CHESTNUT RIDGE-SECTION 1 HOMEOWNERS' ASSOCIATION, INC.
DISCLOSURES PURSUANT TO THE MARYLAND HOMEOWNERS ASSOCIATION ACT

(1) The name and principal address of the vendor/declarant and the names and addresses of the principal officers of the corporation are:

Delmarva Properties, Inc.
Box 1700
West Point, Virginia 23181
(804) 843-5300

2:28PM06/01/90A MDMASC $50.00

President: Robert F. Brake
P.O. Box 1700
14th and Lee St.
West Point, Virginia 23181

Vice-Pres. Thomas J. Contrucci
P.O. Box 1700
14th and Lee St.
West Point, Virginia 23181

Secretary: John Paul Causey
P.O. Box 1700
14th and Lee St.
West Point, Virginia 23181

Treasurer: Paul A. Dresser
P.O. Box 1700
14th and Lee St.
West Point, Virginia 23181

(2) The name of the Homeowners Association is: Chestnut Ridge-Section 1 Homeowners Association, Inc. (a Maryland Corporation). The resident agent of the Homeowners Association is James A. Kenney, III.

(3) The development is located in the Second and Third Election district of St. Mary's County, containing approximately 91.312 acres more or less, and is more specifically described in the Declaration, a copy of which is attached. There are currently 28 lots in the subdivision. The minimum number of lots currently planned which may be contained in the subdivision after annexation is 125. The maximum number of lots currently planned which may be contained in the subdivision after annexation is 150.

(4) The only property to be dedicated to public use consists of that property upon which the roads of the subdivision will be located, said roads to be dedicated to St. Mary's County.

(5) It is currently not anticipated that Chestnut Ridge-Section 1 will become part of another subdivision.

(6) The declarant has reserved the right to annex additional property to the development. It is anticipated that approximately 97 to 122 additional lots will be annexed. The location from which the additional property will be annexed is outlined on the location map which is part of the plat of Chestnut Ridge, Section 1, which is recorded among the Plat Records of St. Mary's County, Maryland at Liber 32, Folio 116, and consists of roughly five hundred (500) acres. Note that the declarant may not annex all of said additional property but rather that any property annexed will be contained within the boundaries shown on the location map. There is no set date by which the declarant must exercise its right to annex any such property.

(7) After annexation, it is currently anticipated that the homeowners association will own a wooded strip of land approximately two hundred (200) feet wide and five thousand eight hundred (5800) feet in length. Said wooded strip of land has not been formally platted. After annexation, the homeowners association will also own approximately twenty-five (25) acres of green-space, which also has not been formally platted.

(8) Attached is a copy of the:

(i) The articles of incorporation, the declaration, and all recorded covenants and restrictions of the primary development and of other related developments to the extent reasonably available, to which the purchaser shall become obligated on becoming an owner of the lot.

(ii) The bylaws and rules of the primary development and of other related developments to the extent reasonably available, to which the purchaser shall become obligated on becoming an owner of the lot.

NOTE THAT THESE DOCUMENTS IMPOSE OBLIGATIONS WHICH ARE ENFORCEABLE AGAINST THE OWNER AND TENANT.

(9) There is no estimated proposed annual budget for the homeowners association for the current fiscal year due to the fact that it is anticipated that the homeowners' association will not incur any expenses, other than administrative expenses, (which will be paid by the Declarant) until the Class B membership ceases as set forth in the Declaration. Due to the fact that there are no common area improvements, no reserves have been set aside for their replacement. The budget for the homeowners association based upon the development fully expended in accordance with expansion rights contained in the declaration is not anticipated to exceed $3,000.00 per year, said sum to pay for the maintenance of the common areas and administrative expenses of the homeowners association.

(10) The anticipated mandatory fee for assessments to be paid

by owners of lots within the development for the use, maintenance, and operation of common areas and other purposes related to the homeowners association will be $50.00 per lot, per year, unless otherwise determined pursuant to the terms of the attached Bylaws, Articles, and/or Declaration. The declarant/vendor will not be obligated to pay said fees in whole or in part.

(11) Information concerning zoning and other land use requirements affecting the development can be found at the St. Mary's County Office of Planning and Zoning, located in Leonardtown, and various affiliated county and state agencies, including: the Department of Public Works; the Health Department; the State Highway Administration, etc.

(12) Pro-rated assessments for the current year will be required at the time of closing. The mechanism for the determination, assessment, collection, and consequences of nonpayment of assessments or fees is set forth in the Articles, Declaration and Bylaws of the homeowners association.

(13) No funds are to be collected at settlement for contribution to the homeowners association other than prorated fees or assessments.

(14) Any special rights or exemptions reserved by or for the benefit of the declarant or the vendor are contained in Articles, Declaration and Bylaws of the Association.

STATE DEPARTMENT OF ASSESSMENTS AND TAXATION

LIBER 002 PAGE 04

APPROVED FOR RECORD

5-21-90 at 8:21 a.m.

ARTICLES OF INCORPORATION
FOR
CHESTNUT RIDGE-SECTION 1 HOMEOWNERS' ASSOCIATION, INC.

THIS IS TO CERTIFY:

That the undersigned subscriber, Bill D. McKissick, Jr., whose address is One Hundred Exploration, Suite 2030, Lexington Park, Maryland 20653 being of full legal age and a resident of Maryland, in compliance with the requirements of Title 5, Subtitle 2 of the Corporations and Associations Article of the Annotated Code of Maryland, does hereby designate himself as incorporator with the intention of forming a non-stock corporation which is not for profit, and for such purposes does hereby make, execute, and adopt:

FIRST: Name. The name of the corporation is "CHESTNUT RIDGE-SECTION 1 HOMEOWNERS' ASSOCIATION, INC.", hereinafter called "the Association".

SECOND: Principal Office: The address of the principal office of the Association is 100 Exploration, Suite 2030, Lexington Park, Maryland 20653.

THIRD: Resident Agent. James A. Kenney, III, a citizen and resident of Maryland, whose address is 100 Exploration, Suite 2030, Lexington Park, Maryland 20653, is hereby appointed to be the resident agent of the Association.

FOURTH: Purposes and Powers. The Association is organized to act exclusively as a "residential real estate management association" as such term is defined in Section 528 of the Internal Revenue Code of 1986, as amended (the "Code"). As such, the Association shall not operate for pecuniary gain or profit, shall not issue gain or profit, shall not issue capital stock, and no part of the net earnings of the Association shall inure (other than by acquiring, constructing, or providing management, maintenance, and care of Association property and other than by a rebate of excess membership dues, fees, or assessments) to the benefit of any Member or individual; provided, however, that reasonable compensation may be paid for services rendered; and provided, further, that nothing herein contained shall be deemed at any time to require the Association to elect, for income taxation purposes, to be taxed as a "homeowners association" pursuant to Section 528 of the Code. Specifically, and subject at all times to the limitations imposed with respect to qualifying as a "residential real estate management association" under Section 528 of the Code, the Association shall provide for: (i) the use, improvement, maintenance, operation and repair of the Common Areas which are

01418073

STATE OF MARYLAND

I hereby certify that this is a true and complete copy of the 9 page document on file in this office. DATED: May 21, 1997

STATE DEPARTMENT OF ASSESSMENTS AND TAXATION

BY: [signature]

This stamp replaces our previous certification system. Effective: 10/84

part of that property to be managed by the Association ("Property"), the boundaries of said Property to be set forth in the Declaration of Covenants, Conditions and Restrictions, to be recorded in the Land Records of St. Mary's County, Maryland as the same may be amended from time to time (the "Declaration") said Declaration being incorporated herein as if set forth at length, including any improvements and amenities located ton said Property; (ii) the establishment of Rules and Regulations for the use of the Property including any improvements and amenities located thereon; (iii) the distribution among the Owners of the Property of the common expenses, including, without limitation, the costs of the use, improvement, maintenance and repair of the Common Areas and any improvements and amenities located thereon; (iv) architectural control of the Lots and the Common Areas of the Property; and (v) the promotion of the health, safety, pleasure, recreation and welfare of the residents of the Lots within the Property; and (vi) such other obligations, responsibilities, powers, and rights to be set forth in the Declaration. In furtherance of these purposes and subject at all times to the terms and provisions of the Declaration, the Association (by action of its directors ("the Board") unless otherwise noted in these Articles of Incorporation) shall have full power 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 the Declaration as the same may be amended from time to time as therein provided, the Declaration being herein incorporated by reference as if hereinbelow fully set forth;

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

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

(d) borrow money and, with the assent of two-thirds (2/3rds) of the votes of each class of the Members of the Association, mortgage, pledge, convey by deed of trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

(e) Subject to Section Seventeenth below, dedicate, sell or transfer all or any part of the Common Areas to any public agency,

authority, or utility subject to such conditions as may be agreed by the members;

(f) Subject to Section Seventeenth below, participate in mergers and consolidations with other non-profit corporations organized for the same purpose or annex additional property and open space, provided that, except as otherwise provided in the Declaration, any such merger, consolidation or annexation shall have the assent of two-thirds (2/3rds) of the votes of each class of the Members;

(g) Subject to Section Seventeenth below, permit the use of the common areas by members of Chestnut Ridge Subdivision Association, Inc.;

(h) take action upon a stated proposal or for the election of directors without a meeting of the Members of the Association upon a vote of the Members by mail, in accordance with such reasonable procedures therefor as the Board of Directors of the Association shall prescribe and under its supervision; and

(i) have and to exercise any and all powers, rights and privileges which a non-stock corporation organized under the laws of the State of Maryland by law may now or hereafter have or exercise.

(j) In the event an owner of any property shall fail to maintain the premises and improvements situated thereon in a manner satisfactory to the Board of Directors of the Association or the Architectural Review Committee, if created, then after two-thirds (2/3) vote of the Board of Directors, the Board shall have the right , through its agents or employees, to enter upon said parcel and repair, maintain, and restore the property and the exterior of the buildings and any other improvements erected thereon. The cost of such exterior maintenance shall be added to and shall become part of the assessment to which such property is subject.

SIXTH: Members: Every owner who is a record owner of a fee or undivided fee interest in any lot which is subject by covenants of record to assessment by the Association, shall be a Member of the Association ("Owner"). The foregoing is not intended to include persons or entities who hold an interest merely as security for an obligation or contract purchasers. Membership shall be appurtenant to and may not be separated from ownership of any Lot.

The Association shall not be authorized to issue capital stock.

SEVENTH: Voting: The Association shall have two classes of voting membership:

Class A: Class A Members shall be all Owners with the exception (initially) of the Declarant and any other Class B

Members, such Owners being individually entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be entitled to participate in the Association as Members; provided, however, that contract purchasers and persons holding any interest solely as security for the performance of an obligation shall not be Members solely on account of such interests; and provided, further, that, for purposes of voting and determining the existence of a quorum, all such persons so holding an interest in any one Lot shall be treated as a single Member. The vote for any such Lot in which more than one person holds an interest shall be exercised as determined by the Members holding interests therein, but in no event shall more than one vote be cast with respect to any Lot.

Class B: The Class B Members shall be: (a) the Declarant as defined in the Declaration; and (b) any successor assignee of the Declarant who takes title to Lots of the Declarant for the purposes of construction of houses or other development or the sale or lease of the improvements so constructed and who is designated as such in a recorded instrument. The Class B Members shall be entitled to three votes for each lot owned. The Class B membership shall cease and become converted to Class A membership upon the happening of any of the following events, whichever occurs first:

(i) when ninety five percent (95%) or more of the Lots are sold to Class A members; or

(ii) December 31, 2001; or

(iii) when, at such time as may be before the events specified in (i) and (ii) above, the Declarant, in its sole discretion so determines.

From and after the happening of these events, whichever occurs first, the Class B Members shall become Class A Members entitled to cast one (1) vote for each Lot in which such Members hold an interest. At such time, the Declarant shall notify the membership, by mail, of the termination of the Class B membership.

EIGHTH: Preemptive Rights. The Members of the Association shall have no preemptive rights, as such Members, to acquire any memberships of the Association that may at any time be issued by the Association except as may be specifically provided in Article SIXTH above.

NINTH: Lien on Class A Memberships for Monies Due. The Association shall have a lien on the outstanding Class A memberships in order to secure payment of any sums which shall be due or become due to the Association from the holders thereof for any reason whatsoever.

TENTH: Membership Transfers. In the event that any Class A Member sells, assigns or otherwise transfers of record the fee simple interest in any Lot in which he holds the interest required for Class A membership (whether voluntarily or by operation of law), such Member shall, at the same time, assign the Class A membership appurtenant to said Lot to the transferee of the Lot and deliver it to him for transfer on the books of the Association. The foregoing requirement shall not apply in the event a Lot is transferred as aforesaid merely as security for the performance of an obligation or in the event a Member merely contracts to transfer his Lot without conveying legal title to the same. Except as provided in this article, Class A membership shall not be transferable.

ELEVENTH: Board of Directors. The affairs and business of the Association shall be managed by a Board of Directors which shall have all powers and duties necessary for the administration of the affairs of the Association and which may do all such acts and things as are not by the Declaration, these Articles, the Bylaws, or applicable law directed to be exercised and done by the Members. The number of directors which shall constitute the whole Board shall be an uneven number of not less than three (3) nor more than seven (7) natural persons, who need not be members of the Association. Until the first annual meeting of the Association which occurs after such time as the Class B membership shall cease and become converted to Class A membership, the initial Board shall be comprised of three (3) persons designated by the Declarant. The Declarant's designees need not be residents of the Property or Members of the Association, and the Declarant shall have the right, in its sole discretion, to replace such designees as may be so selected and designated by it, with or without cause, and to select and designate their successors if vacancies occur for any reason during this period. The names and addresses of the persons who are to initially act in the capacity of Directors until the selection of their successors are:

Name	Address
Robert F. Brake	P.O. Box 1700 14th and Lee Streets West Point, Virginia 23181
W. Aubrey Hall	P.O. Box 1700 14th and Lee Streets West Point, Virginia 23181
James H. Hudson, III	826 Main Street West Point, Virginia

From and after the time of the first annual meeting of the Association which occurs after such time as the Class B membership shall cease and become converted to Class A membership, the Board

shall be comprised of five (5) Members, all of whom shall be elected by the Members at that meeting. The term of office and manner of election of the Directors shall be as specified in the Bylaws, and the number of Directors may be changed by amendment of such Bylaws.

TWELFTH: Indemnification of Corporate Representatives. The Association shall indemnify a corporate representative of the Association in connection with any proceeding to the fullest extent permitted by, and in accordance with, Section 2-418 of the Corporations and Associations Article of the Annotated Code of Maryland (said Section 2-418 being hereinafter referred to as "the Indemnification Section"). With respect to an employee or agent (other than a corporate representative) of the Association, the Association may, as determined by the Board, indemnify and advance expenses to such employee or agent in connection with a proceeding to the extent permitted by and in accordance with the Indemnification Section. As used in this Article TWELFTH, any word or words that are defined in the Indemnification Section, as amended from time to time, shall have the same meaning herein as provided in the Indemnification Section. As used in this Article TWELFTH, the term "corporate representative" means an individual who is a present or former director or officer of the Association or who serves or served another corporation, association, trust or other enterprise as a director, officer, trustee, or management principal at the request or direction of the Association or for the Association's benefit and who, by reason of his holding such position, was, is, or is threatened to be made, a party to a proceeding.

THIRTEENTH: Conflicts of Interest. Any Member, officer, or director, individually, or any firm of which any Member, director or officer may be a member, or any corporation or association of which any Member, director or officer may be an officer or director or in which any Member, director or officer may be interested as the holder of any amount of its capital stock or otherwise, may be a part to, or be pecuniarily or otherwise interested in, any contract or transaction of the Board of the Association, and, in the absence of fraud, no contract or other transaction shall be thereby affected or invalidated; provided, however, that in the event that a Member director, or officer of any firm of which a Member, director or officer is a member, or any corporation or association of which a Member, director or officer may be an officer or director is so interested, such fact shall be disclosed or shall have been made known to the Board; and provided, further, that such a contract or transaction shall be valid and enforceable only if (a) it is approved or ratified by the affirmative vote of either (i) a majority of the disinterested directors of the Board (even if the disinterested directors constitute less than a quorum) or (ii) a majority of the votes cast by the Members entitled to vote other than the votes of the interested Member, director, corporation, or association (even if the holders of such votes

constitute less than a quorum) or (b) it is fair and reasonable to the Board and the Association. Any Member or director who is so interested in such a contract or association, may be counted in determining the existence of a quorum at the meeting of the Board or of the Association, as the case may be, which shall authorize, ratify, or confirm any such contract or transaction.

FOURTEENTH: Duration. The Association shall exist perpetually.

FIFTEENTH: Dissolution. Except as otherwise provided in the Declaration, the Association may be dissolved, upon recommendation of the Board of Directors, with the affirmative vote of not less than two-thirds (2/3rds) of the votes of each class of the Members present at a special meeting of the membership called for the express purpose of dissolving the Association. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those who which this Association was created. In the event that acceptance of such a dedication is refused, the assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted to similar purposes.

SIXTEENTH: Amendment. As long as there is a Class B membership, then these Articles may be amended solely by the two-thirds (2/3rds) vote of the Class B members. After the Class B membership ceases and is converted into the Class A membership then Amendment of these Articles shall require the assent of the holders of two-thirds (2/3rds) of all the votes of the Members entitled to be cast.

If (and only if) the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Veterans Administration, the Federal Housing Administration, or any successor or comparable agencies thereto approve the Property or any part thereof or any Lot therein for agency approved mortgage financing purposes, then any amendments to these Articles, whether solely by the Class B membership or whether by all the members, shall also require the prior consent of the agency giving such approval.

SEVENTEENTH: Special Agency Approval. As long as there is a Class B membership, annexation of additional properties, mergers and consolidations, mortgaging of Common Area, dedication of Common Area, dissolution and amendment of these Articles, will require prior approval of the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Veterans Administration, the Federal Housing Administration, or any successor or comparable agencies thereto, as appropriate, if (and only if) any of said agencies approve the Property of any part

thereof or any Lot therein for agency approved mortgage financing purposes.

IN WITNESS WHEREOF, the undersigned Incorporator has signed these Articles of Incorporation on this 16th day of May, 1990, and I acknowledge the same to be my act.

Bill D. McKissick, Jr.
Incorporator

LIBER 002 PAGE 12

STATE OF MARYLAND

State Department of Assessments and Taxation

Gene L. Burner, Director

DOCUMENT CODE 028 BUSINESS CODE 04 COUNTY 68

_____ ___ P.A. ___ Religious ___ Close ___ Stock ✓ Nonstock

*Merging (Transferor) _____

Surviving (Transferee) _____

CODE	AMOUNT	FEE REMITTED
10	50	Expedited Fee
20	20	Organ. & Capitalization
61	20	Rec. Fee (Arts. of Inc.)
62		Rec. Fee (Amendment)
63		Rec. Fee (Merger or Consolidation)
64		Rec. Fee (Transfer)
65		Rec. Fee (Dissolution)
66		Rec. Fee (Revival)
52		Foreign Qualification
50		Cert. of Qual. or Reg.
51		Foreign Name Registration
13	15	1 Certified Copy gp
56		Penalty
54		For. Supplemental Cert.
53		Foreign Resolution
73		Certificate of Conveyance
76		Certificate of Merger/Transfer
75		Special Fee
80		For. Limited Partnership
83		Cert. Limited Partnership
84		Amendment to Limited Partnership
85		Termination of Limited Partnership
21		Recordation Tax
22		State Transfer Tax
23		Local Transfer Tax
31		____ Corp. Good Standing
NA		Foreign Corp. Registration
87		____ Limited Part. Good Standing
71		Financial
600		Property Reports and late filing penalties ____ Personal
70		Change of P.O., R.A. or R.A.A.
91		Amend/Cancellation, For. Limited Part.
		Other _____
		Other _____

Name Change (New Name) _____

___ Change of Name
___ Change of Principal Office
___ Change of Resident Agent
___ Change of Resident Agent Address
___ Resignation of Resident Agent
___ Designation of Resident Agent and Resident Agent's Address
___ Other Change _____

Code _____

ATTENTION: _____

MAIL TO ADDRESS: James Kenney
Suite 2030
One Hundred Exploration
Lexington Park Md
20653-2003

TOTAL FEES 104

✓ Check ___ Cash

NOTE:

Documents on _____ checks

APPROVED BY: JPO

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LIBER 539 PAGE 001

2:28PM06/01/90A C.& R. $188.00

DECLARATION

OF

COVENANTS, CONDITIONS AND RESTRICTIONS

OF

CHESTNUT RIDGE-SECTION 1 HOMEOWNERS' ASSOCIATION, INC.

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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR CHESTNUT RIDGE-SECTION 1 HOMEOWNERS' ASSOCIATION, INC.

THIS DECLARATION is made this 25th day of May, 1990, by **DELMARVA PROPERTIES, INC.**, a Virginia Corporation. ("the Declarant").

EXPLANATORY STATEMENT:

The Declarant is the legal or beneficial owner of the real property ("the Property") located in the Second and Third Election District of St. Mary's County, Maryland, which is shown on a Plat entitled "Chestnut Ridge-Section 1", recorded in Plat Liber M.R.B. No. 32, Folio 116, among the Plat Records of St. Mary's County, Maryland, said Property being more particularly described as follows:

Commencing at a point at the intersection of the western right-of-way line of Redmond Drive and the southern right-of-way line of Maryland State Route No. 5; thence west along the southern right-of-way line of Maryland Route No. 5; 689' plus or minus to the point of beginning; thence along the west line of the remaining portion of lot 51, Belvidere Woodland and the western line of land now or formerly Stewart Investment Co. S 07°-31'-01" W, 603.69' to a point; thence along the southern line of land now or formerly Stewart Investment Co. S. 82°-32'-29" E, 130.14' to a point; thence along the eastern line of land now or formerly Stewart Investment Co. N. 07°-31'-01" E. 217.80' to a T-pin at the southwest corner of lot 49, Belvidere Woodland; thence along the southern line of lots 49 through 44, Belvidere Woodland, S 82°-32'-29" E. 579.11' to a point in the western right-of-way line of Redmond Drive; thence south along the western right-of-way line of Redmond Drive the following seven courses: S 04°-29'-48" W, 39.92' to a point; thence along the arc of a curve to the left, having a radius of 280.00', 136.11 to a point of tangency; thence S 2°3-21'-18" E, 281.11' to a point of curvature; thence along the arc of a curve to the left, having a radius of 405.00', 123.60' to a point of tangency; thence S 40°-50'-28" E, 321.10' to a point of curvature; thence along the arc of a curve to the right, having a radius of 385.00', 136.58' to a point of tangency; thence S 20°-30'-56" E, 119.34' to a pipe at the northeast corner of land now or formerly William M. Pilkerton, Jr. and Agnes C. Pilkerton; thence west along the northern line of land now or formerly William M. Pilkerton, Jr. and Agnes C. Pilkerton, S 82°-14'-06" W, 405.00' to a point; thence S 88°-01'-19" W, 148.76' to a point; thence S 82°-14'-06" W, 72.59' to a point; thence S 67°-01'11" W, 57.15' to a pin in a cedar stob, being the northwest corner of land now or formerly William M. Pilkerton, Jr. and Agnes C. Pilkerton and the northeast corner of

land now or formerly Mary R. Monarchy; thence west along the northern line of land now or formerly Mary R. Monarchy, S 82°-14'-06" W, 334.60' to a T-pin; thence S 59°-49'-30" W, 121.38' to a T-pin; thence S 68°-03'-41" W, 369.25' to a T-pin; thence S 29°-32'-40" W, 205.41' to a T-pin; thence S 56°-59'-57" W, 484.90' to a stone in center of a ditch; thence S 16°-52'-28" W, 170.00' to a point; thence from the northern line of land now or formerly Mary R. Monarchy, N 36°-38'-29" W, 985.78' to a point; thence S 55°-21'-35" W, 88.51' to a point; thence N 52°-08'-05" W radial, 531.01' to a point on a curve; thence along the arc of a curve to the right, having a radius of 755.00', 145.26' to a point of reverse curvature; thence along the arc of the curve to the left, having a radius of 25.00', 37.67' to a point of compound curvature; thence along the arc of the curve to the left, having a radius of 275.14', 102.13' to a point; thence N 31°-17'-45" E radial, 50.00' to a point; thence N 12°-02'-20" E, 467.52' to a point in the southern line of land now or formerly Joseph M. Weiland and Thesera I. Weiland; thence along the southern line of land now or formerly Joseph M. Weiland and Thesera I. Weiland S 81°-39'-26" E, 59.60' to a pipe at the southeast corner of land now or formerly Joseph M. Weiland and Thesera I. Weiland; thence along the eastern line of land now or formerly Joseph M. Weiland and Thesera I. Weiland, N 08°-54'-47" E, 578.74' to a pin, being the northeast corner of land now or formerly Shepard B. Bennett, and the southwest corner of land now or formerly Sandra L. Seek; thence along the southern line of land of Sandra L. Seek, S 87°-33'-28" E. 134.90' to a point at the southwest corner of lot 65, Belvidere Woodland; thence along the southern line of lots 65 through 52, Belvidere Woodland the following five courses: S 73°-58'-54" E, 100.00' to a pipe; thence S 73°-58'-54" E, 299.85' to a pipe; thence S 73°-58'54" E, 132.26' to a point of curvature; thence along the arc of a curve to the left, having a radius of 2000.00', 298.93', chord of 298.66' and chord bearing of S 78°-10'-36" E to a point of tangency; thence S 82-32'-29" E, 568.32' to a pipe; thence along the eastern line of lot 52, N 07-31'-01" E, 385.89' to a point in the southern right-of-way line of Maryland State Route No. 5; thence along the southern right-of-way line of Maryland State Route No. 5 S 82-32'-29" E, 70.00' to the point of beginning, containing 91.312 acres, more or less.

Said parcel of land being a portion of land conveyed to DELMARVA PROPERTIES, INC., a Virginia Corporation from CHESAPEAKE CORPORATION (formerly The Chesapeake Corporation of Virginia), a Virginia Corporation by deed dated October 10, 1985 and recorded in M.R.B. 239, Folio 15 among the land records of St. Mary's County, Maryland;

The parties to this Declaration desire to create a planned residential community ("Chestnut Ridge-Section 1") upon the Property pursuant to a general plan of development for the benefit of all owners of residential property within this planned residential community. The Declarant desires to provide

maintenance of said common areas and community facilities, and to provide for the preservation of values and amenities within Chestnut Ridge-Section 1. Further, the Declarant desires to provide a flexible and reasonable procedure for the overall development of Chestnut Ridge and to establish a method for the administration, maintenance, preservation, use and enjoyment of all real property that now or may hereafter be subjected to this Declaration. To these ends, the Declarant desires to subject the real property described above (as well as other real property which it intends to hereafter subject to the legal operation and effect of this Declaration) to the covenants, restrictions, easements, charges and liens hereinafter set forth, each and all of which shall be for the benefit of the Property and the subsequent owners thereof.

In conjunction herewith, the Declarant has caused to be incorporated, or simultaneously with the recording of this Declaration will cause to be incorporated, under the laws of the State of Maryland, a nonprofit Maryland corporation without stock named "Chestnut Ridge-Section 1 Homeowners' Association, Inc." (the "Association").

NOW, THEREFORE, the parties hereto hereby declare that all of the real property described above is and hereafter shall be held, conveyed, hypothecated or encumbered, sold, leased, rented, used, occupied and improved subject to the covenants, restrictions, uses, limitations, obligations, easements, equitable servitudes, charges and liens (all of which are sometimes hereinafter collectively referred to as "covenants and restrictions") hereinafter set forth, all of which are declared and agreed to be in aid of a plan for improvement of the Property and such additional real property as shall hereafter be subjected to the legal operation and effect of this Declaration and all of which shall be deemed to run with and bind the land submitted to this Declaration and to inure to the benefit of and be enforceable by the Declarant, its successors and assigns, and any person acquiring or owning an interest in the Property or such additional real property, including, without limitation, any person who holds such interest solely as security for the performance of an obligation.

ARTICLE I: Definitions

When used in this Declaration, the word or words listed below within quotation marks shall be deemed to have the meanings which follow them in the same section:

Section 1. **"the Association"** shall mean and refer to Chestnut Ridge-Section 1 Homeowners' Association, Inc., a nonprofit Maryland corporation without stock, and its successors and assigns.

Section 2. "the Articles" shall mean and refer to the Articles of Incorporation of the Association, as such may be duly amended from time to time.

Section 3. "assessments" shall mean the regular or special assessments payable by Owners to the Association.

Section 4. "the Board" shall mean the Board of Directors of the Association.

Section 5. "the Bylaws" shall mean and refer to the duly adopted bylaws of the Association, as such may be amended from time to time.

Section 6. "the Common Areas" shall mean and refer to all real property owned by the Association for the common use and enjoyment of the Owners of the Lots, together with the improvements located thereon, and the rights, alleys, ways, waters, privileges, appurtenances and advantages thereto belonging, or in anywise appertaining. "the Common Areas" shall, without limitation, specifically include all areas designated as "Open Space" on the Plat, if any, which are subjected to the legal operation and effect of this Declaration.

Section 7. "common expenses" shall mean and include the actual and estimated expenses of operating the Association, including any reasonable reserve, all as may be found to be necessary and appropriate by the Board pursuant to this Declaration, the Articles and/or the Bylaws.

Section 8. "the Declarant" shall mean and refer to Delmarva Properties, Inc., a corporation established pursuant to the laws of the State of Virginia, and its successors and assigns; provided, however, that the rights, reservations, easements, interests, exemptions, privileges and powers of the Declarant pursuant to this Declaration, the Articles, or the Bylaws shall not inure to the benefit or burden of the successors and assigns of Delmarva Properties, Inc. except to the extent that any of the rights, reservations, easements, interests, exemptions, privileges and powers of the Declarant are specifically assigned or transferred to any successors or assigns by a recorded writing.

Section 9. "Chestnut Ridge-Section 1" shall mean and refer to that certain planned residential community being developed or intended to be developed by the Declarant at the Property.

Section 10. "Lot" or "Lots" shall mean and refer to those bounded and numbered lots or parcels of land other than the Common Areas as shown on the plat of the subdivision.

Section 11. "mortgagee" shall mean and refer to the holder of any recorded mortgage, or the party secured by or the beneficiary

of, any recorded deed of trust, encumbering one or more of the Lots. The word "mortgage", as used herein, shall include a deed of trust. "First mortgage", as used herein, shall mean a mortgage with priority over other mortgages. As used in this Declaration, the term "mortgagee" shall mean any mortgagee and shall not be limited to institutional mortgagees. As used in this Declaration, the term "institutional mortgagee" or "institutional holder" shall include banks, trust companies, insurance companies, mortgage insurance companies, savings and loan associations, trusts, mutual savings banks, credit unions, pension funds, mortgage companies, the Federal National Mortgage Association ("the FNMA"), the Federal Home Loan Mortgage Corporation ("the FHLMC"), all corporations, and the Federal Housing Administration ("the FHA"), the Veterans Administration ("the VA") and any other agency or department of the United States Government or of any state or municipal government. As used in this Declaration, the term "holder" shall include the parties secured by any deed of trust or any beneficiary thereof.

Section 12. **"Member"** and **"Members"** shall mean and refer to the person, or the combination of persons holding the record fee simple or perpetually renewable leasehold title to a Lot in the Property. The term "Member" shall not mean the owner of any redeemable ground rent reversion issuing out of any Lot, nor shall it include any contract buyer or mortgagee or other person holding an interest in a Lot as security for the performance of an obligation.

Section 13. **"Owner"** and **"Owners"** shall mean and refer to the person or the combination of persons holding the record fee simple or perpetually renewable leasehold title to a Lot in the Property. The term "Owner" shall not mean the owner of any redeemable ground rent reversion issuing out of any Lot, nor shall it include any contract buyer or mortgagee or other person holding an interest in a Lot as security for the performance of any obligation.

Section 14. **"person"** shall mean and refer to a natural person, a corporation, a partnership, an unincorporated association, a trust, an estate, or any other type of entity, or any combination thereof.

Section 15. **"the Plat"** shall mean and refer to that plat entitled Subdivision of Chestnut Ridge, Section One, which said plats are recorded among the Plat Records of St. Mary's County, Maryland at Plat Book 32, page 116, as well as such other plats as are recorded among the said Land Records with regard to the Property or any other real property subjected to the legal effect and operation of this Declaration. In the event that all or any of the said record plat or plats is amended by the Declarant, its successors or assigns by a subsequent recorded plat or plats, "the Plat" shall refer to the said plat or plats as so amended.

Section 16. **"the Property"** shall mean and refer to all that real property situate, lying and being in the Second and Third Election District of St. Mary's County, Maryland and more particularly that property described above. In the event that other real property is hereafter submitted and subjected to the legal effect and operation of this Declaration, such other real property shall thereupon become a part of "the Property".

Section 17. **"Rules and Regulations"** shall mean such rules and regulations as may be adopted by the Board or the architectural control committee appointed by the Board governing (i) use of the Common Areas, including any improvements and amenities located thereon; (ii) additions, alterations, and improvements on or to the Lots; (iii) reasonable interpretation and construction of the provisions of the Declaration, the Articles, and the Bylaws; and (iv) such other matters as are specified as the subjects for such Rules and Regulations in this Declaration, the Articles or the Bylaws.

Section 18. **"Annexation Amendment"** shall mean an amendment to this Declaration which adds additional property to that which is subject to the legal effect and operation of this Declaration.

ARTICLE II: Property Subject to this Declaration and Additions Thereto

Section 1. **Initial Property.** The real property initially subject to this Declaration is the Property (as more particularly described above).

Section 2. **Additions.** Additional real property may be subjected to the provisions of this Declaration and the jurisdiction of the Association in the following manner: the Declarant shall have the unilateral right, privilege and option, from time to time at any time to annex to the Property and subject to the legal operation and effect of this Declaration and the jurisdiction of the Association all or any portion of the real property located within those boundaries shown by a Boundary Survey dated _____, and prepared by _____, said Boundary Survey to be recorded in the land records for St. Mary's County by filing an Annexation Amendment among the Land Records of St. Mary's County, Maryland, with respect thereto. Such Annexation Amendment shall not require any vote of the Members to be effective and need be executed only by the Declarant (or its successors or assigns) and the owner of such real property if the Declarant is not the owner thereof. Any such annexation shall be effective upon the recording of the Annexation Amendment unless otherwise provided therein. The Declarant shall have the unilateral right to transfer to any other person the said right, title and privilege which is herein reserved to the Declarant to annex additional property to the legal operation and effect of this Declaration and the jurisdiction of the Association.

Section 3. Agency Approval. Notwithstanding the other provisions contained in this article, in the event that the regulations or procedures of the FNMA, the FHLMC, the VA, the FHA or any other governmental agency or quasi-governmental agency require approval of annexations to the Property by such agency or determination by such agency that such annexations are consistent with the general plan of development for Chestnut Ridge-Section 1, then such approval or determination shall be a prerequisite to such annexation.

Section 4. No Annexation by Implication. No provision of this Declaration shall be construed to require the Declarant or any other person to annex any real property to the Property or to the scheme of the covenants and restrictions herein contained. The community contemplated by this Declaration, including parcels of real property intended to be annexed to the Property hereafter may include a diversity of lot sizes and housing types and styles. The Declarant expressly reserves the right to change existing or future plans or designs for Chestnut Ridge-Section 1 as to those portions of the planned residential community not (yet) included in the property and made subject to the legal operation and effect of this Declaration.

Section 5. Effect of Annexation. Any additional real property annexed to the Property and made subject to the legal effect and operation of this Declaration pursuant to this article shall be considered a part of the Property for all purposes of this Declaration, and all votes of the Class A of the Members appurtenant to the Lots contained in such additional annexed real property shall be aggregated with votes of existing Class A Members, it being intended that any Class A voting requirements need not be fulfilled separately for the real property annexed pursuant to any Annexation Amendment.

ARTICLE III: Property Rights

Section 1. Members' Easements of Enjoyment. Subject to the provisions of this Declaration and any restrictions or limitations contained in any deed or Annexation Amendment conveying such property to the Association or subjecting such property to the legal operation and effect of this Declaration, each Owner shall have a non-exclusive right and easement of enjoyment in and to, and ingress and egress into and from the Common Areas. Such easements shall be appurtenant to and shall pass with the title to such Owner's Lot.

Section 2. Title to Common Areas; Easement for Completion The Declarant shall cause to be conveyed to the Association, and the latter shall take and accept legal title to, all Common Areas and improvements thereon included within the Property. In the event that any improvements on any Common Areas included in or

added to the Property are not completed at the time such area is conveyed to the Association, the Declarant reserves an easement on, over, under, across and through such area to complete construction of the improvements thereon. The Association shall hold the Common Areas conveyed to it subject to the property rights described herein.

