

151

GOVERNORS RUN
DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS

IMP FD SURE \$ 2.00
MISC 75.00
TOTAL 77.00
Res#1023 Acct#6798
MOR BGA Bk#1088
Jan 10, 1995 02:33 PM

7500
200

GOVERNORS RUN

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

TABLE OF CONTENTS

<u>Article</u>		<u>Page</u>
Article I	Definitions	3
Article II	Property Subject to This Declaration and Additions Thereto	5
Article III	Membership and Voting Rights in the Association	7
Article IV	Homeowners Association Easement Areas	8
Article V	Reserved	10
Article VI	Covenant for Assessment and Obligation to Repair	10
Article VII	Covenants, Conditions and Restrictions	15
Article VIII	Reserved Easements	22
Article IX	Architectural Review	24
Article X	General Provisions	27

GOVERNORS RUN
DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS

THIS DECLARATION dated December 16, 1994, by Governors Run Communities, Inc., a Maryland corporation (the "Declarant"); Mercantile-Safe Deposit & Trust Company (the "Lender") and Stephen A. Hall and Barry C. Greenberg, Trustees.

R E C I T A L S

WHEREAS, the Declarant is the owner of certain property situated in the Second Election District, Howard County, Maryland, as described in Exhibit A attached hereto and made a part hereof, and as shown on the plats entitled Governors Run, Section 1, Lots 1 thru 73, as recorded among the Land Records of Howard County, Maryland as Plat Nos. 11291 thru 11295, and Section 2, Lots 74 thru 130 as recorded aforesaid as Plat Nos. 11477, 11478 and 11479 and Section 3, Lots 131 thru 194 as recorded aforesaid as Plat Nos. 11480 and 11489 which has been subdivided into the lots and Open Space Lots which are hereinafter referred to, together with the improvements thereon and the appurtenances thereto; and

WHEREAS, the Property, as hereinafter defined, is subject to an Indemnity Deed of Trust and Security Agreement from the Declarant to the Trustees dated June 17, 1994 and recorded among the Land Records of Howard County, Maryland in Liber 3284 folio 434 (the "Deed of Trust") in connection with a loan from the Lender (the "Loan"); and

WHEREAS, the Declarant intends to create on such property a residential community consisting of such residential lots and Open Space Lots; and

WHEREAS, the Declarant intends by this Declaration to provide for the preservation of such community's values and amenities and the maintenance of such lots and Open Space Lots by (1) insuring their proper development, improvement and use; (2) protecting their respective owners against their development or other use in any manner which may depreciate their value; (3) guarding against the erection on any such lot or Open Space Lot of any building or other

improvement containing improper or unsuitable materials; (4) securing and maintaining proper setbacks of such buildings or other improvements from the roadways within such community;

(5) enforcing high standards of maintenance and operation of such Open Space Lots, common improvements and other facilities for the benefit of the owners of such lots and any other residents of such community; and (6) granting and reserving rights, easements and other privileges, and creating a means for the accumulation and use of funds, to further such purposes, all in order to provide adequately for a residential community of the highest quality and character; and

WHEREAS, to further such purposes, the Declarant (1) intends by this Declaration to subject such residential lots and Open Space Lots, together with the improvements thereon and the appurtenances thereto, to certain covenants, easements, charges and liens, all as are hereinafter set forth, and (2) has caused to be incorporated a non-stock corporation to which are to be delegated the powers and duties of assessing, collecting and applying all of the charges imposed by the provisions of this Declaration, maintaining and operating such Open Space Lots, common improvements and other facilities, and administering and enforcing such covenants, easements, charges and liens,

NOW, THEREFORE, Declarant, as part of a general scheme of development, hereby declares that all of the property as described on Exhibit A attached hereto shall be held, sold and conveyed subject to the following easements, covenants, conditions, restrictions, reservations, liens and charges which are for the purpose of protecting the value and desirability of, and which shall run with the Property as set forth in Exhibit A hereof and be binding on all parties having any right, title or interest in the Property or any part thereof, their heirs, personal representatives, successors and assigns, and shall inure to the benefit of each such party.

ARTICLE I

Definitions

(a) "Architectural Review Committee" means the Architectural Review Committee of the Association, the duties, powers and memberships of which are described in Article IX hereof.

(b) "Association" means the Governors Run Homeowners' Association, Inc., a non-stock corporation of the State of Maryland.

(c) "Board of Directors" means the duly elected Board of Directors of the Association.

(d) "Conservation Easement Area" shall mean those areas of land designated as "proposed conservation easement" areas as shown on the Plat and as referred to in an Agreement ("Agreement") between Howard Oaks, Inc. and The Oaks Committee, Inc. and others dated December 2, 1988 and recorded in the land records of Howard County Maryland in Liber 1990, Folio 112, as the same may from time to time be amended, which Agreement provides in part '9. Howard Oaks agrees to establish a conversation easement area as shown on Exhibit F at and within the rear of all lots created along the existing Oaks Road, at and within the rear of the lots adjoining the rear of Lots 39, 40 and 41 of The Oaks, and along and within the open space (but not within any lots) as shown on Exhibit F between the new entrance road and the Great Oaks apartments, in each case such area being delineated by the line marked 'approx. limits of grading' and shown in green on Exhibit F. This conservation easement area is to prohibit the intentional damage, destruction or removal of trees (except for dead, dying or diseased trees or those presenting a danger to life or property) within the easement area and to prohibit the construction of structures within the areas, except for any entrance monuments required to be erected under this Agreement or structures or devices required by governmental authorities.'

(e) "Declarant" means Governors Run Communities, Inc. and any successor or assign thereof to whom Declarant shall convey or otherwise transfer all of the rights, title and interest in the

Property then owned by it, and to whom Declarant shall expressly transfer, and assign all of its rights, title and interest under this Declaration, or any amendment or modification thereof.

(f) "Family" shall mean a family as defined in the Zoning Regulations of Howard County, State of Maryland, and any subsequent amendments to said regulation.

(g) "Lot" or "Lots" means (i) those areas of land designated on any recorded plat of the Property as a numbered "Lot" or as parcels to be conveyed to the Association or Howard County, and (ii) those areas of land designated as Lots in any amendment or supplement hereto made pursuant to Article II hereof.

