYLAND)
COUNTY OF ANNE ARUNDEL) S.S.

TO WIT:

I HEREBY CERTIFY that on this 21st day of February, 1978, before me, the subscriber, a Notary Public in and for the jurisdiction aforesaid, personally appeared A. John Briscuso, President of Woodbridge Construction Corporation, and he acknowledged the foregoing Declaration of Restrictions to be the act of said body corporate.

WITNESS my hand and Notarial Seal on the date first above written.

Dee L. Madanick
Notary Public



Woodbridge Construction Corporation

COURTS OF CROFTON
ARTICLES OF INCORPORATION

ARTICLES OF INCORPORATION
OF
COURTS OF CROFTON HOMEOWNERS ASSOCIATION, INC.

In compliance with the requirements of Article 23 of the 1957 Annotated Code of Maryland (1972 Replacement Volume), as amended, the undersigned three incorporators, Boris S. Lang, Marcus Marx, and Norman Zaret, whose post office address is 1756 Lang Drive, Crofton, Maryland 21114, all of whom are at least twenty-one (21) years of age, have this day voluntarily associated themselves together by execution of these Articles for the purpose of forming a non-stock, non-profit corporation and do hereby certify:

ARTICLE I

The name of the corporation is Courts of Crofton Homeowners Association, Inc., hereinafter called the "Association".

ARTICLE II

This Association does not contemplate pecuniary gain or profit, direct or indirect, to the members thereof, and the specific purposes for which it is formed are to provide for or assure maintenance, preservation and architectural control of the residential lots and common area within that certain parcel of land located in Anne Arundel County, Maryland, described as:

The Courts of Crofton, Section 1

and to promote the health, safety and welfare of the residents within the above-described property and any additions thereto as may hereafter be brought within the jurisdiction of this Association, and for this purpose, the Association shall have the power and authority to:

- (a) Exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in that certain Declaration of Covenants, Conditions and Restrictions, hereinafter

BOOK 88 PAGE 30A

called the "Declaration", applicable to the above-described property (including lots and/or common area) and recorded or to be recorded in the Land Records of Anne Arundel County, Maryland, and as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as if set forth at length;

(b) Fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration; to pay all expense in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the property of the Association;

(c) Acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association;

(d) Borrow money and mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

(e) Dedicate, sell or transfer all or any part of the common area to any public agency, authority or utility;

(f) Have and exercise any and all powers, rights and privileges which a non-stock, non-profit corporation organized under the Laws of the State of Maryland by law may now or hereafter have or exercise; and

(g) Insofar as permitted by law, to do any other thing that in the opinion of the Board of Directors will promote the common benefit and enjoyment of the residents within the above-described property.

ARTICLE III

This Association is not authorized to issue any capital stock.

ARTICLE IV

Every person or entity who is a record owner of a fee or undivided fee interest of any lot included within the above-described property, including contract sellers, shall be a member of the Association; provided that any such person or entity who holds such interest merely as security for the performance of an obligation shall not be a member. Ownership of the requisite property interest shall be the sole qualification for membership. Upon evidence being presented to the Board of Directors by the applicant of its ownership of a lot embraced within the above-described property, said applicant shall be admitted to membership. Membership shall be appurtenant to and may not be separated from ownership of any lot within the above-described property.

ARTICLE V

The Association shall have two classes of voting membership:

Class A. Class A members shall be all those owners as defined in ARTICLE IV with the exception of the Class B member. Class A members shall be entitled to one (1) vote for each lot in which they hold the interest required for membership by ARTICLE IV. When more than one person holds such interest or interests in any lot, all such persons shall be members, and the vote for such lot shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any one (1) lot.

Class B. The Class B member shall be Lamaza Associates, a Partnership (i.e., the Declarant, as defined in the Declaration). The Class B member shall be entitled to three (3) votes for each

lot in which it holds the interest required for membership under ARTICLE IV, provided that the Class B membership shall cease, determine and be converted to Class A membership on the happening of either of the following events, whichever occurs first:

(a) When the total votes outstanding in the Class A membership equals or exceeds the total votes outstanding in the Class B membership; or

(b) Three (3) years from the date of recordation of the Declaration.

ARTICLE VI

The affairs of the Association shall be managed by a Board of Directors consisting of three (3) members until the first annual meeting of members, and thereafter five (5) members, who shall hold office until the election of their successor or successors.

The Board of Directors may, from time to time, by amendment to the By-Laws, increase the number of Directors and upon such increase, the Board shall appoint new Directors to serve until the next annual meeting of the members of the Association. At the next annual meeting, successors to those members of the Board of Directors whose terms are expiring shall be elected by the members casting votes in the proportion to which they are entitled, as set forth in ARTICLE V.