Section 3. **Limitations on Owners' Easements.** The rights and easements of enjoyment for Owners created hereby shall be subject to the following rights of the Association:

(a) the right to borrow money for the purpose of improving the Common Areas and in aid thereof to mortgage the Common Areas, but the rights of such mortgagee in the Common Areas shall be subordinate to the rights of the Members hereunder;

(b) the right to take such steps as are reasonably necessary to protect the Common Areas against mortgage default foreclosure;

(c) the right to adopt and to amend the Rules and Regulations governing the use by the Owners of the Common Areas;

(d) the right to dedicate or transfer all or any part of the Common Areas or community facilities to any public or municipal agency, authority or utility; provided, however, that no such dedication or transfer shall be effective unless two/thirds (2/3) of each class of the then Members of the Association consent to such dedication or transfer at any special meeting of the Members duly called for such purpose;

(e) the right to grant licenses, rights-of-way and easements for access or for the construction, reconstruction, maintenance and repair of any utility lines or appurtenances, whether public or private, to any municipal agency, public utility, the Declarant or any other person; provided, however, that no such licenses, rights-of-way or easements shall be unreasonably and permanently inconsistent with the rights of the owners to the use and enjoyment of the Common Areas and community facilities;

(f) the right to suspend the enjoyment rights of any Owner in the Common Areas and the recreational facilities thereof for any period in excess of thirty (30) days during which any assessment remains unpaid, and for any period not to exceed sixty (60) days for any infraction of its published Rules and Regulations;

(g) the right to enter into the Common Areas for the purpose of completing, repairing or maintaining such Areas or the improvements thereon;

(h) the right to require the display of membership cards or other means of identification as a prerequisite to entry to the

Common Areas or community facilities, or any part or facility thereof; and

(i) the right of the Association to charge reasonable admission and other fees for the use of any recreational or other facility situated upon the Common Areas.

The rights and easements of Owners are also subject to the right of Declarant (and its sales agents and representatives) to the non-exclusive use of the Common Areas for display and exhibit purposes, which right the Declarant hereby reserves for so long as it owns any Lot.

Section 4. **Delegation of Use.** Any Owner may delegate his rights of enjoyment to the Common Areas and community facilities to the members of his family, his tenants, or his contract purchasers (and the members of the family of any tenant or contract purchaser) who reside within Oak Glen or to such other persons as may be permitted by the Association. To the extent that an Owner shall delegate his right of enjoyment of the Common Areas and community facilities to his tenants, he and members of his family shall not thereafter be privileged to use the areas or facilities in question.

Section 5. **Utility and Road Easements.** The Declarant, for itself, its successors and assigns, hereby expressly reserves easements and rights-of-way through, under, over, on and across the Property, for the installation, maintenance, replacement and inspection of (a) lines and appurtenances for public or private water, sewer, drainage, gas, electricity, telephone, cable television and other utilities, (b) for public or private vehicular or pedestrian roads, rights-of-way, bikeways, sidewalks and pathways; (c) for the stormwater management areas and (d) for the recreational areas. Such limitation, all easements, roads, rights-of-way, bikeways, sidewalks, and pathways shown or in any way referred to on the Plat. The Declarant further expressly reserves, for itself, its successors and assigns, the right to grant licenses, rights-of-way and easements through, under, over, on and across the Property for access or for the construction, reconstruction, maintenance and repair of any utility lines or appurtenances, whether public or private, to any municipal agency or public utility.

Section 6. **Easement Rights Reserved by the Declarant.** The Declarant, for itself, its successors and assigns, hereby expressly reserves an easement and right-of-way in, through, over, and across the Common Areas for the purposes of (a) storage of building supplies and materials; (b) installation, construction, maintenance, reconstruction and repair of improvements and/or landscaping upon the Lots or any other parcel included within the Property; and (c) advertising or otherwise accomplishing the sale or rental of any such Lots, property, or improvements.

Section 7. **Easement Rights of the Association.** The Association, and its Management Agent, employees and other agents, successors, and assigns shall have such easements in and over the Property (including, without limitation, in and over the Lots) as may be reasonably necessary to perform the duties and obligations of the Association as set forth in this Declaration, the Articles, or the Bylaws.

Section 8. **Easements of Encroachment.** Reciprocal appurtenant easements of encroachment shall exist as between each Owner of a Lot and the Association as to such portion or portions of the Common Areas adjacent thereto or as between Owners of adjacent Lots, for the purpose of accommodating any encroachments which may result from engineering errors, errors in original construction, roof overhangs, gutters, architectural or other appendages, or the unintentional placement or settling or shifting of the improvements constructed, reconstructed, or altered thereon (in accordance with the provisions of this Declaration) to a distance of not more than three (3) feet, as measured from any point on the common boundary between each Lot and the adjacent portion of the Common Area or as between said adjacent Lots, as the case may be, along a line perpendicular to such boundary at such point; provided, however, in no event shall an easement for encroachment exist if such encroachment occurred as the result of willful conduct on the part of an Owner, members of his family, his invitees or tenants, or the Association.

Section 9. **Maintenance Easements.** Any Owner (including the Declarant) of a Lot on which improvements have been or are being, constructed, reconstructed or altered (in accordance with the provisions of this Declaration) within three (3) feet of the common boundary of that Lot with an adjacent Lot or with an adjacent portion of the Common Areas shall have an easement upon and over such portions of such adjacent other Lot and/or such adjacent portion of the Common Areas as shall be within three (3) feet of such improvements as so constructed, reconstructed or altered for the limited purposes of constructing, reconstructing, repairing, maintaining, or painting said improvements; provided, however, that if any Owner or his family members, tenants, agents or employees shall damage, demolish or otherwise alter any improvements or landscaping located on such adjacent Lot or adjacent portion of the Common Areas during the course of exercising his rights held pursuant to the easement granted in this section, such Owner shall, at his expense, promptly replace the same with improvements or landscaping of comparable size and quality.

Section 10. **Right of Entry.** The Association shall have the right to enter into any Lot and the improvements thereon for emergency, security, and safety purposes, which right may be exercised by the Board or the Association's officers, agents, employees, managers, and all policemen, firemen, ambulance

personnel, and similar emergency personnel in the performance of their respective duties. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the Owner of the Lot. This right of entry shall include the right of the Association to enter into a Lot and any improvements thereon to cure any condition which may increase the possibility of a fire or other hazard or to abate any violation of any provision of this Declaration or the duly adopted Rules and Regulations as provided in Section 5 of Article XIII hereof.

ARTICLE IV: Membership and Voting Rights in the Association; Administration

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

Section 2. **Voting Rights.** The Association shall have two classes of voting membership:

Class A: The Class A Members shall be all Owners with the exception (initially) of the Declarant or any other Class B Member. Class A Owners shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be entitled to participate in the Association as Members; provided, however, that persons holding any such interest solely as contract purchasers or as security for the performance of an obligation shall not be Members solely on account of such interests; and provided, further, that, for purposes of voting and determining the existence of a quorum, all such persons so holding an interest in any one Lot shall be treated as a single member. The vote for any such Lot shall be exercised as determined by the Members holding interests therein, but in no event shall more than one vote be cast with respect to any Lot.

Class B: The Class B Members shall be (a) the Declarant and (b) any successor, assignee, or designee of the Declarant who holds or takes title to a Lot or Lots and who is designated as such in a recorded instrument. The Class B Members shall be entitled to three votes for each lot owned, all of which shall initially be exercised as determined by the Declarant but any (or all) of which shall be thereafter exercisable as assigned by the Declarant to any other person who is a Class B Member. The Class B membership shall cease and become converted to Class A membership upon the happening of any of the following events, whichever occurs first:

(i) when ninety-five percent (95%) or more of the Lots are sold to Class A members; or

(ii) December 31, 2001; or

(iii) when, at such time as may be before the events specified in (i) and (ii) above, the Declarant, in its sole discretion so determines.

From and after the happening of these events, whichever occurs first, the Class B Members shall become Class A Members entitled to cast one (1) vote for each Lot in which such members hold an interest. At such time, the Declarant shall call a meeting of the Members of the Association as provided in the Bylaws for special meetings to advise the membership of the termination of Class B status.

Section 3. **Administration.** The affairs and business of the Association shall be managed and conducted as provided in the Articles and the Bylaws.

Section 4. **Management Agent.** The Board may employ for the Association a management agent or manager (the "Management Agent") at a rate of compensation established by the Board to perform such duties and services as the Board shall from time to time authorize in writing, including, without limitation:

(a) to provide for the care, upkeep, maintenance and surveillance of the Common Areas and community facilities; and

(b) to designate, hire and dismiss such personnel as may be required for the good working order, maintenance and efficient operation of the Common Areas and community facilities; and

(c) to provide for such other services (including legal and accounting services) for the Association as may be consistent with law and the provisions of this Declaration; and

(d) provide for the collection of assessments and any other obligations provided for in this Declaration and to provide for the enforcement of liens therefor in a manner consistent with law and the provisions of this Declaration; and

(e) to provide for the enforcement of the provisions of this Declaration and the Rules and Regulations.

Any cost incurred by the Association for the employment of the Management Agent shall be deemed and construed to be a part of the common expenses of operating the Association. The Board may employ as Management Agent any person of its choosing, including the Declarant or any person affiliated with the Declarant or any other Class B Member.

Section 5. **Limitation of Liability.** The Association shall not be liable for any failure of any services to be obtained by the Association or paid for as a part of the common expenses, or for injury or damage to person or property caused by the elements or

resulting from water which may leak or flow from any portion of the Common areas or community facilities, or from any wire, pipe, drain, conduit or the like. The Association shall not be liable to any Owner or his family members, tenants, employees, or invitees, for loss or damage, by theft or otherwise, of articles which may be stored upon the Common Areas or in community facilities. No diminution or abatement of assessments, as herein elsewhere provided for, shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the Common Areas or community facilities, or from any action taken by the Association to comply with any of the provisions of this Declaration or with any law or ordinance or with the order or directive of any municipal or other governmental authority.

ARTICLE V. Maintenance Responsibilities

Section 1. **Association Responsibility for the Common Areas.** The Association shall be responsible for the maintenance, repair and replacement of all Common Areas and all improvements thereon, including landscaping, furnishings and equipment related thereto, (unless the repair or replacement is necessitated by the negligence, misuse or neglect of an Owner, his family members, his tenants, employees and invitees in which case the expense of such repair or replacement shall be borne by such Owner), and shall keep the same in good, clean, attractive and sanitary condition, order and repair. In furtherance of such obligations, the Board may contract for management and maintenance services to be provided to the Association with persons or entities of its choosing, including the Declarant and affiliates thereof. Any cost incurred by the Association in the course of such maintenance, repair or replacement as for which it is responsible shall be deemed and construed to be a part of the common expenses of operating the Association.

Section 2. **Owner Responsibilities.**

(a) **Common Areas.** Each Owner, and his tenants, and the family members, employees and invitees of either shall be responsible for using the Common Areas in a safe and orderly manner consistent with the purpose for which each Common Area is intended, and shall be personally liable for any damage caused to person or property by reason of their misuse or neglect. Each Owner shall be jointly and severally liable for any such damage caused by his tenants, family members, employees, and invitees.

(b) **The Owner's Lot.** The Owner of each Lot shall keep the Lot, and the landscaping, buildings, and other improvements thereon, in good order and repair, and free of debris. Lawns shall be seeded and mowed, shrubbery trimmed, and painted or stained exterior surfaces repainted or restained, all in a manner and with such frequency as is consistent with good property management. In

the event the Owner of a Lot shall fail to maintain the Lot and the landscaping, buildings and other improvements thereon as provided herein, the Association, its agents or employees, after notice to the Owner and with the approval of the Board, shall have the right to enter upon the Lot to perform such work as is reasonably required to restore the Lot and the landscaping, buildings and other improvements thereon to a condition of good order and repair. All costs incurred by the Association in connection with the restoration shall be reimbursed to the Association by the Owner of the Lot, upon demand. All unreimbursed such costs, together with interest, reasonable attorneys' fees and costs of collection as hereinafter provided, shall be a lien upon the Lot until reimbursement is made. The lien may be enforced in the same manner as a lien for an unpaid maintenance assessment levied in accordance with other provisions of this Declaration; but any such lien shall be subject to the provisions of Section 14 of Article XII of this Declaration. As determined by the Board, interest on unreimbursed costs so incurred by the Association shall accrue at a rate not to exceed the maximum legal rate permitted from time to time in the State of Maryland. In the event of litigation to collect such unreimbursed costs, the Owner obligated to pay such costs shall further be obligated to pay to the Association reasonable attorneys' fees of not less than Two Hundred Fifty Dollars ($250.00) and any costs of collection incurred in connection therewith.

Section 3. **Manner of Repair and Replacement.** Except as otherwise authorized by the Board, all repairs and replacements shall be substantially similar in appearance and materials to the original construction and installation, shall be performed in a good and workmanlike manner, and shall be of first class quality and in compliance with the architectural guidelines adopted by the Board.

ARTICLE VI. Insurance and Casualty Losses

Section 1. **Hazard and Liability Insurance.** The Board, or its duly authorized agent, shall have the authority to obtain insurance for all insurable improvements on or within the Common Areas against loss or damage by fire or other hazards, including extended coverage, vandalism, and malicious mischief. If obtained, this insurance shall be in an amount sufficient to cover the full replacement cost of any repair or reconstruction in the event of damage or destruction from any such hazard. The Board may also obtain a public liability policy covering the Common Areas, the Association and its Members for all damage or injury caused by the negligence of the association of any of its Members, employees or agents. Premiums for all insurance on the Common Areas shall be common expenses of the Association. The policy may contain a reasonable deductible, and the amount thereof shall be added to the face amount of the policy in determining whether the insurance at least equals the full replacement cost.

Section 2. Policy Provisions. All such insurance coverage obtained by the Board shall be written in the name of the Association as Trustee for the respective benefited parties, as further identified in subsection (b) below. Such insurance shall be governed by the provisions hereinafter set forth:

(a) All policies on the Common Areas shall be for the benefit of the Owners and their mortgagees as their interests may appear.

(b) Exclusive authority to adjust losses under policies obtained by the Association shall be vested in the Board; provided, however, no mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related thereto.

(c) In no event shall the insurance coverage obtained and maintained by the Board hereunder be brought into contribution with insurance purchased by individual Owners, occupants, or their mortgagees.

(d) All casualty insurance policies shall have an inflation guard endorsement, if reasonably available, and an agreed amount endorsement with an annual review by one or more qualified persons, at least one of whom must be in the real estate industry and familiar with construction in the St. Mary's County, Maryland area.

(e) The Board may also secure insurance policies that will provide for the following:

(i) a waiver of subrogation by the insurer as to any claims against the Board, the Management Agent, the Owners, and their respective tenants, servants, agents, and guests; and

(ii) a waiver by the insurer of its rights to repair, and reconstruct, instead of paying cash; and

(iii) that no policy may be canceled, invalidated or suspended on account of the actions of any one or more individual Owners; and

(iv) that no policy may be canceled, invalidated, or suspended on account of the conduct of any director, officer, or employee of the Association or its duly authorized Management Agent without prior demand in writing delivered to the Association to cure the defect and the allowance of a reasonable time thereafter within which the defect may be cured by the Association, its Management Agent, any Owner, or mortgagee; and

(v) that any "other insurance" clause in any policy exclude individual Owners' policies from consideration; and

(vi) that no policy may be canceled or substantially modified without at least ten (10) days' prior written notice to the Association.

Section 3. **Other Insurance.** In addition to the other insurance the Board shall obtain, as a common expense, workman's compensation insurance, if and to the extent necessary, and a fidelity bond or bonds on directors, officers, employees, and other persons handling the Board's best business judgment. Bonds shall contain a waiver of all defenses based upon the exclusion of persons serving without compensation and may not be canceled or substantially modified without at least ten (10) days' prior written notice to the Association.

Section 4. **Disbursement of Proceeds.** Proceeds of insurance policies shall be disbursed as follows:

(a) If the damage or destruction for which the proceeds are paid is to be repaired or reconstructed, the proceeds, or such portion thereof as may be required for such purpose, shall be disbursed in payment of such repairs or reconstruction as hereinafter provided. Any proceeds remaining after defraying such costs of repairs or reconstruction to the Common Areas or, in the event no repair or reconstruction is made, after making such settlement as is necessary and appropriate with an affected Owner or Owners and their mortgagee(s) as their interests may appear, shall be retained by and for the benefit of the Association and placed in a capital improvements account. This is a covenant for the benefit of any mortgagee and may be enforced by such mortgagee.

(b) If it is determined, as provided for in Section 5 of this Article, that the damage or destruction to the Common Area for which the proceeds are paid shall not be repaired or reconstructed, such proceeds shall be disbursed in the manner as provided for excess proceeds in Section 4(a) hereof.

Section 5. **Damage and Destruction.**

(a) Immediately after the damage or destruction by fire or other casualty to all or any part of the properties covered by insurance written in the name of the Association, the Board, or its duly authorized agent, shall proceed with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed properties. Repair or reconstruction, as used in this subsection, means repairing or restoring the properties to substantially the same condition in which it existed prior to the fire or other casualty.

(b) Any damage or destruction to the Common Areas shall be repaired or reconstructed unless at least seventy-five (75%) percent of each class of Members of the Association shall decide within sixty (60) days after the casualty not to repair or reconstruct. If for any reason either the amount of the insurance proceeds to be paid as a result of such damage or destruction, or reliable and detailed estimates of the cost of repair or reconstruction, or both, are not made available to the Association within said period, then the period shall be extended until such information shall be made available; provided, however, such extension shall not exceed sixty (60) days. No mortgagee shall have the right to participate in the determination of whether the Common Areas damage or destruction shall be repaired or reconstructed.

(c) In the event that it should be determined by the Association in the manner described above that the damage or destruction of the Common Areas shall not be repaired or reconstructed and no alternative improvements are authorized, then and in that event the affected area of the Property shall be restored to its natural state and maintained as an undeveloped portion of the Common Areas by the Association in a neat and attractive condition.

(d) Any such reconstruction or repair shall be substantially in accordance with the plans and specifications under which the Property was originally constructed; provided, however, that any such reconstruction or repair shall be done in accordance with current building code requirements and may be done with contemporary building materials and achieved by utilizing updated construction systems and technology.

(e) Encroachments upon or in favor of Lots which may be created as a result of such reconstruction or repair shall not constitute a claim or basis for any proceeding or action by the Owner upon whose property such encroachment exists, provided that such reconstruction is substantially in accordance with the plans and specifications under which the Property was originally constructed. Such encroachments shall be allowed to continue in existence for so long as the reconstructed improvements on the Property shall stand.

Section 6. **Special Assessments for Repair and Reconstruction.** If the damage or destruction for which the insurance proceeds are paid is to be repaired or reconstructed, and such proceeds are not sufficient to defray the cost thereof, the Board shall, without the necessity of a vote of the Members, levy a special assessment for the additional amount required to defray such costs against all Owners in proportion to the number of Lots owned by such Owners. Additional assessments may be made in like manner at any time during or following the completion of any repair or reconstruction. In any fiscal year, the Board may not, however, without the vote

or written assent of a majority of each class of Members of the Association, levy special assessments which exceed Two Hundred Dollars ($200.00) per Lot.

ARTICLE VII. No Partition

Except as is permitted in this Declaration or amendments thereto, there shall be no physical partition of the Common Areas or any part thereof, nor shall any person acquiring any interest in the Property or any part thereof seek any such judicial partition unless the Property has been removed from the legal operation and effect of this Declaration. This Article shall not be construed to prohibit the Association from acquiring and disposing of tangible personal property nor from acquiring title to real property which may or may not be subject to this Declaration.

ARTICLE VIII. Condemnation

Section 1. **Notice and Award Disbursement.** Whenever all or any part of the Common Areas shall be taken (or conveyed by the Board in lieu of and under threat of condemnation) by any authority having the power of condemnation or eminent domain, each Owner shall be entitled to notice thereof and to participate in the proceedings incident thereto, unless otherwise prohibited by law. The award made for such taking shall be payable to the Association as Trustee for all Owners to be disbursed as follows:

(a) If the taking involves a portion of the Common Areas on which improvements have been constructed, then, unless within sixty (60) days after such taking at least seventy-five (75%) percent of the each class of the Members of the Association shall otherwise agree, the Association shall restore or replace such improvements so taken on the remaining land included in the Common Areas to the extent lands are available therefore, in accordance with plans approved by the Board. If such improvements are to be repaired or restored, the above provisions in Article VI hereof regarding the disbursement of funds in respect to casualty damage or destruction which is to be repaired shall apply.

(b) If the taking does not involve any improvements on the Common Areas, or if there is a decision made not to repair or restore, or if there are net funds remaining after any such restoration or replacement is completed, then such award or net funds shall be disbursed to the Association and used for such purposes as the Board shall determine.

ARTICLE IX. Rights and Obligations of the Association

Section 1. **Common Areas and Rights-of-Way.** The Association, subject to the rights and obligations of the Owners set forth in this Declaration, shall be responsible for the exclusive management

and control of the Common Areas and all landscaping and improvements thereon (including furnishings and equipment related thereto).

Section 2. **Personal Property and Real Property for Common Use.** The Association, through action of the Board, may acquire, hold, and dispose of tangible and intangible personal property and real property. The Board, acting on behalf of the Association, shall accept any real or personal property, leasehold, or other property interests conveyed to it by the Declarant.

Section 3. **Rules and Regulations.** The Association, through the Board, may adopt reasonable Rules and Regulations governing the use of the Property, which rules and regulations shall be consistent with the rights and duties established by this Declaration. The Association, through the Board, shall enforce these Rules and Regulations and the provisions of this Declaration through the imposition of sanctions, which said sanctions may include monetary fines as hereinafter provided and suspension of the right to vote and the right to use the Common Areas. The Board shall, in addition, have the power to seek relief in any court for such violations or to abate nuisances. Imposition of sanctions shall be in accordance with such due process as is provided in the Bylaws. Prior to any decision to suspend voting rights or rights to use the Common Areas, or to impose monetary fines, the Board shall grant notice and hearing to any alleged violator.

Section 4. **Additions to Common Areas.** The Association, through action of the Board, may make any addition, alterations or improvements to the Common Areas; provided, however, that if any such addition, alteration or improvements shall require an expense of Association funds in excess of Two Thousand Dollars ($2,000.00), such addition, alteration or improvement shall only be authorized if approved by the affirmative vote of a majority of each class of the Members. For the purposes of this section, repairs to then existing improvements, including, without limitation, repairs paid for through the use of reserves, shall never be deemed to be additions, alterations or improvements such that any authorization from the Members is required before such repairs may be undertaken.

Section 5. **Implied Rights.** The Association may exercise any other right or privilege given to it expressly by this Declaration, the Articles, or the Bylaws, and every other right or privilege reasonably to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege.

ARTICLE X. Use of the Property

Section 1. **Protective Covenants.** Except for the activities of the Declarant or any other Class B Member in connection with the sale of Lots or the construction of improvements on such Lots or in the Common areas, or except as may be reasonable and necessary in connection with the maintenance, improvement, repair and reconstruction of any portion of the Common Areas by the Declarant or the Association, or the performance of any other right or responsibility herein reserved by or delegated to the Declarant or the Association, or except as otherwise authorized in advance by the Board:

(a) **Residential Use.** No part of the Property shall be used for purposes other than residential housing and the ancillary accessory common purposes to residential housing for which Chestnut Ridge Section 1 was designed; provided, however, that a professional office may be maintained in any dwelling if such maintenance and use is limited to the person actually residing in the dwelling and if such maintenance and use is in strict conformity with the provisions of any applicable zoning law, ordinance or regulation. As used in this section, the term "professional office" shall mean rooms used for office purposes by a member of any recognized profession including doctors, dentists, lawyers, architects, clergymen, writers, manufacturers representatives, businessmen, computer programers, realtors, and the like, but not including medical or dental clinics or any professional uses where the professional regularly entertains or sees patients, clients, or customers in such office.

(b) **Prohibited Activities.** No noxious, immoral, improper, unlawful, or offensive activity shall be carried on in any part on the Property, nor shall anything be done thereupon which may be, or may become, an annoyance or nuisance to others, or which shall in any way interfere with the quiet enjoyment of each of the Owners of their respective Lots, or which shall in any way interfere with the quiet enjoyment of each of the Owners of their respective Lots, or which shall in any way increase the rate of insurance on the Common Areas. Residents and their guests are expected to reduce noise levels between the hours of 11:00 p.m. and 8:00 a.m., so that neighbors are not disturbed. In general, no Owner shall make or permit to be made any noise that will disturb or annoy the other residents of the Property, or do or permit to be done anything therein which will interfere with the rights, comfort or convenience of other residents. All valid laws, zoning ordinances and regulations of all governmental agencies having jurisdiction thereof shall be observed. All laws, orders, rules, regulations, or requirements of any governmental agency having jurisdiction thereof, relating to any portion of the Property, shall be complied with, by and at the sole expense of the Owner of the Lot or the Association, whichever shall have the obligation to maintain or repair such portion of the Property.

(c) **Signs.** Except for such signs as may be posted by the Declarant or the Board for promotional or marketing purposes, traffic control or the like, no signs of any character shall be erected, posted or displayed upon, in, from or about any Lot or the Common Areas without the prior consent in writing of the Board and compliance with such conditions as it may establish. In general, is shall be the policy of the Board to allow one temporary "for sale" sign of reasonable dimensions not exceeding three (3) square feet in area (per side) to be erected on each Lot, but the prior consent of the Board as to size, appearance, and location shall be required for any such sign. The provisions of this subsection shall not be applicable to the holder of any first mortgage which comes into possession of any Lot by reason of any remedies provided by law or in such mortgage or as a result of a foreclosure sale or other judicial sale or other proceeding, arrangement, assignment or deed in lieu of foreclosure, with respect to reasonable "for sale" signs.

(d) **Common Areas.** Except as otherwise permitted by the provisions of this Declaration, no structure or improvement of any kind shall be erected, placed or maintained on any Common Area except: (i) structures or improvements designed exclusively for community use, including, without limiting the generality of the foregoing, shelters, benches, chairs or other seating facilities, fences and walls, walkways, roadways, playground equipment, swimming pools and tennis courts, (ii) landscaping, and (iii) drainage, storm water and utility systems and structures. The Common Areas may be graded, and trees, shrubs or other plants may be placed and maintained thereon for the use, comfort and enjoyment of the Owners, or the establishment, retention or preservation of the natural growth or topography of the Common Areas, or for aesthetic reasons. No portion of any Common Area may be used exclusively by any Owner for personal gardens, storage facilities or other private uses. There shall be no use of the Common Areas and landscaped areas except natural recreational uses which do not injure the Common Areas or the vegetation thereon, increase the maintenance thereof, or cause unreasonable embarrassment, disturbance or annoyance to Owners in the enjoyment of the Common Areas and landscaped areas in the vicinity of their Lots.

(e) **Tree Protection.** No trees measuring in excess of four (4) inches in diameter two (2) feet above the ground shall be removed from the Common areas or from any Lot without written approval of the Board. The foregoing restriction shall not, however, be construed to prohibit pruning and trimming activities consistent with sound and reasonable tree husbandry practices. The Board may from time to time adopt and promulgate such additional Rules and Regulations regarding the preservation of such trees and other natural resources and wildlife as it may consider appropriate. Any member who violates this provision shall be required to pay the Association for the replacement of the trees.

(f) **Excavations.** Neither the Common Areas nor any Lot shall be used for the purposes of excavating, boring, mining, quarrying, exploring for, or removing oil or other hydrocarbons, minerals, gravel, topsoil, or earth.

(g) **Protection of Easements and Natural Drainage.** No structure, planting or other material shall be placed or permitted to remain upon any Lot which may damage or interfere with any easement for the installation or maintenance of utilities, or which may unreasonably change, obstruct or retard the direction or flow of any drainage channels.

(h) **Underground Utilities Required.** No water pipe, sewer pipe, gas pipe, drainage pipe, electric line, television cable or similar transmission line shall be installed or maintained on any Lot above the surface of the ground.

(i) **Free-Standing and Temporary Structures Prohibited.** No structure of a temporary character, and no tent, shed, shack, barn, pen, kennel, run, stable, or other such accessory or freestanding building shall be erected, used or maintained on any Lot at any time without first obtaining the approval of the Board of Directors or the Architectural Review Board, if such a board is created.

(j) **Clothes Drying Equipment.** No permanent clothes lines or other exterior clothes drying apparatus shall be permitted on any Lot.

(k) **Refuse Accumulations Prohibited.** No burning of any trash and no accumulation or storage of litter, lumber, scrap metals, refuse, bulk materials, waste, new or used building materials, or trash of any other kind shall be permitted on any Lot or on the Common Areas.

(l) **Trash Receptacles and Storage.** Garbage, trash and other refuse shall be placed in covered containers. Trash and garbage containers shall not be permitted to remain anywhere in view from public roadways except on days of trash collection.

(m) **Objectionable Vehicles.** Except as elsewhere herein provided, no junk or inoperable vehicle or other vehicle on which currently valid registration plates are not displayed, vehicles which exceed twenty-five (25) feet in length and/or have two (2) axles, trailer, camper, Winnebagos, house trailer, or other similar machinery or equipment of any kind or character (except for such equipment and machinery as may be reasonable, customary and usual in connection with the use and maintenance of any dwelling and except for such equipment and machinery as the Association may require in connection with the maintenance and operation of the Common Areas) shall be kept upon any part of the Property nor shall

the repair or extraordinary maintenance of automobiles or other vehicles be carried out thereon. Notwithstanding the foregoing, boats are allowed upon each lot only if the boat is kept on a paved or graveled area adjacent to the garage. The Board may, in its discretion, provide and maintain a suitable area designated for the parking of such vehicles, trailers, boats, or the like.

(n) **Parking and Traffic Restrictions.** No automobile, motorcycle, bicycle, tricycle, or other wheeled vehicles or toys shall be parked or left unattended on any sidewalk, pathway, or walkway or on any part of the roadways or other Common Areas of the Property so as to interfere with or obstruct the use thereof or ingress and egress to any Lot, such roadways, or the Common Areas. Except as expressly designated by the Board of Directors, no boats or trailers shall be parked or left unattended on any part of the roadways or other Common areas of the Property. The Board may, in its discretion, from time to time adopt and promulgate such additional Rules and Regulations regarding vehicular traffic and parking as it may consider appropriate.

(o) **Antennae.** No outside television aerial, radio antenna, satellite dish, or other aerial, antennae, or dish for either reception or transmission, shall be maintained upon the Property, provided, however, that such aerials, satellite dishes or antennae may be erected and maintained if completely located upon the Property and outside of public view and whose installation was subject to approval by Board or the Architectural Review Board.

(p) **Animals.** The maintenance, keeping, boarding or raising of animals, livestock, or poultry of any kind, regardless of number, shall be and is hereby prohibited in the Common Areas and on any Lot or within any dwelling, except that this shall not prohibit the keeping of dogs, cats, fish, or caged animals as domestic pets provided they are not kept, bred or maintained for commercial purposes and provided further, that such domestic pets are not a source of annoyance or nuisance to the neighborhood or other residents of the Property. The Board shall have the authority, after hearing, to determine whether a particular pet is a nuisance or source of annoyance to other residents, and such determination shall be conclusive. Pets shall be attended at all times and shall be registered, licensed and inoculated as may from time to time be required by law. Pets shall not be permitted upon the Common Areas unless accompanied by a responsible person and unless they are carried or leashed. The Board shall have the right to adopt such additional Rules and Regulations regarding pets as it may from time to time consider necessary or appropriate.

(q) **Subdivision of Lots Prohibited.** No Lot shall be partitioned, divided, or subdivided; and no portion of any Lot (other than the entire Lot) shall be transferred or conveyed for any purpose. The provisions of this subsection shall not apply to the Declarant and, further, the provisions hereof shall not be

construed to prohibit the granting of any easement or right-of-way to any municipality, political subdivision, public utility or other public body or authority, or to the Association, the Declarant or any other person for any purpose.

(r) **Personal Property.** All personal property placed in any part of the Property outside a dwelling shall be at the sole risk of the owner of such property, and neither the Declarant, the Association, the Board, nor the Management Agent shall be liable for the loss, destruction, or theft or, or damage to, such property.

(s) **Leases.** No portion of a Lot (other than the entire Lot and all improvements thereon) may be leased. No Owner shall lease his Lot except by a written lease for a period of at least three (3) months which expressly provides that the tenancy thereby created is subject to the provisions of this Declaration, the Articles, the Bylaws, and the Rules and Regulations and that the violation of any such provisions shall be deemed to be a substantial breach of the lease warranting proceedings for eviction. Should any lease of a Lot by an owner fail to expressly provide such provisions, the applicability of this Declaration, the Articles, the Bylaws, and the Rules and Regulations and the said effect of violations thereof shall nonetheless be necessarily implied to be an integral part thereof. An Owner who leases his Lot shall notify the Board of the name and address of his lessee(s) and shall file with the Board a conformed copy of the lease. If it so elects, the Board is hereby irrevocably appointed to be the agent and attorney-in-fact for each Owner leasing his Lot for the purpose of enforcing, on behalf of the Association, all express and implied provisions of the Owner's lease relating to this Declaration, the Articles, the Bylaws, or the Rules and Regulations, or any violations thereof, at the cost and expense of such Owner.

(t) **Rules and Regulations.** There shall be no violation of the Rules and Regulations which may from time to time be adopted by the Board and promulgated by it in writing; and the Board is hereby and elsewhere in this Declaration authorized to adopt such rules.

(u) **Owner Liability for Violations.** Owners will be jointly and severally liable and responsible for the actions of their children, pets, tenants, guests, employees, invitees, and licensees.

Section 2. **Implementation and Construction Guidelines.** The Board may from time to time adopt general rules consistent with and to implement the purposes set forth in this article and to interpret the covenants in this article, which general rules may apply to the Property as a whole or to any part thereof.

Section 3. Exceptions. The Board may issue temporary permits or variances to except any prohibitions expressed or implied by this Declaration provided the Board finds good cause to exist therefor and acts in accordance with adopted guidelines and procedures.

Section 4. Enforcement - Right to Remove or Correct Violations.

In the event any violation or attempted violation of any of the covenants or restrictions contained in this article shall occur or be maintained upon the Common Areas or any Lot, or in the event of any other conduct in violation of any of the provisions or requirements of this article, then the same shall be considered to have been undertaken in violation of this article and without the approval of the Board as required hereby and, upon written notice from the Board, such violation shall be promptly removed or abated. In the event the same is not removed, or the violation is not otherwise terminated or abated, within ten (10) days (or such shorter period as may be required in any such notice) after notice of such violation is delivered to the Owner of the Lot upon which such violation exists, then the Association shall have the right, through its agents and employees to enter upon such Lot or Common Area and to take such steps as may be necessary to remove or otherwise terminate or abate such violation and the cost thereof may be assessed against the Lot upon which such violation occurred and the Owner thereof, and when so assessed, a statement for the amount thereof shall be rendered to the Owner of said Lot at which time the assessment shall become due and payable and a continuing lien upon such Lot, and a binding personal obligation of the Owner of such Lot, in all respects (and subject to the same limitations) as a maintenance assessment provided for in Article XII of this Declaration. The Association shall have the further right, through its agents, employees or committees and after reasonable notice, to enter upon and inspect any Lot at any reasonable time for the purpose of ascertaining whether any violation of the provisions of this article or any of the other provisions or requirements of this Declaration exist on such Lot; and neither the Association nor any such agent or employee shall be deemed to have committed a trespass or other wrongful act by reason of such entry or inspection.

Section 5. Construction and Sale. Notwithstanding any provisions contained in this Declaration to the contrary, it shall be expressly permissible for Declarant and any other Class B Member to maintain and carry on upon portions of the Lots and the Common Areas such facilities and activities as, in the sole opinion of Declarant, may be reasonably required, convenient, or incidental to the construction or sale of such Lots and residences thereon, including, but not limited to, business offices, signs, model units, and sales offices, and trailers for any sales, construction or business purposes, and the Declarant shall have an easement for access to such facilities. The right to maintain and carry on such

facilities and activities shall include specifically the right to use residences owned by the Declarant or any other Class B Member as models and sales offices. This section may not be amended without the unanimous express written consent of all Class B Members of the Association.

ARTICLE XI. Architectural Control

Section 1. **Additions, Alterations and Improvements by Owners.** Except for construction or development by, for or under contract with the Declarant or any other Class B Member, except for any improvements to any Lot or to the Common Areas accomplished by the Declarant or any other Class B Member, and except for purposes of proper maintenance and repair, no building, fence, wall, sports structure (including, without limitation, swimming pools, basketball backboards, freestanding nets or goals), or other exterior improvements or structures shall be commenced, directed, placed, moved, altered or maintained upon the Property, nor shall any exterior addition to or change (including any change of color) or other alteration thereupon be made until the complete plans and specifications showing the location, nature, shape, height, material, color, type of construction and any other proposed form of change (including without limitation, any other information specified by the Board) shall have been submitted to and approved in writing by the Board as to safety, harmony of external design, color and location in relation to surrounding structures and topography and conformity with the design concept for Chestnut Ridge-Section 1. Subject to the same limitations as hereinabove provided for, it shall be prohibited to install, erect, attach, apply, paste, hinge, screw, nail, build, alter, remove or construct any lighting, shades, screens, awnings, patio covers, fences, walls, slabs, sidewalks, curbs, gutters, patios, balconies, porches, driveways or to make any change or otherwise alter (including any alteration in color) in any manner whatsoever the exterior of any dwellings or other improvements constructed upon any Lot or upon any of the Common Areas, or to combine or otherwise join two or more such dwellings or improvements, or to partition the same after combination, or to remove or alter any windows or exterior doors of any such dwellings or improvements until the complete plans and specifications, showing the location, nature, shape, height, material color, type of construction and any other proposed form of change (including, without limitation, any other information specified by the Board) shall have been submitted to and approved by the Board in writing as to safety, harmony of external design, color and location in relation to surrounding structures and topography and conformity with the design concept for Chestnut Ridge-Section 1.