(h) "Open Space Lot or Open Space Lots" means those areas of land, designated as open space on the Plat as hereinafter defined, as the same may from time to time be amended, and as more particularly described in the above-described plans or any amendments or additions thereto, intended to be owned by the Association and devoted to the common use and enjoyment of the owners of the Lots, such Open Space Lots to include easement areas for entry signage, any private roads and streets, but not any roads dedicated to public use.

(i) "Owner" means the person, or legal entity, or any combination thereof, including contract sellers, holding the record fee simple or perpetually renewable leasehold title to a Lot in the Property, as the Lot is now or may from time to time hereafter be created or established. If more than one person, or other legal entity or any combination thereof, holds the record title to any Lot, all of them shall be deemed a single record owner and shall be a single member of the Association by virtue of their ownership of the Lot. The term "Owner" shall not mean any contract purchaser, nor shall it include any mortgagee or other person or legal entity holding an interest in a Lot as security for the performance of an obligation.

(j) "Plat" shall mean and refer to any subdivision plat of Governors Run, including any amendments or modifications

thereto, recorded among the plat records of Howard County, Maryland.

(k) "Property" shall mean and refer to that certain real property more particularly described in Exhibit A attached hereto and such additional land as may be subjected to this Declaration under the provisions of Article II below.

(l) "Retaining Walls Easement" shall mean and refer to those areas of land designated "Easement Area for the HOA for Maintenance of Retaining Walls" as shown on the Plat and those cross-hatched areas shown on Exhibit C attached hereto.

(m) "Sign Easement Area" shall mean and refer to that certain real property more particularly described in Exhibit B attached hereto.

(n) "Structure" shall mean and refer to any thing or device the placement of which upon any Lot may affect the appearance of such Lot, including, by way of illustration and not limitation, any building, mobile home, trailer, garage, porch, deck, shed, greenhouse or bathhouse, coop or cage, covered or uncovered patio, swimming pool, radio, television or other antenna, satellite dish, fence, sign curbing, paving, private enclosure wall, retaining wall for Lot, driveway, sign, tank, hot tub, roadway, gazebo or any temporary or permanent living quarters (including any house trailer) and any other temporary or permanent improvement to such Lot. "Structure" shall also mean: (i) any excavation, fill, ditch, diversion dam or other thing or device which affects or alters the natural flow of surface waters in any natural or artificial stream, wash or drainage channel from, upon or across any Lot; and (ii) any change in the grade of any Lot of more than six inches from that existing at the time of purchase by each Owner.

ARTICLE II

Property Subject to this Declaration and Additions Thereto

Section 1

All of the Property shall be transferred, held, sold, conveyed, and occupied subject to this Declaration.

Section 2

Additional lands may be subjected to this Declaration in the following manner:

(a) The Declarant, its successors and assigns, shall have the absolute right for fifteen (15) years from the date of this Declaration to bring within the operation and effect of this Declaration substantially contiguous parcels of land intended to contain additional lots or open space areas.

The additions authorized under this Article II, Section 2(a) shall be made by recording among the Land Records of Howard County a supplement to this Declaration, which need be executed only by the Declarant and the owner of such additional land if the Declarant is not the owner thereof, which shall describe the additional land and state that it is subject to this Declaration. The additions authorized by this Article II, Section 2(a) shall not require the approval of the Association.

(b) Upon the written approval of the Association after the Association has attained the assent of the holders of two-thirds (2/3rds) of the votes of each outstanding class of members, present in person or by proxy at the meeting at which the vote is taken, the owner of any land who desires to subject it to the operation and effect of this Declaration may do so by recording among the aforesaid Land Records a supplement to this Declaration describing the additional land and stating that it is subject to this Declaration.

(c) Any Supplement to this Declaration may contain such complementary additions and modifications of the Covenants, Conditions and Restrictions contained herein as may be necessary to reflect the different character, if any, of the added property, provided they are not inconsistent with this Declaration. In no event, however, shall the supplement to this Declaration revoke, modify or add to the Covenants, Conditions and Restrictions established by this Declaration insofar as they pertain to the Property as the same exists prior to the supplement.

ARTICLE III

Membership and Voting Rights in the Association

SECTION 1

Every Owner of a Lot shall be a member of the Association. Membership shall be appurtenant to and may not be separated from the ownership of the Lot.

SECTION 2

The Association shall have two classes of voting membership:

Class A. Except for the Declarant (which shall initially be a Class B member), the Class A members shall be all of the Owners of the Lots. Each Class A member shall be entitled to one vote per Lot, for each Lot owned by it, in all proceedings in which action shall be taken by members of the Association.

Class B. The Class B member shall be the Declarant. The Class B member shall be entitled to five (5) votes per Lot for each Lot owned by it, in all proceedings in which action shall be taken by members of the Association.

The vote of any Class A member comprised of two or more persons, or other legal entities, or any other combination thereof, shall be cast in the manner provided for in the Articles of Incorporation of the Association, or as the several constituents may determine, but in no event shall all such constituents cast more than one vote per Lot for each Lot owned by them.

The Class B membership in the Association shall cease and be converted to Class A membership in the Association on the seventh (7th) anniversary of the date of this Declaration or at such earlier time as the total number of votes entitled to be cast by Class A members of the Association equals or exceeds the total number of votes entitled to be cast by the Class B member of the Association. Provided however, the Class B membership shall be revived (and the Declarant shall again be entitled to five (5) votes for each Lot owned by the Declarant) during any periods of time occurring before the seventh (7th) anniversary of the date of the Declaration, when by reason of the annexation of additional land as a part of the Property additional Lots owned by the

Declarant (or a contract seller to the Declarant, or its affiliate) exist which, when added to the other Lots then owned by the Declaration, would result in the Declarant having more than 50% of the votes of the Association were the Declarant to have five (5) votes for each Lot owned by the Declarant instead of only a single vote for each Lot owned by the Declarant. The rights of the Declarant under this Declaration shall continue notwithstanding the conversion to Class A membership.