ARTICLE VII

The post office address of the principal office of the Association is 1756 Lang Drive, Crofton, Maryland 21114. The name of its resident agent is Boris Lang, whose address is 2100 Lang Drive, Crofton, Maryland 21114. Said resident agent is a citizen of the State of Maryland and actually resides therein.

ARTICLE VIII

The Association shall exist perpetually.

ARTICLE IX

The Association may be dissolved only with the assenting votes cast at a duly held meeting of more than two-thirds (2/3) of the entire Class A membership and more than two-thirds (2/3) of the entire Class B membership, if any. Written notice of a proposal to dissolve, setting forth the reasons therefor and the disposition to be made of the assets (which shall be consonant with ARTICLE X hereof), shall be mailed to every member not less than ten (10) days nor more than fifty (50) days in advance of any action to be taken.

ARTICLE X

Upon dissolution of the Association, the assets, both real and personal, of the Association shall be dedicated to an appropriate public agency or utility to be devoted to purposes as nearly as practicable the same as those to which they were required to be devoted by the Association. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization to be devoted to purposes as nearly as practicable the same as those to which they were required to be devoted by the Association. No such disposition of Association properties shall be effective to divest or diminish any right or title of any member vested in him under the recorded covenants and deeds applicable to the above-described property unless made in accordance with the provisions of such covenants and deeds.

ARTICLE XI

To the extent permitted by law, the Association may participate in mergers and consolidations with other non-profit associations organized for the same purpose and may annex additional lots and/or common area, provided that any such mergers or consolidations or annexations shall require the assenting votes cast at a duly held meeting of more than two-thirds (2/3) of the entire Class A membership and more than two-thirds (2/3) of the entire Class B membership, if any.

ARTICLE XII

Any mortgage by the Association of the common area (including improvements thereon) shall require the assenting votes cast at a duly held meeting of more than two-thirds (2/3) of the entire Class A membership and more than two-thirds (2/3) of the entire Class B membership, if any, and shall be in accordance with all applicable laws. In case of annexation of additional lots, the owners of such annexed lots shall be Class A members in accordance with the provisions of ARTICLE V hereof governing Class A membership, except that Lamaza Associates, a Partnership (i.e., the Declarant, as defined in the Declaration) shall be entitled to Class B memberships as to such annexed lots owned by said Declarant in accordance with the provisions of ARTICLE V hereof governing Class B membership.

ARTICLE XIII

The Articles may be amended in accordance with the law provided that the voting and quorum requirements specified for any action under any provision of these Articles shall apply also to any amendment of such provision, and provided further that no amendment shall be effective to impair or dilute any rights of members that are governed by the recorded covenants

and restrictions applicable to the above-described property, namely, voting rights, membership and use of common areas, which are part of the property interest created thereby, provided said exemptions from amendment shall not be contrary to the Laws of the State of Maryland.

As long as there is a Class B membership, the following actions will require the prior approval of the Federal Housing Administration and/or the Veterans Administration: annexation of additional properties, mergers and consolidations, mortgaging of common areas, dedication of common areas, dissolution and amendment of these Articles.

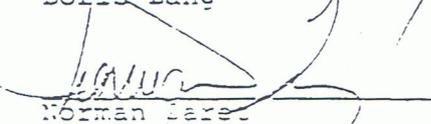
ARTICLE XIV

The names and addresses of those persons who are to act as Directors until the election of their successors are:

Boris Lang	2100 Lang Drive Crofton, MD 21114
Norman Zaret	4220 Oakridge Lane Chevy Chase, MD 20015
Marcus Marx	757 E. Fairview Ave. Annapolis, MD

IN WITNESS WHEREOF, we have signed, sealed and delivered these Articles of Incorporation as our own free act and deed on this 7th day of October, 19 76.

WITNESS:

		(SEAL)
		(SEAL)
		(SEAL)

STATE OF MARYLAND, COUNTY OF *Anne Arundel*, TO WIT:

I HEREBY CERTIFY that on this *20th* day of *October* 1976, before me, the subscriber, a Notary Public of the State of Maryland, in and for the County of *Anne Arundel*, personally appeared Boris S. Lang, Marcus Marx, and Norman Zaret, and severally acknowledged the foregoing Articles of Incorporation to be their act.

AS-WITNESS my hand and Notarial Seal.

Walter P. O'Brien
Notary Public

A circular notary seal for Walter P. O'Brien, Notary Public, State of Maryland. The seal contains the text "NOTARY PUBLIC STATE OF MARYLAND" and "WALTER P. O'BRIEN". The seal is partially obscured by the signature and the text "Notary Public".

My Commission expires:

7-1-78