Section 2. **Meetings and Decisions of Board.** Each applicant for approval of an addition, alteration, or improvement to or of a Lot shall submit to the Board at least two sets of plans and specifications therefor. Upon approval by the Board of such plans

and specifications, such plans and specifications, as approved, shall be deposited among the permanent records of the Association and the other copy of such plans and specifications bearing such approval, in writing, shall be returned to the applicant submitting the same. In the event the Board fails to approve or disapprove any plans and specifications which may be submitted to it pursuant to the provisions of this article within thirty (30) days after such plans and specifications (and all other materials and information required by the Board) have been submitted to it in writing, the party making the submission for approval shall deliver written notice to the Board of its failure to act, and if approval is not granted or denied within fifteen (15) days thereafter the plans and specifications shall be deemed approved.

The approval of the Board of any proposals or plans and specifications or drawings for any work done or proposed, or in connection with any other matter requiring the approval and consent of such committee, shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans and specifications, drawings, or matter subsequently or additionally submitted for approval or consent.

Section 3. **Limitations.** There shall be no deviation from the plans and specifications approved by the Board without the prior consent in writing of the Board. Approval of any particular plans and specifications or design shall not be construed as a waiver of the right of the Board to disapprove such plans and specifications, or any elements or features thereof, in the event such plans and specifications are subsequently submitted for use in any other instance.

Section 4. **Rules and Regulations, etc.** The Board may from time to time adopt and promulgate such Rules and Regulations regarding the form and content of plans and specifications to be submitted for approval and may publish and record such statements of policy, standards, guidelines and establish such criteria relative to architectural styles or details, fences, colors, setbacks, materials or other matters relative to architectural control and the protection of the environment, as it may consider necessary or appropriate. No such rules, regulations, statements, criteria or the like shall be construed as a waiver of the provisions of this Article or any other provision or requirement of this Declaration. The Board may charge and collect a reasonable fee for the examination of any plans and specifications submitted for approval pursuant to the provisions of this article or for the procurement of such expert or technical advice with respect thereto as it shall deem necessary.

Section 5. **Architectural Review Committee.** In its discretion, the Board may delegate any or all of its powers, authorities and responsibilities as set forth in Sections 1, 2, and 3 of this Article (but not those powers and responsibilities set forth in Section 4 of this Article, and saving and excepting a

power and authority to hear appeals from interested parties concerning final decisions of Architectural Review Committees as set forth herein below). In the event the Board does delegate any or all of its powers, authorities and responsibilities as set forth herein above, it shall specifically retain a power and authority to hear appeals from interested parties concerning final Architectural Review Committee decisions. Any such appeal must be made to the Board in a writing setting forth the basis for the appeal, within thirty (30) days after a final Architectural Review Committee decision is rendered. The Board shall hear the appeal within a reasonable time. The Board may at any time in its discretion revoke any such delegation of its powers as herein provided for and revest the delegated powers, authorities or responsibilities in itself; provided, however, that all actions by such Architectural Review Committees while vested with delegated powers, authorities or responsibilities of the Board shall be deemed to be as effective as if made or done by the Board itself. An Architectural Review Committee appointed pursuant to the provisions of this section shall have the power at any time to make such nonbinding recommendations to the Board for such Rules and Regulations of the type set forth in Section 4 of this Article as it shall deem advisable.

ARTICLE XII. Assessments

Section 1. **Regular Maintenance Assessments.** Except as assessments of the Declarant are limited by the provisions of this Article, each person who becomes an Owner of a Lot within the Property (i.e., each Member of the Association), by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to pay the Association, regular maintenance assessments and special assessments as hereinafter provided. The assessments shall be due and payable as determined by the Board of Directors and shall represent the Member's proportionate share of the sums required by the Association, as estimated by the Board, to meet its annual common expenses, including but in no way limited to the following:

(a) the cost of all operating expenses of the Common Areas and community facilities and the services furnished to or in connection with the Common Areas and community facilities; and

(b) the cost of necessary management and administration of the Common areas and community facilities, including fees paid to any Management Agent; and

(c) the amount of all taxes and assessments levied against the Common Areas and community facilities; and

(d) the cost of any insurance required or authorized by this Declaration or otherwise deemed by the Board to be in the best interests of the Association; and

(e) the cost of utilities and other services which may be provided by the Association, whether for the Common Areas or for the Lots, or both; and

(f) the cost of maintaining, replacing, repairing, and landscaping the Common Areas, together with such equipment as the Board shall determine to be necessary and proper in accordance therewith; and

(g) the cost of funding all reserves established by the Board, including, when appropriate, a general operating reserve and a reserve for replacements; and

(h) such other costs and common expenses as may be incurred by the Association and the Board in the promotion of the recreation, health, safety and welfare of the residents of the Property or in the exercise of powers and authority granted in the Declaration, the Articles, the Bylaws, or otherwise under applicable law. All Owners shall be obligated to pay the maintenance assessments assessed by the Board pursuant to this article. No Owner may exempt himself from liability for maintenance assessments by abandonment of any Lot belonging to him or by the abandonment of his right to the use and enjoyment of the Common Areas and community facilities. Except as otherwise hereinafter expressly provided, all maintenance assessments shall be levied at a uniform rate for each Lot to which Class A membership is appurtenant. All assessments levied hereunder with respect to any Lot shall be the joint and several liability of the persons who are Owners of that Lot.

Section 2. **Assessment Determination.** The Board shall determine the amount of the regular assessments annually, but may do so at more frequent intervals should circumstances so require. Upon resolution of the Board, installments of regular assessments may be levied and collected on a quarterly, semi-annual, or annual basis rather than on the monthly basis hereinabove provided for. Any Member may prepay one or more installments on any annual assessment levied by the Association without premium or penalty.

Section 3. **Annual Budget.** The Board shall prepare, or cause the preparation of, an annual operating budget for the Association which shall provide for the common expenses of the Association including, without limitation, the expenses described in Section 1 of this article. The annual budget shall be the basis for determination of the regular assessments. The Board shall make reasonable efforts to fix the amount of the annual assessment against each Lot for each assessment period at least thirty (30) days in advance of the commencement of such period and shall, at

that time, prepare a roster of the Lots and the annual assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Owner upon reasonable notice to the Board. Written notice of the annual assessments shall thereupon be sent to the Members. The failure or omission by the Board, before the expiration of any assessment period, to fix the amount of the annual assessment hereunder for that or the next period, shall not be deemed a waiver or modification in any respect of the provisions of this article or a release of any Member from the obligation to pay the annual assessment, or any installment thereof, for that or any subsequent assessment period, but the annual assessment fixed for the preceding period shall continue until a new assessment is fixed and published by the Board.

Section 4. **Special Assessments.** In addition to the regular assessments authorized by this Article, the Board may levy in any assessment year a special assessment or assessments, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, inordinate repair or replacement of a described capital improvement located upon, or forming a part of the Common Areas and community facilities, including the necessary fixtures and personal property related thereto, or for such other purpose as the Board may consider appropriate; provided, however, that, except as otherwise herein authorized or provided, in any fiscal year, the Board may not without the vote or written assent of a majority of each class of Members of the Association, levy special assessments which will exceed Four Hundred Dollars ($400.00) per Lot. All special assessments shall be levied at a uniform rate for each Lot to which Class A membership is appurtenant.

Section 5. **Reserves for Replacements.** The Board may establish and maintain a reserve fund for replacements of the Common Areas and community facilities by the allocation and payment monthly to such reserve fund of an amount to be designated from time to time by the Board. Such fund shall be conclusively deemed to be common expense of the Association and may be deposited with such depository or depositories as the Board shall, in its discretion, designate. The reserve for replacements of the Common Areas and community facilities may be expended only for the purpose of effecting major repairs to, or the replacement of, the Common Areas and community facilities and for start-up expenses and operating contingencies of a non-recurring nature relating to the Common Areas and community facilities. The Board may establish such other reserves for such other purposes as the Board may from time to time consider to be necessary or appropriate. The proportional interest of any Member in any such reserve shall be considered an appurtenance of his Lot and shall not be separately withdrawn, assigned or transferred or otherwise separated from ownership of the Lot to which it appertains and shall be deemed to be transferred with such Lot.

Section 6. Individual Lot Expenses. Except as may be specifically provided for herein, this Declaration does not contemplate that the Association shall have any responsibility for the maintenance or repair of the dwellings or other improvements or appurtenances on the Lots; and the responsibility and duties of the Association for maintenance and repairs shall be limited to the Common Areas and community facilities. The Owner of any Lot shall, at his own expense, maintain his Lot and dwelling, and any and all improvements and appurtenances thereto, in good order, condition and repair and in a clean, attractive and sanitary condition at all times, all as more specifically provided in Section 2 of Article V of this Declaration.

Section 7. Initial Assessments; Increases and Decreases. Except as may be otherwise resolved by the Board, the regular annual assessment for each Class A membership shall commence on the date a deed for the Lot to which such membership is appurtenant is delivered by the Declarant to the Member. The first monthly installment of each such annual assessment shall be made proportionately for the balance of the month during which a deed for the Lot is delivered to the Member and shall become due and payable and a lien on the date a deed for the Lot is delivered to the Member. Except as herein elsewhere provided or as otherwise determined by the Board, the installments of each such regular assessment for any Lot shall be due and payable in advance and a lien on the first day of each calendar month in the year as for which such assessment is made. Assessments may be increased or decreased by the Board at any time as the Board, in its sole discretion, shall deem such to be in the best interests of the Association.

Section 9. Nonpayment of Assessments. Any assessment levied pursuant to this Declaration, or any installment thereof, which is not paid on the date when due shall be delinquent and shall, together with interest thereon, "late charges", reasonable attorneys' fees, and the costs of collection thereof, as hereinafter provided, thereupon become a continuing lien upon the Lot or Lots belonging to the Member against whom such assessment is levied and shall bind such Lot or Lots in the hands of the then Owners, his heirs, devisees, personal representatives and assigns. The personal obligation of the Member to pay such assessment, interest thereon, "late charges", reasonable attorneys' fees, and costs of collection shall, in addition, remain his personal obligation for the statutory period and a suit to recover a money judgment for such obligation may be maintained without foreclosing or waiving the lien herein created to secure the same.

Section 10. Interest; Late Charges. Any assessment levied pursuant to this Declaration, or any installment thereof, which is not paid within ten (10) days after it is due, may, upon resolution of the Board, bear interest from the date due at a rate not to

exceed the maximum legal rate permitted from time to time in the State of Maryland, and may subject the Member obligated to pay the same to the payment of such penalty or "late charge" as the Board may fix. The Association may bring an action at law against the Member personally obligated to pay the same, and/or foreclose on the lien against the Lot or Lots then belonging to said Member in the manner now or hereafter provided for the foreclosure of mortgages, deeds of trust or other liens on real property in the State of Maryland containing a power of sale and consent to a decree, and subject to the same requirements, both substantive and procedural, or as may otherwise from time to time be provided by law, in either of which events interest, costs, and reasonable attorneys' fees shall be added to the amount of each such delinquent assessment. Any interest, "late charge", reasonable attorneys' fees, or other costs due hereunder shall be the joint and several liability of all persons who are Owners of the Lot or Lots with respect to which such charges are a lien hereunder.

Section 11. **Delinquency Notices.** The Association shall notify the holder of the first mortgage on any Lot for which any assessment levied pursuant to this Declaration becomes delinquent for a period in excess of thirty (30) days and in any other case where the Owner of such Lot is in default with respect to the performance of any other obligation hereunder for a period in excess of thirty (30) days, but any failure to give such notice shall not affect the validity of the lien for any assessment levied pursuant to this Declaration, nor shall any such failure affect any of the priorities established in this article. The Board may post a list of members who are delinquent in the payment of any assessments or other fees which may be due the Association, including any installment thereof, which becomes delinquent, in any prominent location upon the Property.

Section 12. **Assessment Certificates.** The Association shall upon demand at any time furnish to any Member liable for any assessment levied pursuant to this Declaration (or any other party legitimately interested in the same) a certificate in writing signed by an officer of the Association, setting forth the status of said assessment, i.e., whether the same is paid or unpaid. Such certificate shall be conclusive evidence of the payment of any assessment therein stated to have been paid. A charge not to exceed Twenty Five Dollars ($25.00) may be levied in advance by the Association for each certificate so delivered.

Section 13. **Acceleration of Installments.** Upon default in the payment of any monthly installment of any assessment levied pursuant to this Declaration, or any other installment thereof, the entire balance of the regular assessments due from that Owner for the year in question may be accelerated at the option of the Board and be declared due and payable in full. Any such accelerated regular assessments shall thereupon become a continuing lien upon the Lot or Lots belonging to the Member against whom such

assessment is levied and shall be collectable in the same manner and subject to the same interest, costs and charges as if such accelerated balance were a delinquent regular assessment.

Section 14. Priority of Lien. The liens established by this Declaration shall not be affected by the sale or transfer of the Lot encumbered and shall have preference over any other assessments, liens, judgments or charges of whatever nature, except the following:

(a) general and special assessments for ad valorem real estate taxes on the Lot; and

(b) the liens of any deeds of trust, mortgage instruments or encumbrances duly recorded on the Lot prior to the assessment thereon of the liens provided for in this Declaration or duly recorded on said Lot after receipt of a written statement from the Board reflecting that payments on said liens were current as of the date of recordation of said deed of trust, mortgage instruments or encumbrance.

Notwithstanding any other provision of this Declaration to the contrary, however, the lien of any assessment levied pursuant to this Declaration upon any Lot, as in this article provided, shall be subordinate to the lien of any first mortgage made in good faith and for value received and shall in no way affect the rights of holders of any such first mortgage; provided, however, that such subordination shall apply only to assessments, and installments thereof, which have become due and payable prior to a sale or transfer of the Lot pursuant to a foreclosure of such first mortgage, or any deed, assignment or other proceeding or arrangement in lieu of foreclosure thereof. Any holder of a first mortgage duly recorded on the Lot and made in good faith and for value received who takes legal title to the Lot pursuant to a foreclosure of such first mortgage, or any deed, assignment or other proceeding or arrangement in lieu of foreclosure, and any other purchaser at a foreclosure sale thereon, shall take the Lot free of any claims for unpaid assessments levied against the Lot which accrue prior to the time such holder takes legal title to the Lot or prior to the foreclosure sale, except for claims for a proportionate share of such unpaid assessments resulting from a reallocation of such unpaid assessments among the Lots upon the Property. Such foreclosure, deed, assignment or other proceeding or arrangement in lieu of foreclosure shall not, however, relieve the mortgage in possession or the purchaser at any foreclosure sale from any liability for any assessments thereafter becoming due, or from the lien herein created to secure the payment of such assessments, which said lien, if claimed, shall have the same effect and be enforced in the same manner as provided herein. No amendment to this section shall affect the rights of the holder of any first mortgage on any Lot (or the indebtedness secured thereby) recorded prior to recordation of such amendment unless the holder

thereof (or of the indebtedness secured thereby) shall join in the execution of such amendment. The Board may, in its sole and absolute discretion, extend the provisions of this section to the holders of mortgages (or of the indebtedness secured thereby) not otherwise entitled thereto.

Section 15. **Assessment of Declarant.** Anything in this Declaration to the contrary notwithstanding, each Lot held by the Declarant, or the maker of any Annexation Amendment for the purpose of annexing additional property to the legal operation and effect of this Declaration, or any other Class B Member shall not be subject to assessment by the Association.

Section 16. **Exempt Property.** No portion of the Common Areas or community facilities shall be subject to assessment of any kind by the Association.

Section 17. **Maximum Annual Assessment.** Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment for a Lot shall be Fifty Dollars ($50.00). 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 from the limits for the preceding year by the greater of:

(a) such amount as shall be the sum of the proportionate amount by which any casualty, liability and other insurance premiums payable by the Association shall have increased over the preceding year added to such amount as shall equal the maximum regular assessment for the preceding year multiplied by any percentage increase during the preceding year in the All Items Expenditure Category of the CPI-U Consumer Price Index for All Urban Consumers (1982-84=100) U.S. city average, as determined by the Bureau of Labor Statistics of the United States Department of Labor, or such other or successor index as shall be devised to measure similar cost increases; or

(b) the amount of the preceding year's maximum regular assessment multiplied by eight percent (8%); or

(c) such other amount as shall be determined by the Board to be in the best interests of the Association.

ARTICLE XIII. Compliance and Default

Each Owner and/or occupant or user of the Property (or any part thereof) shall be governed by, and shall comply with all of the terms of this Declaration, the Rules and Regulations herein provided for, and any amendments of the same. A default by an Owner or such occupant or user shall entitle the Board, acting by itself, for the Association, or through the Management Agent, to the following relief:

Section 1. Legal Proceedings. Failure to comply with any of the terms of this Declaration or the Rules and Regulations shall be grounds for relief which may include, without limiting the same, an action to recover any sums due for money damages, injunctive relief, foreclosure of the lien for payment of any and all assessments, any other relief provided for in this Declaration and any other relief afforded by a court of competent jurisdiction, all of which relief may be sought by the Board, the Management Agent, or, if appropriate, by any aggrieved Owner. There shall be and there is hereby created and declared to be a conclusive presumption that any violation or breach or attempted violation or breach of any of the within covenants and restrictions cannot be adequately remedied by action at law or exclusively by recovery of damages.

Section 2. Additional Liability. Each Owner shall be liable for the expense of all maintenance, repair or replacement rendered necessary by his tortious acts, neglect or carelessness or the tortious acts, neglect, or carelessness of any member of his family or his employees, tenants, agents, guests, invitees, or licensees. Such liability shall include any increase in fire insurance rates occasioned by use, misuse, occupancy or abandonment of any Lot or its appurtenances. Nothing contained herein, however, shall be construed as modifying any waiver by any insurance company of its rights of subrogation.

Section 3. Costs and Attorneys' Fees. In any proceeding arising out of any alleged default by an Owner, occupant or user of the Property (as specified in Section 1 above), the Board, the Management Agent and/or any aggrieved Owner, shall be entitled to recover the costs of the proceedings, and such reasonable attorneys' fees as may be determined by the court.

Section 4. No Waiver of Rights. The failure of the Association, the Board, or any Owner to enforce any right, provision, covenant or condition which may be granted by this Declarant or the Rules and Regulations shall not constitute a waiver of the right of the Association, the Board, or the Owner to enforce such right, provision, covenant, or condition in the future. All rights, remedies and privileges granted to the Association, the Board or an Owner pursuant to any term or provision of this Declaration or the Rules and Regulations shall be deemed to be cumulative, and the exercise of any one or more thereof shall not be deemed to constitute an election of remedies, nor shall it preclude the party exercising the same from exercising such privileges as may be granted to such party by any other term or provision of this Declaration or the Rules or Regulations, at law or in equity.

Section 5. Abatement and Enjoinment of Violations by Owners. The violation of any provision of this Declaration or of any of the Rules and Regulations adopted by the Board shall give the Board (or

the Management Agent or its agents and employees at the direction of the Board) the right, in addition to any other rights set forth in this Declaration, (a) after reasonable notice, to enter the Lot or Common Area upon which, or as to which, such violation or breach exists and summarily to abate and remove, at the expense of the defaulting Owner, any structure, thing or condition, that may exist therein contrary to the intent and meaning of the provisions hereof or said rule or regulation and the Board (or the Management Agent, its agents and employees) shall not thereby be deemed guilty in any manner of trespass; or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach, at the expense of the breaching party. Prior to altering or demolishing items of construction on any Lot pursuant to this section, the Board (or the Managing Agent or its agents and employees at the direction of the Board) shall first attempt to obtain redress by judicial proceedings pursuant to subsection (b) of the preceding sentence.

Section 6. **Fines.** After providing such due process as is required by the Bylaws, the Board shall have the power to impose a fine of not more than $50.00 for each initial violation or $25.00 for each repeated violation by an Owner or a tenant, guest, or member of the family of an Owner, of any of the provisions of this Declaration or the Rules and Regulations. Fines for violations by a member of an Owner's family or his tenants or guests shall be the joint and several obligation of such Owner; and, for the purposes of this subsection, each day any such violation continues shall be deemed to be a separate such violation. Any fine imposed by the Board for a violation of this Declaration or the Rules and Regulations, together with interest, attorneys' fees and costs of collection as hereinafter provided, shall be a lien levied against the Owner's Lot as of the day of the imposition of the fine, and may be foreclosed in the manner provided for the foreclosure of liens for assessments. Any such lien for the payment of a fine shall be subject to the provisions of Section 14 of Article XII of this Declaration as if such lien were a lien for a maintenance assessment. As determined by the Board, interest on the unpaid amount of any fine shall accrue at a rate not to exceed the maximum legal rate permitted from time to time in the State of Maryland. In the event of litigation to collect the amount of any fine imposed pursuant to the terms of this Declaration, the Articles, or the Bylaws, the person obligated to pay such fine shall further be obligated to pay to the Association reasonable attorneys' fees and any costs of collection incurred in connection therewith.

ARTICLE XIV. Duration

The covenants and restrictions of this Declaration shall run with and bind the Property for a term of forty (40) years from the date of this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years unless, prior to the expiration of the then current term, (a) a

written instrument shall be executed by at least three-fourths (3/4) of the Members of the Association (representing at least three-fourths (3/4) of the votes of such membership) stating this Declaration, or any provisions hereof, shall expire at the end of the then current term, and (b) such written instrument is recorded among the Land Records for the jurisdiction in which this Declaration is recorded.

ARTICLE XV. Amendment.

Section 1. **Amendment by the Association.** Subject to the other limitations set forth in this Declaration, and except where permanent rights, easements, rights-of-way or the like are established in this Declaration, prior to the lapse and conversion of all of the Class B memberships in the Association to Class A memberships, as in Article IV provided, this Declaration may be amended only by an instrument executed and acknowledged by at least two-thirds (2/3) of the Class A Members of the Association, if any, and by the Declarant, which instrument shall be recorded among the Land Records for the jurisdiction in which this Declaration is recorded. Subject to the other limitations set forth in this Declaration, and except where permanent rights, easements, rights-of-way or the like are established in this Declaration, following the lapse and conversion of all of the Class B memberships in the Association, as in Article IV provided, this Declaration may be amended by an instrument approved by the affirmative vote of at least two-thirds (2/3) of the Members of the Association, executed and acknowledged by the person responsible for counting said votes and at least one other director and/or officer of the Board, which instrument shall be recorded among the Land Records for the jurisdiction in which this Declaration is recorded. Subject to the other limitations set forth in this Declaration, but notwithstanding anything contained in this article to the contrary, this Declaration may be amended for the purpose of bringing the same into conformity with the requirements of either the FNMA, the FHLMC, the VA, the FHA or any other governmental or quasi-governmental agency, by an instrument executed and acknowledged by a majority of the then Members of the Association, which instrument shall be recorded among the Land Records for the jurisdiction in which this Declaration is recorded. Unless a later date is specified in any such instrument, any amendment to this Declaration shall become effective on the date of recording.

Section 2. **Amendments by the Declarant.** Notwithstanding, and in addition to, any other provision of this Declaration, the Articles, the Bylaws and the Rules and Regulations, the Declarant shall have the right, and hereby reserves the sole right and authority, to be exercised in its sole discretion without the consent of any other person, at any time and from time to time while it owns any Class B Membership, if so required by the FNMA, the FHLMC, the VA, the FHA or any other governmental or quasi-governmental agency as a condition for loans to be made, insured,

guaranteed, or purchased by that agency, to amend, modify or add to the provisions of this Declaration, and the other documents and instruments relating to the Association or the Property as need therefor be made. Such right also is reserved to comply with the requirements of any lender or title insurance company, provided such amendments, modifications or additions made pursuant to the requirements of any lender or title insurance company do not adversely or materially affect the interests in the Property of the Owners or mortgagees of any Lots. Any such amendments, modifications of, or additions to this Declaration by the Declarant shall be effective on the date specified in the written instrument effecting the same, if any, or, if none, on such date as the instrument is recorded among the Land Records for the jurisdiction in which this Declaration is recorded.

ARTICLE XVI. Mortgagees' Rights

Section 1. **Special Agency Consents.** If the FNMA is a mortgagee with respect to any Lot or if the VA or the FHA has insured any mortgage encumbering a Lot, neither the Members, the Board, nor the Association shall, by act or omission, take any actions which requires the approval of the FNMA, VA or FHA, without the prior written consent and approval of the agency so concerned. As long as there is a Class B membership, annexation of additional properties, dedications of Common Areas, and amendment of this Declaration of Covenants, Conditions and Restrictions, will require approval of the Federal Housing Administration or Veterans Administration, as appropriate.

Section 2. **Notice of Contemplated Foreclosure Proceedings.** No suit or other proceedings may be brought to foreclose any lien levied or established pursuant to this Declaration except after ten (10) days' written notice to the holder of the first mortgage of record on the Lot which is the subject matter of such suit or proceeding.

Section 3. **Right to Cure.** Any institutional first mortgagee of any Lot upon the Property may pay any taxes, utility charges or other charge levied against the Common Areas and community facilities which are in default and which may or have become a charge or lien against any of the Common Areas and community facilities; and any such institutional first mortgagee may pay, for the benefit of the Association, any overdue premiums on any hazard insurance policy or secure new hazard insurance coverage on the lapse of any policy with respect to the Common Areas and community facilities. Upon demand thereto, any first mortgagee who advances any such payment shall be due immediate reimbursement from the Association of the amount so advanced.

Section 4. **Priority of First Mortgagees.** No provision of this Declaration, the Bylaws, or the Rules and Regulations shall be construed to grant to any Owner, or to any other party, any

priority over any rights of first mortgagees of the Lots pursuant to their first mortgages in the case of a distribution to Owners of insurance proceeds or condemnation awards for losses to or taking of the Lots, or any portions thereof.

ARTICLE XVII. General Provisions

Section 1. **Successors of Declarant.** Any and all rights, reservations, easements, interests, exemptions, privileges and powers of the Declarant hereunder, or any part of them, may be assigned and transferred (exclusively or non-exclusively) by the Declarant, with or without notice to the Association, subject to the Declarant's obligations hereunder.

Section 2. **Notices.** Any notice required to be sent to any Member or Owner under the provisions of this Declaration, the Articles, the Bylaws, or the Rules and Regulations shall be deemed to have been properly sent when mailed, by ordinary mail, postage paid, to the last known address of the person who appears as Member or Owner on the records of the Association at the time of such mailing. Whenever any notice is required to be given under the provisions of this Declaration, the Articles, the Bylaws, or the Rules and Regulations, a written waiver thereof signed by the person or persons entitled to such notice, whether signed before or after the time stated therein, shall be deemed equivalent thereto.

Section 3. **No Dedication to Public Use.** Nothing herein contained shall be construed as a dedication to public use or as an acceptance for maintenance of any Common Areas or community facility by any public or municipal agency, authority, or utility and no public or municipal agency, authority or utility shall have any responsibility or liability for the maintenance or operation of any of the Common Areas or community facilities.

Section 4. **Construction.** The provisions, covenants, conditions, restrictions, easements and reservations contained in this Declaration shall be governed and construed in accordance with the laws of the State of Maryland. Such provisions, covenants, conditions, restrictions, easements and reservations shall be liberally construed to effectuate the purposes of (a) allowing the Declarant to expeditiously develop the Property, construct dwellings on the Lots, and market and sell these dwellings and Lots to prospective Owners and (b) creating a uniform plan for the future operation of Chestnut Ridge-Section 1, for the preservation of aesthetic and property values therein, and for the common welfare and enjoyment of all residents thereof.

Section 5. **Captions and Gender.** The captions contained in this Declaration are for convenience only and are not a part of this Declaration and are not intended in any way to limit or

enlarge the terms and provisions of this Declaration. Whenever the context so requires, the male gender shall include all genders and the singular shall include the plural.

Section 6. **Severability.** All of the covenants, conditions, restrictions, easements and reservations contained in this Declaration are hereby declared to be severable and a finding by any court of competent jurisdiction that any of them or any clause or phrase thereof, is void, unlawful or unenforceable shall not affect the validity or enforceability of any other covenants, conditions, restrictions, easements, reservations, or clause or phrase thereof.

IN WITNESS WHEREOF the parties have executed this Declaration as of the date first written hereinabove.

Delmarva Properties, Inc..

ATTEST:

W. Aubrey Hall

By: Robert F. Brake (SEAL)
Robert F. Brake
President

STATE OF VIRGINIA,
COUNTY OF KING WILLIAM, to wit:

I HEREBY CERTIFY that on this 25th day of May, 1990, before me, the subscriber, a notary public in and for the jurisdiction aforesaid, personally appeared ROBERT F. BRAKE, who is known to me (or satisfactorily proven) to be the person who signed the within instrument and said person made oath in due form of law that said person is the President of Delmarva Properties, Inc., and that, as such, said person is duly authorized to execute the within instrument for the purposes therein contained, and said person acknowledged that said person executed the same as the act and deed of said Delmarva Properties, Inc.

AS WITNESS my hand and Notarial Seal.

Notary Public
My commission expires: 1-10-92

The undersigned, a member in good standing of the Bar of the Court of Appeals of the State of Maryland, hereby certifies that the within instrument was prepared by him or under his supervision.

BY-LAWS

OF

CHESTNUT RIDGE-SECTION 1 HOMEOWNERS' ASSOCIATION, INC.

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BYLAWS
OF
CHESTNUT RIDGE-SECTION 1 HOMEOWNERS' ASSOCIATION, INC.

ARTICLE I. Name and Location

Section 1. Name. The name of the corporation is "CHESTNUT RIDGE-SECTION 1 HOMEOWNERS' ASSOCIATION, INC.", hereinafter referred to as "the Association".

Section 2. Principal Office. The post office address of the principal office of the Association shall be 100 Exploration, Suite 2030, Lexington Park, St. Mary's County, Maryland 20653, but meetings of Members and directors may be held at such places as may be designated by the Board.

ARTICLE II: Definitions

Section 1. Definitions. Throughout these Bylaws, words and terms used herein shall have the meanings set forth in the Articles or in the Declaration.

Section 2. "the Articles". "the Articles" means the Articles of Incorporation of the Association.

Section 3. "the Declaration". "the Declaration" means the Declaration of Covenants, Conditions, and Restrictions for Chestnut Ridge-Section 1 recorded by Delmarva Properties, Inc. among the Land Records of St. Mary's County, as amended from time to time.

Section 4. "Member". "Member" and "Members" refer to those persons entitled to membership in the Association as provided in the Articles.

ARTICLES III: Liquidation Rights

In the event of any voluntary or involuntary dissolution of the Association under circumstances where the assets of the Association are not dedicated to a public agency or granted to a nonprofit corporation, association, trust or other organization as provided in the Articles, each Class A Member of the Association shall be entitled to receive out of the assets of the Association available for distribution to the Members an amount equal to that proportion of such assets which the number of Class A memberships held by such member bears to the total outstanding. For the purposes of this section only, in the event that, at the time of such dissolution, the Class B membership of the Association shall not yet have ceased and been converted to Class A Membership, a then Class B Member shall be deemed to be a Class A Member as to any Lot then owned by it. In the event that the Lot of any Owner shall be mortgaged, distributions in liquidation of the Association

as prescribed by this section shall be made to the Owner and his mortgagee(s), as their interests may appear.

ARTICLES IV: Meetings of Members

Section 1. **Annual Meetings.** The initial meeting of the Members shall be held within one year from the date of incorporation of the Association, and each subsequent regular annual meeting of the Members shall be held in the same month of each year thereafter, at a date, time and place within St. Mary's County, Maryland selected by the Board.

Section 2. **Special Meetings.** Special meetings of the Members may be called at any time by the President, by the Board of Directors, or upon written request of the Owners of at least one-fourth (1/4) of the Lots.

Section 3. **Notice of Meetings.** Written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing a copy of the notice, postage prepaid, not less than fifteen (15) nor more than sixty (60) days before the meeting, to each Member, addressed to the Member's address last appearing on the books of the Association, or supplied by the Member to the Association for the purpose of notice. The notice shall specify the place, day and hour of the meeting. In the case of a special meeting, the notice shall state the purpose of the meeting. In lieu of mailing a copy of the notice as prescribed above, the Secretary or person authorized to call the meeting may provide the requisite notice by causing a copy of the notice to be hand delivered to the improvements on the Lot owned by any Member entitled to such notice.

Section 4. **Waiver of Notice.** Waiver of notice of a meeting of the Members shall be deemed the equivalent of proper notice. Any Member may, in writing, waive notice of any meeting of the Members, either before or after such meeting. Attendance at a meeting by a Member, whether in person or by proxy, shall be deemed a waiver by such Member of notice of the time, date, and place thereof, unless such Member specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting shall also be deemed waiver of notice of all business transacted thereat unless objection to the calling or convening of the meeting of which proper notice was not given is raised before the business is put to a vote.

Section 5. **Quorum.** Except as otherwise provided in the Articles or these Bylaws, the presence at a meeting of Members or proxies entitled to cast two-tenth's (2/10ths) of the votes of each class of the Membership shall constitute a quorum for any action. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have the power

to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 6. Roster of Membership. The Board shall maintain a current roster of the names and addresses of each Member to which written notice of meetings of the Members of the Association shall be delivered or mailed. Each Member shall furnish the Board with his name and current mailing address.

Section 7. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Except with regard to proxies given by or to Class B Members, every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Lot, by a written notice of revocation received by the Secretary, by the death of the Member, or by the passage of one hundred eighty (180) days after the date of making as stated thereon, whichever occurs first.

Section 8. Conduct of Meeting. The President or, in his absence, the Treasurer, shall preside over all meetings of the Members and shall count all votes taken thereat. The Secretary or, in his absence, such person as shall be designated by the President, shall keep the minutes of the meeting and record in a Minute Book all resolutions adopted by the meeting as well as a record of all transactions occurring thereat.

Section 9. Voting. At every meeting of the Members, Class A Members shall have the right to cast one (1) vote for each Lot owned on each question. At such meetings, the Class B Members shall have the right to cast three (3) votes for each lot owned by the Class B members, such votes to be exercised as provided in the Articles. The vote of the Members representing fifty-one percent (51%) of the total of the votes of the membership present at the meeting, in person or by proxy, calculated as aforesaid, shall be necessary to decide any question brought before such meeting, unless the question is one upon which, by the express provision of a law, the Articles, the Declaration, or these Bylaws, a different vote is required, in which case such express provision shall govern and control. Where the ownership of a Lot is in two or more persons and in the event of a dispute as to who can vote with respect to that Lot, the person who shall be entitled to cast the vote of the Members for that Lot shall be the person named in a certificate signed by all of the Owners of the Lot and filed with the Secretary. In the event all of the co-owners of any Lot who are present at any meeting of the Members are unable to agree on the manner in which the vote for such Lot shall be cast on any particular question, then such vote shall not be counted for purposes of deciding that question. In the event any Lot is owned by a corporation, then the vote for any such Lot shall be cast by a person designated in a certificate signed by the President or any

Vice President of such corporation and attested by the Secretary or any Assistant Secretary of such corporation and filed with the Secretary of the Association. Any such certificate shall remain valid until revoked or superseded in writing. The vote for any membership which is owned by a trust or partnership may be exercised by any trustee or partner thereof, as the case may be, and, unless any objection or protest by any other such trustee or partner is noted at such meeting, the presider at 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, who is shown on the books or management accounts of the Association to be more than sixty (60) days delinquent in any payment due to the Association.

Section 10. Requisite Approvals. Wherever the approval or disapproval of the Members is required by law, the Articles, the Declaration, or these Bylaws, such approval or disapproval shall be made by the requisite number of the persons who would be entitled to vote at a meeting of the Members. Whenever in the Articles, the Declaration, or these Bylaws, any action is required to be taken by a specified fraction or percentage of each class of the Members of the Association, then votes with respect to such action shall be required to be taken by separate votes of the classes and such action can only be authorized by affirmative votes by the specified fraction or percentage of the votes of the then outstanding Class A Members of the Association and the specified fraction or percentage of the votes of the then outstanding Class B Members of the Association. Whenever in these Bylaws any action is required to be taken by a specified fraction or percentage of both classes of the then Members of the Association or a specified fraction or percentage of the then Members of the Association, then such action shall be required to be taken by a specified percentage of the votes of the then outstanding cumulative membership of the Association.