ARTICLE IV

Open Space Lots, Retaining Walls Easement and Sign Easement Area

SECTION 1

The Declarant hereby declares that the Open Space Lots are available for the common use of the Lot Owners for park and recreational purposes, as per Howard County Code 19.800. The Declarant intends to cause the conveyance to the Association and the latter shall take and accept such conveyance, of the Sign Easement Area, not later than the date on which the first Lot shown on the Plat is conveyed to an Owner. Subject to the remaining provisions of Article IV, the Association shall be authorized to convey legal title to the Open Space Lots and Sign Easement Area only to either (i) Howard County or another entity with authority to manage the Sign Easement Area and the Open Space Lots as open space or (ii) the Declarant.

The Open Space Lots, the Retaining Walls Easement and the Sign Easement Area shall be subject to the following:

(a) The reservation to the Declarant, its successors and assigns, of an easement over any road, street, avenue and public highway shown on the Plat, such easement to be for the purpose of ingress and egress and the installation and maintenance of any public or private utilities to serve the Property.

(b) The reservation to the Declarant, its successors and assigns, of the right to lay, install, construct and maintain, on, over, under or in those strips across land designated on the Plat, or other recorded documents as "Sign Easement" or "Open Space Lot", or otherwise designed as an easement area, or on, over, under, or

in any portion of any easement area, pipes, drains, mains, conduits, lines and other facilities for electric, telephone, gas, cable television and other public or private services or utilities deemed necessary or advisable by Declarant to provide adequate service to any Lot now or hereafter laid out or established on the Property, or the area in which the same is located, together with the right and privilege of entering upon the Open Space Lot or Sign Easement Area for such purposes and making openings and excavations therein which openings and excavations shall be restored in a reasonable period of time.

(c) The reservation to the Declarant, its successors and assigns of the right to enter upon the Retaining Walls Easement and or Sign Easement Area conveyed to the Association or any Open Space Lot conveyed to Howard County for the purpose of construction or completing the construction of improvements, maintenance and the landscaping of the Retaining Walls Easement, Sign Easement Area or Open Space Lot.

(d) The reservation to the Declarant, its successors and assigns, of easements for the purpose of proper surface water drainage, for the installation and maintenance of stormwater management areas, and for such alterations of the contour of the land as may be necessary or desirable to effect surface drainage and the right to continue to use and maintain any facilities located on any Sign Easement Area conveyed to the Association or Open Space Lot conveyed to Howard County.

(e) The reservation to the Declarant, its successors and assigns, of the right to use and connect with the utilities and other services, including the electric, telephone, gas or cable television, which may serve the Property.

(f) The obligation to reconvey any portion of the Open Space Lot back to Declarant to the extent of an amended Plat filed or to be filed with the Howard County Land Records.

SECTION 2

No noxious or offensive activity shall be carried on upon any Open Space Lot nor shall anything be done thereon which will become an annoyance or nuisance to the neighborhood.

SECTION 3

The Association shall improve, develop, supervise, manage, operate, examine, inspect, care for, repair, replace, restore and maintain the Retaining Walls Easement and the Sign Easement Area in good repair and safe condition as from time to time improved, together with any items of personal property placed or installed thereon, all at its own cost and expense.

SECTION 4

The stormwater management system for the Property shall be installed and maintained on the Open Space Lots as shown and located on the Plat (the "Stormwater Management Easement"). The aforementioned Stormwater Management Area shall be conveyed to Howard County, Maryland.

ARTICLE V

RESERVED

ARTICLE VI

COVENANT FOR ASSESSMENT AND OBLIGATION TO REPAIR

SECTION 1

Each owner, by acceptance of a deed hereafter conveying any such Lot to him, whether or not so expressed in the deed or other conveyance, shall be deemed to have covenanted and agreed to pay the Association (i) annual assessments or charges; and (ii) special assessments or charges for capital improvements, such annual and special assessments and charges to be established and collected as hereinafter provided. With respect to each Lot, such assessments shall be due and collectible upon conveyance of a Lot to an Owner from Declarant. Declarant shall not be obligated to pay either annual or special assessments as to Lots to which it holds record title. With respect to the annual assessments (exclusive of the

initial one-time assessment required by Section 4 of this Article), each Owner shall pay to Declarant at settlement a pro rated portion of the amount due, which shall be calculated upon the Association's use of a calendar year for accounting purposes. Provided that in the case of a homebuilder who will construct a residence for a homebuyer, "settlement" shall mean the earlier of (i) settlement with the homebuyer, or (ii) one year from the date of closing on the sale of the Lot to the homebuilder.

The annual and special assessments or charges, together with interest at the rate of eighteen percent (18%) per annum accruing from their due date until payment is made, and the costs of collection thereof and reasonable attorney's fees, shall be a charge on, and continuing lien upon each Lot against which an assessment is made. Each assessment or charge, together with interest at the rate of eighteen percent (18%) per annum accruing as aforesaid, and costs and reasonable attorney's fees incurred or expended by the Association in the collection thereof, shall also be the personal obligation of the Owner of the Lot at the time the assessment fell due or was payable. The personal obligation for any delinquent assessment or charge, together with interest, costs and reasonable attorney's fees, however, shall not pass to the Owner's successors in title, unless expressly assumed by them.

SECTION 2

The assessments and charges levied by the Association shall be used exclusively for promoting the health, safety, and welfare of the residents of the Property, and in particular for the improvement, operation and maintenance of the Sign Easement Area, including, but not limited to the following:

(a) the cost of all operating expenses of the Retaining Walls Easement, Sign Easement Area and Open Space Lots, and any services furnished to or in connection with the Retaining Walls Easement, Sign Easement Area and Open Space Lots; and

(b) the cost of necessary management and administration of the Retaining Walls Easement, Sign Easement Area and the Open Space Lots, including fees paid to any Management Agent; and

(c) the amount of all taxes and assessments levied against the Retaining Walls Easement, Sign Easement Area and Open Space Lots; and

(d) the cost of (i) comprehensive general liability insurance, and (ii) Officers' and Directors' liability insurance, and the cost of such other insurance as the Association deems appropriate; and

(e) the cost of maintaining and landscaping, and replacing and repairing improvements situate thereon, the Retaining Walls Easement, Sign Easement Area and Open Space Lots and such parts of the Retaining Walls Easement, Sign Easement Area and Open Space Lots as the Board of Directors and/or officers of the Association deem necessary; and

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

SECTION 3

The Board of Directors may fix the annual assessment or charges which shall be assessed against all Owners at a uniform rate for each Lot. The initial annual assessment for the first fiscal year of the Association shall be One Hundred Fifty Dollars (\$150.00) per Lot which shall be the maximum annual assessment for that year. Thereafter, the maximum permissible annual assessment may increase each year by ten percent (10%) of the maximum permissible annual assessment for the previous year without the necessity of a vote of the membership of the Association. The maximum permissible annual assessment may be increased above the ten percent (10%) limitation specified in the preceding sentence only by a vote of two-thirds (2/3rds) of each outstanding class of members of the Association, voting in person or by proxy, at a meeting called for such purpose.