Section 11. Votes by Mail. Action may be taken by the Members upon a stated proposal or for the election of directors without a meeting upon a vote of the Members by U.S. mail, private mail, couriers and/or telecopier in accordance with such reasonable procedures therefor as the Board shall prescribe and under its supervision.

Section 12. Informal Action. Any action required or permitted to be taken at a meeting of the Members also may be taken without a meeting if a unanimous written consent which sets forth the action is signed by each voting Member and filed with the Association Minute Book.

Section 13. Actions by Class B Voting. In those instances in which an action may be taken solely by affirmative vote of the Class B membership, without the vote of the Class A membership,

then the Class B membership may hold such meetings and take such actions without notifying, and without the vote of the Class A membership, provided, however, that the Class B membership shall only take those actions which it is entitled to take without the vote of the Class A membership and that the Class A membership shall be notified of any action taken by the Class B membership.

Section 14. Rights of Mortgagees. Any institutional mortgagee of any Lot who desires notice of the annual and special meetings of the Members shall notify the Secretary to that effect by Registered Mail - Return Receipt Requested. Any such notice shall contain the name and post office address of such institutional mortgagee and the name of the person to whom notice of the annual and special meetings of the Members should be addressed. The Secretary shall maintain a roster of all institutional mortgagees from whom such notices are received and it shall be the duty of the Secretary to mail or otherwise cause the delivery of a notice of each annual or special meeting of the members to each such institutional mortgagee, in the same manner, and subject to the same requirements and limitations as are otherwise provided in this article for notice to the Members. Any such institutional mortgagee shall be entitled to designate a representative to attend any annual or special meeting of the members and such representative may participate in the discussion at any such meeting and may, upon his request made to the presider in advance of the meeting, address the Members present at any such meeting. Such representative shall have no voting rights at any such meeting. Such representative shall be entitled to copies of the minutes of all meetings of the Members upon request made in writing to the Secretary.

ARTICLE V: <u>Board of Directors</u>

Section 1. Number. Until the first meeting of the Association after the Class B membership shall cease and become converted to Class A membership, the number of directors, method of their selection, and term of their respective offices shall be as provided in the Articles. From and after the time of the first meeting of the Association which occurs after such time as the Class B membership shall cease and become converted to Class A membership, the affairs of the Association shall be managed and governed by a Board of Directors composed of five (5) members, all of whom shall not need to be Members of the Association.

Section 2. Term of Office. From and after the time of the first meeting of the Association which occurs after such time as the Class B membership shall cease and become converted to Class A membership, the term of office of each director shall be for two years and until the next meeting of the Board after his successor is elected and qualified; provided, however, that at such first meeting after such time as the Class B membership shall cease and be converted to Class A membership, a new election for all

positions on the Board shall be held and those nominees receiving the three highest vote totals shall be elected to two year terms of office and those receiving the next two highest vote totals shall be elected to one year terms of office. Annual elections shall thereafter be held for only those directorships as for which terms shall expire in the year of the election.

Section 3. Nomination. Nomination of directors for election to the Board shall initially be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board, and two or more other persons. The Nominating Committee shall be appointed by the President of the Association prior to each annual meeting of the Members, to serve until the close of the annual meeting. The Nominating Committee shall make as many nominations for election to the Board as it shall, in its discretion determine, but not less than the number of vacancies that are to be filled.

Section 4. Election. Except as provided in the Articles, election to the Board shall be by written ballot at the annual meeting of the Members of the Association. At the election each Member or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Articles. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

Section 5. Removal. From and after such time as the Class B membership shall cease and become converted to Class A membership, any director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association. In the event of death, resignation or removal, pursuant to these Bylaws, of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 6. Compensation. No director shall receive compensation for any service he may render to the Association, as such. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 7. Regular Meetings. Regular meetings of the Board shall be held at least quarterly at such place and hour as may be fixed from time to time by resolution of the Board, without the necessity of further notice.

Section 8. Special Meetings. Special meetings of the Board shall be held when called by the President of the Association, or by any three directors, after not less than three (3) days' notice to each director given personally or by mail, telephone, or telegraph.

Section 9. Waiver of Notice. The transactions of any meeting of the Board, however called and notice or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if (a) a quorum is present, and (b) either before or after the meeting each of the directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting shall also be deemed to have been given to any director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

Section 10. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

Section 11. Action without Meeting. Any action of the Board required or permitted to be taken at any meeting may be taken without a meeting if a unanimous written consent which sets forth the action is signed by each director and filed with the Board's minutes of its proceedings.

Section 12. Powers. The Board shall have all the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by law, by the Declaration, by the Articles, or these Bylaws directed to be exercised and done by the Members. The powers and duties of the Board shall include, but shall not be limited (subject at all times to the provisions of the Declaration, the Articles, and the other provisions of these Bylaws) to the following:

(a) provide for the care, upkeep, control and surveillance of the Common Areas, community facilities and services, and all other property of the Association, in a manner consistent with law and the provisions of these Bylaws, the Articles and the Declaration; and

(b) make assessments against Owners to defray the costs and expenses of the Association, establish the means and methods of collecting such assessments from the Owners, and establish the periods of the installment payments of the annual assessment for common expenses (unless otherwise determined by the Board, the annual assessments against each Owner for his proportionate share of the expenses of the Association shall be payable in equal monthly installments, each such installment to be due and payable in advance on the first day of each calendar month); and

(c) collect the assessments against the Owners, depositing the proceeds thereof in a depository which it shall approve, and

use the proceeds to carry out the administration of the Association and its powers and duties hereunder; and

(d) adopt, publish and enforce Rules and Regulations governing (i) use of the Common Areas, including any improvement and amenities located thereon; (ii) reasonable interpretation and construction of the provisions of the Declaration, the Articles, and these Bylaws; and (iii) such other matters as are specified as the subjects for such Rules and Regulations in the Declaration, the Articles or these Bylaws; and

(e) suspend the voting rights, and the right of use of any recreational facilities located on any Common Areas during any period in which the Member is in default in the payment of any assessment levied by the Association; these rights may also be suspended for a period not to exceed sixty (60) days for any infraction of published Rules and Regulations; and

(f) designate, hire and dismiss the personnel necessary for the maintenance, operation, repair and replacement of the Common Areas, and providing services for the Association, and, where appropriate, provide for the compensation of such personnel and for the purchase of equipment, supplies and material to be used by such personnel in the performance of their duties, which supplies and equipment shall be the property of the Association; and

(g) open depository accounts on behalf of the Association and designate signatories required therefor; and

(h) make contracts and guarantees, incur liabilities and borrow money and sell, mortgage, lease, pledge, exchange, convey, transfer, grant easements, rights-of-way, licenses, and other rights of use in, and otherwise dispose of, all or any part of the Common Areas and community facilities; and

(i) repair, restore or reconstruct all or any part of the Common Areas and community facilities after any casualty losses in a manner consistent with law and the provisions of these Bylaws, the Articles, and the Declaration; and

(j) make any addition, alterations or improvements to the Common Areas; provided, however, that if any such addition, alteration or improvements shall require an expense of Association funds in excess of Two Thousand Dollars ($2,000.00), such addition, alteration or improvement shall only be authorized if approved by the affirmative vote of a majority of each class of the Members; and

(k) enforce by legal means the provisions of the Declaration, the Articles, these Bylaws and the Rules and Regulations adopted by it, and bring any proceedings which may be instituted on behalf of the Association; and

(l) as provided in the Declaration, employ a Management Agent, independent contractors, or other employees or contractors as it may deem necessary, and to prescribe their duties; and

(m) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate; and

(n) purchase such policies of insurance as may from time to time be considered appropriate by the Board including, without limitation, casualty insurance, public liability insurance, workmen's compensation insurance to the extent necessary to comply with any applicable law, so-called "legal expense indemnity insurance" affording protection for the officers and directors of the Association for expenses and fees incurred by any of them in defending any suit or settling any claim or cause of action to which any such officer or director shall have been made a party by reason of his or her service as such, fidelity coverage and the like; and

(o) purchase Lots and to lease, mortgage or convey the same, subject to the provisions of these Bylaws, the Articles and the Declaration; and

(p) enter into agreements whereby the Association acquires leaseholds, memberships and other possessory or use interests in real or personal property for the purpose of promoting the enjoyment, recreation or welfare of the Members and to declare expenses incurred in connection therewith to be common expenses of the Association; and

(q) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and

(r) exercise any and all rights of the Association to approve the plans and specifications for any construction or architectural change upon the Property and the Lots thereof or to create an architectural review committee and appoint the members of said committee, and delegate to the committee the rights, duties and powers as set forth in these Bylaws, the Declaration, and the Articles; and

(s) hear appeals from decisions of the architectural review committee; and

(t) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the Members by other provisions of these Bylaws, the Articles, the Declaration, or applicable law.

Section 13. Duties. It shall be the duty of the Board to:

(a) keep a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such a statement is requested in writing by the holders of one-fourth (1/4) of the votes of the membership; and

(b) supervise all officers, agents and employees of the Association, and to see that their duties are properly performed; and

(c) as more fully provided in the Declaration to:

(i) fix the amount of the annual maintenance assessment against each Lot not later than December 1st of the preceding year; and

(ii) send written notice of each annual maintenance assessment to every Owner subject thereto not later than December 1st of the preceding year and of each special assessment, at least thirty (30) days in advance of its due date; and

(iii) foreclose the lien against a Lot if the Owner thereof has not paid the assessment thereon within such time as the Board may determine, and/or bring an action at law against the Owner or other person personally obligated to pay the same; and

(d) issue, or cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. (If the certificate states that an assessment has been paid, the certificate shall be conclusive evidence of payment with respect to any person relying on the certificate); and

(e) keep books with detailed accounts in chronological order of the receipts and expenditures affecting the Common Areas and the administration of the Association specifying the maintenance and repair expenses of the Common Areas and any other common expenses incurred. All books and records shall be kept in accordance with good and accepted accounting practices, and the same shall be audited at least once a year by an outside auditor employed by the Board who shall not be a resident of the Property, or an Owner of a Lot therein. The cost of such audit shall be a common expense of the Association.

Section 14. Rights of Mortgagees. Any institutional mortgagee of any Lot who desires notice of the regular and special meetings of the Board shall notify the Secretary to that effect by Registered Mail - Return Receipt Requested. Any such notice shall contain the name and post office address of such institutional

mortgagee and the name of the person to whom notice of the regular and special meetings of the Board should be addressed. The Secretary of the Association shall maintain a roster of all institutional mortgagees from whom such notices are received and it shall be the duty of the Secretary to mail or otherwise cause the delivery of a notice of each regular or special meeting of the Board to each such institutional mortgagee, in the same manner, and subject to the same requirements and limitations, as are otherwise provided in this article for notice to the members of the Board. Any such institutional mortgagee shall be entitled to designate a representative to attend any regular or special meeting of the Board and such representative may participate in the discussion at any such meeting and may, upon his request made to the Chairman in advance of the meeting, address the members of the Board present at any such meeting. Such representative shall be entitled to copies of the minutes of all meetings of the Board upon request made in writing to the Secretary.

ARTICLE VI. Officers and Their Duties

Section 1. Designation. Until the Class B Membership ceases and is converted into Class A Membership the principal officers of the Association shall be a President, a Secretary and a Treasurer, all of whom shall be elected by the Board. After the lapse of the Class B Membership, the principal officers shall be a President, a Vice-President, a Secretary and a Treasurer. Prior to the lapse of all of the Class B memberships as provided in the Articles, the officers of the Association need not be Members of the Association. Thereafter, except for the President and the Vice President, the officers of the Association need not be Members of the Association.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board and thereafter at the first meeting of the Board following each annual meeting of the Members.

Section 3. Term. The officers of this Association herein specified shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise be disqualified to serve.

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

Section 5. Resignations and Removal. Any officer may be removed from office, with or without cause, by the Board. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of the notice or at any later time specified therein, and unless otherwise specified therein, the

acceptance of the resignation shall not be necessary to make it effective.

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

Section 7. Multiple Offices. The President and the Treasurer shall not be the same person. The Secretary and the Treasurer may be the same person.

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

(a) President. The President shall preside at all meetings of the Members and of the Board and see that orders and resolutions of the Board are carried out. The President shall have authority to sign all leases, mortgages, deeds and other written instruments.

(b) Vice-President. The Vice President shall act in the place and stead of the President in the event of the President's absence or inability or refusal to act, and shall have such other duties as may be delegated to him from time to time by the Board or the President.

(c) Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association, together with their addresses; and perform such other duties as required by the Board.

(d) Treasurer. The Treasurer shall receive and deposit in appropriate depository accounts all monies of the Association and disburse these funds as directed by resolution of the Board; keep proper books of account; cause an audit of the Association books to be made at the completion of each third fiscal year; cause a review of the Association books to be made at the completion of each fiscal year in which an audit is not required to be made; and prepare an annual budget and a statement of income and expenditures to be presented to the Members at their regular annual meeting, and deliver a copy of each to the Members requesting the same, with the cost of said copying to be paid by the Member requesting the same.

Section 9. Agreements, Contracts, Deeds, Checks, etc. All agreements, contracts, checks and other instruments of the Association requiring an expenditure or imposing an obligation on

the Board shall be executed by any two officers of the Association or by such other person or persons as may be designated by the Board.

Section 10. Compensation of Officers. No officer shall receive any compensation from the Association for acting as such, but may, in the discretion of the Board, be reimbursed for expenditures incurred on behalf of the Association.

ARTICLE VII. Committees.

Section 1. Generally. The Board shall appoint such committees as deemed appropriate in carrying out the purposes of the Association.

Section 2. Nominating Committee. The Board shall appoint a nominating committee at least thirty days before any meeting at which any directors are to be elected. The nominating committee shall actively seek out responsible, interested individuals as candidates for the Board of Directors.

Section 3. Architectural Review Committee. The Board, in its discretion, may appoint an architectural review committee, which, if created, shall have the powers and duties as set forth in the Declaration.

ARTICLE VIII. Fines; Due Process

Section 1. Fines. The Board shall have the express power to impose a fine of not more than $50.00 for each initial violation or $25.00 for each repeated violation by an Owner or a tenant, guest, or member of the family of an Owner, of the Declaration, or the Rules or Regulations adopted by the Board or any committee appointed by the Board. Fines for violations by a member of an Owner's family or his tenants or guests shall be imposed on such Owner; and, for the purposes of this section, each day any such violation continues shall be deemed to be a separate violation. Any fine imposed by the Board for a violation of the Declaration or the Rules and Regulations shall be a lien levied against the Owner's Lot as of the day of the imposition of the fine, and may be foreclosed in the manner provided for the foreclosure of liens for assessments. Any such lien for the payment of a fine shall be subject to the provisions of the Declaration as if such lien were a lien for a regular assessment.

Section 2. Hearing Procedure. The Board shall not impose a fine, suspend voting, or infringe upon any other rights of a Member or other resident of the Property for violations of the Declaration or the Rules and Regulations unless and until the following procedure is followed:

(a) Demand. Written demand to cease and desist from an alleged violation shall be provided to the alleged violator specifying:

(i) the alleged violation;

(ii) the action required to abate the violation; and

(iii) a time period, not less than ten (10) days, during which the violation may be abated without further sanction, if such violation is a continuing one, or a statement that any further violation of the same rule may result in the imposition of a sanction after notice and hearing if the violation is not continuing.

(b) Notice. At any time within twelve (12) months of such demand, if the violation continues past the period allowed in the demand for abatement without penalty or if the same rule is subsequently violated, the Board or its delegate shall provide the violator by hand-delivered notice or first class mail with written notice of a hearing to be held by the Board in executive session. The notice shall contain:

(i) the nature of the alleged violation;

(ii) the time and place of the hearing, which time shall not be less than ten (10) days from the giving of the notice;

(iii) an invitation to attend the hearing and produce any statement, evidence, and witness on his behalf; and

(iv) the proposed sanction to be imposed.

(c) Hearing. The hearing shall be held by the Board pursuant to this notice. The alleged violator shall have the right to be present at this hearing and to present evidence. The hearing shall be held in executing session and shall afford the alleged violator a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of notice and the invitation to be heard shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, director, or agent who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed.

(d) Corrective Action by the Association. Notwithstanding the other provisions of this Section 2, actions by the Declarant, the Board, the Association, or any of the Association's officers, agents, employees, or managers pursuant to

rights reserved, granted, or established in the Declaration, including, without limitation, the right to cure any condition which may increase the possibility of fire or other hazard and to abate any violation of any provision of the Declaration or any of the duly adopted Rules and Regulations of the Association shall not be deemed to be an infringement upon any rights of a Member.

Section 3. Injunctive Relief. In addition to any other remedies set forth herein, the Board may seek equitable or injunctive relief in the appropriate court of law or equity, in order to enforce the provisions of any rules or regulations applicable to the association.

ARTICLE IX. Bank Accounts; Loans

Section 1. Bank Accounts. Such officers or agents of the Association as from time to time shall be designated by the Board shall have authority to deposit any funds of the Association in such depositories, banks or trust companies as shall from time to time designated by the Board and such officers or agents as from time to time shall be authorized by the Board may withdraw any or all of the funds of the Association so deposited in any such depositories, bank or trust company, upon checks, drafts or other instruments or orders for the payment of money, drawn against the account or in the name or behalf of this Association, and made or signed by such officers or agents; and each bank or trust company with which funds of the Association are so deposited is authorized to accept, honor, cash and pay, without limit as to amount, all checks, drafts or other instruments or orders for the payment of money, when drawn, made or signed by officers or agents so designated by the Board until written notice of the revocation of the authority of such officers or agents by the Board shall have been received by such depository, bank or trust company. There shall from time to time be certified to the banks or trust companies in which funds of the Association are deposited, the signature of the officers or agents of the Association so authorized to draw against the same. In the event that the Board shall fail to designate the persons by whom checks, drafts and other instruments or orders for the payment of money shall be signed, as hereinabove provided in this section, all of such checks, drafts and other instruments or orders for the payment of money shall be signed by the President and countersigned by the Secretary or Treasurer of the Association.

Section 2. Loans. Such officers or agents of the Association as from time to time shall be designated by the Board shall have authority to effect loans, advances or other forms of credit at any time or times for the Association from such banks, trust companies, institutions, corporations, firms or persons as the Board shall from time to time designate, and as security for the repayment of such loans, advances, or other forms of credit to assign, transfer, endorse and deliver, either originally or in addition or

substitution, any or all stocks, bonds, rights and interest of any kind in or to stocks or bonds, certificates of such rights or interests, deposits, accounts, documents covering merchandise, bills and accounts receivable and other commercial paper and evidences of debt at any time held by the Association for such loans, advances or other forms of credit to make, execute and deliver one or more notes, acceptances or written obligations of the Association on such terms, and with such provisions as to the security or sale or disposition thereof as such officers or agents shall deem proper; and also to sell to, or discount or rediscount with, such banks, trust companies, institutions, corporations, firms or persons any and all commercial paper, bills receivable, acceptances and other instruments and evidences of debt at any time held by the Association, and to that end to endorse, transfer and deliver the same. There shall from time to time be certified to each bank, trust company, institution, corporation, firm or person so designated the signatures of the officers or agents so authorized; and each such bank, trust company, institution, corporation, firm or person is authorized to reply upon such certification until written notice of the revocation by the Board of the authority of such officers or agents shall be delivered to such bank, trust company, institution, corporation, firm or person.

ARTICLE X. Books and Records

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by an Member. The Declaration, the Articles, the Bylaws, and any other Rules or Regulations of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XI. Assessments

As more fully provided in the Declaration, each Owner is obligated to pay to the Association assessments which are secured by a continuing lien upon the Lot against which the assessment is made. If the assessment is not paid on the due date, the assessment shall bear interest from the date of delinquency at such legal rate as may be specified by the Board, and the Association may bring an action at law against the Owner personally obligated to pay the same and/or foreclose the lien against the Lot, and the interest, costs, and reasonable attorneys' fees of any such action shall be added to the amount of such assessment lien. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Areas or abandonment of his Lot.

ARTICLE XII. Amendments

Section 1. Amendment. These Bylaws may be amended by an affirmative vote of at least two-thirds (2/3) of the members of the Board of the Association.

Section 2. Amendments by the Declarant. Notwithstanding, and in addition to, any other provisions of these Bylaws, the Declarant shall have the right, to be exercised in its sole discretion without the consent of any other person, at any time and from time to time while it owns any Class B membership, if so required by the FNMA, the FHLMC, the VA, the FHA or any other governmental or quasi-governmental agency, to amend, modify or add to the provisions of these Bylaws and the other documents and instruments relating to the Association or the Property as need therefor be made. Such right also is reserved to comply with the requirements of any lender or title insurance company, provided such amendments, modifications or additions made pursuant to the requirements of any lender or title company do not adversely or materially affect the interest in the Property of the Owners or mortgagees of any Lots.

Section 3. Special Agency Approval. As long as there is a Class B membership, annexation of additional properties, dedication of common Area, and amendment of these Bylaws will require prior approval of the Federal Housing Administration or the Veterans Administration, or any other applicable governmental authority or agency as required.

ARTICLE XIII. Miscellaneous

Section 1. Fiscal Year. The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation and end on December 31st of that year.

Section 2. Invalidity. The invalidity of any part of these Bylaws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these Bylaws.

Section 3. Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these Bylaws, or the intent of any provisions thereof.

Section 4. Gender and Number. The use of the masculine gender in these Bylaws shall be deemed to include the feminine gender and the use of the singular shall be deemed to include the plural, whenever the context so requires.

Section 5. Conflict. These Bylaws are subordinate and subject to all provisions of the Declaration and to the provisions of the Articles. In the event of any conflict between these Bylaws and the Declaration, the provisions of the Declaration shall control; and in the event of any conflict between these Bylaws and the Articles, the provisions of the Articles shall control.

INFORMAL RESOLUTION
OF THE BOARD OF DIRECTORS
OF
CHESTNUT RIDGE-SECTION 1 HOMEOWNERS' ASSOCIATION, INC.

The undersigned, constituting all of the members of the Board of Directors of CHESTNUT RIDGE-SECTION 1 HOMEOWNERS' ASSOCIATION, INC., a Maryland corporation (the "Corporation"), in accordance with Section 2-408(c) of the Corportions and Associations Article of the Annotated Code of Maryland, do hereby take the actions below set forth, and to evidence their waiver of any right to dissent from such actions, do hereby consent as follows:

WHEREAS, pursuant to Article V, Section 12(d) and (r) of the Bylaws and pursuant to of the Declaration, the Board of Directors have the authority to adopt rules and regulations concerning architectural standards for all improvements, modifications or alterations to lots in the subdivision; and

WHEREAS, pursuant to Article XII, Sections 1 and 2 of the Declaration, the Board of Directors have the authority to require that regular assessments be paid on an annual basis.

NOW THEREFORE, BE IT:

RESOLVED, that the architectural regulations and standards contained in the attached document entitled "CHESTNUT RIDGE-THE CHESTNUT RIDGE STANDARDS-DELMARVA PROPERTIES INCORPORATED 1990", having been reviewed and accepted by the Board, are hereby approved and accepted as guidelines which may be followed by the Board, in its discretion, when reviewing improvements, alterations, and

modifications to lots within the subdivision;

RESOLVED, that the entire annual assessment, currently set at Fifty Dollars ($50.00), and any future annual assessments, be paid in advance by the first of the year for which the assessment is imposed; and

RESOLVED, that purchasers of lots in the subdivision pay at the time of closing an amount equal to the pro-rated annual assessment.

This Informal Action of the Board of Directors may be executed in counterparts.

WITNESS the hands and seals of the Directors as of this 25th day of May, 1990.

SEAL
Robert F. Brake

SEAL
W. Aubrey Hall

SEAL
James H. Hudson, III

LIBER 002 PAGE 82

CHESTNUT RIDGE

THE CHESTNUT RIDGE STANDARDS

DELMARVA PROPERTIES INCORPORATED

1990

prepared by:

NICHOLSON AND GREENE
ARCHITECTS AND PLANNERS

Richmond, Virginia

THE CHESTNUT RIDGE STANDARDS

Architectural Review is required for all new home construction in Chestnut Ridge.

These Standards are a written composite summary of the Developer's policies related to architecture, materials and finishes, siting, landscaping and site improvements for all residential properties in Chestnut Ridge.

Design Standards differ from Covenants in that they establish more specific requirements as determined to be appropriate by the Developer. Changes may be adopted from time to time. Design Standards are authorized by the Covenants and, as such, are legally enforceable restrictions.

Design Standards may also establish requirements which are more restrictive than minimum zoning requirements or building codes in order to maintain a standard of quality for the community. These standards supercede other less stringent requirements unless exceptions are granted by the Developer.

For consideration and review, drawings must be neat, accurate, drawn to scale, and with sufficient detail to adequately explain the entire design. Insufficient explanation of a design including all visible details, is cause for rejection of an application.

New home applications require site plans (showing the location of the structure or addition with dimensions to property lines), floor plans, elevations, and a description of the exterior materials.

"Approval" means a written letter of approval from the Developer or his authorized agent. Verbal approvals will not be given.

"Developer" means Delmarva Properties Inc. of West Point, Virginia.

"Authorized Agent" means

THE GENERAL DESIGN GUIDELINES

Far from being arbitrary, or a matter of personal taste, good residential design is the result of applying some basic rules. Provided here are principles that should guide successful home design and property planning in Chestnut Ridge. The specific design requirements on the following pages are designed to help the builder achieve these principles and thus maintain a high design standard for the entire community.

[1] THE SETTING: Each house in Chestnut Ridge should be provided an individual setting. Lots should not be cleared completely to their side or rear property lines. Rather, trees should be maintained to frame the house site and provide visual separation between houses. The house should visually "address" the road. The location of the house on the site, the direction that it faces, how the driveway enters the site and approaches the house, and what level of clearing and re-landscaping is done, all should work together to create a strong visual "setting".

[2] THE LANDSCAPE: Landscaping should create a neat, orderly, and finished appearance of a well maintained home. This includes areas of the property that are left "natural".

[3] ARCHITECTURAL VOCABULARY - Every building has an architectural vocabulary. It consists of the materials, colors, and types of elements that make it up, including styles of windows, doors, chimneys, shutters, eaves, rake boards, trim, moldings, handrails, louvers, etc. A successful house has a limited vocabulary of complimentary elements used consistently throughout the design. A large vocabulary of inconsistent elements is cause for rejection of the design.

PERMITTED STRUCTURES AND SITING

[1] On any lot in Chestnut Ridge the following structures are permitted:

a. One approved single family residence with attached or detached garage.
b. One approved accessory building of maximum 1½ story height and 600 SF main floor
c. One approved open landscape structure such as a gazebo or hot house - max. 200 sf.
d. One approved in-ground swimming pool.
e. One approved above-ground swimming pool if located to the rear of the house.
f. Decks or patios as approved.
g. Fences as approved.

[2] The following structures are not permitted on any lot.

a. Two-family or multiple family houses.
b. Commercial structures of any type including storage of commercial goods.
c. Temporary structures of any type.

[3] Any proposed structure, if not included above, must be approved by the Developer.

[4] No primary structure may be erected without approval of an accurately drawn plot plan. An engineered drawing is not required.

[5] Verify Chestnut Ridge setback requirements as explained below.

Front Yards:	60 ft.
Side Yards:	15 ft.
Corner Side Yards:	60 ft.
Rear Yards:	15 ft.

Variances may be granted due to abnormal site conditions.

[7] Locate structure to avoid low areas and drainage ways on site. Provide positive drainage away from house foundation. Do not direct drainage across adjacent properties.

[8] Limit clearing of trees as required by these standards.

[9] Consider the location of any mature trees, and arrange structures, driveways, etc. to preserve these where possible.

[10] Siting of a house shall maintain reasonable levels of privacy for neighbors. Houses shall not face the side or rear of adjacent houses.

[11] Sheds, fences, etc. shall not be located or designed to create a visual nuisance for neighbors. Structures shall be located away from major sight lines of neighboring houses.

ARCHITECTURE

[1] All houses in Chestnut Ridge shall have a *minimum* finished floor area of 1,500 square feet for single story, and 1,800 square feet for 2 story and split foyer. The following areas can not be used to help meet that requirement: garages, basements (*except* walk-outs or finished areas of split foyers) open or screened porches, terraces, decks, attics, or attached storage sheds.

[2] All houses shall have brick, stone, or stucco surfaced foundations. Where masonry chimneys are used, they shall match foundation materials. Frame chimneys enclosing metal flues *may* be acceptable on contemporary houses if consistent with the design of the house. All chimneys shall project at least 3 feet above the highest point of the roof within 10 feet.

[3] All exposed portions of a house above the foundation shall be of finished materials, painted, stained, or pre-finished as appropriate.

[4] Unfinished salt treated materials shall not be used for front porches, railings, or steps. Front steps shall have closed risers.

[5] All exposed flashing shall be pre-finished metal, or copper.

[6] Gutters and rain leaders shall match the trim color of the house.

[7] Minimum roof pitch on main roof of colonial and transitional houses shall be 8 in 12. Minimum roof pitch on main roof of contemporary houses shall be 6 in 12. No secondary roof may be less than 3 in 12. Architectural designs incorporating low slope or flat roofs will be considered for approval as exceptions to this criteria when the entire design concept is judged to be of a meritorious quality acceptable to the Developer who shall be the sole judge.

[8] Exterior post lamps, low intensity landscape lights, and floodlights mounted on the house are permitted. High intensity pole or building mounted area lights are not permitted except at the discretion of the Developer.

[9] Heat pumps, trash containers, electric and gas meters, propane tanks and other non-architectural equipment shall be located on the back of the house or, if on the side, shall be screened from view of the road. No such equipment may be located on the front of any house. The height of the screening enclosure shall be at least as high as the object screened.

[10] All roofs shall be finished with a minimum of 300# dimensional composition shingles, cedar shingles or shakes, slate, approved imitation slate, concrete shingles, or pre-finished metal standing seam. Any other roof material must be approved by the Developer.

[11] On Traditional houses, roof rafters shall be set above the ceiling joists on a 2 x 4 plate, or higher as appropriate to permit a properly scaled period cornice.

[12] Window design shall be consistent with the architectural character of the house.

[14] Pre-finished window screens, storm windows, window or doors shall be finished in a color that complements the house colors.

PAVEMENTS

1) All new houses shall be provided with a single driveway as permitted below.

2) Driveways shall be constructed of brown crusher run stone, bank run gravel, asphalt paving, exposed aggregate concrete paving, interlocking concrete pavers or patterned concrete in a similar design, or brick pavers.

3) In general, driveways with more than one street access, more than one driveway on a lot, or driveways with parking areas larger than that required for two cars, are discouraged.

LANDSCAPING

1) General clearing for structures shall be limited to a maximum of 15' from the structure. However, in no case shall clearing be permitted to a side or rear property line.

2) Exercise care to minimize disruption of the soil within the drip-line mature trees near to the clearing lines to protect roots.

3) In general, trees shall be maintained at side and rear lot perimeters to provide individual settings for houses.

4) In general, planting at the lot perimeters should maintain the natural setting of Chestnut Ridge.

5) Approval must be obtained for any earthwork to create changes in topography, site drainage, or creation of ponds, pools, or other water features.

6) Landscape accessories including fences, walls, gazebos, firewood sheds, hot houses, arbors, trellises, benches, fountains, flagpoles, permanent barbecues, play equipment, satellite dishes, decorative objects, etc. shall be placed to the rear of the house. Otherwise, they must be approved by the Developer as to design and location.

MATERIALS

Below is a list of acceptable exterior finish materials, with a brief description of each, for use on houses in Chestnut Ridge.

Any material desired for use that is not listed below, and not expressly prohibited by this section shall be submitted to the Developer for approval prior to approval of house plans.

[1] Brick: Any natural brick, generally in the red to brown color range, unpainted, used consistently at all visible portions of the foundation. All-brick houses and houses with portions in brick are permitted and encouraged. Painted brick or unusual colors of brick may be considered for use upon approval of the Developer.

[2] Stone: Any natural stone, cut or uncut with the same restrictions as for brick.

[3] Rough-Sawn Lap Siding: Rough textured natural board horizontal siding. Cedar is most commonly used, however redwood is also accepted. Pine siding is not acceptable. Portions of a facade may contain vertical or diagonal siding.

[4] Smooth Lap Siding: Smooth surface board siding of either standard lap design, ship lap, or beaded lap design. This is available in natural wood although hardboard or vinyl is permitted. Lap siding composed of aluminum (or any other material) must be approved by the Developer before being used in Chestnut Ridge.

[5] Stucco: Exterior textured cement plaster finish. Acceptable contingent upon approval of use in design by the Developer.

[6] Imitation Stucco: (Also known generically as "Exterior Insulation Finish System".) A composition material placed over insulation board with a finished appearance of stucco. Acceptable contingent upon approval of use by the Developer.

[7] Cedar Roof: Cedar roofs are available as either hand-split cedar shakes (very rough texture) or machine cut cedar shingles. These are unfinished but can be treated with a fire retardant chemical, or a preservative.

[8] Slate Roof: Any natural, unfading, commercially produced slate roofing.

[9] Imitation Slate Roof: Fibre cement roofing tiles manufactured to look like slate. Acceptable only on condition of review and approval of actual sample by the Developer.

[10] Concrete Shingle Roof: Concrete roofing shingles with an appearance similar to Cedar Shake. Acceptable only on condition of review and approval of actual sample by the Developer.

[11] Prohibited materials for the primary dwelling include rough sawn pine siding, plywood siding (including T-1-11), metal panel siding, imitation brick or stone, and asphalt roll roofing.

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COLOR AND FINISHES

It is not the policy of the Developer to dictate colors, nor to establish a list of acceptable colors. General guidelines are listed below.

[1] Rough-sawn siding shall be finished with either an oil based or latex solid color stain. Semi-transparent stains or clear finishes are not recommended. Unfinished siding is prohibited.

[2] Smooth wood siding shall be finished with an oil or latex based exterior house paint.

[3] In general, colors should be muted.

[4] Finish colors should complement the roof and foundation colors, as well as each other.

[5] Garages and accessory buildings must be finished in the same colors as the house.

Del Ky L JUN 1 1990 MARY R. BELL, CLERK

CHESTNUT RIDGE COMMUNITY ASSOCIATION, INC.
(FORMERLY CHESTNUT RIDGE-SECTION 1 HOMEOWNERS' ASSOCIATION, INC.)
FIRST AMENDMENT TO
DISCLOSURES PURSUANT TO THE
MARYLAND HOMEOWNERS ASSOCIATION ACT

4:20PM11/26/900 HOMASC $50.00

November 21, 1990

(1) The name and principal address of the vendor/declarant and the names and addresses of the principal officers of the corporation are:

Delmarva Properties, Inc.
Box 1700
West Point, Virginia 23181
(804) 843-5300

President: Robert F. Brake
P.O. Box 1700
14th and Lee St.
West Point, Virginia 23181

Vice-Pres. Thomas J. Contrucci
P.O. Box 1700
14th and Lee St.
West Point, Virginia 23181

Secretary: John Paul Causey
P.O. Box 1700
14th and Lee St.
West Point, Virginia 23181

Treasurer: Paul A. Dresser
P.O. Box 1700
14th and Lee St.
West Point, Virginia 23181

(2) The name of the Homeowners Association is: **Chestnut Ridge Community Association, Inc.** Formerly **Chestnut Ridge-Section 1 Homeowners Association, Inc.** (a Maryland Corporation). The resident agent of the Homeowners Association is **James A. Kenney, III.**

(3) The development is located in the Second and Third Election district of St. Mary's County, currently containing approximately 177.347 acres more or less, and is more specifically described in the Declaration and Amendment thereto, copies of which are attached. There are currently 51 lots in the subdivision, including those lots contained in Section One and Two of the subdivision. The minimum number of lots currently planned which may be contained in the subdivision after annexation is 125. The

maximum number of lots currently planned which may be contained in the subdivision after annexation is 150.

(4) The only property to be dedicated to public use consists of that property upon which the roads of the subdivision will be located, said roads to be dedicated to St. Mary's County.

(5) It is currently not anticipated that the development will become part of another subdivision.

(6) The declarant has reserved the right to annex additional property to the development. It is anticipated that approximately 74 to 99 additional lots will be annexed. The location from which the additional property will be annexed is outlined on the location map which is part of the plat of Chestnut Ridge, Section 1, which is recorded among the Plat Records of St. Mary's County, Maryland at Liber 32, Folio 116, with the result that the total subdivision shall consist of roughly five hundred (500) acres. Note that the declarant may not annex all of said additional property but rather that any property annexed will be contained within the boundaries shown on the location map. There is no set date by which the declarant must exercise its right to annex any such property.

(7) After annexation, it is currently anticipated that the homeowners association will own a wooded strip of land approximately two hundred (200) feet wide and five thousand eight hundred (5800) feet in length. Said wooded strip of land has not been formally platted. After annexation, the homeowners association will also own approximately twenty-five (25) acres of green-space, which also has not been formally platted.

(8) Attached is a copy of the:

(i) The articles of incorporation, the declaration as amended, and all recorded covenants and restrictions of the primary development and of other related developments to the extent reasonably available, to which the purchaser shall become obligated on becoming an owner of the lot.