The Board of Directors of the Association may fix the annual assessment against each Lot at any amount not in excess of the maximum permissible annual assessment applicable to that year

without the necessity of a vote of the membership of the Association.

SECTION 4

In addition to the annual assessments authorized above, the Board of Directors of the Association may levy in any year, a special assessment, applicable for that year only, for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of any capital improvement located on any Sign Easement Area and Open Space Lot, including fixtures and personal property related thereto, provided that such assessment shall first be approved by two-thirds (2/3rds) of the votes of each outstanding class of the members of the Association, voting in person or by proxy at a meeting called for such purpose. The Declarant may also establish a working capital fund for the initial operation of the Association, to be funded by a one-time assessment for each Lot of One Hundred Fifty Dollars (\$150.00); payable by each Owner at settlement for the purchase of each Lot, except in the case of a homebuilder as set forth in Section I hereof.

SECTION 5

Written notice of any meetings of members of the Association called for the purpose of taking any action authorized under Sections 3 or 4 of this Article 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 meeting, the presence of members, or of proxies, entitled to cast sixty percent (60%) of all of the votes of each class of members entitled to be cast at the meeting shall be necessary and sufficient to constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirements, and the required quorum at any subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting, provided that no subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

SECTION 6

The annual assessments shall commence on the first day of the month following the first conveyance of a Lot to an Owner, subject to the provisions of Section 1 above. The first annual assessment shall be made for the balance of the calendar year and shall become due and payable on the date fixed for the commencement. The amount of the assessment for the first year shall be an amount which bears the same relationship to the annual assessment provided for in the first paragraph of Section 3 of this Article as the remaining number of months in that year bear to twelve. The same reduction in the amount of the annual assessment shall apply to the first assessment levied against any property which is hereafter added to the Property at a time other than the beginning of any calendar year.

The annual assessments for any year after the first year shall be on a calendar year basis and become due as of January 30 of such year, payable by such method, i.e., monthly, quarterly, semiannually or annually as determined by the Board of Directors.

The due date under any special assessment under Section 4 shall be fixed in the resolution authorizing the special assessment, however, such due date shall be at least 30 days after the date of such resolution.

SECTION 7

The Board of Directors of the Association shall fix the date of commencement and the amount of the annual assessment against each Lot for each assessment period at least one month in advance of the due date for the payment thereof and shall, at that time, prepare a roster of the Lots and assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Owner.

If an annual or special assessment is not paid on the due date, the assessment shall be delinquent and shall bear interest for the date of delinquency at the rate of eighteen percent (18%) per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same, or may seek to

impose a lien against the Lot pursuant to the provisions of applicable law, and there shall be added to the amount of such assessment the reasonable costs of preparing and filing the action, and in the event that judgment is obtained, such judgment shall include interest on the assessment as above provided and reasonable attorneys' fees to be fixed by the Court together with the costs of the action.

Each Owner of a Lot shall be accepting title thereto be deemed to have assented to the passage of a decree for the foreclosure of any lien upon his Lot which results from his failure to pay an assessment on the due date thereof.

SECTION 8

The lien of the assessments provided for herein shall be subordinate to any mortgage or deed of trust hereafter placed upon the Lot subject to assessment; provided, however, that the sale or transfer of any Lot pursuant to mortgage or deed of trust foreclosure, or any proceedings in lieu thereof, shall only extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. Such sale or transfer shall not relieve the Lot from liability for any assessments becoming due after the date of recordation of the Deed transferring title to the Lot, nor from the lien of any such subsequent assessment.

No Owner may waive or otherwise escape liability for the assessments provided for herein by abandonment of his Lot.

ARTICLE VII

COVENANTS, CONDITIONS AND RESTRICTIONS

1. Purpose. The Lots and any building or structure now or hereafter erected on a Lot shall be used for private residential purposes only, except that real estate sales, management and construction offices may, with the prior written consent of the Declarant, be erected, maintained and operated on any Lot or in any building or structure now or hereafter erected on any Lot, provided such offices are used solely in connection with the development of the Property or the construction of improvements on the Property,

or the management, rental or sale of any part of the Property, or of improvements now or hereafter erected thereon.

2. Plans and Specifications. No Structure shall be commenced, erected or maintained on a Lot, nor shall any addition (including awnings) or change or alterations thereto (including alterations in exterior color or design) be made, until the plans and specifications, in duplicate, showing the nature, kind, shape, height, materials, color, locations and approximate cost of such Structure, addition or alteration shall have been submitted to and approved in writing by the Architectural Review Committee pursuant to the terms of Article IX hereof. The Architectural Review Committee shall consider applications for approval of plans, specifications, etc., upon the basis of conformity with this Declaration and shall be guided by the extent to which the proposed Structure, addition or alteration will insure conformity and harmony in exterior design and appearance, based upon, among other things, the following factors: the quality of workmanship; nature and durability of materials; harmony of exterior design with existing Structures; choice of colors; changes in topography, grade elevations and/or drainage; factors of public health and safety; the effect of the proposed Structure, addition or alteration on the use, enjoyment and value of other neighboring properties, and/or on the outlook or view from adjacent or neighboring properties; and the suitability of the proposed Structure, addition or alteration taking into account the general aesthetic values of the surrounding area.

3. Building Requirements. No Structure as defined in Article I shall be used for a residence or dwelling (hereinafter referred to as "Dwelling Unit") and no building shall be erected or maintained on any Lot unless it is an approved Dwelling Unit designed and equipped for occupancy as a private residence by a single Family. All Dwelling Units shall comply with the following standard requirements:

(i) all Dwelling Units in Sections 1 and 2 as shown on the Plat shall have a minimum of 2,800 square feet of usable floor

space and a two car garage. All Dwelling Units in Section 3, when and if such Section 3 is subjected to this Declaration in accordance with Article II, Section 2, shall have a minimum of 2,000 square feet of usable floor space and a two car garage. Finished basements, garages, attic spaces, porches, decks or lower levels do not count toward the square footage requirements.

(ii) no flat roofs (8.12 pitch minimum, may be waived in special cases, but waiver as to one Lot will not give other Lot Owners any right to a waiver);

(iii) no Dwelling Unit shall exceed three (3) stories or forty (40) feet in height, and no accessory structure shall exceed one (1) story or fifteen (15) feet in height, but in all events shall comply with Howard County Zoning regulations;

(iv) all outdoor swimming pools must be of a permanent type of construction and must be constructed substantially below ground so as to qualify as what is commonly referred to as an "in ground" or "below ground" type;

(v) no modular homes of any type shall be built on any Lot. All exterior walls of a Dwelling Unit shall be covered with either/or a combination of the following: brick, stone, dryvit, stucco, parging or wood, vinyl or aluminum siding, as approved. Notwithstanding the foregoing, the front elevation of the Dwelling Unit shall be comprised of a minimum of twenty-five percent (25%) brick, stone or stucco and/or with brick to grade on the front of a Dwelling Unit. However, in all events, Declarant hereby reserves unto itself the absolute right to modify the provisions of this subparagraph (v), in its sole discretion, for certain house styles;

(vi) no trees in the Conservation Easement Area are to be intentionally damaged, destroyed or removed, with the exception of dead, dying or diseased trees or those presenting a danger to life or property. Any tree removed from the Conservation Easement Area shall be promptly replaced. All Lots shall be required to have a minimum of thirty (30) shrubs planted at the foundation of the front and side facades of the Dwelling Unit and six (6) trees are required on each Lot to be chosen from the Architectural Review

Committee Guidelines. Street trees do not count toward this total. In addition, planting shall be in conformance with the guidelines of the Architectural Review Committee; and

(vii) no recreational facilities shall be allowed on the front of or to the sides of a Dwelling Unit. (For example, swing sets, basketball backboards, barbecue pits, patios, stone or brick walls, etc.).

4. Building Location; Setbacks; Fences. No Structure shall be erected, placed, altered or permitted to remain on any portion of the Property nearer to any street than the minimum building setback line established by applicable zoning regulation or ordinance or as noted on the Plat. No Structure shall be erected, placed or permitted in the Conservation Easement Area. No fence or driveway entrance marker shall be erected on any Lot except as approved by The Architectural Review Committee. All fences shall be erected in accordance with the following guidelines:

(a) the finished side of any fencing shall face the outside perimeter of the Lot;

(b) boundary or property line fences, where approved, shall not exceed forty-eight inches (48") in height in accordance with the Architectural Review Committee Guidelines;

(c) stockade or chain link fences shall not be erected, except where required by Howard County around stormwater management ponds;

(d) privacy fences surrounding patios, swimming pools, decorative ponds, decking or otherwise shall be approved by the Architectural Review Committee in accordance with its guidelines; and

(e) fencing on the Open Space Lots, if any, is subject to applicable Howard County statutes, ordinances, rules and regulations, and the fencing criteria herein set forth shall be in addition to, and not in lieu of, any Howard County fencing code and permit requirements or the guidelines established by the Architectural Review Committee.

5. Animals. No animals may be kept, maintained or bred on any Lot or in any Dwelling Unit or Structure erected thereon, except that up to two (2) dogs, cats or similar domestic household pets may be kept on a Lot provided that they are kept in such a manner as to avoid becoming a nuisance to neighbors or adjoining property owners. All pets are to be kept on a leash while outside, no outside structures for pets will be permitted. Owners will be responsible for cleaning up after their pets. Owners shall be assessed reasonable penalties for non-compliance.

6. Nuisance. No nuisance shall be maintained, allowed or permitted on any part of any Lot or Open Space Lot, and no use thereof shall be made or permitted which may be noxious or detrimental to health, nor shall anything be done thereon which may be or become an annoyance to the neighborhood or other Owners.

7. Vehicles. No Structure other than a Dwelling Unit, and no trailer, tent, shack, garage, or other outbuilding on any Lot shall be used at any time as a residence, either temporarily or permanently. No boats, trailers, recreational vehicles, commercial trucks or inoperative vehicle of any kind shall be regularly parked or stored on any street, or on any Lot, nor shall the repair or extraordinary maintenance of automobiles or other vehicles, be carried out thereon. No commercial vehicles shall be parked on any street or Lot longer than is reasonably necessary for the driver thereof to perform the business functions to which the commercial vehicle relates. For the purposes hereof, an automobile shall be deemed inoperable unless it contains all parts and equipment, tags, including properly inflated tires, in such good condition and repair as may be necessary for any person to drive the same on a public highway.

8. Signs. Except for such signs as may be posted by the Declarant, its successors and assigns, for promotional purposes; builders signs approved by Declarant; standard realty for sale/rent signs; and signs of a directional nature, no advertising or display signs of any character shall be placed or maintained on any part of

any Lot, Dwelling Unit, or Structure except with the written consent of the Board of Directors.

9. Antennae; Satellite Dishes. No outside television or radio aerial antenna, or any satellite receiving dish or other outside receiving dish for reception or transmission, or exterior alarm or bell or other signaling devices shall be erected, installed or maintained on any Lot, or on any Dwelling Unit or Structure.