(ii) The bylaws and rules of the primary development and of other related developments to the extent reasonably available, to which the purchaser shall become obligated on becoming an owner of the lot.

NOTE THAT THESE DOCUMENTS IMPOSE OBLIGATIONS WHICH ARE ENFORCEABLE AGAINST THE OWNER AND TENANT.

(9) There is no estimated proposed annual budget for the homeowners association for the current fiscal year due to the fact that it is anticipated that the homeowners' association will not incur any expenses, other than administrative expenses, (which will be paid by the Declarant) until the Class B membership ceases as

set forth in the Declaration. Due to the fact that there are no common area improvements, no reserves have been set aside for their replacement. The budget for the homeowners association based upon the development fully expended in accordance with expansion rights contained in the declaration is not anticipated to exceed $3,000.00 per year, said sum to pay for the maintenance of the common areas and administrative expenses of the homeowners association.

(10) The anticipated mandatory fee for assessments to be paid by owners of lots within the development for the use, maintenance, and operation of common areas and other purposes related to the homeowners association will be $50.00 per lot, per year, unless otherwise determined pursuant to the terms of the attached Bylaws, Articles, and/or Declaration. The declarant/vendor will not be obligated to pay said fees in whole or in part.

(11) Information concerning zoning and other land use requirements affecting the development can be found at the St. Mary's County Office of Planning and Zoning, located in Leonardtown, and various affiliated county and state agencies, including: the Department of Public Works; the Health Department; the State Highway Administration, etc.

(12) Pro-rated assessments for the current year will be required at the time of closing. The mechanism for the determination, assessment, collection, and consequences of nonpayment of assessments or fees is set forth in the Articles, Declaration and Bylaws of the homeowners association.

(13) No funds are to be collected at settlement for contribution to the homeowners association other than prorated fees or assessments.

(14) Any special rights or exemptions reserved by or for the benefit of the declarant or the vendor are contained in Articles, Declaration and Bylaws of the Association.

STATE DEPARTMENT OF ASSESSMENTS
AND TAXATION

LIBER 002 PAGE 93

APPROVED FOR RECORD
10-29-90 at 8:13 A.M.

ARTICLES OF AMENDMENT
OF
CHESTNUT RIDGE-SECTION 1 HOMEOWNERS' ASSOCIATION, INC.
CHANGING THE NAME OF THE CORPORATION
TO
CHESTNUT RIDGE COMMUNITY ASSOCIATION, INC.

CHESTNUT RIDGE-SECTION 1 HOMEOWNERS' ASSOCIATION, INC., having its principal office at 100 Exploration, Suite 2030, Lexington Park, Maryland 20653, hereby certifies to the State Department of Assessments and Taxation of Maryland that:

FIRST: The Charter of the Corporation is hereby amended by striking in its entirety Article FIRST and by substituting in lieu thereof the following:

> "FIRST: Name. The name of the corporation is "CHESTNUT RIDGE COMMUNITY ASSOCIATION, INC.", hereinafter called the "Association"".

SECOND: By written informal action, unanimously taken by the Board of Directors of the Corporation, pursuant to and in accordance with Section 2-408(c) of the Corporations and Associations Article of the Annotated Code of Maryland, the Board of Directors of the Corporation duly advised the foregoing amendment and by written informal action unanimously taken by the members of the Corporation entitled to vote on said amendment of the Corporation in accordance with Section 2-505 of the Corporations and Associations Article of the Annotated Code of Maryland, the said members of the Corporation duly approved said amendment.

IN WITNESS WHEREOF, CHESTNUT RIDGE-SECTION 1 HOMEOWNERS' ASSOCIATION, INC. has caused these presents to be signed in its

1990 OCT 29 A 8:13

03028145

STATE OF MARYLAND
I hereby certify that this is a true and complete copy of the 3 page document on file in this office. DATED: 10-29-90
STATE DEPARTMENT OF ASSESSMENTS AND TAXATION
BY: Joyce M. Thompson
This stamp replaces our previous certification system. Effective: 10/24

name and on behalf by its President and its corporate seal to be hereunder affixed and attested by its Secretary on this 23rd day of October, 1990, and its President acknowledges that these Articles of Amendment are the Act and deed of CHESTNUT RIDGE-SECTION 1 HOMEOWNERS' ASSOCIATION, INC. and under the penalties of perjury, that the matters and facts set forth herein with respect to authorization and approval are true in all material respects to the best of his knowledge, information and belief.

ATTEST

David Clay, Secretary

CHESTNUT RIDGE-SECTION 1 HOMEOWNERS' ASSOCIATION, INC.

By: W. Aubrey Hall SEAL
W. Aubrey Hall, President

STATE OF MARYLAND

WILLIAM DONALD SCHAEFER
Governor

LLOYD W. JONES
Director

PAUL B. ANDERSON
Administrator

Department of Assessments and Taxation
CHARTER DIVISION
Room 809
LIBER 002 PAGE 95 301 West Preston Street
Baltimore, Maryland 21201

DOCUMENT CODE 09A
#D301856 ___ P.A. ___ Religious ___ Close ___ Stock ___ Nonstock

BUSINESS CODE _____ COUNTY 68

Merging (Transferor) _____

Surviving (Transferee) _____

CODE	AMOUNT	FEE REMITTED
10	50	Expedited Fee
20		Organ. & Capitalization
61		Rec. Fee (Arts. of Inc.)
62	20	Rec. Fee (Amendment)
63		Rec. Fee (Merger or Consolidation)
64		Rec. Fee (Transfer)
65		Rec. Fee (Dissolution)
66		Rec. Fee (Revival)
52		Foreign Qualification
50		Cert. of Qual. or Reg.
51		Foreign Name Registration
13	8	1 Certified Copy 2
56		Penalty
54		For. Supplemental Cert.
53		Foreign Resolution
73		Certificate of Conveyance
76		Certificate of Merger/Transfer
75		Special Fee
80		For. Limited Partnership
83		Cert. Limited Partnership
84		Amendment to Limited Partnership
85		Termination of Limited Partnership
21		Recordation Tax
22		State Transfer Tax
23		Local Transfer Tax
31		____ Corp. Good Standing
NA		Foreign Corp. Registration
87		____ Limited Part. Good Standing
71		Financial
600		____ Personal Property Reports and late filing penalties
70		Change of P.O., R.A. or R.A.A.
91		Amend/Cancellation, For. Limited Part.
		Other ____
		Other ____

TOTAL FEES 78

1 Check ___ Cash

___ Documents on ___ checks

APPROVED BY: PCM

Name Change (New Name) Chestnut Ridge Community Association, Inc.

✓ Change of Name
___ Change of Principal Office
___ Change of Resident Agent
___ Change of Resident Agent Address
___ Resignation of Resident Agent
___ Designation of Resident Agent and Resident Agent's Address
___ Other Change ____

Code ____

ATTENTION: ____

MAIL TO ADDRESS: Kenney and Lacer
B. McKissick
One Hundred Exploration
#2030
Lexington Park, Md
20653-2003

NOTE: act-mod

LIBER 002 PAGE 96

LIBER 569 PAGE 274

4:20PM11/26/900 C.& R. $20.00

FIRST AMENDMENT
OF
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR
CHESTNUT RIDGE COMMUNITY ASSOCIATION, INC.
(FORMERLY CHESTNUT RIDGE-SECTION 1 HOMEOWNERS' ASSOCIATION, INC.)
ANNEXING SECTION TWO OF THE SUBDIVISION

This FIRST AMENDMENT OF CHESTNUT RIDGE COMMUNITY ASSOCIATION, INC. is made this 12th day of October 1990.

WHEREAS, Delmarva Properties, Inc., the "Declarant" filed the DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR CHESTNUT RIDGE-SECTION 1 HOMEOWNERS' ASSOCIATION, INC. (the "Declaration") on June 1, 1990 in the St. Mary's County Homeowners' Association depository at M.R.B. Liber 002, Page 01, and the Declarant also filed said Declaration on June 1, 1990 in the Land Records for St. Mary's County at Liber M.R.B. 539, Page 001;

WHEREAS, the Maryland State Department of Assessments and Taxation has approved the Articles of Amendment of **CHESTNUT RIDGE-SECTION 1 HOMEOWNERS' ASSOCIATION, INC.** (the "Corporation") wherein the Corporation has changed its name to **CHESTNUT RIDGE COMMUNITY ASSOCIATION, INC.**;

WHEREAS, the Declarant desires to amend the Declaration to reflect the fact that CHESTNUT RIDGE-SECTION 1 HOMEOWNERS' ASSOCIATION, INC. is now known as CHESTNUT RIDGE COMMUNITY ASSOCIATION, INC.;

WHEREAS, Article II, Section 2 of the Declaration gives the Declarant the unilateral right, privilege and option to annex to that property subject to the Declaration and the jurisdiction of the Corporation all or any portion of the real property located within those boundaries shown by a Boundary Survey dated February

14, 1990 and prepared by John E. Sirine & Associates, Ltd., said Boundary Survey recorded among the plat records of St. Mary's County at Plat Liber M.R.B. 33, folio 11;

WHEREAS, the Declarant wishes to annex that property known as Section 2 of the Chestnut Ridge subdivision;

NOW THEREFORE, DELMARVA PROPERTIES, INC. hereby amends the Declaration as follows:

1. The Declarant, Delmarva Properties, Inc. hereby amends the Declaration to reflect the fact that the name of the Association, formerly CHESTNUT RIDGE-SECTION 1 HOMEOWNERS' ASSOCIATION, INC., is now CHESTNUT RIDGE COMMUNITY ASSOCIATION, INC. and all references in the Declaration to CHESTNUT RIDGE-SECTION 1 HOMEOWNERS' ASSOCIATION, INC. shall be deemed to refer to CHESTNUT RIDGE COMMUNITY ASSOCIATION, INC.;

2. The Declarant, Delmarva Properties, Inc. pursuant to Article II, § 2 of the Declaration hereby annexes and subjects to the legal operation and effect of the Declaration and the jurisdiction of the Association that real property described as follows:

That real property located in the Second and Third Election District of St. Mary's County, Maryland, which is shown on a Plat entitled "Chestnut Ridge-Section 2" recorded in Plat Liber M.R.B. No. 33, Folio 118, among the Plat Records of St. Mary's County, Maryland, said property being more particularly described as follows:

BEGINNING at a pin located in the western right-of-way

line of Chestnut Ridge Drive, at the southwest intersection of Woodridge Court: thence along the arc of a curve to the left, having a radius of 755.00', 145.26' to a point, being the true point of beginning; thence S 52 degrees - 08 minutes - 05 seconds E, 531.01' (radial) to a pin; thence N 55 degrees - 21 minutes - 35 seconds E, 88.51, to a pin; thence S 36 degrees - 38 minutes - 29 seconds E, 985.78' to a pin; thence S 16 degrees - 52 minutes - 28 seconds W, 147.75' to an old T-pin; thence S 31 degrees - 23 minutes - 49 seconds W, 530.24' to a pin; thence N 80 degrees - 23 minutes - 25 seconds W, 648.37' to a pin; thence N 27 degrees - 57 minutes - 07 seconds W, 344.11' to a pin; thence S 75 degrees - 27 minutes - 31 seconds W, 516.19' to a pin; thence N 14 degrees - 32 minutes - 29 seconds W, 48.00' to a point of curvature; thence along the arc of a curve to the right, having a radius of 625.00', 37.29' to a pin; thence S 75 degrees - 27 minutes - 31 seconds W, 1590.76' (non-radial) to a pin; thence N 10 degrees - 06 minutes - 38 seconds E, 707.40' to a pin; thence N 28 degrees - 57 minutes - 31 seconds E, 285.00' to a pin; thence N 15 degrees - 27 minutes - 31 seconds E, 495.22' to a pin; thence N 24 degrees - 56 minutes - 12 seconds E, 356.51' to a pin; thence S 78 degrees - 58 minutes - 01 seconds E, 1157.43' to a pin; thence N 28 degrees - 57 minutes - 31 seconds E, 261.32' to a pin; thence S 59 degrees - 32 minutes - 20 seconds E, 275.35' (radial) to a pin in the western right-of-way line of Chestnut Ridge Drive; thence along the western right-of-way line of Chestnut Ridge Drive along the arc of a curve to the right having a radius of 755.00', 97.57' to the point of beginning.

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LIBER 569 PAGE 277

Said parcel of land containing 3,747,680 square feet or 86.035 acres.

Said parcel of land being a portion of the real property located within those boundaries shown by a Boundary Survey dated February 14, 1990 and prepared by John E. Sirine & Associates, Ltd., said Boundary Survey recorded among the plat records of St. Mary's County at Plat Liber M.R.B. 33, folio 11;

3. Except as expressly amended herein, all covenants, conditions and restrictions of the Declaration are to remain in full force and effect;

IN WITNESS WHEREOF, the party below has executed this First Amendment the date first above written.

DELMARVA PROPERTIES, INC.

ATTEST

By: (SEAL)
Robert F. Brake
President

John Paul Causey
Secretary

STATE OF VIRGINIA,
COUNTY OF KING WILLIAM, to wit:

I HEREBY CERTIFY that on this 12th day of October, 1990, before me, the subscriber, a notary public in and for the jurisdiction aforesaid, personally appeared ROBERT F. BRAKE, who is known to me (or satisfactorily proven) to be the person who signed the within instrument and said person made oath in due form of law that said person is the President of Delmarva Properties, Inc., and that, as such, said person is duly authorized to execute the within instrument for the purposes therein contained, and said person acknowledged that said person executed the same as the act and deed of said Delmarva Properties, Inc.

AS WITNESS my hand and Notarial Seal.

Jane B. Vasnick
Notary Public
My Commission expires: 1-10-92

NOTARY PUBLIC OF VIRGINIA

DEC 03 1990 EVELYN W. ARNOLD, CLERK

DEC 3 - 1990 EVELYN W. ARNOLD, CLERK

LIBER 002 PAGE 100 BOOK 611 PAGE 0073

3:14PM07/31/91B C.& R. $16.00
3:14PM07/31/91B SURCHG $2.00
3:14PM07/31/91B HEMASC $25.00

SECOND AMENDMENT TO
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
OF
CHESTNUT RIDGE COMMUNITY ASSOCIATION, INC.
(FORMERLY CHESTNUT RIDGE-SECTION 1 HOMEOWNERS' ASSOCIATION, INC.)

This SECOND AMENDMENT is made this 24 day of July, 1991, by DELMARVA PROPERTIES, INC.

WHEREAS, DELMARVA PROPERTIES, INC., as the Declarant, on June 1, 1990 recorded the Declaration of Covenants, Conditions and Restrictions of Chestnut Ridge-Section 1 Homeowners' Association, Inc., (the "Declaration") among the land records of St. Mary's County at Liber M.R.B. 539, Page 001; and the Declarant filed said Declaration on the same date in the St. Mary's County Homeowners' Association depository at Liber M.R.B. 002, Page 01;

WHEREAS, the Declarant, on November 26, 1990, filed the "First Amendment of Declaration of Covenants, Conditions and Restrictions for Chestnut Ridge Community Association, Inc. (formerly Chesnut Ridge-Section 1 Homeowners' Association, Inc.) Annexing Section Two if the Subdivision" whereby the Declarant amended the Declaration to reflect the fact that Chestnut Ridge-Section 1 Homeowners' Association, Inc. had filed Articles of Amendment changing its name to Chestnut Ridge Community Association, Inc. and the Declarant amended the Declaration so as to subject additional property to the effect of said Declaration. Said Second Amendment is recorded among the Land Records of St. Mary's County at Liber M.R.B. 569, Page 274 and is filed in the St. Mary's County Homeowners' Association Depository at Liber M.R.B. 002, Page 96;

WHEREAS, Article XV, Section 2 of the Declaration provides that the Declarant shall have the sole right and authority, without the consent of any other person, if so required by the Department of Veterans Affairs or other governmental agency as a condition for loans to be made, insured, guaranteed or purchased by the agency to amend the provisions of the Declaration;

WHEREAS, in a letter dated June 10, 1991 from the Department of Veterans Affairs, the VA indicated that the organizational documents of Chestnut Ridge Community Association, Inc. were acceptable with the exception that Article IV, Section 2(i) of the Declaration terminates Class B membership when ninety five percent (95%) of the Lots are sold to Class A Members whereas the VA requires as a condition of acceptance that developer control be terminated upon the sale of seventy-five percent (75%) of the Lots;

WHEREAS, the Declarant desires to amend the Declaration so as to bring it in compliance with the aforementioned VA requirements

and so as to enable loans to be made, insured, guaranteed or purchased by the VA;

NOW THEREFORE, DELMARVA PROPERTIES, INC. hereby amends the Declaration as follows:

1. Article IV, Section 2 (i) of the Declaration which formerly read "(i) when ninety-five percent (95%) or more of the Lots are sold to Class A members; or" is hereby stricken in its entirety and in lieu thereof the following shall be substituted:

> (i) when ninety-one (91) of the Lots are sold to Class A members; or

WITNESS the execution hereof the day and year first above written.

ATTEST

John Paul Causey
Secretary

CLASS B MEMBER:
DELMARVA PROPERTIES, INC.

By: _____ (SEAL)
Robert F. Brake
President

STATE OF VIRGINIA,
COUNTY OF KING WILLIAM, to wit:

I HEREBY CERTIFY that on this 24th day of July, 1991, before me, the subscriber, a notary public in and for the jurisdiction aforesaid, personally appeared ROBERT F. BRAKE, who is known to me (or satisfactorily proven) to be the person who signed the within instrument and said person made oath in due form of law that said person is the President of Delmarva Properties, Inc., and that, as such, said person is duly authorized to execute the within instrument for the purposes therein contained, and said person acknowledged that said person executed the same as the act and deed of said Delmarva Properties, Inc.

AS WITNESS my hand and Notarial Seal.

Deborah K. Collins
Notary Public
My Commission expires: 2/28/94

The undersigned, a member in good standing of the Bar of the State of Maryland, hereby certifies that the within instrument was prepared by him or under his supervision.

LIBER UU2 PAGE 102

STATE OF MARYLAND 115455

STATE DEPARTMENT OF ASSESSMENTS AND TAXATION

301 West Preston Street Baltimore, Maryland 21201

DATE: JULY 29, 1991

THIS IS TO ADVISE YOU THAT YOUR ARTICLES OF AMENDMENT FOR
CHESTNUT RIDGE COMMUNITY ASSOCIATION, INC.
WERE RECEIVED AND APPROVED FOR RECORD ON JULY 26, 1991 AT 10:41 AM.

FEE PAID: 78.00

JOYCE M. THOMPSON
LEGAL OFFICER

AT5-031

STATE DEPARTMENT OF ASSESSMENT AND TAXATION
APPROVED FOR RECORD
07-26-91 at 10:41 a.m.

LIBER 002 PAGE 103

ARTICLES OF AMENDMENT
OF
CHESTNUT RIDGE COMMUNITY ASSOCIATION, INC.

CHESTNUT RIDGE COMMUNITY ASSOCIATION, INC., having its principal office at One Hundred Exploration, Suite 2030, Lexington Park, Maryland 20653, hereby certifies to the State Department of Assessments and Taxation of Maryland that:

FIRST: The Charter of the Corporation is hereby amended by striking the phrase "(i) when ninety five percent (95%) or more of the Lots are sold to Class A members; or" from ARTICLE SEVENTH, subparagraph (i) and by substituting in lieu thereof the following:

> "(i) when ninety-one (91) of the Lots are sold to Class A members; or"

SECOND: By written informal action, unanimously taken by the Board of Directors of the Corporation, pursuant to and in accordance with Section 2-408(c) of the Corporations and Associations Article of the Annotated Code of Maryland, the Board of Directors of the Corporation duly advised the foregoing amendment and by written informal action unanimously taken by the members of the Corporation entitled to vote on said amendment of the Corporation in accordance with Section 2-505 of the Corporations and Associations Article of the Annotated Code of Maryland, the said members of the Corporation duly approved said amendment.

IN WITNESS WHEREOF, CHESTNUT RIDGE COMMUNITY ASSOCIATION, INC. has caused these presents to be signed in its name and on

1991 JUL 26 A 10:41

12078391

STATE OF MARYLAND
I hereby certify that this is a true and complete copy of the 3 page document on file in this office. DATED: July 29, 1991.
STATE DEPARTMENT OF ASSESSMENTS AND TAXATION
BY: Joyce M. Thompson
This stamp replaces our previous certification system. Effective: 10/84

behalf by its President and its corporate seal to be hereunder affixed and attested by its Secretary on this 24 day of July, 1991, and its President acknowledges that these Articles of Amendment are the Act and deed of CHESTNUT RIDGE COMMUNITY ASSOCIATION, INC. and under the penalties of perjury, that the matters and facts set forth herein with respect to authorization and approval are true in all material respects to the best of his knowledge, information and belief.

ATTEST

David Clay
David Clay, Secretary

CHESTNUT RIDGE COMMUNITY ASSOCIATION, INC.

By: Robert F. Brake SEAL
Robert F. Brake, President

STATE OF MARYLAND
WILLIAM DONALD SCHAEFER
Governor
LLOYD W. JONES
Director
PAUL B. ANDERSON
Administrator

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Department of Assessments and Taxation
CHARTER DIVISION
Room 809
301 West Preston Street
Baltimore, Maryland 21201

DOCUMENT CODE 098 BUSINESS CODE 04 COUNTY 68

D30185167 ___ P.A. ___ Religious ___ Close ___ Stock ✓ Nonstock

Merging (Transferor) ___

Surviving (Transferee) ___

CODE	AMOUNT	FEE REMITTED
10	50	Expedited Fee
20		Organ. & Capitalization
61		Rec. Fee (Arts. of Inc.)
62	20	Rec. Fee (Amendment)
63		Rec. Fee (Merger or Consolidation)
64		Rec. Fee (Transfer)
65		Rec. Fee (Dissolution)
66		Rec. Fee (Revival)
52		Foreign Qualification
50		Cert. of Qual. or Reg.
51		Foreign Name Registration
13	8	1 Certified Copy 2
56		Penalty
54		For. Supplemental Cert.
53		Foreign Resolution
73		Certificate of Conveyance
76		Certificate of Merger/Transfer
75		Special Fee
80		For. Limited Partnership
83		Cert. Limited Partnership
84		Amendment to Limited Partnership
85		Termination of Limited Partnership
21		Recordation Tax
22		State Transfer Tax
23		Local Transfer Tax
31		___ Corp. Good Standing
NA		Foreign Corp. Registration
87		___ Limited Part. Good Standing
71		Financial ___ Personal
600		Property Reports and late filing penalties
70		Change of P.O., R.A. or R.A.A.
91		Amend/Cancellation, For. Limited Part.
		Other
		Other

Name Change
(New Name) ___

___ Change of Name
___ Change of Principal Office
___ Change of Resident Agent
___ Change of Resident Agent Address
___ Resignation of Resident Agent
___ Designation of Resident Agent and Resident Agent's Address
___ Other Change ___

Code ___

ATTENTION: ___

MAIL TO ADDRESS: Kenney And Lacerí
One Hundred Exploration
Ste. 2030
Lexington Park, Md. 20653-2003

TOTAL FEES 78

✓ Check ___ Cash

NOTE:

___ Documents on ___ checks

APPROVED BY: JMT

SEP 3 - 1991 EVELYN W. ARNOLD, CLERK

LIBER 002 PAGE 106

Articles of Incorporation

and

12:17PM08/12/91A HOMASC $50.00

Bylaws

of the

Abell's Run Homeowners' Association, Inc.

This document is for the sole use of members of the Abell's Run Homeowners' Association, whose membership is limited to persons who own a lot in the Abell's Run Subdivision, Hollywood, Maryland. Members should possess a numbered copy of this document.

In accordance with the Maryland Homeowners Association Act, persons actively engaged in the purchase of a lot at Abell's Run shall be issued a copy of this document. In the event no such purchase occurs, the document must be returned to the Association.

This document may not be reproduced or copied in whole or part by any means.

Copy Number:_____

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AMENDED ARTICLES OF INCORPORATION
ABELL'S RUN HOMEOWNERS' ASSOCIATION, INC.

THIS IS TO CERTIFY:

That the undersigned subscriber, DANIEL CARROLL CROSS, whose address is 2950 University Terrace, N.W., Washington, D. C. 20016-3461, being of full legal age and a resident of the District of Columbia and in compliance with the requirements of Title 5, Subtitle 2 of the Corporations and Associations Article of the Annotated Code of Maryland, does hereby designate himself as incorporator and executes this instrument with the intention of forming a non-stock corporation which is not for profit.

FIRST: **Name.** The name of the corporation is **"ABELL'S RUN HOMEOWNERS' ASSOCIATION,INC."**, hereinafter called "the Association".

SECOND: **Principal Office:** The address of the principal office of the Association is 100 Exploration, Suite 2030, Lexington Park, Maryland 20653.

THIRD: **Resident Agent.** James A. Kenney, III, a citizen and resident of Maryland, whose address is 100 Exploration, #2030, Lexington Park, Maryland 20653, is hereby appointed to be the resident agent of the Association.

FOURTH: **Definitions.** Throughout these Articles, any word or words that are defined in Title 5, Subtitle 2 of the Corporations and Associations Article of the Annotated Code of Maryland, in the other provisions of said Corporations and Associations Article applicable thereto, or in the Declaration of Covenants, Conditions and Restrictions for Abell's Run which shall be recorded by Morgan Associates, Inc. among the Land Records of St. Mary's County, Maryland; as amended from time to time, shall have the same meaning as provided in said Corporations and Associations Article of Declaration. In addition, the word or words listed below within quotation marks shall be deemed to have the meanings which follow them:

(a) **"the Code"** shall mean the United States Internal Revenue Code of 1986, as amended from time to time, and all published rules, rulings (including private rulings) and regulations thereunder at the time of reference thereto.

(b) **"the Declaration"** shall mean the Declaration of Covenants, Conditions and Restrictions for Abell's Run which shall be recorded by Morgan Associates, Inc. among the Land Records of St. Mary's County, Maryland; as amended from time to time.

FIFTH: **Purposes and Powers.** The Association is organized to act exclusively as a "residential real estate management association" as such term is defined in Section 528 of

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the Code. As such, the Association shall not operate for pecuniary gain or profit, shall not issue gain or profit, shall not issue capital stock, and no part of the net earnings of the Association shall inure (other than by acquiring, constructing, or providing management, maintenance, and care of Association property and other than by a rebate of excess membership dues, fees, or assessments) to the benefit of any Member or individual; provided, however, that reasonable compensation may be paid for services rendered; and provided, further, that nothing herein contained shall be deemed at any time to require the Association to elect, for income taxation purposes, to be taxed as a "homeowners association" pursuant to Section 528 of the Code. Specifically, and subject at all times to the limitations imposed with respect to qualifying as a "residential real estate management association" under Section 528 of the Code, the Association shall provide for: (i) the use, improvement, maintenance, operation and repair of the Common Areas located in the Property including and improvements and amenities located thereon; (ii) the establishment of Rules and Regulations for the use of the Property including any improvements and amenities located thereon; (iii) the distribution among the Owners of the Property of the common expenses, including, without limitation, the costs of the use, improvement, maintenance and repair of the Common Areas and any improvements and amenities located thereon; (iv) architectural control of the Lots and the Common Areas of the Property; and (v) the promotion of the health, safety, pleasure, recreation and welfare of the residents of the Lots within the Property; and (vi) such other obligations, responsibilities, powers, and rights as are set forth in the Declaration. Despite the purposes and powers set forth herein, Morgan Associates, Inc. retains the timber rights to all Association property deeded to it by Morgan Associates, Inc. In furtherance of these purposes and subject at all times to the terms and provisions of the Declaration, the Association (by action of its directors ("the Board") unless otherwise noted in these Articles of Incorporation) shall have full power 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 the Declaration as the same may be amended from time to time as therein provided, the Declaration being herein incorporated by reference as if hereinbelow fully set forth;

(b) fix, levy, collect, and enforce payment by any lawful means of all charges or assessments imposed or imposable *(sic - able to be imposed)* pursuant to the powers contained in the provisions of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the affairs of the Association, including all licenses, taxes or governmental charges levied or imposed against the property of the Association;

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

(d) borrow money and, with the assent of two-thirds (2/3rds) of the votes of each class of the Members of the Association, mortgage, pledge, convey by deed of trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

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(e) dedicate, sell or transfer all or any part of the Common Areas to any public agency, authority, or utility subject, however, to such conditions as may be agreed to by the Members;

(f) participate in mergers and consolidations with other non-profit corporations organized for the same purpose or annex additional property and open space, provided that, except as otherwise provided in the Declaration, any such merger, consolidation or annexation shall have the assent of two-thirds (2/3rds) of the votes of each class of the Members;

(g) take action upon a stated proposal or for the election of directors without a meeting of the Members of the Association upon a vote of the Members by mail, in accordance with such reasonable procedures therefor as the Board of Directors of the Association shall prescribe and under its supervision; and

(h) have and to exercise any and all powers, rights and privileges which a non-stock corporation organized under the laws of the State of Maryland by law may now or hereafter have or exercise.

SIXTH: **Members; Voting Rights.** Every Owner shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot. The Association shall have two classes of voting membership:

Class A: Class A Members shall be all Owners with the exception (initially) of the Declarant and any other Class B Member, such Owners being individually entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be entitled to participate in the Association as Members; provided, however, that persons holding any such interest solely as contract purchasers or as security for the performance of an obligation shall not be Members solely on account of such interests; and provided, further, that, for purposes of voting and determining the existence of a quorum, all such persons so holding an interest in any one Lot shall be treated as a single Member. The vote for any such Lot shall be exercised as determined by the Members holding interests therein, but in no event shall more than one vote be cast with respect to any Lot.

Class B: The Class B Members shall be (a) the Declarant and (b) any successor assignee of the Declarant who takes title to Lots of the Declarant for the purposes of construction of houses or other development or the sale or lease of the improvements so constructed and who is designated as such in a recorded instrument. The Class B Members shall be entitled to one hundred fifteen (115) votes, all of which shall initially be exercised as determined by the Declarant but any (or all) of which shall be thereafter exercisable as assigned by the Declarant to any other person who is a Class B Member. The Class B membership shall cease and become converted to Class A membership upon the happening of any of the following events, whichever occurs first:

(i) when the total votes outstanding in Class A membership equal or exceed the number eighty-six (86); or

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(ii) December 31, 2001; or

(iii) when, at such time as may be before the events specified in (i) and (ii) above, the Declarant, in its sole discretion so determines.

From and after the happening of these events, whichever occurs first, the Class B Members shall become Class A Members entitled to cast one (1) vote for each Lot in which such Members hold an interest. At such time, the Declarant shall call a meeting of the Members of the Association as provided in the Bylaws for special meetings to advise the membership of the termination of Class B status.

The Association shall have no capital stock and shall not be authorized to issue capital stock.

SEVENTH: **Preemptive Rights.** The Members of the Association shall have no preemptive rights, as such Members, to acquire any memberships of the Association that may at any time be issued by the Association except as may be specifically provided in Article SIXTH above.

EIGHTH: **Lien on Class A Memberships for Monies Due.** The Association shall have a lien on the outstanding Class A memberships in order to secure payment of any sums which shall be due or become due to the Association from the holders thereof for any reason whatsoever.

NINTH: **Membership Transfers.** In the event that any Class A Member sells, assigns or otherwise transfers of record the fee simple interest in any Lot in which he holds the interest required for Class A membership (whether voluntarily or by operation of law), such Member shall, at the same time, assign the Class A membership appurtenant to said Lot to the transferee of the Lot and deliver it to him for transfer on the books of the Association. The foregoing requirement shall not apply in the event a Lot is transferred as aforesaid merely as security for the performance of an obligation or in the event a Member merely contracts to transfer his Lot without conveying legal title to the same. Except as provided in this article, Class A membership shall not be transferable.

TENTH: **Board of Directors.** The affairs and business of the Association shall be managed by a Board of Directors which shall have all powers and duties necessary for the administration of the affairs of the Association and which may do all such acts and things as are not by the Declaration, these Articles, the Bylaws, or applicable law directed to be exercised and done by the Members. The number of directors which shall constitute the whole Board shall be an uneven number of not less than three (3) nor more than seven (7) natural persons. Until the first annual meeting of the Association which occurs after such time as the Class B membership shall cease and become converted to Class A membership, the initial Board shall be comprised of three (3) persons designated by the Declarant. The Declarant's designees need not be residents of the Property or Members of the Association, and the Declarant shall have the right, in its sole discretion, to replace such designees as

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may be so selected and designated by it, with or without cause, and to select and designate their successors if vacancies occur for any reason during this period. The names and addresses of the persons who are to initially act in the capacity of Directors until the selection of their successors are:

Name	Address
Daniel Carroll Cross	2950 University Terrace, N.W. Washington, D. C. 20016-3461
Meredith Morgan Dale	2950 University Terrace, N.W. Washington, D. C. 20016-3461
Rosalind Morgan Cross	2950 University Terrace, N.W. Washington, D. C. 20016-3461

From and after the time of the first annual meeting of the Association which occurs after such time as the Class B membership shall cease and become converted to Class A membership, the Board shall be comprised of five (5) Members, all of whom shall be elected by the Members at that meeting. The term of office and manner of election of the Directors shall be as specified in the Bylaws, and the number of Directors may be changed by amendment of such Bylaws.

ELEVENTH: **Indemnification of Corporate Representatives.** The Association shall indemnify a corporate representative of the Association in connection with any proceeding to the fullest extent permitted by, and in accordance with, Section 2-418 of the Corporations and Associations Article of the Annotated Code of Maryland (said Section 2-418 being hereinafter referred to as "the Indemnification Section"). With respect to an employee or agent (other than a corporate representative) of the Association, the Association may, as determined by the Board, indemnify and advance expenses to such employee or agent in connection with a proceeding to the extent permitted by and in accordance with the Indemnification Section. As used in this Article ELEVENTH, any word or words that are defined in the Indemnification Section, as amended from time to time, shall have the same meaning herein as provided in the Indemnification Section. As used in this Article ELEVENTH, the term "corporate representative" means an individual who is a present or former director or officer of the Association or who serves or served another corporation, association, trust or other enterprise as a director, officer, trustee, or management principal at the request or direction of the Association or for the Association's benefit and who, by reason of his holding such position, was, is, or is threatened to be made, a party to a proceeding.

TWELFTH: **Conflicts of Interest.** Any Member, officer, or director, individually, or any firm of which any Member, director or officer may be a member, or any corporation or association of which any Member, director or officer may be an officer or director or in which any Member, director or officer may be interested as the holder of any amount of its capital stock or otherwise, may be a part to, or be pecuniarily or otherwise interested in, any

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contract or transaction of the Board of the Association, and, in the absence of fraud, no contract or other transaction shall be thereby affected or invalidated; provided, however, that in the event that a Member director, or officer of any firm of which a Member, director or officer is a member, or any corporation or association of which a Member, director or officer may be an officer or director is so interested, such fact shall be disclosed or shall have been made known to the Board; and provided, further, that such a contract or transaction shall be valid and enforceable only if (a) it is approved or ratified by the affirmative vote of either (i) a majority of the disinterested directors of the Board (even if the disinterested directors constitute less than a quorum) or (ii) a majority of the votes cast by the Members entitled to vote other than the votes of the interested Member, director, corporation, or association (even if the holders of such votes constitute less than a quorum) or (b) it is fair and reasonable to the Board and the Association. Any Member or director who is so interested in such a contract or association, may be counted in determining the existence of a quorum at the meeting of the Board or of the Association, as the case may be, which shall authorize, ratify, or confirm any such contract or transaction.

THIRTEENTH: **Duration.** The Association shall exist perpetually.

FOURTEENTH: **Dissolution.** Except as otherwise provided in the Declaration, the Association may be dissolved with the assent given in writing and signed by the holders of not less than two-thirds (2/3rds) of the votes of each class of the Members. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those who which this Association was created. In the event that acceptance of such a dedication is refused, the assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted to similar purposes.

FIFTEENTH: **Amendment.** Amendment of these Articles shall require the assent of the holders of two-thirds (2/3rds) of all the votes of the Members entitled to be cast; provided, however if (and only if) the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Veterans Administration, the Federal Housing Administration, or any successor or comparable agencies thereto approve the Property or any part thereof or any Lot therein for agency approved mortgage financing purposes, any amendments to these Articles shall also require the prior consent of the agency giving such approval.

SIXTEENTH: **Special Agency Approval.** As long as there is a Class B membership, annexation of additional properties, mergers and consolidations, mortgaging of Common Area, dedication of Common Area, dissolution and amendment of these Articles, will require prior approval of the Federal Housing Administration or the Veterans Administration.

THESE ARTICLES OF INCORPORATION WERE SIGNED BY THE INCORPORATOR BEFORE A NOTARY ON 28 FEBRUARY 1991.

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BYLAWS
ABELL'S RUN HOMEOWNERS' ASSOCIATION, INC.