10. Lease of Dwelling. An Owner shall be entitled to rent his Dwelling Unit to a single family, provided that the term of any such lease shall be not less than one (1) year in duration. If an Owner shall lease his Dwelling Unit, such lease shall first be submitted to the Board of Directors for its approval, except for model houses being sold and leased back by builders for marketing purposes. The Board of Directors shall approve or disapprove of any lease solely on the basis of whether such lease contains covenants obligating the Owner's tenant to observe all rules and regulations of the Board of Directors and all restrictions and conditions imposed by this Declaration and the Bylaws of the Association. If the Owner fails to provide these documents to Owner's tenant, the Board of Directors may do so, billing the reasonable cost of same to the Owner. The Board of Directors shall have no right to disapprove a lease except as above provided. If the Owner fails to comply with this Section, such failure to comply shall be a violation hereof and enforceable at law or equity by the Board of Directors. The Board of Directors may adopt a "form" lease for the use of the Owners.

11. Infectious Plants; Noxious Insects. No Owner shall permit any thing or condition to exist upon his Lot which shall induce, breed, or harbor infectious plant diseases or noxious insects, including, without limiting the generality of the foregoing, any standing water, puddles or containers of water which may harbor mosquito larva.

12. Subdivision. No Lot shall be further subdivided. In the event two or more Lots acquired directly from the Declarant by the

same person are improved by a single Dwelling Unit, the Owner shall not have the right to construct another Dwelling Unit thereon and shall not convey less than all of such combined Lot to any purchaser, unless the right to dispose of said Lots individually is expressly reserved in the original deed of said Lots by the Declarant, its successors and assigns, to an Owner. No easement or other interest in a Lot shall be granted by an Owner without the prior written approval of the Board of Directors. Any grant prohibited by this Paragraph 12 is void. Nothing herein shall restrict the right of the Declarant to file an amended Plat at any time with respect to Lots owned by it (or subject to a contract of sale to Declarant) or with respect to Open Space Lots.

13. Section 1, Lot 36. The Structures presently existing on Lot 36 as shown on the Plat are hereby authorized in their present condition. Any future changes or alterations to any Structure on Lot 36 shall be subject to review by the Architectural Review Committee. Subject to the foregoing, Lot 36 may be used for residential or community purposes or for any use permitted by the Zoning Regulations of Howard County.

14. Disrepair. No Dwelling Unit or Structure on any Lot shall be permitted to fall into disrepair. Each such Dwelling Unit and/or Structure shall at all times be kept in good condition and repair. No Owner shall do any work that will impair the structural soundness of any Dwelling Unit or Structure or the safety of the Property. If any Dwelling Unit or Structure on a Lot is damaged or destroyed by fire or any other calamity, such Owner shall promptly rebuild or repair the damage.

15. Utilities. No facilities, including poles and wires, for the transmission of electricity, telephone messages, cable television, and the like shall be placed or maintained above the surface of the ground on any Lot, except as existing as of this date, and specifically excluding temporary construction poles.

16. Clothes Drying. No drying or airing of any clothing or bedding shall be permitted outdoors. Clothes hanging devices such as lines, reels, poles, frames, etc. are prohibited.

17. Covenants, Conditions and Restrictions numbered 1 through 16 above (the "Covenants") shall be enforceable by the Association, by the Declarant and by the Owners until the fortieth anniversary of the date of this Declaration and thereafter for successive ten year periods unless, prior to the expiration of the then current term, a written instrument shall be executed by the then owners of seventy-five percent (75%) of the Lots which are then subject to the Declaration, and be recorded among the Land Records of Howard County, stating that the Covenants shall expire at the end of the then current term. All or any part of the rights and powers (including discretionary powers and rights) reserved by or conferred upon the Declarant by this Declaration may be assigned or transferred by the Declarant to any successor developer of all or any part of the Property, or to any community, association or architectural committee composed of residents of the Property which agrees to accept them. Any such assignment or transfer shall be evidenced by an appropriate instrument recorded among the Land Records of Howard County, and upon recordation thereof, the grantee or grantees of such rights and powers shall thereafter have the right to exercise and perform all of the rights and powers reserved by or conferred upon the Declarant by this Declaration.

18. Enforcement of the Covenants shall be by proceedings at law or in equity against any person or persons violating or attempting to violate any covenant, either to restrain the violation or to recover damages.

ARTICLE VIII

RESERVED EASEMENTS

1. Easements varying in width and length for the installation and maintenance of utilities, stormwater management devices, drainage swales and all other services deemed necessary or advisable by Declarant are hereby reserved by Declarant (the "Drainage and Utility Easements"). No Structure, planting or other material shall be placed or permitted to remain within the Drainage and Utility Easements or within any utility or similar easements shown on the Plat, which may damage or interfere with the

installation and maintenance of utilities, or which may change the direction of flow of drainage channels in the Drainage and Utility Easements, or which may obstruct or retard the flow of water through drainage channels in the Drainage and Utility Easements. The Drainage and Utility Easement area in a Lot, to the extent of any actual surface improvements made thereon, shall be maintained continuously by the Owner of the Lot, except for those improvements whose maintenance is the responsibility of a governmental body or agency or a public authority or utility company. No conveyance by the Declarant of any Lot, or of any interest therein, shall be deemed to be, or construed as, a conveyance or release of the aforesaid Drainage and Utility Easements, or any of them, even though the conveyance purports to convey the Lot in fee simple, or by other language purports to convey the Declarant's entire interest therein, but such effect shall only arise if the conveyance specifically recites it to be the intention of the Declarant to thereby convey or release the Drainage and Utility Easements.

2. The Declarant further reserves to itself, its successors and assigns, the right to grant easements, rights-of-way and licenses to any person, individual, corporate body or municipalities to install and maintain pipeline, underground or above ground lines, with the appurtenances necessary thereto for public utilities, or quasi-public utilities or to grant such other licenses or permits as the Declarant may deem necessary for the improvement of the Property or other nearby real property in, over, through, upon or across any and all of the streets, avenues, roads, courts and open spaces, and in, over, through, upon and across each and every Lot in the easement area reserved in this Article or as shown on the Plat. The Declarant further reserves to itself, its predecessors, its successors and assigns, the right to dedicate some or all of the streets, avenues, roads, courts, open spaces and easements to public use. No street, avenue, road, court, open space or easement shall be laid out or constructed through or

across any Lot, except as set forth in this Declaration or as shown on the Plat without the prior written approval of the Declarant.

3. For a period of ten (10) years from the date of conveyance of the first Lot, Declarant reserves a blanket easement and right on, over and under the Property to maintain and to correct drainage of surface water in order to maintain reasonable standards of health, safety and appearance. Such right expressly includes the right to cut any trees, bushes or shrubbery, make any gradings of the soil, or to take any other similar actions reasonably necessary, following which Declarant shall restore the affected part of the Property to its original condition as nearly as practicable. Declarant shall give reasonable notice of intent to take such action to all affected Owners, unless in the opinion of Declarant an emergency exists which precludes such notice. Declarant further reserves the right to grant specific easements, both temporary and permanent, to any person or entity, including all public authorities and utility companies, over any part of the Property in furtherance of the blanket easement created by this paragraph 3.

ARTICLE IX

ARCHITECTURAL REVIEW

SECTION 1

No Dwelling Unit, Structure, fence, wall or sign of any kind (hereafter "Improvement"), shall be commenced, erected or maintained on any Lot nor shall the exterior appearance of any Improvement be changed or altered nor shall any work be commenced or performed which may result in a change of the exterior appearance of an Improvement, until the plans and specifications, in duplicate, showing the nature, kind, shape dimensions, material, floor plans, color scheme, location, landscaping details showing locations of any area to be cultivated into gardens or lawns, proposed topographical changes, together with the estimated costs of said Improvement and the Owner's proposed construction schedule, and together with a designation of the party or parties to perform the work in said Improvement, have been submitted to and approved

in writing by the Architectural Review Committee, its successors and assigns, at the following address, or such other address as the Architectural Review Committee may from time to time designate:

Governors Run Architectural Review Committee
c/o Mr. Mark A. Bennett
1829 Reisterstown Road, Suite 410
Baltimore, Maryland 21208

All documentation required by the guidelines of the Architectural Review Committee for consideration of an Improvement shall be submitted to the Architectural Review Committee. The Architectural Review Committee shall have the right to charge a reasonable processing and review fee, for primary residences or major additions only, not in excess of \$200.00 per submission, for approval of Improvements. The Architectural Review Committee may promulgate, adopt, modify, waive and/or repeal, at any time or from time to time, guidelines, policies, standards, requirements and/or procedures with respect to its duties and powers hereunder as it, in its sole discretion, may deem advisable. The Declarant hereby grants to the Architectural Review Committee, its successors and assigns, the right to waive such portion or portions of the restrictions set forth in Article VII hereof.

SECTION 2

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

Improvements with the general aesthetic values of the surrounding area.

SECTION 3

The Architectural Review Committee shall initially be composed of Stewart J. Greenebaum, Mark A. Bennett and John B. Handscomb (or his successor as President of The Oaks Committee, an adjacent homeowners association). At any time after the expiration of the earlier of (a) December 31, 2009, or (b) the date on which the owners of at least ninety-five percent (95%) of the Lots then subject to the terms and conditions of this Declaration have been issued certificates of occupancy from Howard County for the improvements constructed on the Lots, the Board of Directors of the Association shall have the power, by a duly executed and recorded instrument, to appoint new members to, or otherwise change the membership of the Architectural Review Committee, so long as the Architectural Review Committee shall be at all times composed of three members. Notwithstanding the foregoing, the Board of Directors may not change the membership of the Architectural Review Committee if it has been notified in writing by the Declarant that additional lands will be made subject to this Declaration, as provided in Article II above, and additional Lots are in fact made subject to this Declaration within six (6) months of the date of such notification. In the event of the death or resignation or removal by Declarant during said period of any of such persons, the Declarant shall have the sole right and authority to appoint a successor by a duly executed and recorded instrument, designating the name and address of such successor. All questions shall be decided by a majority of the members of the Architectural Review Committee, and such majority shall be necessary and sufficient to act in each instance on all matters. Each member of the Architectural Review Committee, now or hereafter appointed, shall act without compensation for services performed pursuant to this Article.

SECTION 4

The provisions of this Article IX shall not apply to any Improvements in the Property made by the Declarant.

ARTICLE X

GENERAL PROVISIONS

SECTION 1

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

SECTION 2

Subject to the terms of Paragraph 18 of Article VII hereof and except where permanent easements or other permanent rights or interest are herein created, the Covenants, Conditions and Restrictions of this Declaration shall run with and bind the Property, for a term of forty (40) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first forty (40) year period by an instrument signed just by the Declarant at such time or times as the Declarant is the Class B member, and otherwise with the approval of the Owners of not less than ninety percent (90%) of the Lots. After the first forty years, this Declaration may be amended by an instrument signed by the Owners of not less than seventy-five percent (75%) of the Lots. Subject to the foregoing, this Declaration may be amended by an instrument signed by the then President of the Board of Directors which contains the certification of the President that the above-referenced percentage of Owners have approved such amendment. Any amendment must be recorded among the Land Records of Howard County. No such agreement to change the Covenants, Conditions, and Restrictions shall be effective with respect to any permanent easements or other permanent easements or other permanent rights or interest relating to the Open Space Lot unless approved by the Declarant, its successors and assigns. Notwithstanding anything in this Declaration to the contrary, the Declarant, its successors and

assigns, shall have the absolute right to amend, modify, or revoke in whole or in part, this Declaration without approval of any other person, firm, corporation or governmental entity except for County requirements of Howard County, Maryland, from the date of recordation of this Declaration until the date of transfer of the first Lot with a completed Dwelling Unit to a purchaser for value (or otherwise as may be required by Howard County or the State of Maryland).

SECTION 3

Anything set forth in Section 3 of this Article X to the contrary notwithstanding, the Declarant shall have the absolute unilateral right, power and authority to modify, revise, amend or change any of the terms or provisions of this Declaration, the Articles of Incorporation and the Bylaws of the Association, all as from time to time amended or supplemented. This unilateral right, power and authority of the Declarant may be exercised only if FNMA, FHLMC, the Veterans Administration, the Federal Housing Administration, Howard County or any successors thereto shall require such action as a condition precedent to the approval by such governmental entity of the Property or any part thereof or any Lots thereon, for mortgage financing purposes under applicable Veterans Administration, Federal Housing Administration or similar government programs. If any such governmental agency approves the Property or any parts thereof or any Lots thereon for mortgage financing purposes, thereafter any amendments to the Declaration made during any period of time when there are Class B members shall also require the prior consent of the agency giving such approval.