ARTICLE I: Name and Location

Section 1. **Name.** The name of the corporation is "ABELL'S RUN HOMEOWNERS' ASSOCIATION, INC.", hereinafter referred to as "the Association".

Section 2. **Principal Office.** The post office address of the principal office of the Association shall be James A. Kenney, III, 100 Exploration, Suite 2030, Lexington Park, St. Mary's County, Maryland 20653, but meetings of Members and directors may be held at such places within St. Mary's County, Maryland as may be designated by the Board.

ARTICLE II: Definitions

Section 1. **Definitions.** Throughout these Bylaws, words and terms used herein shall have the meanings set forth in the Articles or in the Declaration.

Section 2. **"the Articles".** "the Articles" means the Articles of Incorporation of the Association.

Section 3. **"the Declaration".** "the Declaration" means the Declaration of Covenants, Conditions, and Restrictions for the Abell's Run Homeowners' Association dated 29 May 1991 and recorded by Morgan Associates, Inc. among the Land Records of St. Mary's County, Maryland at Liber 599, folio 0064, as amended from time to time.

Section 4. **"Member".** "Member" and "Members" refer to those persons entitled to membership in the Association as provided in the Articles.

ARTICLES III: Liquidation Rights

In the event of any voluntary or involuntary dissolution of the Association under circumstances where the assets of the Association are not dedicated to a public agency or granted to a nonprofit corporation, association, trust or other organization as provided in the Articles, each Class A Member of the Association shall be entitled to receive out of the assets of the Association available for distribution to the Members an amount equal to that proportion of such assets which the number of Class A memberships held by such member bears to the total outstanding. For the purposes of this section only, in the event that, at the time of such dissolution, the Class B membership of the Association shall not yet have ceased and been converted to Class A Membership, a then Class B Member shall be deemed to be a Class A Member as to any Lot then owned by it. In the event that the Lot of any Owner shall be mortgaged, distributions in liquidation of the Association as prescribed

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by this section shall be made to the Owner and his mortgagee(s), as their interests may appear.

ARTICLES IV: Meetings of Members

Section 1. **Annual Meetings.** The initial meeting of the Members shall be held within one year from the date of incorporation of the Association, and each subsequent regular annual meeting of the Members shall be held in the same month of each year thereafter, at a date, time and place within St. Mary's County, Maryland selected by the Board.

Section 2. **Special Meetings.** Special meetings of the Members may be called at any time by the President, by the Board of Directors, or upon written request of the Owners of at least one-fourth (1/4) of the Lots. Special meetings may be held at any location designated by the Board of Directors.

Section 3. **Notice of Meetings.** Written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing a copy of the notice, postage prepaid, not less than fifteen (15) nor more than sixty (60) days before the meeting, to each Member, addressed to the Member's address last appearing on the books of the Association, or supplied by the Member to the Association for the purpose of notice. The notice shall specify the place, day and hour of the meeting. In the case of a special meeting, the notice shall state the purpose of the meeting. In lieu of mailing a copy of the notice as prescribed above, the Secretary or person authorized to call the meeting may provide the requisite notice by causing a copy of the notice to be hand delivered to the improvements on the Lot owned by any Member entitled to such notice.

Section 4. **Waiver of Notice.** Waiver of notice of a meeting of the Members shall be deemed the equivalent of proper notice. Any Member may, in writing, waive notice of any meeting of the Members, either before or after such meeting. Attendance at a meeting by a Member, whether in person or by proxy, shall be deemed a waiver by such Member of notice of the time, date, and place thereof, unless such Member specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting shall also be deemed waiver of notice of all business transacted thereat unless objection to the calling or convening of the meeting of which proper notice was not given is raised before the business is put to a vote.

Section 5. **Quorum.** Except as otherwise provided in the Articles or these Bylaws, the presence at a meeting of Members or proxies entitled to cast two-tenth's (2/10's) of the votes of each class of the Membership shall constitute a quorum for any action. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 6. **Roster of Membership.** The Board shall maintain a current roster of the names and addresses of each Member to which written notice of meetings of the Members

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of the Association shall be delivered or mailed. Each Member shall furnish the Board with his name and current mailing address.

Section 7. **Proxies.** At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Except with regard to proxies given by or to Class B Members, every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Lot, by a written notice of revocation received by the Secretary, by the death of the Member, or by the passage of one hundred eighty (180) days after the date of making as stated thereon, whichever occurs first.

Section 8. **Conduct of Meeting.** The President or, in his absence, the Treasurer, shall preside over all meetings of the Members and shall count all votes taken thereat. The Secretary or, in his absence, such person as shall be designated by the president, shall keep the minutes of the meeting and record in a Minute Book all resolutions adopted by the meeting as well as a record of all transactions occurring thereat. All meetings shall be conducted in accordance with Robert's Rules of Order (Revised).

Section 9. **Voting.** At every meeting of the Members, Class A Members shall have the right to cast one (1) vote for each Lot owned on each question. At such meetings, the Class B Members shall have the right to cast a total of ninety-five (95) votes on each question, such votes to be exercised as provided in the Articles. The vote of the Members representing fifty-one percent (51%) of the total of the votes of the membership present at the meeting, in person or by proxy, calculated as aforesaid, shall be necessary to decide any question brought before such meeting, unless the question is one upon which, by the express provision of a law, the Articles, the Declaration, or these Bylaws, a different vote is required, in which case such express provision shall govern and control. Where the ownership of a Lot is in two or more persons and in the event of a dispute as to who can vote with respect to that Lot, the person who shall be entitled to cast the vote of the Members for that Lot shall be the person named in a certificate signed by all of the Owners of the Lot and filed with the Secretary. In the event all of the co-owners of any Lot who are present at any meeting of the Members are unable to agree on the manner in which the vote for such Lot shall be cast on any particular question, then such vote shall not be counted for purposes of deciding that question. In the event any Lot is owned by a corporation, then the vote for any such Lot shall be cast by a person designated in a certificate signed by the President or any Vice President of such corporation and attested by the Secretary or any Assistant Secretary of such corporation and filed with the Secretary of the Association. Any such certificate shall remain valid until revoked or superseded in writing. The vote for any membership which is owned by a trust or partnership may be exercised by any trustee or partner thereof, as the case may be, and, unless any objection or protest by any other such trustee or partner is noted at such meeting, the presider at 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, who is shown on the books or management accounts of the Association to be more than sixty (60) days delinquent in any payment due to the Association.

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Section 10. **Requisite Approvals.** Wherever the approval or disapproval of the Members is required by law, the Articles, the Declaration, or these Bylaws, such approval or disapproval shall be made by the requisite number of the persons who would be entitled to vote at a meeting of the Members. Whenever in the Articles, the Declaration, or these Bylaws, any action is required to be taken by a specified fraction or percentage of each class of the Members of the Association, then votes with respect to such action shall be required to be taken by separate votes of the classes and such action can only be authorized by affirmative votes by the specified fraction or percentage of the votes of the then outstanding Class A Members of the Association and the specified fraction or percentage of the votes of the then outstanding Class B Members of the Association. Whenever in these Bylaws any action is required to be taken by a specified fraction or percentage of both classes of the then Members of the Association or a specified fraction or percentage of the then Members of the Association, then such action shall be required to be taken by a specified percentage of the votes of the then outstanding cumulative membership of the Association.

Section 11. **Votes by Mail.** Action may be taken by the Members upon a stated proposal or for the election of directors without a meeting upon a vote of the Members by U.S. mail, private mail, couriers and/or telecopier in accordance with such reasonable procedures therefor as the Board shall prescribe and under its supervision.

Section 12. **Informal Action.** Any action required or permitted to be taken at a meeting of the Members also may be taken without a meeting if a unanimous written consent which sets forth the action is signed by each voting Member and filed with the Association Minute Book. A written signature transmitted by a facsimile machine is a valid signature.

Section 13. **Rights of Mortgagees.** Any institutional mortgagee of any Lot who desires notice of the annual and special meetings of the Members shall notify the Secretary to that effect by Registered Mail - Return Receipt Requested. Any such notice shall contain the name and post office address of such institutional mortgagee and the name of the person to whom notice of the annual and special meetings of the Members should be addressed. The Secretary shall maintain a roster of all institutional mortgagees from whom such notices are received and it shall be the duty of the Secretary to mail or otherwise cause the delivery of a notice of each annual or special meeting of the members to each such institutional mortgagee, in the same manner, and subject to the same requirements and limitations as are otherwise provided in this article for notice to the Members. Any such institutional mortgagee shall be entitled to designate a representative to attend any annual or special meeting of the members and such representative may participate in the discussion at any such meeting and may, upon his request made to the presider in advance of the meeting, address the Members present at any such meeting. Such representative shall have no voting rights at any such meeting. Such representative shall be entitled to copies of the minutes of all meetings of the Members upon request made in writing to the Secretary.

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ARTICLE V: Board of Directors

Section 1. **Number.** Until the first meeting of the Association after the Class B membership shall cease and become converted to Class A membership, the number of directors, method of their selection, and term of their respective offices shall be as provided in the Articles. From and after the time of the first meeting of the Association which occurs after such time as the Class B membership shall cease and become converted to Class A membership, the affairs of the Association shall be managed and governed by a Board of Directors composed of five (5) members, all of whom shall be Members of the Association or employees, tenants, or immediate family members thereof.

Section 2. **Term of Office.** From and after the time of the first meeting of the Association which occurs after such time as the Class B membership shall cease and become converted to Class A membership, the term of office of each director shall be for two years and until the next meeting of the Board after his successor is elected and qualified; provided, however, that at such first meeting after such time as the Class B membership shall cease and be converted to Class A membership, a new election for all positions on the Board shall be held and those nominees receiving the three highest vote totals shall be elected to two year terms of office and those receiving the next two highest vote totals shall be elected to one year terms of office. Annual elections shall thereafter be held for only those directorships as for which terms shall expire in the year of the election.

Section 3. **Nomination.** Nomination of directors for election to the Board shall initially be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board, and two or more other persons. The Nominating Committee shall be appointed by the President of the Association prior to each annual meeting of the Members, to serve until the close of the annual meeting. The Nominating Committee shall make as many nominations for election to the Board as it shall, in its discretion determine, but not less than the number of vacancies that are to be filled.

Section 4. **Election.** Except as provided in the Articles, election to the Board shall be by written ballot at the annual meeting of the Members of the Association. At the election each Member or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Articles. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

Section 5. **Removal.** From and after such time as the Class B membership shall cease and become converted to Class A membership, any director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association. In the event of death, resignation or removal, pursuant to these Bylaws, of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

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Section 6. **Compensation.** No director shall receive compensation for any service he may render to the Association, as such. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 7. **Regular Meetings.** Regular meetings of the Board shall be held at least quarterly at such place and hour as may be fixed from time to time by resolution of the Board, without the necessity of further notice.

Section 8. **Special Meetings.** 1 Special meetings of the Board shall be held when called by the President of the Association, or by any three directors, after not less than three (3) days' notice to each director given personally or by mail, telephone, or telegraph.

Section 9. **Waiver of Notice.** The transactions of any meeting of the Board, however called and notice or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if (a) a quorum is present, and (b) either before or after the meeting each of the directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting shall also be deemed to have been given to any director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

Section 10. **Quorum.** A majority of the number of elected and seated directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

Section 11. **Action without Meeting.** Any action of the Board required or permitted to be taken at any meeting may be taken without a meeting if a unanimous written consent which sets forth the action is signed by each director and filed with the Board's minutes of its proceedings.

Section 12. **Powers.** The Board shall have all the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by law, by the Declaration, by the Articles, or these Bylaws directed to be exercised and done by the Members. The powers and duties of the Board shall include, but shall not be limited (subject at all times to the provisions of the Declaration, the Articles, and the other provisions of these Bylaws) to the following:

(a) provide for the care, upkeep, control and surveillance of the Common Areas, community facilities and services, and all other property of the Association, in a manner consistent with law and the provisions of these Bylaws, the Articles and the Declaration; and

(b) make assessments against Owners to defray the costs and expenses of the Association, establish the means and methods of collecting such assessments from the Owners, and establish the periods of the installment payments of the annual assessment for common expenses (unless otherwise determined by the Board, the annual assessments

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against each Owner for his proportionate share of the expenses of the Association shall be payable in equal monthly installments, each such installment to be due and payable in advance on the first day of each calendar month); and

(c) collect the assessments against the Owners, depositing the proceeds thereof in a depository which it shall approve, and use the proceeds to carry out the administration of the Association and its powers and duties hereunder; and

(d) adopt, publish and enforce Rules and Regulations governing (i) use of the Common Areas, including any improvement and amenities located thereon; (ii) additions, alterations, and improvements on or to the Lots; (iii) reasonable interpretation and construction of the provisions of the Declaration, the Articles, and these Bylaws; and (iv) such other matters as are specified as the subjects for such Rules and Regulations in the Declaration, the Articles or these Bylaws; and

(e) suspend the voting rights, and the right of use of any recreational facilities located on any Common Areas during any period in which the Member is in default in the payment of any assessment levied by the Association; these rights may also be suspended for a period not to exceed sixty (60) days for any infraction of published Rules and Regulations; and

(f) designate, hire and dismiss the personnel necessary for the maintenance, operation, repair and replacement of the Common Areas, and providing services for the Association, and, where appropriate, provide for the compensation of such personnel and for the purchase of equipment, supplies and material to be used by such personnel in the performance of their duties, which supplies and equipment shall be the property of the Association; and

(g) open depository accounts on behalf of the Association and designate signatories required therefor; and

(h) make contracts and guarantees, incur liabilities and borrow money and sell, mortgage, lease, pledge, exchange, convey, transfer, grant easements, rights-of-way, licenses, and other rights of use in, and otherwise dispose of, all or any part of the Common Areas and community facilities; and

(i) repair, restore or reconstruct all or any part of the Common Areas and community facilities after any casualty losses in a manner consistent with law and the provisions of these Bylaws, the Articles, and the Declaration; and

(j) make any addition, alterations or improvements to the Common Areas; provided, however, that if any such addition, alteration or improvements shall require an expense of Association funds in excess of Ten Thousand Dollars ($10,000.00), such addition, alteration or improvement shall only be authorized if approved by the affirmative vote of a majority of each class of the Members; and

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(k) enforce by legal means the provisions of the Declaration, the Articles, these Bylaws and the Rules and Regulations adopted by it, and bring any proceedings which may be instituted on behalf of the Association; and

(l) as provided in the Declaration, employ a Management Agent, independent contractors, or other employees or contractors as it may deem necessary, and to prescribe their duties; and

(m) cause all officers or employees having fiscal responsibilities to be bonded, as required by the Declaration and as it may deem appropriate; and

(n) purchase such policies of insurance as shall be required by the Declaration or as may from time to time be considered appropriate by the Board including, without limitation, casualty insurance, public liability insurance, workmen's compensation insurance to the extent necessary to comply with any applicable law, so-called "legal expense indemnity insurance" affording protection for the officers and directors of the Association for expenses and fees incurred by any of them in defending any suit or settling any claim or cause of action to which any such officer or director shall have been made a party by reason of his or her service as such, fidelity coverage and the like; and

(o) purchase Lots and to lease, mortgage or convey the same, subject to the provisions of these Bylaws, the Articles and the Declaration; and

(p) enter into agreements whereby the Association acquires leaseholds, memberships and other possessory or use interests in real or personal property for the purpose of promoting the enjoyment, recreation or welfare of the Members and to declare expenses incurred in connection therewith to be common expenses of the Association; and

(q) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and

(r) exercise any and all rights of the Association to approve the plans and specifications for any construction or architectural change upon the Property and the Lots thereof or to appoint an architectural review committee and to delegate to such committee such approval rights; and

(s) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the Members by other provisions of these Bylaws, the Articles, the Declaration, or applicable law.

Section 13. Duties. It shall be the duty of the Board to:

(a) keep a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special

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meeting when such a statement is requested in writing by the holders of one-fourth (1/4) of the votes of the membership; and

(b) supervise all officers, agents and employees of the Association, and to see that their duties are properly performed; and

(c) as more fully provided in the Declaration to:

(i) fix the amount of the annual maintenance assessment against each Lot not later than May 1st of each year; and

(ii) send written notice of each annual maintenance assessment to every Owner subject thereto not later than May 1st of each year and of each special assessment, at least thirty (30) days in advance of its due date; and

(iii) foreclose the lien against a Lot if the Owner thereof has not paid the assessment thereon within such time as the Board may determine, and/or bring an action at law against the Owner or other person personally obligated to pay the same; and

(d) issue, or cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. (If the certificate states that an assessment has been paid, the certificate shall be conclusive evidence of payment with respect to any person relying on the certificate; and

(e) keep books with detailed accounts in chronological order of the receipts and expenditures affecting the Common Areas and the administration of the Association specifying the maintenance and repair expenses of the Common Areas and any other common expenses incurred. All books and records shall be kept in accordance with good and accepted accounting practices, and the same shall be audited at least once a year by an outside auditor employed by the Board who shall not be a resident of the Property, or an Owner of a Lot therein. The cost of such audit shall be a common expense of the Association.

Section 14. **Rights of Mortgagees.** Any institutional mortgagee of any Lot who desires notice of the regular and special meetings of the Board shall notify the Secretary to that effect by Registered Mail - Return Receipt Requested. Any such notice shall contain the name and post office address of such institutional mortgagee and the name of the person to whom notice of the regular and special meetings of the Board should be addressed. The Secretary of the Association shall maintain a roster of all institutional mortgagees from whom such notices are received and it shall be the duty of the Secretary to mail or otherwise cause the delivery of a notice of each regular or special meeting of the Board to each such institutional mortgagee, in the same manner, and subject to the same requirements and limitations, as are otherwise provided in this article for notice to the members of the Board. Any such institutional mortgagee shall be entitled to designate a representative to attend any regular or special meeting of the Board and such representative may participate in the

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discussion at any such meeting and may, upon his request made to the Chairman in advance of the meeting, address the members of the Board present at any such meeting. Such representative shall be entitled to copies of the minutes of all meetings of the Board upon request made in writing to the Secretary.

ARTICLE VI: Officers and Their Duties

Section 1. **Designation.** The principal officers of the Association shall be a President, a Vice President, a Secretary and a Treasurer, all of whom shall be elected by the Board. Prior to the lapse of all of the Class B memberships as provided in the Articles, the officers of the Association need not be Members of the Association. Thereafter, except for the President and the Vice President, the officers of the Association need not be Members of the Association.

Section 2. **Election of Officers.** The election of officers shall take place at the first meeting of the Board and thereafter at the first meeting of the Board following each annual meeting of the Members.

Section 3. **Term.** The officers of this Association herein specified shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise be disqualified to serve.

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

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

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

Section 7. **Multiple Offices.** The President and the Treasurer shall not be the same person. The Secretary and the Treasurer may be the same person.

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

President

(a) The President shall preside at all meetings of the Members and of the Board and see that orders and resolutions of the Board are carried out. The President shall have authority to sign all leases, mortgages, deeds and other written instruments.

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Vice President

(b) The Vice President shall act in the place and stead of the President in the event of the President's absence or inability or refusal to act, and shall have such other duties as may be delegated to him from time to time by the Board or the President.

Secretary

(c) The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association, together with their addresses; and perform such other duties as required by the Board.

Treasurer

(d) The Treasurer shall receive and deposit in appropriate depository accounts all monies of the Association and disburse these funds as directed by resolution of the Board; keep proper books of account; cause an annual audit of the Association books to be made at the completion of each fiscal year; and prepare an annual budget and a statement of income and expenditures to be presented to the Members at their regular annual meeting, and deliver a copy of each to the Members requesting the same.

Section 9. Agreements, Contracts, Deeds, Checks, etc. All agreements, contracts, checks and other instruments of the Association requiring an expenditure or imposing an obligation of $2,000.00 or more shall be executed by any two officers of the Association or by such other person or persons as may be designated by the Board. All agreements, contracts, checks or other instruments requiring an expenditure or imposing an obligation of less than $2,000.00 may be executed by any one officer of the Association or by such other person or persons as may be designated by the Board.

Section 10. Compensation of Officers. No officer shall receive any compensation from the Association for acting as such.

ARTICLE VII: Committees

The Board shall appoint such committees as deemed appropriate in carrying out the purposes of the Association.

ARTICLE VIII: Fines: Due Process

Section 1. Fines. The Board shall have the express power to impose a fine of not more than $50.00 for each initial violation or $25.00 for each repeated violation by an Owner or a tenant, guest, or member of the family of an Owner, of the Declaration, or the Rules or Regulations. Fines for violations by a member of an Owner's family or his tenants or guests shall be imposed on such Owner; and, for the purposes of this section, each day any such

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violation continues shall be deemed to be a separate such violation. Any fine imposed by the Board for a violation of the Declaration or the Rules and Regulations shall be a lien levied against the Owner's Lot as of the day of the imposition of the fine, and may be foreclosed in the manner provided for the foreclosure of liens for assessments. Any such lien for the payment of a fine shall be subject to the provisions of Section 14 of Articles XIII of the Declaration as if such lien were a lien for a regular assessment.

Section 2. **Hearing Procedure.** The Board shall not impose a fine, suspend voting, or infringe upon any other rights of a Member or other resident of the Property for violations of the Declaration or the Rules and Regulations unless and until the following procedure is followed:

(a) **Demand.** Written demand to cease and desist from an alleged violation shall be provided to the alleged violator specifying:

(i) the alleged violation;

(ii) the action required to abate the violation; and

(iii) a time period, not less than ten (10) days, during which the violation may be abated without further sanction, if such violation is a continuing one, or a statement that any further violation of the same rule may result in the imposition of a sanction after notice and hearing if the violation is not continuing.

(b) **Notice.** At any time within twelve (12) months of such demand, if the violation continues past the period allowed in the demand for abatement without penalty or if the same rule is subsequently violated, the Board or its delegate shall provide the violator by hand-delivered notice or first class mail with written notice of a hearing to be held by the Board in executive session. The notice shall contain:

(i) the nature of the alleged violation;

(ii) the time and place of the hearing, which time shall not be less than ten (10) days from the giving of the notice;

(iii) an invitation to attend the hearing and produce any statement, evidence, and witness on his behalf; and

(iv) the proposed sanction to be imposed.

(c) **Hearing.** The hearing shall be held by the Board pursuant to this notice. The alleged violator shall have the right to be present at this hearing and to present evidence. The hearing shall be held in executing session and shall afford the alleged violator a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of notice and the invitation to be heard shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of

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the date and manner of delivery, is entered by the officer, director, or agent who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed.

(d) Corrective Action by the Association. Notwithstanding the other provisions of this Section 2, actions by the Declarant, the Board, the Association, or any of the Association's officers, agents, employees, or managers pursuant to rights reserved, granted, or established in the Declaration, including, without limitation, the right to cure any condition which may increase the possibility of fire or other hazard and to abate any violation of any provision of the Declaration or any of the duly adopted Rules and Regulations of the Association shall not be deemed to be an infringement upon any rights of a Member.

ARTICLE IX: Bank Accounts; Loans

Section 1. Bank Accounts. Such officers or agents of the Association as from time to time shall be designated by the Board shall have authority to deposit any funds of the Association in such depositories, banks or trust companies as shall from time to time designated by the Board and such officers or agents as from time to time shall be authorized by the Board may withdraw any or all of the funds of the Association so deposited in any such depositories, bank or trust company, upon checks, drafts or other instruments or orders for the payment of money, drawn against the account or in the name or behalf of this Association, and made or signed by such officers or agents; and each bank or trust company with which funds of the Association are so deposited is authorized to accept, honor, cash and pay, without limit as to amount, all checks, drafts or other instruments or orders for the payment of money, when drawn, made or signed by officers or agents so designated by the Board until written notice of the revocation of the authority of such officers or agents by the Board shall have been received by such depository, bank or trust company. There shall from time to time be certified to the banks or trust companies in which funds of the Association are deposited, the signature of the officers or agents of the Association so authorized to draw against the same. In the event that the Board shall fail to designate the persons by whom checks, drafts and other instruments or orders for the payment of money shall be signed, as hereinabove provided in this section, all of such checks, drafts and other instruments or orders for the payment of money shall be signed by the President and countersigned by the Secretary or Treasurer of the Association.

Section 2. Loans. Such officers or agents of the Association as from time to time shall be designated by the Board shall have authority to effect loans, advances or other forms of credit at any time or times for the Association from such banks, trust companies, institutions, corporations, firms or persons as the Board shall from time to time designate, and as security for the repayment of such loans, advances, or other forms of credit to assign, transfer, endorse and deliver, either originally or in addition or substitution, any or all stocks, bonds, rights and interest of any kind in or to stocks or bonds, certificates of such rights or interests, deposits, accounts, documents covering merchandise, bills and accounts receivable and other commercial paper and evidences of debt at any time held by the Association for such loans, advances or other forms of credit to make, execute and

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deliver one or more notes, acceptances or written obligations of the Association on such terms, and with such provisions as to the security or sale or disposition thereof as such officers or agents shall deem proper; and also to sell to, or discount or rediscount with, such banks, trust companies, institutions, corporations, firms or persons any and all commercial paper, bills receivable, acceptances and other instruments and evidences of debt at any time held by the Association, and to that end to endorse, transfer and deliver the same. There shall from time to time be certified to each bank, trust company, institution, corporation, firm or person so designated the signatures of the officers or agents so authorized; and each such bank, trust company, institution, corporation, firm or person is authorized to reply upon such certification until written notice of the revocation by the Board of the authority of such officers or agents shall be delivered to such bank, trust company, institution, corporation, firm or person.

ARTICLE X: Books and Records

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The Declaration, the Articles, and the Bylaws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XI: Assessments

As more fully provided in the Declaration, each Owner is obligated to pay to the Association assessments which are secured by a continuing lien upon the Lot against which the assessment is made. If the assessment is not paid on the due date, the assessment shall bear interest from the date of delinquency at such legal rate as may be specified by the Board, and the Association may bring an action at law against the Owner personally obligated to pay the same and/or foreclose the lien against the Lot, and the interest, costs, and reasonable attorneys' fees of any such action shall be added to the amount of such assessment lien. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Areas or abandonment of his Lot.

ARTICLE XII: Amendments

Section 1. **Amendment.** These Bylaws may be amended by an affirmative vote of at least two-thirds (2/3) of the members of the Board of the Association.

Section 2. **Amendments by the Declarant.** Notwithstanding, and in addition to, any other provisions of these Bylaws, the Declarant shall have the right, to be exercised in its sole discretion without the consent of any other person, at any time and from time to time while it owns any Class B membership, if so required by the FNMA, the FHLMC, the VA, the FHA or any other governmental or quasi-governmental agency, to amend, modify or add to the provisions of these Bylaws and the other documents and instruments relating to the Association or the Property as need therefor be made. Such right also is reserved to comply with the requirements of any lender or title insurance company, provided such

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amendments, modifications or additions made pursuant to the requirements of any lender or title company do not adversely or materially affect the interest in the Property of the Owners or mortgagees of any Lots.

Section 3. **Special Agency Approval.** As long as there is a Class B membership, annexation of additional properties, dedication of common Area, and amendment of these Bylaws will require prior approval of the Federal Housing Administration or the Veterans Administration.

ARTICLE XIII: Miscellaneous

Section 1. **Fiscal Year.** The fiscal year of the Association shall begin on the first (1st) day of June and end on the thirty-first (31st) day of May of every year, except that the first fiscal year shall begin on the date of incorporation and end on the next following May 31st.

Section 2. **Invalidity.** The invalidity of any part of these Bylaws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these Bylaws.

Section 3. **Captions.** The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these Bylaws, or the intent of any provisions thereof.

Section 4. **Gender and Number.** The use of the masculine gender in these Bylaws shall be deemed to include the feminine gender and the use of the singular shall be deemed to include the plural, whenever the context so requires.

Section 5. **Conflict.** These Bylaws are subordinate and subject to all provisions of the Declaration and to the provisions of the Articles. In the event of any conflict between these Bylaws and the Declaration, the provisions of the Declaration shall control; and in the event of any conflict between these Bylaws and the Articles, the provisions of the Articles shall control.

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ABELL'S RUN

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Declaration of Covenants, Conditions and Restrictions for the Abell's Run Homeowners Association

This document is for the sole use of members of the Abell's Run Homeowners Association, whose membership is limited to persons who own a lot in the Abell's Run Subdivision, Hollywood, Maryland. Members should possess a numbered copy of this document.

In accordance with the Maryland Homeowners Association Act, persons actively engaged in the purchase of a lot at Abell's Run shall be issued a copy of this document. In the event no such purchase occurs, the document must be returned to the Association.

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Copy Number:_____

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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE ABELL'S RUN HOMEOWNERS ASSOCIATION

THIS DECLARATION is made this 29th day of May 1991, by **MORGAN ASSOCIATES, INC.** ("the Declarant"), a Maryland close corporation.

EXPLANATORY STATEMENT: The Declarant is the legal or beneficial owner of the real property ("the Property") located in the Third Election District of St. Mary's County, Maryland, which is more particularly described in the Exhibit A attached hereto, which said Exhibit A is herein incorporated by reference.

The parties to this Declaration desire to create a planned residential community ("Abell's Run") upon the Property pursuant to a general plan of development for the benefit of all owners of residential property within this planned residential community. The Declarant desires to provide maintenance of said common areas and community facilities, and to provide for the preservation of values and amenities within Abell's Run. Further, the Declarant desires to provide a flexible and reasonable procedure for the overall development of Abell's Run and to establish a method for the administration, maintenance, preservation, use and enjoyment of all real property now or may hereafter subjected to this Declaration. To these ends, the Declarant desires to subject the real property described in Exhibit A (as well as other real property which it intends to hereafter subject to the legal operation and effect of this Declaration) to the covenants, restrictions, easements, charges and liens hereinafter set forth, each and all of which shall be for the benefit of the Property and the subsequent owners thereof.

Provided however, there is hereby reserved to the St. Mary's County Airport, its successors and assigns, for the use and benefit of the public, a right of flight for passage of aircraft in the airspace above the surface of the parcel herein conveyed. This public right of flight shall include the right to cause in said airspace any noise or vibration inherent to the normal operation of any aircraft for navigation or flight through said airspace or for landing at, taking off from or otherwise operating at the St. Mary's County Airport.

In conjunction herewith, the Declarant has caused to be incorporated, under the laws of the State of Maryland, a nonprofit Maryland corporation without stock named "Abell's Run Homeowners Association, Inc." (the Association".)

NOW, THEREFORE, the parties hereto hereby declare that all of the real property described in the Exhibit A attached hereto is and hereafter shall be held, conveyed, hypothecated or encumbered, sold, leased, rented, used, occupied and improved subject to the covenants, restrictions, uses, limitations, obligations, easements, equitable

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servitudes, charges and liens (all of which are sometimes hereinafter collectively referred to as "covenants and restrictions") hereinafter set forth, all of which are declared and agreed to be in aid of a plan for improvement of the Property and such additional real property as shall hereafter be subjected to the legal operation and effect of this Declaration and all of which shall be deemed to run with and bind the land submitted to this Declaration and to inure to the benefit of and be enforceable by the Declarant, its successors and assigns, and any person acquiring or owning an interest in the Property or such additional real property, including, without limitation, any person who holds such interest solely as security for the performance of an obligation.

ARTICLE I: Definitions

When used in this Declaration, the word or words listed below within quotation marks shall be deemed to have the meanings which follow them in the same section:

Section 1. "the Association" shall mean and refer to Abell's Run Homeowners' Association, Inc., a nonprofit Maryland corporation without stock, and its successors and assigns.

Section 2. "the Articles" shall mean and refer to the Articles of Incorporation of the Association, as such may be duly amended from time to time.

Section 3. "assessments" shall mean the regular or special assessments payable by Owners to the Association.

Section 4. "the Board" shall mean the Board of Directors of the Association.

Section 5. "the Bylaws" shall mean and refer to the duly adopted bylaws of the Association, as such may be amended from time to time.

Section 6. "the Common Areas" shall mean and refer to all real property owned by the Association for the common use and enjoyment of the Owners of the Lots, together with the improvements located thereon, and the rights, alleys, ways, waters, privileges, appurtenances and advantages thereto belonging, or in anywise appertaining. "The Common Areas" shall, without limitation, specifically include all areas designated as "Open Space" on the Plat, if any, which are subjected to the legal operation and effect of this Declaration.

Section 7. "common expenses" shall mean and include the actual and estimated expenses of operating the Association, including any reasonable reserve, all as may be found to be necessary and appropriate by the Board pursuant to this Declaration, the Articles and/or the Bylaws.

Section 8. "the Declarant" shall mean and refer to Morgan Associates, Inc., a close corporation established pursuant to the laws of the State of Maryland, and its successors

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and assigns; provided, however, that the rights, reservations, easements, interests, exemptions, privileges and powers of the Declarant pursuant to this Declaration, the Articles, or the Bylaws shall not inure to the benefit or burden of the successors and assigns of the said Morgan Associates except to the extent that any of the rights, reservations, easements, interests, exemptions, privileges and powers of the Declarant are specifically assigned or transferred to any successors or assigns by a recorded writing.

Section 9. "Abell's Run" shall mean and refer to that certain planned residential community being developed or intended to be developed by the Declarant at the Property and in the nearby vicinity.

Section 10. "Lot" or "Lots" shall mean and refer to those bounded and numbered lots or parcels of land other than the Common Areas as shown on the Plat.

Section 11. "mortgagee" shall mean and refer to the holder of any recorded mortgage, or the party secured by or the beneficiary of, any recorded deed of trust, encumbering one or more of the Lots. The word "mortgage", as used herein, shall include a deed of trust. "First mortgage", as used herein, shall mean a mortgage with priority over other mortgages. As used in this Declaration, the term "mortgagee" shall mean any mortgagee and shall not be limited to institutional mortgagees. As used in this Declaration, the term "institutional mortgagee" or "institutional holder" shall include banks, trust companies, insurance companies, mortgage insurance companies, savings and loan associations, trusts, mutual savings banks, credit unions, pension funds, mortgage companies, the Federal National Mortgage Association ("the FNMA"), the Federal Home Loan Mortgage Corporation ("the FHLMC"), all corporations, and the Federal Housing Administration ("the FHA"), the Veterans Administration ("the VA") and any other agency or department of the United States Government or of any state or municipal government. As used in this Declaration, the term "holder" shall include the parties secured by any deed of trust or any beneficiary thereof.

Section 12. "Member" and "Members" shall mean and refer to the person, or the combination of persons, including contract sellers, holding the record fee simple or perpetually renewable leasehold title to a Lot in the Property. The term "Member" shall not mean any contract purchaser, or the owner of any redeemable ground rent reversion issuing out of any Lot, nor shall it include any mortgagee or other person holding an interest in a Lot as security for the performance of an obligation.

Section 13. "Owner" and "Owners" shall mean and refer to the person or the combination of persons, including contract sellers, holding the record fee simple or perpetually renewable leasehold title to a Lot in the Property. The term "Owner" shall not mean any contract purchaser, or the owner of any redeemable ground rent reversion issuing out of any Lot, nor shall it include any mortgagee or other person holding an interest in a Lot as security for the performance of any obligation.

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Section 14. "person" shall mean and refer to a natural person, a corporation, a partnership, an unincorporated association, a trust, an estate, or any other type of entity, or any combination thereof.

Section 15. "the Plat" shall mean and refer to those certain plats by the D.H. Steffens Co. entitled "Section One Abell's Run Subdivision," said plats being recorded among the Plat Records of St. Mary's County, Maryland at MRB 33, page 94, as well as such other plats as are recorded among the said Land Records with regard to the Property or any other real property subjected to the legal effect and operation of this Declaration. In the event that all or any of the said record plat or plats is amended by the Declarant, its successors or assigns by a subsequent recorded plat or plats, "the Plat" shall refer to the said plat or plats as so amended.

Section 16. "the Property" shall mean and refer to all that real property situate, lying and being in the Third Election District of St. Mary's County, Maryland and more particularly described in the Exhibit A attached hereto. In the event that other real property is hereafter submitted and subjected to the legal effect and operation of this Declaration, such other real property shall thereupon become a part of "the Property".

Section 17. "Rules and Regulations" shall mean such rules and regulations as may be adopted by the Board governing (i) use of the Common Areas, including any improvements and amenities located thereon; (ii) additions, alterations, and improvements on or to the Lots; (iii) reasonable interpretation and construction of the provisions of the Declaration, the Articles, and the Bylaws; and (iv) such other matters as are specified as the subjects for such Rules and Regulations in this Declaration, the Articles or the Bylaws.

Section 18. "Annexation Amendment" shall mean an amendment to this Declaration which adds additional property to that which is subject to the legal effect and operation of this Declaration.

ARTICLE II: Property Subject to this Declaration and Additions Thereto

Section 1. **Initial Property.** The real property initially subject to this Declaration is the Property as more particularly described in the Exhibit A attached hereto.

Section 2. **Additions.** Additional real property may be subjected to the provisions of this Declaration and the jurisdiction of the Association in the following manner: the Declarant shall have the unilateral right, privilege and option, from time to time at any time to annex to the Property and subject to the legal operation and effect of this Declaration and the jurisdiction of the Association all or any portion of the real property described in the Exhibit B attached hereto (said Exhibit B being hereby made a part of this Declaration and herein incorporated by reference) or any other real property contiguous or adjacent to the Property or any of the said real property described in Exhibit B by filing an Annexation Amendment among the Land Records of St. Mary's County, Maryland, with respect thereto. Such

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Annexation Amendment shall not require any vote of the Members to be effective and need be executed only by the Declarant (or its successors or assigns) and the owner of such real property if the Declarant is not the owner thereof. Any such annexation shall be effective upon the recording of the Annexation Amendment unless otherwise provided therein. The Declarant shall have the unilateral right to transfer to any other person the said right, title and privilege which is herein reserved to the Declarant to annex additional property to the legal operation and effect of this Declaration and the jurisdiction of the Association.

Section 3. **Agency Approval.** Notwithstanding the other provisions contained in this article, in the event that the regulations or procedures of the FNMA, the FHLMC, the VA, the FHA or any other governmental agency or quasi-governmental agency require approval of annexations to the Property by such agency or determination by such agency that such annexations are consistent with the general plan of development for Abell's Run then such approval or determination shall be a prerequisite to such annexation.

Section 4. **No Annexation by Implication.** No provision of this Declaration shall be construed to require the Declarant or any other person to annex any real property to the Property or to the scheme of the covenants and restrictions herein contained. The community contemplated by this Declaration, including parcels of real property intended to be annexed to the Property hereafter may include a diversity of lot sizes and housing types and styles. The Declarant expressly reserves the right to change existing or future plans or designs for Abell's Run as to those portions of the planned residential community not (yet) included in the property and made subject to the legal operation and effect of this Declaration.

Section 5. **Effect of Annexation.** Any additional real property annexed to the Property and made subject to the legal effect and operation of this Declaration pursuant to this article shall be considered a part of the Property for all purposes of this Declaration, and all votes of the Class A of the Members appurtenant to the Lots contained in such additional annexed real property shall be aggregated with votes of existing Class A Members, it being intended that any Class A voting requirements need not be fulfilled separately for the real property annexed pursuant to any Annexation Amendment.

ARTICLE III: Property Rights

Section 1. **Members' Easements of Enjoyment.** Subject to the provisions of this Declaration and any restrictions or limitations contained in any deed or Annexation Amendment conveying such property to the Association or subjecting such property to the legal operation and effect of this Declaration, each Owner shall have a non-exclusive right and easement of enjoyment in and to, and ingress and egress into and from the Common Areas. Such easements shall be appurtenant to and shall pass with the title to such Owner's Lot.

Section 2. **Title to Common Areas; Easement for Completion.** The Declarant shall cause to be conveyed to the Association, and the latter shall take and accept legal title to,

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all Common Areas and improvements thereon included within the Property. In the event that any improvements on any Common Areas included in or added to the Property are not completed at the time such area is conveyed to the Association, the Declarant reserves an easement on, over, under, across and through such area to complete construction of the improvements thereon. The Association shall hold the Common Areas conveyed to it subject to the property rights described herein.

Section 3. Limitations on Owners' Easements. The rights and easements of enjoyment for Owners created hereby shall be subject to the following rights of the Association:

(a) the right to borrow money for the purpose of improving the Common Areas and in aid thereof to mortgage the Common Areas, but the rights of such mortgagee in the Common Areas shall be subordinate to the rights of the Members hereunder;

(b) the right to take such steps as are reasonably necessary to protect the Common Areas against mortgage default foreclosure;

(c) the right to adopt and to amend the Rules and Regulations governing the use by the Owners of the Common Areas;

(d) the right to dedicate or transfer all or any part of the Common Areas or community facilities to any public or municipal agency, authority or utility; provided, however, that no such dedication or transfer shall be effective unless two/thirds (2/3) of each class of the then Members of the Association consent to such dedication or transfer at any special meeting of the Members duly called for such purpose;

(e) the right to grant licenses, rights-of-way and easements for access or for the construction, reconstruction, maintenance and repair of any utility lines or appurtenances, whether public or private, to any municipal agency, public utility, the Declarant or any other person; provided, however, that no such licenses, rights-of-way or easements shall be unreasonably and permanently inconsistent with the rights of the owners to the use and enjoyment of the Common Areas and community facilities;

(f) the right to suspend the enjoyment rights of any Owner in the Common Areas and the recreational facilities thereof for any period in excess of thirty (30) days during which any assessment remains unpaid, and for any period not to exceed sixty (60) days for any infraction of its published Rules and Regulations;

(g) the right to enter into the Common Areas for the purpose of completing, repairing or maintaining such Areas or the improvements thereon;

(h) the right to require the display of membership cards, automobile stickers or other means of identification as a prerequisite to entry to the Common Areas or community facilities, or any part or facility thereof; and

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(i) the right of the Association to charge reasonable admission and other fees for the use of any recreational or other facility situated upon the Common Areas.

The rights and easements of Owners are also subject to the right of Declarant (and its sales agents and representatives) to the non-exclusive use of the Common Areas for display and exhibit purposes, which right the Declarant hereby reserves for so long as it owns any Lot.

Section 4. **Delegation of Use.** Any Owner may delegate his rights of enjoyment to the Common Areas and community facilities to the members of his family, his tenants, or his contract purchasers (and the members of the family of any tenant or contract purchaser) who reside within Abell's Run or to such other persons as may be permitted by the Association. To the extent that an Owner shall delegate his right of enjoyment of the Common Areas and community facilities to his tenants, he and members of his family shall not thereafter be privileged to use the areas or facilities in question.

Section 5. **Utility and Road Easements.** The Declarant, for itself, its successors and assigns, hereby expressly reserves easements and rights-of-way through, under, over, on and across the Property, (including, without limitation, in and over the lots) for the installation, maintenance, replacement and inspection of (a) lines and appurtenances for public or private water, sewer, drainage, gas, electricity, telephone, cable television, street lights and other utilities, (b) for public or private vehicular, pedestrian or equestrian roads, rights-of-way, bikeways, sidewalks and pathways; (c) for the stormwater management areas (d) for the recreational areas and (e) entrance signs placed upon the front lots. Such limitation, all easements, roads, rights-of-way, bikeways, sidewalks, and pathways shown or in any way referred to on the Plat. The Declarant further expressly reserves, for itself, its successors and assigns, the right to grant licenses, rights-of-way and easements through, under, over, on and across the Property for access or for the construction, reconstruction, maintenance and repair of any utility lines or appurtenances, whether public or private, to any municipal agency or public utility.

Section 6. **Easement Rights Reserved by the Declarant.** The Declarant, for itself, its successors and assigns, hereby expressly reserves an easement and right-of-way in, through, over, and across the Common Areas for the purposes of (a)storage of building supplies and materials; (b) installation, construction, maintenance, reconstruction and repair of improvements and/or landscaping upon the Lots or any other parcel included within the real property described in Exhibits A or B hereto; and (c) advertising or otherwise accomplishing the sale or rental of any such Lots, property, or improvements.

Section 7. **Easement Rights of the Association.** The Association, and its Management Agent, employees and other agents, successors, and assigns shall have such easements in and over the Property (including, without limitation, in and over the Lots) as may be reasonably necessary to perform the duties and obligations of the Association as set forth in this Declaration, the Articles, or the Bylaws.

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Section 8. **Easements of Encroachment.** Reciprocal appurtenant easements of encroachment shall exist as between each Owner of a Lot and the Association as to such portion or portions of the Common Areas adjacent thereto or as between Owners of adjacent Lots, for the purpose of accommodating any encroachments which may result from engineering errors, errors in original construction, roof overhangs, gutters, architectural or other appendages, or the unintentional placement or settling or shifting of the improvements constructed, reconstructed, or altered thereon (in accordance with the provisions of this Declaration) to a distance of not more than three (3) feet, as measured from any point on the common boundary between each Lot and the adjacent portion of the Common Area or as between said adjacent Lots, as the case may be, along a line perpendicular to such boundary at such point; provided, however, in no event shall an easement for encroachment exist if such encroachment occurred as the result of willful conduct on the part of an Owner, members of his family, his invitees or tenants, or the Association.

Section 9. **Maintenance Easements.** Any Owner (including the Declarant) of a Lot on which improvements have been or are being, constructed, reconstructed or altered (in accordance with the provisions of this Declaration) within three (3) feet of the common boundary of that Lot with an adjacent Lot or with an adjacent portion of the Common Areas shall have an easement upon and over such portions of such adjacent other Lot and/or such adjacent portion of the Common Areas as shall be within three (3) feet of such improvements as so constructed, reconstructed or altered for the limited purposes of constructing, reconstructing, repairing, maintaining, or painting said improvements; provided, however, that if any Owner or his family members, tenants, agents or employees shall damage, demolish or otherwise alter any improvements or landscaping located on such adjacent Lot or adjacent portion of the Common Areas during the course of exercising his rights held pursuant to the easement granted in this section, such Owner shall, at his expense, promptly replace the same with improvements or landscaping of comparable size and quality.

Section 10. **Right of Entry.** The Association shall have the right to enter into any Lot and the improvements thereon for emergency, security, and safety purposes, which right may be exercised by the Board or the Association's officers, agents, employees, managers, and all policemen, firemen, ambulance personnel, and similar emergency personnel in the performance of their respective duties. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the Owner of the Lot. This right of entry shall include the right of the Association to enter into a Lot and any improvements thereon to cure any condition which may increase the possibility of a fire or other hazard or to abate any violation of any provision of this Declaration or the duly adopted Rules and Regulations as provided in Section 5 of Article XIII hereof.

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ARTICLE IV: Membership and Voting Rights in the Association; Administration

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

Section 2. Voting Rights. The Association shall have two classes of voting membership:

Class A: The Class A Members shall be all Owners with the exception (initially) of the Declarant or any other Class B Member. Class A Owners shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be entitled to participate in the Association as Members; provided, however, that persons holding any such interest solely as contract purchasers or as security for the performance of an obligation shall not be Members solely on account of such interests; and provided, further, that, for purposes of voting and determining the existence of a quorum, all such persons so holding an interest in any one Lot shall be treated as a single member. The vote for any such Lot shall be exercised as determined by the Members holding interests therein, but in no event shall more than one vote be cast with respect to any Lot.

Class B: The Class B Members shall be (a) the Declarant and (b) any successor, assignee, or designee of the Declarant who holds or takes title to a Lot or Lots and who is designated as such in a recorded instrument. The Class B Members shall be entitled to one hundred and fifteen (115) votes, all of which shall initially be exercised as determined by the Declarant but any (or all) of which shall be thereafter exercisable as assigned by the Declarant to any other person who is a Class B Member. The Class B membership shall cease and become converted to Class A membership upon the happening of any of the following events, whichever occurs first:

(i) when the total votes outstanding in the Class A membership equal or exceed the number eighty-six (86) or

(ii) December 31, 2001; or

(iii) when, at such time as may be before the events specified in (i) and (ii) above, the Declarant, in its sole discretion so determines.

From and after the happening of these events, whichever occurs first, the Class B Members shall become Class A Members entitled to cast one (1) vote for each Lot in which such members hold an interest. At such time, the Declarant shall call a meeting of the Members of the Association as provided in the Bylaws for special meetings to advise the membership of the termination of Class B status.

Section 3. Administration. The affairs and business of the Association shall be managed and conducted as provided in the Articles and the Bylaws.

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Section 4. **Management Agent.** The Board may employ for the Association a management agent or manager (the "Management Agent") at a rate of compensation established by the Board to perform such duties and services as the Board shall from time to time authorize in writing, including, without limitation:

(a) to provide for the care, upkeep, maintenance and surveillance of the Common Areas and community facilities; and

(b) to designate, hire and dismiss such personnel as may be required for the good working order, maintenance and efficient operation of the Common Areas and community facilities; and

(c) to provide for such other services (including legal and accounting services) for the Association as may be consistent with law and the provisions of this Declaration; and

(d) provide for the collection of assessments and any other obligations provided for in this Declaration and to provide for the enforcement of liens therefor in a manner consistent with law and the provisions of this Declaration; and

(e) to provide for the enforcement of the provisions of this Declaration and the Rules and Regulations.

Any cost incurred by the Association for the employment of the Management Agent shall be deemed and construed to be a part of the common expenses of operating the Association. The Board may employ as Management Agent any person of its choosing, including the Declarant or any person affiliated with the Declarant or any other Class B Member.

Section 5. **Limitation of Liability.** The Association shall not be liable for any failure of any services to be obtained by the Association or paid for as a part of the common expenses, or for injury or damage to person or property caused by the elements or resulting from water which may leak or flow from any portion of the Common areas or community facilities, or from any wire, pipe, drain, conduit or the like. The Association shall not be liable to any Owner or his family members, tenants, employees, or invitees, for loss or damage, by theft or otherwise, of articles which may be stored upon the Common Areas or in community facilities. No diminution or abatement of assessments, as herein elsewhere provided for, shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the Common Areas or community facilities, or from any action taken by the Association to comply with any of the provisions of this Declaration or with any law or ordinance or with the order or directive of any municipal or other governmental authority.

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ARTICLE V: Maintenance Responsibilities

Section 1. **Association Responsibility for the Common Areas.** The Association shall be responsible for the maintenance, repair and replacement of all Common Areas and all improvements thereon, including landscaping, furnishings and equipment related thereto, (unless the repair or replacement is necessitated by the negligence, misuse or neglect of an Owner, his family members, his tenants, employees and invitees in which case the expense of such repair or replacement shall be borne by such Owner), and shall keep the same in good, clean, attractive and sanitary condition, order and repair. The Association shall also be responsible for the maintenance repair and replacement of all Association owned improvements on private lots including, but not limited to, signs, jogging trail, trees and shrubbery purchased by the Association. In furtherance of such obligations, the Board may contract for management and maintenance services to be provided to the Association with persons or entities of its choosing, including the Declarant and affiliates thereof. Any cost incurred by the Association in the course of such maintenance, repair or replacement as for which it is responsible shall be deemed and construed to be a part of the common expenses of operating the Association.

Section 2. **Owner Responsibilities.**

(a) **Common Areas.** Each Owner, and his tenants, and the family members, employees and invitees of either shall be responsible for using the Common Areas in a safe and orderly manner consistent with the purpose for which each Common Area is intended, and shall be personally liable for any damage caused to person or property by reason of their misuse or neglect. Each Owner shall be jointly and severally liable for any such damage caused by his tenants, family members, employees, and invitees.

(b) **The Owner's Lot.** The Owner of each Lot shall keep the Lot, and the landscaping, buildings, and other improvements thereon, in good order and repair, and free of debris. Lawns shall be seeded and mowed, shrubbery trimmed, and painted or stained exterior surfaces repainted or restained, all in a manner and with such frequency as is consistent with good property management. In the event the Owner of a Lot shall fail to maintain the Lot and the landscaping, buildings and other improvements thereon as provided herein, the Association, its agents or employees, after notice to the Owner and with the approval of the Board, shall have the right to enter upon the Lot to perform such work as is reasonably required to restore the Lot and the landscaping, buildings and other improvements thereon to a condition of good order and repair. All costs incurred by the Association in connection with the restoration shall be reimbursed to the Association by the Owner of the Lot, upon demand. All unreimbursed such costs, together with interest, reasonable attorneys' fees and costs of collection as hereinafter provided, shall be a lien upon the Lot until reimbursement is made. The lien may be enforced in the same manner as a lien for an unpaid maintenance assessment levied in accordance with other provisions of this Declaration; but any such lien shall be subject to the provisions of Section 14 of Article XII of this Declaration. As determined by the Board, interest on unreimbursed costs so incurred by the Association shall accrue at a rate not to exceed the maximum legal rate permitted

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from time to time in the State of Maryland. In the event of litigation to collect such unreimbursed costs, the Owner obligated to pay such costs shall further be obligated to pay to the Association reasonable attorneys' fees of not less than Two Hundred Fifty Dollars ($250.00) and any costs of collection incurred in connection therewith.

Section 3. **Manner of Repair and Replacement.** Except as otherwise authorized by the Board, all repairs and replacements shall be substantially similar in appearance and materials to the original construction and installation, shall be performed in a good and workmanlike manner, and shall be of first class quality and in compliance with the guidelines of the Architectural Review Board.

ARTICLE VI: Insurance and Casualty Losses

Section 1. **Hazard and Liability Insurance.** The Board, or its duly authorized agent, shall have the authority to and shall obtain insurance for all insurable improvements on or within the Common Areas against loss or damage by fire or other hazards, including extended coverage, vandalism, and malicious mischief. This insurance shall be in an amount sufficient to cover the full replacement cost of any repair or reconstruction in the event of damage or destruction from any such hazard. The Board shall also obtain a public liability policy covering the Common Areas, the Association and its Members for all damage or injury caused by the negligence of the association of any of its Members, employees or agents. The public liability policy shall have at least a Five Hundred Thousand ($500,000.00) Dollar single person limit as respects bodily injury and property damage, a One Million ($1,000,000.00) Dollar limit per occurrence, and a Two Hundred Fifty Thousand ($250,000.00) Dollar minimum property damage limit. Premiums for all insurance on the Common Areas shall be common expenses of the Association. The policy may contain a reasonable deductible, and the amount thereof shall be added to the face amount of the policy in determining whether the insurance at least equals the full replacement cost.

Section 2. **Policy Provisions.** All such insurance coverage obtained by the Board shall be written in the name of the Association as Trustee for the respective benefited parties, as further identified in subsection (b) below. Such insurance shall be governed by the provisions hereinafter set forth:

(a) All policies shall be written with a company licensed to do business in Maryland and holding a rating of XI or better in the Financial Category as established by A. M. Best Company, Inc., if reasonably available, or, if not available, the most nearly equivalent rating.

(b) All policies on the Common Areas shall be for the benefit of the Owners and their mortgagees as their interests may appear.

(c) Exclusive authority to adjust losses under policies obtained by the Association shall be vested in the Board; provided, however, no mortgagee having an interest in such

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losses may be prohibited from participating in the settlement negotiations, if any, related thereto.

(d) In no event shall the insurance coverage obtained and maintained by the Board hereunder be brought into contribution with insurance purchased by individual Owners, occupants, or their mortgagees.

(e) All casualty insurance policies shall have an inflation guard endorsement, if reasonably available, and an agreed amount endorsement with an annual review by one or more qualified persons, at least one of whom must be in the real estate industry and familiar with construction in the St. Mary's County, Maryland area.

(f) The Board shall be required to make every reasonable effort to secure insurance policies that will provide for the following:

(i) a waiver of subrogation by the insurer as to any claims against the Board, the Management Agent, the Owners, and their respective tenants, servants, agents, and guests; and

(ii) a waiver by the insurer of its rights to repair, and reconstruct, instead of paying cash; and

(iii) that no policy may be canceled, invalidated or suspended on account of the actions of any one or more individual Owners; and

(iv) that no policy may be canceled, invalidated, or suspended on account of the conduct of any director, officer, or employee of the Association or its duly authorized Management Agent without prior demand in writing delivered to the Association to cure the defect and the allowance of a reasonable time thereafter within which the defect may be cured by the Association, its Management Agent, any Owner, or mortgagee; and

(v) that any "other insurance" clause in any policy exclude individual Owners' policies from consideration; and

(vi) that no policy may be canceled or substantially modified without at least ten (10) days' prior written notice to the Association.

Section 3. Other Insurance. In addition to the other insurance required by this article, the Board shall obtain, as a common expense, workman's compensation insurance, if and to the extent necessary, and a fidelity bond or bonds on directors, officers, employees, and other persons handling the Board's best business judgment. Bonds shall contain a waiver of all defenses based upon the exclusion of persons serving without compensation and may not be canceled or substantially modified without at least ten (10) days' prior written notice to the Association.

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Section 4. Disbursement of Proceeds. Proceeds of insurance policies shall be disbursed as follows:

(a) If the damage or destruction for which the proceeds are paid is to be repaired or reconstructed, the proceeds, or such portion thereof as may be required for such purpose, shall be disbursed in payment of such repairs or reconstruction as hereinafter provided. Any proceeds remaining after defraying such costs of repairs or reconstruction to the Common Areas or, in the event no repair or reconstruction is made, after making such settlement as is necessary and appropriate with an affected Owner or Owners and their mortgagee(s) as their interests may appear, shall be retained by and for the benefit of the Association and placed in a capital improvements account. This is a covenant for the benefit of any mortgagee and may be enforced by such mortgagee.

(b) If it is determined, as provided for in Section 5 of this Article, that the damage or destruction to the Common Area for which the proceeds are paid shall not be repaired or reconstructed, such proceeds shall be disbursed in the manner as provided for excess proceeds in Section 4(a) hereof.

Section 5. Damage and Destruction. (a) Immediately after the damage or destruction by fire or other casualty to all or any part of the properties covered by insurance written in the name of the Association, the Board, or its duly authorized agent, shall proceed with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed properties. Repair or reconstruction, as used in this subsection, means repairing or restoring the properties to substantially the same condition in which it existed prior to the fire or other casualty.

(b) Any damage or destruction to the Common Areas shall be repaired or reconstructed unless at least seventy-five (75%) percent of each class of Members of the Association shall decide within sixty (60) days after the casualty not to repair or reconstruct. If for any reason either the amount of the insurance proceeds to be paid as a result of such damage or destruction, or reliable and detailed estimates of the cost of repair or reconstruction, or both, are not made available to the Association within said period, then the period shall be extended until such information shall be made available; provided, however, such extension shall not exceed sixty (60) days. No mortgagee shall have the right to participate in the determination of whether the Common Areas damage or destruction shall be repaired or reconstructed.

(c) In the event that it should be determined by the Association in the manner described above that the damage or destruction of the Common Areas shall not be repaired or reconstructed and no alternative improvements are authorized, then and in that event the affected area of the Property shall be restored to its natural state and maintained as an undeveloped portion of the Common Areas by the Association in a neat and attractive condition.

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(d) Any such reconstruction or repair shall be substantially in accordance with the plans and specifications under which the Property was originally constructed; provided, however, that any such reconstruction or repair shall be done in accordance with current building code requirements and may be done with contemporary building materials and achieved by utilizing updated construction systems and technology.

(e) Encroachments upon or in favor of Lots which may be created as a result of such reconstruction or repair shall not constitute a claim or basis for any proceeding or action by the Owner upon whose property such encroachment exists, provided that such reconstruction is substantially in accordance with the plans and specifications under which the Property was originally constructed. Such encroachments shall be allowed to continue in existence for so long as the reconstructed improvements on the Property shall stand.

Section 6. Special Assessments for Repair and Reconstruction. If the damage or destruction for which the insurance proceeds are paid is to be repaired or reconstructed, and such proceeds are not sufficient to defray the cost thereof, the Board shall, without the necessity of a vote of the Members, levy a special assessment for the additional amount required to defray such costs against all Owners in proportion to the number of Lots owned by such Owners. Additional assessments may be made in like manner at any time during or following the completion of any repair or reconstruction. In any fiscal year, the Board may not, however, without the vote or written assent of a majority of each class of Members of the Association, levy special assessments which exceed Four Hundred Dollars ($400.00) per Lot.

ARTICLE VII: No Partition

Except as is permitted in this Declaration or amendments thereto, there shall be no physical partition of the Common Areas or any part thereof, nor shall any person acquiring any interest in the Property or any part thereof seek any such judicial partition unless the Property has been removed from the legal operation and effect of this Declaration. This Article shall not be construed to prohibit the Association from acquiring and disposing of tangible personal property nor from acquiring title to real property which may or may not be subject to this Declaration.

ARTICLE VIII: Condemnation

Section 1. Notice and Award Disbursement. Whenever all or any part of the Common Areas shall be taken (or conveyed by the Board in lieu of and under threat of condemnation) by any authority having the power of condemnation or eminent domain, each Owner shall be entitled to notice thereof and to participate in the proceedings incident thereto, unless otherwise prohibited by law. The award made for such taking shall be payable to the Association as Trustee for all Owners to be disbursed as follows:

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(a) If the taking involves a portion of the Common Areas on which improvements have been constructed, then, unless within sixty (60) days after such taking at least seventy-five (75%) percent of the each class of the Members of the Association shall otherwise agree, the Association shall restore or replace such improvements so taken on the remaining land included in the Common Areas to the extent lands are available therefore, in accordance with plans approved by the Board. If such improvements are to be repaired or restored, the above provisions in Article VI hereof regarding the disbursement of funds in respect to casualty damage or destruction which is to be repaired shall apply.

(b) If the taking does not involve any improvements on the Common Areas, or if there is a decision made not to repair or restore, or if there are net funds remaining after any such restoration or replacement is completed, then such award or net funds shall be disbursed to the Association and used for such purposes as the Board shall determine.

ARTICLE IX: Rights and Obligations of the Association

Section 1. Common Areas and Rights-of-Way. The Association, subject to the rights and obligations of the Owners set forth in this Declaration, shall be responsible for the exclusive management and control of the Common Areas and all landscaping and improvements thereon (including furnishings and equipment related thereto).

Section 2. Personal Property and Real Property for Common Use. The Association, through action of the Board, may acquire, hold, and dispose of tangible and intangible personal property and real property. The Board, acting on behalf of the Association, shall accept any real or personal property, leasehold, or other property interests conveyed to it by the Declarant.

Section 3. Rules and Regulations. The Association, through the Board, may adopt reasonable Rules and Regulations governing the use of the Property, which rules and regulations shall be consistent with the rights and duties established by this Declaration. The Association, through the Board, shall enforce these Rules and Regulations and the provisions of this Declaration through the imposition of sanctions, which said sanctions may include monetary fines as hereinafter provided and suspension of the right to vote and the right to use the Common Areas. The Board shall, in addition, have the power to seek relief in any court for such violations or to abate nuisances. Imposition of sanctions shall be in accordance with such due process as is provided in the Bylaws. Prior to any decision to suspend voting rights or rights to use the Common Areas, or to impose monetary fines, the Board shall grant notice and hearing to any alleged violator.

Section 4. Additions to Common Areas. The Association, through action of the Board, may make any addition, alterations or improvements to the Common Areas; provided, however, that if any such addition, alteration or improvements shall require an expense of Association funds in excess of Fifteen Thousand Dollars ($15,000.00), such addition, alteration or improvement shall only be authorized if approved by the affirmative

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vote of a majority of each class of the Members. For the purposes of this section, repairs to then existing improvements, including, without limitation, repairs paid for through the use of reserves, shall never be deemed to be additions, alterations or improvements such that any authorization from the Members is required before such repairs may be undertaken.

Section 5. Implied Rights. The Association may exercise any other right or privilege given to it expressly by this Declaration, the Articles, or the Bylaws, and every other right or privilege reasonably to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege.

ARTICLE X: Use of the Property

Section 1. Protective Covenants. Except for the activities of the Declarant or any other Class B Member in connection with the sale of Lots or the construction of improvements on such Lots or in the Common areas, or except as may be reasonable and necessary in connection with the maintenance, improvement, repair and reconstruction of any portion of the Common Areas by the Declarant or the Association, or the performance of any other right or responsibility herein reserved by or delegated to the Declarant or the Association, or except as otherwise authorized in advance by the Board:

(a) Residential Use. No part of the Property shall be used for purposes other than residential housing and the ancillary accessory common purposes to residential housing for which Abell's Run was designed; provided, however, that a professional office may be maintained in any dwelling if such maintenance and use is limited to the person actually residing in the dwelling and if such maintenance and use is in strict conformity with the provisions of any applicable zoning law, ordinance or regulation. As used in this section, the term "professional office" shall mean rooms used for office purposes by a member of any recognized profession including doctors, dentists, lawyers, architects, clergymen, writers, manufacturers representatives, businessmen, computer programers, realtors, and the like, but not including medical or dental clinics or any professional uses where the professional regularly entertains or sees patients, clients, or customers in such office.

(b) Prohibited Activities. No noxious, improper, unlawful, or offensive activity shall be carried on in any part on the Property, nor shall anything be done thereupon which may be, or may become, an annoyance or nuisance to others, or which shall in any way interfere with the quiet enjoyment of each of the Owners of their respective Lots, or which shall in any way interfere with the quiet enjoyment of each of the Owners of their respective Lots, or which shall in any way increase the rate of insurance on the Common Areas. Residents and their guests are expected to reduce noise levels between the hours of 11:00 p.m. and 8:00 a.m., so that neighbors are not disturbed. In general, no Owner shall make or permit to be made any noise that will disturb or annoy the other residents of the Property, or do or permit to be done anything therein which will interfere with the rights, comfort or convenience of other residents. All valid laws, zoning ordinances and regulations of all governmental agencies having jurisdiction thereof shall be observed. All laws, orders, rules, regulations,

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or requirements of any governmental agency having jurisdiction thereof, relating to any portion of the Property, shall be complied with, by and at the sole expense of the Owner of the Lot or the Association, whichever shall have the obligation to maintain or repair such portion of the Property.

(c) **Signs.** Except for such signs as may be posted by the Declarant or the Board for promotional or marketing purposes, traffic control or the like, no signs of any character shall be erected, posted or displayed upon, in, from or about any Lot or the Common Areas without the prior consent in writing of the Board and compliance with such conditions as it may establish. The Board of Directors may, at its sole discretion, erect recreational area signs or a community bulletin board upon the common elements. In general, it shall be the policy of the Board to allow one temporary "for sale" sign of reasonable dimensions not exceeding three (3) square feet in area (per side) to be erected on each Lot, but the prior consent of the Board as to size, appearance, and location shall be required for any such sign, and the Board shall be privileged to withhold or revoke its consent as to any such sign when, in its sole discretion, the erection or maintenance of such sign shall be contrary to the best interests of the Owners. The provisions of this subsection shall not be applicable to the holder of any first mortgage which comes into possession of any Lot by reason of any remedies provided by law or in such mortgage or as a result of a foreclosure sale or other judicial sale or other proceeding, arrangement, assignment or deed in lieu of foreclosure, with respect to reasonable "for sale" signs.

(d) **Common Areas.** Except as otherwise permitted by the provisions of this Declaration, no structure or improvement of any kind shall be erected, placed or maintained on any Common Area except: (i) structures or improvements designed exclusively for community use, including, without limiting the generality of the foregoing, shelters, benches, chairs or other seating facilities, fences and walls, walkways, roadways, playground equipment, swimming pools and tennis courts, (ii) landscaping, and (iii) drainage, storm water and utility systems and structures. The Common Areas may be graded, and trees, shrubs or other plants may be placed and maintained thereon for the use, comfort and enjoyment of the Owners, or the establishment, retention or preservation of the natural growth or topography of the Common Areas, or for aesthetic reasons. No portion of any Common Area may be used exclusively by any Owner for personal gardens, storage facilities or other private uses. There shall be no use of the Common Areas and landscaped areas except natural recreational uses which do not injure the Common Areas or the vegetation thereon, increase the maintenance thereof, or cause unreasonable embarrassment, disturbance or annoyance to Owners in the enjoyment of the Common Areas and landscaped areas in the vicinity of their Lots.

(e) **Tree Protection.** No trees measuring in excess of four (4) inches in diameter two (2) feet above the ground shall be cut or removed from the Common areas or from any Lot without written approval of the Board. Any tree which was purchased by the Association and planted upon either the common areas or a lot may not be cut or removed regardless of the size of the tree. The foregoing restriction shall not, however, be construed to prohibit pruning and trimming activities consistent with sound and reasonable tree husbandry

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practices. The Board may from time to time adopt and promulgate such additional Rules and Regulations regarding the preservation of such trees and other natural resources and wildlife as it may consider appropriate. Any member who violates this provision shall be required to pay the Association to replace the trees with trees of a similar size and age to the extent possible.

(f) **Excavations.** Neither the Common Areas nor any Lot shall be used for the purposes of excavating, boring, mining, quarrying, exploring for, or removing oil or other hydrocarbons, minerals, gravel, topsoil, or earth.

(g) **Protection of Easements and Natural Drainage.** No structure, planting or other material shall be placed or permitted to remain upon any Lot which may damage or interfere with any easement for the installation or maintenance of utilities, or which may unreasonably change, obstruct or retard the direction or flow of any drainage channels.

(h) **Underground Utilities Required.** No water pipe, sewer pipe, gas pipe, drainage pipe, electric line, television cable or similar transmission line shall be installed or maintained on any Lot above the surface of the ground.

(i) **Free-Standing and Temporary Structures Prohibited.** No structure of a temporary character, and no tent, shed, shack, barn, pen, kennel, run, stable, or other such accessory or freestanding building shall be erected, used or maintained on any Lot at any time without first obtaining the approval of the Architectural Review Board.

(j) **Clothes Drying Equipment.** No permanent clothes lines or other exterior clothes drying apparatus shall be permitted on any Lot.

(k) **Refuse Accumulations Prohibited.** No burning of any trash and no accumulation or storage of litter, lumber, scrap metals, refuse, bulk materials, waste, new or used building materials, or trash of any other kind shall be permitted on any Lot or on the Common Areas. Lumber and supplies delivered for construction must be stacked neatly and used within one week of delivery. All firewood must be stacked and maintained in a neat manner.

(l) **Trash Receptacles and Storage.** Garbage, trash and other refuse shall be placed in covered containers. Trash and garbage containers shall not be permitted to remain anywhere in view from public roadways except on days of trash collection.

(m) **Objectionable Vehicles.** Except as elsewhere herein provided, no junk or inoperable vehicle or other vehicle on which currently valid registration plates are not displayed, vehicles which exceed twenty-five (25) feet in length and/or have three (3) axles, trailer, camper, Winnebagos, house trailer, or other similar machinery or equipment of any kind or character (except for such equipment and machinery as may be reasonable, customary and usual in connection with the use and maintenance of any dwelling and except for such equipment and machinery as the Association may require in connection with the maintenance and operation of the Common Areas) shall be kept upon any part of the

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Property nor shall the repair or extraordinary maintenance of automobiles or other vehicles be carried out thereon. Notwithstanding the foregoing, boats and large vehicles that meet the aforementioned size requirements are allowed upon each lot only if the boat or vehicle is kept on a paved or graveled area adjacent to the garage and out of sight from the street. The Board may, in its discretion, provide and maintain a suitable area designated for the parking of such vehicles, trailers, boats, or the like.

(n) **Parking and Traffic Restrictions.** No automobile, motorcycle, bicycle, tricycle, or other wheeled vehicles or toys shall be parked or left unattended on any sidewalk, pathway, or walkway or on any part of the roadways or other Common Areas of the Property so as to interfere with or obstruct the use thereof or ingress and egress to any Lot, such roadways, or the Common Areas. Except as expressly designated by the Board of Directors, no boats or trailers shall be parked or left unattended on any part of the roadways or other Common areas of the Property. The Board may, in its discretion, from time to time adopt and promulgate such additional Rules and Regulations regarding vehicular traffic and parking as it may consider appropriate including the issuing of parking stickers for all residents and temporary passes for all overnight guests.

(o) **Antennae.** No outside television aerial, radio antenna, satellite dish, or other aerial, antennae, or dish for either reception or transmission, shall be maintained upon the Property, provided, however, that such aerials, satellite dishes or antennae may be erected and maintained if completely located upon the Property and outside of public view and whose installation was subject to approval by the Architectural Review Board.

(p) **Animals.** The maintenance, keeping, boarding or raising of animals, livestock, or poultry of any kind, regardless of number, shall be and is hereby prohibited in the Common Areas and on any Lot or within any dwelling, except that this shall not prohibit the keeping of dogs, cats, fish, or caged animals as domestic pets provided they are not kept, bred or maintained for commercial purposes and provided further, that such domestic pets are not a source of annoyance or nuisance to the neighborhood or other residents of the Property. Despite the foregoing restriction it is permissible for the owner of any lot greater than three acres in size to keep and stable horses on their property pursuant to all governmental regulations. Any lot owner who keeps horses must keep them fenced on their lot. No riding within the common areas is permitted without the express written permission of the Board. The Board shall have the authority, after hearing, to determine whether a particular pet is a nuisance or source of annoyance to other residents, and such determination shall be conclusive. Pets shall be attended at all times and shall be registered, licensed and inoculated as may from time to time be required by law. Pets shall not be permitted upon the Common Areas unless accompanied by a responsible person and unless they are carried or leashed. The Board shall have the right to adopt such additional Rules and Regulations regarding pets as it may from time to time consider necessary or appropriate.

(q) **Subdivision of Lots Prohibited.** No Lot shall be partitioned, divided, or subdivided; and no portion of any Lot (other than the entire Lot) shall be transferred or conveyed for any

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purpose. The provisions of this subsection shall not apply to the Declarant and, further, the provisions hereof shall not be construed to prohibit the granting of any easement or right-of-way to any municipality, political subdivision, public utility or other public body or authority, or to the Association, the Declarant or any other person for any purpose.

(r) **Personal Property.** All personal property placed in any part of the Property outside a dwelling shall be at the sole risk of the owner of such property, and neither the Declarant, the Association, the Board, nor the Management Agent shall be liable for the loss, destruction, or theft or, or damage to, such property.