SECTION 4

The Association shall maintain (i) Officers' and Directors' liability insurance, if available at reasonable cost and (ii) comprehensive general liability insurance covering the Sign Easement Area (including the Open Space Lots which include the Stormwater Management Area, until conveyed to Howard County, Maryland) and any other property which may be owned by the Association. Coverage limits for the comprehensive general

liability insurance shall initially be at least One Million Dollars (\$1,000,000) for bodily injury and property damage arising out of a single occurrence. Coverage under this policy shall include, without limitation, legal liability of the Association for property damage, bodily injuries and deaths of persons in connection with the operation and maintenance of use of the Sign Easement Area and Open Space Lots (including the Stormwater Management Easement and Drainage and Utility Easement), and legal liability arising out of lawsuits related to employment contracts in connection with the maintenance and repair of such areas. Such insurance policy shall contain a "severability of interest" clause or endorsement which shall preclude the insurer from denying the claim of an Owner because of negligent acts of the Association or other Owners. Such policy must provide that it may not be canceled or substantially modified, by any part, without at least ten (10) days' prior written notice to the Association. The Officers' and Directors' liability insurance shall be in such amounts as determined by the Board of Directors from time to time, in the exercise of their reasonable discretion.

Blanket fidelity bonds may be required to be maintained by the Association for all officers, directors, managers, trustees, employees and volunteers of the Association and all other persons handling or responsible for funds held or administered by the Association, whether or not they receive compensation for their services. Where the Association has delegated some or all of the responsibility for the handling of funds to a management agent, such management agent shall be covered by its own fidelity bond. All fidelity bonds, including those entered into by, and/or on behalf of or for the benefit of a management agent and its personnel, should name the Association as an obligee (for bonds entered into by or on behalf of, or for the benefit of a management agent and its personnel, the Association should be named as an additional obligee). Fidelity bonds entered into by the Association shall have their premiums paid as a common expense of the Association. The total amount of fidelity coverage required

shall be the greater of the maximum amount of funds that will be in the custody of the Association or management agent at any time, or the sum of three (3) months' assessments on all Lots within the Property. The bonds shall provide that they cannot be canceled or substantially modified (including cancellation for non-payment of premium) without at least ten (10) days' prior written notice to the Association and to all eligible mortgage holders.

SECTION 5

No violation of any of the covenants, conditions and restrictions contained in this Declaration shall defeat or render invalid the lien of any Mortgage or Deed of Trust made in good faith and for value upon all or any portion of any Lot or upon the Property.

SECTION 6

FHA-VA-FNMA Approvals. Notwithstanding anything in this Declaration to the contrary, provided that any Lot is then encumbered by a mortgage which is given by FNMA, insured by FHA, or guaranteed by VA, and further provided that there are then Class B memberships of the Association outstanding, neither the Members, the Board of Directors, nor the Association shall by act or omission, take any of the following actions without the prior written consent or approval, where such consent or approval is legally required, of the FHA, FNMA, and the VA, as circumstances may require:

(a) change the basic organization of the Association including the merger, consolidation, or dissolution of the Association; or

(b) otherwise materially modify or amend any provision of this Declaration, the Bylaws or the Articles of Incorporation of the Association; or


(c) dedicate, convey or mortgage the Sign Easement Area or Open Space Lots; or

(d) subject any additional lands to this Declaration as set forth in ARTICLE II, Section 2 hereof.

acknowledged himself to be the Vice President of Mercantile-Safe Deposit & Trust Company, and that he, as such officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of such corporation by himself as such officer.

IN WITNESS WHEREOF I hereunto set my hand and official seal.

Kenneth H. Maffitt
Notary Public
My Commission Expires: 10/1/99

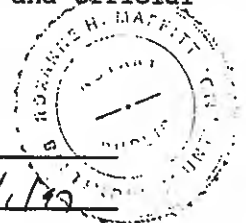


STATE OF MARYLAND)
City) to wit:
COUNTY OF BALTIMORE)

On this the 30th day of December, 1994, before me, the undersigned officer, personally appeared Stephen A. Hall, Trustee, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same for the purposes therein contained.

IN WITNESS WHEREOF I hereunto set my hand and official seal.

Kenneth H. Maffitt
Notary Public
My Commission Expires: 10/1/99



STATE OF MARYLAND)
City) to wit:
COUNTY OF BALTIMORE)

On this the 28th day of December, 1994, before me, the undersigned officer, personally appeared Barry C. Greenberg, Trustee, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same for the purposes therein contained.

IN WITNESS WHEREOF I hereunto set my hand and official seal.

[Faint, illegible handwritten notes or scribbles]

Sandra Conna
Notary Public
My Commission Expires: 2-10-98

EXHIBIT A

All property as shown on the plats entitled Governors Run,
Section 1, Lots 1 thru 73, as recorded among the
Land Records of Howard County, Maryland as Plat
Nos. 11291 thru 11295, and Section 2, Lots 74 thru 130
as recorded aforesaid as Plat Nos. 11477, 11478 and 11479

EXHIBIT B
SIGN EASEMENT AREA

The sign . easement area as shown on Plat #11292 recorded among the Land Records of Howard County on July 25, 1994 entitled "Governors Run Section I Lots 1-73 and Parcel A."

3416 - 512

EXHIBIT C - CONTINUED

Governors Run Lots Impacted by Retaining Walls

- 135
- 136
- 137
- 138
- 140
- 143
- 144
- 145
- 151
- 152
- 154
- 155
- 156
- 157
- 159
- 160
- 161
- 162
- 163
- 165
- Open Sapce 193
- Open Space 72
- 54
- 55
- 56
- 57
- 74
- 75
- 76
- 77
- 78
- 79
- 68
- 69
- 122
- 102
- 112
- 113
- 89
- 100