(s) **Leases.** Any lease agreement between an Owner and a lessee shall provide that the terms of the lease are subject in all respects to the provisions of this Declaration and the Articles of Incorporation, Bylaws and rules and regulations of the Abell's Run Homeowner's Association, and that any failure by the lessee to comply with the terms of such documents shall be a default under the lease. All such leases shall be in writing and shall be for a term of not less than six (6) months and in no event may a transient tenant be accommodated in any dwelling. The Association shall have the right to terminate the lease upon default by the tenant in observing any of the provisions of this Declaration, Bylaws or rules or regulations of the Abell's Run Homeowner's Association, or of any other document or instrument governing the dwellings and/or the Property and any lease agreement for a Lot or dwelling shall so provide. The Owner(s) of a leased Lot and/or dwelling shall be jointly and severally liable with his tenant(s) to pay for any claim for injury or damage to persons or property caused by any action or omission, including, without limitation, the negligence of the tenant(s). Every lease shall be subordinate to any lien filed by the Abell's Run Homeowner's Association, whether before or after such lease was entered into.

(t) **Rules and Regulations.** There shall be no violation of the Rules and Regulations which may from time to time be adopted by the Board and promulgated by it in writing; and the Board is hereby and elsewhere in this Declaration authorized to adopt such rules.

(u) **Owner Liability for Violations.** Owners will be jointly and severally liable and responsible for the actions of their children, pets, tenants, guests, employees, invitees, and licensees.

Section 2. **Implementation and Construction Guidelines.** The Board may from time to time adopt general rules consistent with and to implement the purposes set forth in this article and to interpret the covenants in this article, which general rules may apply to the Property as a whole or to any part thereof.

Section 3. **Exceptions.** The Board may issue temporary permits or variances to except any prohibitions expressed or implied by this Declaration provided the Board finds good cause to exist therefor and acts in accordance with adopted guidelines and procedures.

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Section 4. Enforcement - Right to Remove or Correct Violations. In the event any violation or attempted violation of any of the covenants or restrictions contained in this article shall occur or be maintained upon the Common Areas or any Lot, or in the event of any other conduct in violation of any of the provisions or requirements of this article, then the same shall be considered to have been undertaken in violation of this article and without the approval of the Board as required hereby and, upon written notice from the Board, such violation shall be promptly removed or abated. In the event the same is not removed, or the violation is not otherwise terminated or abated, within ten (10) days (or such shorter period as may be required in any such notice) after notice of such violation is delivered to the Owner of the Lot upon which such violation exists, then the Association shall have the right, through its agents and employees to enter upon such Lot or Common Area and to take such steps as may be necessary to remove or otherwise terminate or abate such violation and the cost thereof may be assessed against the Lot upon which such violation occurred and the Owner thereof, and when so assessed, a statement for the amount thereof shall be rendered to the Owner of said Lot at which time the assessment shall become due and payable and a continuing lien upon such Lot, and a binding personal obligation of the Owner of such Lot, in all respects (and subject to the same limitations) as a maintenance assessment provided for in Article XII of this Declaration. The Association shall have the further right, through its agents, employees or committees and after reasonable notice, to enter upon and inspect any Lot at any reasonable time for the purpose of ascertaining whether any violation of the provisions of this article or any of the other provisions or requirements of this Declaration exist on such Lot; and neither the Association nor any such agent or employee shall be deemed to have committed a trespass or other wrongful act by reason of such entry or inspection.

Section 5. Construction and Sale. Notwithstanding any provisions contained in this Declaration to the contrary, it shall be expressly permissible for Declarant and any other Class B Member to maintain and carry on upon portions of the Lots and the Common Areas such facilities and activities as, in the sole opinion of Declarant, may be reasonably required, convenient, or incidental to the construction or sale of such Lots and residences thereon, including, but not limited to, business offices, signs, model units, and sales offices, and trailers for any sales, construction or business purposes, and the Declarant shall have an easement for access to such facilities. The right to maintain and carry on such facilities and activities shall include specifically the right to use residences owned by the Declarant or any other Class B Member as models and sales offices. This section may not be amended without the unanimous express written consent of all Class B Members of the Association.

ARTICLE XI: St. Mary's County Airport

Section 1. "Pre-existence of the St. Mary's County Airport." The Association shall not engage in nor be party to any activity to interfere with flight operations at the St. Mary's County Airport. Neither the Association nor any member shall conduct any activity on the land conveyed, the common areas, or the roadways that would interfere with or be a hazard to the normal flight of aircraft over the land or to and from the St. Mary's County Airport or

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that would interfere with air navigation and communication facilities serving said airport. No structure may be erected, nor the growth of natural objects be permitted, that would constitute an obstruction to normal flight operations in the area.

ARTICLE XII: Architectural Control

Section 1. Additions, Alterations and Improvements by Owners. Except for construction or development by, for or under contract with the Declarant or any other Class B Member, except for any improvements to any Lot or to the Common Areas accomplished by the Declarant or any other Class B Member, and except for purposes of proper maintenance and repair, no building, fence, wall, sports structure (including, without limitation, swimming pools, basketball backboards, freestanding nets or goals, skateboard ramps or pits), or other exterior improvements or structures shall be commenced, directed, placed, moved, altered or maintained upon the Property, nor shall any exterior addition to or change (including any change of color) or other alteration thereupon be made until the complete plans and specifications showing the location, nature, shape, height, material, color, type of construction and any other proposed form of change (including without limitation, any other information specified by the Board) shall have been submitted to and approved in writing by the Board as to safety, harmony of external design, color and location in relation to surrounding structures and topography and conformity with the design concept for Abell's Run. Subject to the same limitations as hereinabove provided for, it shall be prohibited to install, erect, attach, apply, paste, hinge, screw, nail, build, alter, remove or construct any lighting, shades, screens, awnings, patio covers, fences, walls, slabs, sidewalks, curbs, gutters, patios, balconies, porches, driveways or to make any change or otherwise alter (including any alteration in color) in any manner whatsoever the exterior of any dwellings or other improvements constructed upon any Lot or upon any of the Common Areas, or to combine or otherwise join two or more such dwellings or improvements, or to partition the same after combination, or to remove or alter any windows or exterior doors of any such dwellings or improvements until the complete plans and specifications, showing the location, nature, shape, height, material color, type of construction and any other proposed form of change (including, without limitation, any other information specified by the Board) shall have been submitted to and approved by the Board in writing as to safety, harmony of external design, color and location in relation to surrounding structures and topography and conformity with the design concept for Abell's Run.

Section 2. Approvals, etc. Each applicant for approval of an addition, alteration, or improvement to or of a Lot shall submit to the Board at least two sets of plans and specifications therefor. Upon approval by the Board of such plans and specifications, as approved, shall be deposited among the permanent records of the Association and the other copy of such plans and specifications bearing such approval, in writing, shall be returned to the applicant submitting the same. In the event the Board fails to approve or disapprove any plans and specifications which may be submitted to it pursuant to the provisions of this article within sixty (60) days after such plans and specifications (and all other materials and information required by the Board) have been submitted to it in writing,

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then such approval shall be deemed to have been given by the Board as of the sixty-first (61st) day after submission.

Section 3. Limitations. There shall be no deviation from the plans and specifications approved by the Board without the prior consent in writing of the Board. Approval of any particular plans and specifications or design shall not be construed as a waiver of the right of the Board to disapprove such plans and specifications, or any elements or features thereof, in the event such plans and specifications are subsequently submitted for use in any other instance.

Section 4. Rules and Regulations, etc. The Board may from time to time adopt and promulgate such Rules and Regulations regarding the form and content of plans and specifications to be submitted for approval and may publish and record such statements of policy, standards, guidelines and establish such criteria relative to architectural styles or details, fences, colors, set-backs, materials or other matters relative to architectural control and the protection of the environment, as it may consider necessary or appropriate. No such rules, regulations, statements, criteria or the like shall be construed as a waiver of the provisions of this Article or any other provision or requirement of this Declaration. The Board may charge and collect a reasonable fee for the examination of any plans and specifications submitted for approval pursuant to the provisions of this article or for the procurement of such expert or technical advice with respect thereto as it shall deem necessary.

Section 5. Architectural Review Committee. In its discretion, the Board may delegate any or all of its powers, authorities and responsibilities as set forth in Sections 1, 2, and 3 of this Article (but not those powers and responsibilities set forth in Section 4 of this Article, and saving and excepting a power and authority to hear appeals from interested parties concerning final decisions of Architectural Review Committees as set forth herein below). In the event the Board does delegate any or all of its powers, authorities and responsibilities as set forth herein above, it shall specifically retain a power and authority to hear appeals from interested parties concerning final Architectural Review Committee decisions. Any such appeal must be made to the Board in a writing setting forth the basis for the appeal, within thirty (30) days after a final Architectural Review Committee decision is rendered. The Board shall hear the appeal within a reasonable time. The Board may at any time in its discretion revoke any such delegation of its powers as herein provided for and revest the delegated powers, authorities or responsibilities in itself; provided, however, that all actions by such Architectural Review Committees while vested with delegated powers, authorities or responsibilities of the Board shall be deemed to be as effective as if made or done by the Board itself. An Architectural Review Committee appointed pursuant to the provisions of this section shall have the power at any time to make such nonbinding recommendations to the Board for such Rules and Regulations of the type set forth in Section 4 of this Article as it shall deem advisable.

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ARTICLE XIII: ASSESSMENTS

Section 1. Regular Maintenance Assessments. Except as assessments of the Declarant are limited by the provisions of this Article, each person who becomes an Owner of a Lot within the Property (i.e., each Member of the Association), by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to pay the Association, regular maintenance assessments and special assessments as hereinafter provided. The assessments shall be due and payable as determined by the Board of Directors and shall represent the Member's proportionate share of the sums required by the Association, as estimated by the Board, to meet its annual common expenses, including but in no way limited to the following:

(a) the cost of operating expenses of the Common Areas, community facilities, and association property on private lots and the services furnished to or in connection with the Common Areas, community facilities, and Association property; and

(b) the cost of necessary management and administration of the Common areas and community facilities, including fees paid to any Management Agent; and

(c) the amount of all taxes and assessments levied against the Common Areas and community facilities; and

(d) the cost of any insurance required or authorized by this Declaration or otherwise deemed by the Board to be in the best interests of the Association; and

(e) the cost of utilities and other services which may be provided by the Association, whether for the Common Areas or for the Lots, or both; and

(f) the cost of maintaining, replacing, repairing, and landscaping the Common Areas, including those portions of private lots which have Association property located upon them, and landscaping private lots which contain Association property together with such equipment as the Board shall determine to be necessary and proper in accordance therewith; and

(g) the cost of funding all reserves established by the Board, including, when appropriate, a general operating reserve and a reserve for replacements; and

(h) such other costs and common expenses as may be incurred by the Association and the Board in the promotion of the recreation, health, safety and welfare of the residents of the Property or in the exercise of powers and authority granted in the Declaration, the Articles, the Bylaws, or otherwise under applicable law. All Owners shall be obligated to pay the maintenance assessments assessed by the Board pursuant to this article. No Owner may exempt himself from liability for maintenance assessments by abandonment of any Lot belonging to him or by the abandonment of his right to the use and enjoyment of the Common Areas and community facilities. Except as otherwise hereinafter expressly

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provided, all maintenance assessments shall be levied at a uniform rate for each Lot to which Class A membership is appurtenant. All assessments levied hereunder with respect to any Lot shall be the joint and several liability of the persons who are Owners of that Lot.

Section 2. **Assessment Determination.** The Board shall determine the amount of the regular assessments annually, but may do so at more frequent intervals should circumstances so require. Upon resolution of the Board, installments of regular assessments may be levied and collected on a quarterly, semi-annual, or annual basis rather than on the monthly basis hereinabove provided for. Any Member may prepay one or more installments on any annual assessment levied by the Association without premium or penalty.

Section 3. **Annual Budget.** The Board shall prepare, or cause the preparation of, an annual operating budget for the Association which shall provide for the common expenses of the Association including, without limitation, the expenses described in Section 1 of this article. The annual budget shall be the basis for determination of the regular assessments. The Board shall make reasonable efforts to fix the amount of the annual assessment against each Lot for each assessment period at least thirty (30) days in advance of the commencement of such period and shall, at that time, prepare a roster of the Lots and the annual assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Owner upon reasonable notice to the Board. Written notice of the annual assessments shall thereupon be sent to the Members. The failure or omission by the Board, before the expiration of any assessment period, to fix the amount of the annual assessment hereunder for that or the next period, shall not be deemed a waiver or modification in any respect of the provisions of this article or a release of any Member from the obligation to pay the annual assessment, or any installment thereof, for that or any subsequent assessment period, but the annual assessment fixed for the preceding period shall continue until a new assessment is fixed and published by the Board.

Section 4. **Special Assessments.** In addition to the regular assessments authorized by this Article, the Board may levy in any assessment year a special assessment or assessments, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, inordinate repair or replacement of a described capital improvement located upon, or forming a part of the Common Areas and community facilities, including the necessary fixtures and personal property related thereto, or for such other purpose as the Board may consider appropriate; provided, however, that, except as otherwise herein authorized or provided, in any fiscal year, the Board may not without the vote or written assent of a majority of each class of Members of the Association, levy special assessments which will exceed Four Hundred Dollars ($400.00) per Lot. All special assessments shall be levied at a uniform rate for each Lot to which Class A membership is appurtenant.

Section 5. **Reserves for Replacements.** The Board may establish and maintain a reserve fund for replacements of the Common Areas and community facilities by the allocation and payment monthly to such reserve fund of an amount to be designated from

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time to time by the Board. Such fund shall be conclusively deemed to be common expense of the Association and may be deposited with such depository or depositories as the Board shall, in its discretion, designate. The reserve for replacements of the Common Areas and community facilities and Association property may be expended only for the purpose of effecting major repairs to, or the replacement of, the Common Areas and community facilities and for start-up expenses and operating contingencies of a non-recurring nature relating to the Common Areas and community facilities. The Board may establish such other reserves for such other purposes as the Board may from time to time consider to be necessary or appropriate. The proportional interest of any Member in any such reserve shall be considered an appurtenance of his Lot and shall not be separately withdrawn, assigned or transferred or otherwise separated from ownership of the Lot to which it appertains and shall be deemed to be transferred with such Lot.

Section 6. Working Capital Reserve. Each Owner other than the Declarant shall deposit with the Association the sum of One Hundred Fifty Dollars ($150.00) to be used and maintained as a reserve for working capital. All interest income earned by such working capital deposits shall become the property of the Association and may be used, in the discretion of the Board, to pay common expenses which are included in the Common Budget. Each Owner shall be entitled to a refund of his said deposit upon the dissolution of the Association if all assessments and other sums owed with respect to his Lot have been fully paid at the time of such dissolution, or upon the transfer or conveyance of his Lot if (i) all assessments and other sums owed with respect to his Lot have been fully paid at the time of such transfer or conveyance, (ii) he shall have notified the Board or the Management Agent (as determined by the Board) of the full names, mailing addresses, and telephone numbers of all transferees, grantees, and mortgagees of such transferees or grantees, and (iii) such transferees or grantees have deposited with the Association the sum of One Hundred Fifty Dollars ($150.00) for the working capital reserve. The deposit requirement of this Section 6 for the working capital reserve shall be a lien against each Owner's Lot in the amount of Fifty Dollars ($50.00) as of the first day such Owner acquires title to his Lot, and such lien shall be enforceable as if said deposit requirement were a part of said Owner's assessment for the payment of common expenses. Any such lien for the payment of the deposit requirement of this Section 6 shall be subject to the provisions of Section 14 of this Article with respect to the priority thereof.

Section 7. Individual Lot Expenses. Except as may be specifically provided for herein, this Declaration does not contemplate that the Association shall have any responsibility for the maintenance or repair of the dwellings or other improvements or appurtenances on the Lots; and the responsibility and duties of the Association for maintenance and repairs shall be limited to the Common Areas, community facilities and Association property. The Owner of any Lot shall, at his own expense, maintain his Lot and dwelling, and any and all improvements and appurtenances thereto, in good order, condition and repair and in a clean, attractive and sanitary condition at all times, all as more specifically provided in Section 2 of Article V of this Declaration.

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Section 8. **Initial Assessments; Increases and Decreases.** Except as may be otherwise resolved by the Board, the regular annual assessment for each Class A membership shall commence on the date a deed for the Lot to which such membership is appurtenant is delivered by the Declarant to the Member. The first monthly installment of each such annual assessment shall be made proportionately for the balance of the month during which a deed for the Lot is delivered to the Member and shall become due and payable and a lien on the date a deed for the Lot is delivered to the Member. Except as herein elsewhere provided or as otherwise determined by the Board, the installments of each such regular assessment for any Lot shall be due and payable in advance and a lien on the first day of each calendar month in the year as for which such assessment is made. Assessments may be increased or decreased by the Board at any time as the Board, in its sole discretion, shall deem such to be in the best interests of the Association.

Section 9. **Nonpayment of Assessments.** Any assessment levied pursuant to this Declaration, or any installment thereof, which is not paid on the date when due shall be delinquent and shall, together with interest thereon, "late charges", reasonable attorneys' fees, and the costs of collection thereof, as hereinafter provided, thereupon become a continuing lien upon the Lot or Lots belonging to the Member against whom such assessment is levied and shall bind such Lot or Lots in the hands of the then Owners, his heirs, devisees, personal representatives and assigns. The personal obligation of the Member to pay such assessment, interest thereon, "late charges", reasonable attorneys' fees, and costs of collection shall, in addition, remain his personal obligation for the statutory period and a suit to recover a money judgment for such obligation may be maintained without foreclosing or waiving the lien herein created to secure the same.

Section 10. **Interest; Late Charges.** Any assessment levied pursuant to this Declaration, or any installment thereof, which is not paid within ten (10) days after it is due, may, upon resolution of the Board, bear interest from the date due at a rate not to exceed the maximum legal rate permitted from time to time in the State of Maryland, and may subject the Member obligated to pay the same to the payment of such penalty or "late charge" as the Board may fix. The Association may bring an action at law against the Member personally obligated to pay the same, and/or foreclose on the lien against the Lot or Lots then belonging to said Member in the manner now or hereafter provided for the foreclosure of mortgages, deeds of trust or other liens on real property in the State of Maryland containing a power of sale and consent to a decree, and subject to the same requirements, both substantive and procedural, or as may otherwise from time to time be provided by law, in either of which events interest, costs, and reasonable attorneys' fees shall be added to the amount of each such delinquent assessment. Any interest, "late charge", reasonable attorneys' fees, or other costs due hereunder shall be the joint and several liability of all persons who are Owners of the Lot or Lots with respect to which such charges are a lien hereunder.

Section 11. **Delinquency Notices.** The Association shall notify the holder of the first mortgage on any Lot for which any assessment levied pursuant to this Declaration becomes delinquent for a period in excess of thirty (30) days and in any other case where the Owner

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of such Lot is in default with respect to the performance of any other obligation hereunder for a period in excess of thirty (30) days, but any failure to give such notice shall not affect the validity of the lien for any assessment levied pursuant to this Declaration, nor shall any such failure affect any of the priorities established in this article. The Board may post a list of members who are delinquent in the payment of any assessments or other fees which may be due the Association, including any installment thereof, which becomes delinquent, in any prominent location upon the Property.

Section 12. **Assessment Certificates.** The Association shall upon demand at any time furnish to any Member liable for any assessment levied pursuant to this Declaration (or any other party legitimately interested in the same) a certificate in writing signed by an officer of the Association, setting forth the status of said assessment, i.e., whether the same is paid or unpaid. Such certificate shall be conclusive evidence of the payment of any assessment therein stated to have been paid. A charge not to exceed Twenty Five Dollars ($25.00) may be levied in advance by the Association for each certificate so delivered.

Section 13. **Acceleration of Installments.** Upon default in the payment of any monthly installment of any assessment levied pursuant to this Declaration, or any other installment thereof, the entire balance of the regular assessments due from that Owner for the year in question may be accelerated at the option of the Board and be declared due and payable in full. Any such accelerated regular assessments shall thereupon become a continuing lien upon the Lot or Lots belonging to the Member against whom such assessment is levied and shall be collectable in the same manner and subject to the same interest, costs and charges as if such accelerated balance were a delinquent regular assessment.

Section 14. **Priority of Lien.** The liens established by this Declaration shall not be affected by the sale or transfer of the Lot encumbered and shall have preference over any other assessments, liens, judgments or charges of whatever nature, except the following:

(a) general and special assessments for ad valorem real estate taxes on the Lot; and

(b) the liens of any deeds of trust, mortgage instruments or encumbrances duly recorded on the Lot prior to the assessment thereon of the liens provided for in this Declaration or duly recorded on said Lot after receipt of a written statement from the Board reflecting that payments on said liens were current as of the date of recordation of said deed of trust, mortgage instruments or encumbrance.

Notwithstanding any other provision of this Declaration to the contrary, however, the lien of any assessment levied pursuant to this Declaration upon any Lot, as in this article provided, shall be subordinate to the lien of any first mortgage made in good faith and for value received and shall in no way affect the rights of holders of any such first mortgage; provided, however, that such subordination shall apply only to assessments, and installments thereof, which have become due and payable prior to a sale or transfer of the Lot pursuant to a foreclosure of such first mortgage, or any deed, assignment or other proceeding or arrangement in lieu of foreclosure thereof. Any holder of a first mortgage duly

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recorded on the Lot and made in good faith and for value received who takes legal title to the Lot pursuant to a foreclosure of such first mortgage, or any deed, assignment or other proceeding or arrangement in lieu of foreclosure, and any other purchaser at a foreclosure sale thereon, shall take the Lot free of any claims for unpaid assessments levied against the Lot which accrue prior to the time such holder takes legal title to the Lot or prior to the foreclosure sale, except for claims for a proportionate share of such unpaid assessments resulting from a reallocation of such unpaid assessments among the Lots upon the Property. Such foreclosure, deed, assignment or other proceeding or arrangement in lieu of foreclosure shall not, however, relieve the mortgage in possession or the purchaser at any foreclosure sale from any liability for any assessments thereafter becoming due, or from the lien herein created to secure the payment of such assessments, which said lien, if claimed, shall have the same effect and be enforced in the same manner as provided herein. No amendment to this section shall affect the rights of the holder of any first mortgage on any Lot (or the indebtedness secured thereby) recorded prior to recordation of such amendment unless the holder thereof (or of the indebtedness secured thereby) shall join in the execution of such amendment. The Board may, in its sole and absolute discretion, extend the provisions of this section to the holders of mortgages (or of the indebtedness secured thereby) not otherwise entitled thereto.

Section 15. **Assessment of Declarant.** Anything in this Declaration to the contrary notwithstanding, each Lot held by the Declarant, or the maker of any Annexation Amendment for the purpose of annexing additional property to the legal operation and effect of this Declaration, or any other Class B Member shall only be subject to assessment by the Association in such amount as shall equal twenty-five percent (25%) of the regular assessment of a Lot until fifteen (15) days following the issuance by the appropriate agency of St. Mary's County, Maryland, of a Certificate of Occupancy, or the like for a dwelling or dwellings constructed upon such Lot.

Section 16. **Exempt Property.** No portion of the Common Areas or community facilities shall be subject to assessment of any kind by the Association.

Section 17. **Maximum Annual Assessment.** Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment for a Lot shall be Two Hundred Fifty Dollars ($250.00). 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 from the limits for the preceding year by the greater of:

(a) such amount as shall be the sum of the proportionate amount by which any casualty, liability and other insurance premiums payable by the Association shall have increased over the preceding year added to such amount as shall equal the maximum regular assessment for the preceding year multiplied by any percentage increase during the preceding year in the All Items Expenditure Category of the CPI-U Consumer Price Index for All Urban Consumers (1982-84 = 100) U.S. city average, as determined by the Bureau of Labor Statistics of the United States Department of Labor, or such other or successor index as shall be devised to measure similar cost increases; or

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(b) the amount of the preceding year's maximum regular assessment multiplied by five percent (5%); or

(c) such other amount as shall be determined by the Board to be in the best interests of the Association.

ARTICLE XIV: Compliance and Default

Each Owner and/or occupant or user of the Property (or any part thereof) shall be governed by, and shall comply with all of the terms of this Declaration, the Rules and Regulations herein provided for, and any amendments of the same. A default by an Owner or such occupant or user shall entitle the Board, acting by itself, for the Association, or through the Management Agent, to the following relief:

Section 1. **Legal Proceedings.** Failure to comply with any of the terms of this Declaration or the Rules and Regulations shall be grounds for relief which may include, without limiting the same, an action to recover any sums due for money damages, injunctive relief, foreclosure of the lien for payment of any and all assessments, any other relief provided for in this Declaration and any other relief afforded by a court of competent jurisdiction, all of which relief may be sought by the Board, the Management Agent, or, if appropriate, by any aggrieved Owner. There shall be and there is hereby created and declared to be a conclusive presumption that any violation or breach or attempted violation or breach of any of the within covenants and restrictions cannot be adequately remedied by action at law or exclusively by recovery of damages.

Section 2. **Additional Liability.** Each Owner shall be liable for the expense of all maintenance, repair or replacement rendered necessary by his tortious acts, neglect or carelessness or the tortious acts, neglect, or carelessness of any member of his family or his employees, tenants, agents, guests, invitees, or licensees. Such liability shall include any increase in fire insurance rates occasioned by use, misuse, occupancy or abandonment of any Lot or its appurtenances. Nothing contained herein, however, shall be construed as modifying any waiver by any insurance company of its rights of subrogation.

Section 3. **Costs and Attorneys' Fees.** In any proceeding arising out of any alleged default by an Owner, occupant or user of the Property (as specified in Section 1 above), the Board, the Management Agent and/or any aggrieved Owner, shall be entitled to recover the costs of the proceedings, and such reasonable attorneys' fees as may be determined by the court.

Section 4. **No Waiver of Rights.** The failure of the Association, the Board, or any Owner to enforce any right, provision, covenant or condition which may be granted by this Declarant or the Rules and Regulations shall not constitute a waiver of the right of the Association, the Board, or the Owner to enforce such right, provision, covenant, or condition in the future. All rights, remedies and privileges granted to the Association, the Board or an Owner pursuant to any term or provision of this Declaration or the Rules and Regulations

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shall be deemed to be cumulative, and the exercise of any one or more thereof shall not be deemed to constitute an election of remedies, nor shall it preclude the party exercising the same from exercising such privileges as may be granted to such party by any other term or provision of this Declaration or the Rules or Regulations, at law or in equity.

Section 5. Abatement and Enjoinment of Violations by Owners. The violation of any provision of this Declaration or of any of the Rules and Regulations adopted by the Board shall give the Board (or the Management Agent or its agents and employees at the direction of the Board) the right, in addition to any other rights set forth in this Declaration, (a) after reasonable notice, to enter the Lot or Common Area upon which, or as to which, such violation or breach exists and summarily to abate and remove, at the expense of the defaulting Owner, any structure, thing or condition, that may exist therein contrary to the intent and meaning of the provisions hereof or said rule or regulation and the Board (or the Management Agent, its agents and employees) shall not thereby be deemed guilty in any manner of trespass; or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach, at the expense of the breaching party. Prior to altering or demolishing items of construction on any Lot pursuant to this section, the Board (or the Managing Agent or its agents and employees at the direction of the Board) shall first attempt to obtain redress by judicial proceedings pursuant to subsection (b) of the preceding sentence.

Section 6. Fines. After providing such due process as is required by the Bylaws, the Board shall have the power to impose a fine of not more than $50.00 for each initial violation or $25.00 for each repeated violation by an Owner or a tenant, guest, or member of the family of an Owner, of any of the provisions of this Declaration or the Rules and Regulations. Fines for violations by a member of an Owner's family or his tenants or guests shall be the joint and several obligation of such Owner; and, for the purposes of this subsection, each day any such violation continues shall be deemed to be a separate such violation. Any fine imposed by the Board for a violation of this Declaration or the Rules and Regulations, together with interest, attorneys' fees and costs of collection as hereinafter provided, shall be a lien levied against the Owner's Lot as of the day of the imposition of the fine, and may be foreclosed in the manner provided for the foreclosure of liens for assessments. Any such lien for the payment of a fine shall be subject to the provisions of Section 14 of Article XII of this Declaration as if such lien were a lien for a maintenance assessment. As determined by the Board, interest on the unpaid amount of any fine shall accrue at a rate not to exceed the maximum legal rate permitted from time to time in the State of Maryland. In the event of litigation to collect the amount of any fine imposed pursuant to the terms of this Declaration, the Articles, or the Bylaws, the person obligated to pay such fine shall further be obligated to pay to the Association reasonable attorneys' fees and any costs of collection incurred in connection therewith.

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ARTICLE XV: Duration

The covenants and restrictions of this Declaration shall run with and bind the Property for a term of forty (40) years from the date of this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years unless, prior to the expiration of the then current term, (a) a written instrument shall be executed by at least three-fourths (3/4) of the Members of the Association (representing at least three-fourths (3/4) of the votes of such membership) stating this Declaration, or any provisions hereof, shall expire at the end of the then current term, and (b) such written instrument is recorded among the Land Records for the jurisdiction in which this Declaration is recorded.

ARTICLE XVI: Amendment

Section 1. **Amendment by the Association.** Subject to the other limitations set forth in this Declaration, and except where permanent rights, easements, rights-of-way or the like are established in this Declaration, prior to the lapse and conversion of all of the Class B memberships in the Association to Class A memberships, as in Article IV provided, this Declaration may be amended only by an instrument executed and acknowledged by at least two-thirds (2/3) of the Class A Members of the Association, if any, and by the Declarant, which instrument shall be recorded among the Land Records for the jurisdiction in which this Declaration is recorded. Subject to the other limitations set forth in this Declaration, and except where permanent rights, easements, rights-of-way or the like are established in this Declaration, following the lapse and conversion of all of the Class B memberships in the Association, as in Article IV provided, this Declaration may be amended by an instrument approved by the affirmative vote of at least two-thirds (2/3) of the Members of the Association, executed and acknowledged by the person responsible for counting said votes and at least one other director and/or officer of the Board, which instrument shall be recorded among the Land Records for the jurisdiction in which this Declaration is recorded. Subject to the other limitations set forth in this Declaration, but notwithstanding anything contained in this article to the contrary, this Declaration may be amended for the purpose of bringing the same into conformity with the requirements of either the FNMA, the FHLMC, the VA, the FHA or any other governmental or quasi-governmental agency, by an instrument executed and acknowledged by a majority of the then Members of the Association, which instrument shall be recorded among the Land Records for the jurisdiction in which this Declaration is recorded. Unless a later date is specified in any such instrument, any amendment to this Declaration shall become effective on the date of recording.

Section 2. **Amendments by the Declarant.** Notwithstanding, and in addition to, any other provision of this Declaration, the Articles, the Bylaws and the Rules and Regulations, the Declarant shall have the right, and hereby reserves the sole right and authority, to be exercised in its sole discretion without the consent of any other person, at any time and from time to time while it owns any Class B Membership, if so required by the FNMA, the FHLMC, the VA, the FHA or any other governmental or quasi-governmental agency as a condition for loans to be made, insured, guaranteed, or purchased by that agency, to amend, modify or add to the provisions of this Declaration, and the other documents and instruments

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relating to the Association or the Property as need therefor be made. Such right also is reserved to comply with the requirements of any lender or title insurance company, provided such amendments, modifications or additions made pursuant to the requirements of any lender or title insurance company do not adversely or materially affect the interests in the Property of the Owners or mortgagees of any Lots. Any such amendments, modifications of, or additions to this Declaration by the Declarant shall be effective on the date specified in the written instrument effecting the same, if any, or, if none, on such date as the instrument is recorded among the Land Records for the jurisdiction in which this Declaration is recorded.

ARTICLE XVII: Mortgagees' Rights

Section 1. Consents. Any other provision of this Declaration to the contrary notwithstanding, neither the Members, the Board, nor the Association shall by act or omission, take any of the following actions without the prior written consent and approval of the institutional holders of all first mortgages of record on the Lots:

(a) abandon, partition, subdivide, encumber, sell or transfer any of the Common Areas or community facilities; provided, however, that the granting of rights-of-way, easements and the like for public utilities or for other purposes consistent with the use of the Common Areas and community facilities by the Members of the Association shall not be considered a transfer within the meaning of this section; or

(b) abandon or terminate this Declaration; or

(c) modify the method of determining and collecting assessments or other obligations as provided for in this Declaration; or

(d) waive or abandon any scheme of regulations, or enforcement thereof, pertaining to the architectural design, exterior appearance, or maintenance of improvements, (including without limitation, additions and alterations thereto) on the Lots as provided for in this Declaration; or

(e) fail to maintain fire and extended coverage on insurable Common Areas on a current replacement costs basis in an amount not less than one hundred percent (100%) of the insurable value (based on current replacement costs); or

(f) resolve to use the proceeds of casualty insurance on the Common Areas for any purpose other than the repair, replacement or reconstruction of the Common Areas and community facilities; or

(g) modify or amend any substantive provision of this Declaration which is material to the rights of such mortgagee; or

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(h) terminate, dissolve, annul the corporate charter of or completely liquidate the Association.

Section 2. Special Agency Consents. If the FNMA is a mortgagee with respect to any Lot or if the Va or the FHA has insured any mortgage encumbering a Lot, neither the Members, the Board, nor the Association shall, by act or omission, take any of the actions specified in Section 1 of this article without the prior written consent and approval of the agency so concerned. As long as there is a Class B membership, annexation of additional properties, dedications of Common Areas, and amendment of this Declaration of Covenants, Conditions and Restrictions, will require approval of the Federal Housing Administration or Veterans Administration.

Section 3. Notice of Contemplated Foreclosure Proceedings. No suit or other proceedings may be brought to foreclose any lien levied or established pursuant to this Declaration except after ten (10) days' written notice to the holder of the first mortgage of record on the Lot which is the subject matter of such suit or proceeding.

Section 4. Right to Cure. Any institutional first mortgagee of any Lot upon the Property may pay any taxes, utility charges or other charge levied against the Common Areas and community facilities which are in default and which may or have become a charge or lien against any of the Common Areas and community facilities; and any such institutional first mortgagee may pay, for the benefit of the Association, any overdue premiums on any hazard insurance policy or secure new hazard insurance coverage on the lapse of any policy with respect to the Common Areas and community facilities. Upon demand thereto, any first mortgagee who advances any such payment shall be due immediate reimbursement from the Association of the amount so advanced.

Section 5. Priority of First Mortgagees. No provision of this Declaration, the Bylaws, or the Rules and Regulations shall be construed to grant to any Owner, or to any other party, any priority over any rights of first mortgagees of the Lots pursuant to their first mortgages in the case of a distribution to Owners of insurance proceeds or condemnation awards for losses to or taking of the Lots, or any portions thereof.

ARTICLE XVIII: General Provisions

Section 1. Successors of Declarant. Any and all rights, reservations, easements, interests, exemptions, privileges and powers of the Declarant hereunder, or any part of them, may be assigned and transferred (exclusively or non-exclusively) by the Declarant, with or without notice to the Association, subject to the Declarant's obligations hereunder.

Section 2. Notices. Any notice required to be sent to any Member or Owner under the provisions of this Declaration, the Articles, the Bylaws, or the Rules and Regulations shall be deemed to have been properly sent when mailed, by ordinary mail, postpaid, to the last known address of the person who appears as Member or Owner on the records of the

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Association at the time of such mailing. Whenever any notice is required to be given under the provisions of this Declaration, the Articles, the Bylaws, or the Rules and Regulations, a written waiver thereof signed by the person or persons entitled to such notice, whether signed before or after the time stated therein, shall be deemed equivalent thereto.

Section 3. **No Dedication to Public Use.** Nothing herein contained shall be construed as a dedication to public use or as an acceptance for maintenance of any Common Areas or community facility by any public or municipal agency, authority, or utility and no public or municipal agency, authority or utility shall have any responsibility or liability for the maintenance or operation of any of the Common Areas or community facilities. Not withstanding this provision Declarant has the absolute right to convey common area property including real property and a well pump house, to the St. Mary's Metroplitan Commission.

Section 4. **Construction.** The provisions, covenants, conditions, restrictions, easements and reservations contained in this Declaration shall be governed and construed in accordance with the laws of the State of Maryland. Such provisions, covenants, conditions, restrictions, easements and reservations shall be liberally construed to effectuate the purposes of (a) allowing the Declarant to expeditiously develop the Property, construct dwellings on the Lots, and market and sell these dwellings and Lots to prospective Owners and (b) creating a uniform plan for the future operation of Abell's Run, for the preservation of aesthetic and property values therein, and for the common welfare and enjoyment of all residents thereof.

Section 5. **Captions and Gender.** The captions contained in this Declaration are for convenience only and are not a part of this Declaration and are not intended in any way to limit or enlarge the terms and provisions of this Declaration. Whenever the context so requires, the male gender shall include all genders and the singular shall include the plural.

Section 6. **Severability.** All of the covenants, conditions, restrictions, easements and reservations contained in this Declaration are hereby declared to be severable and a finding by any court of competent jurisdiction that any of them or any clause or phrase thereof, is void, unlawful or unenforceable shall not affect the validity or enforceability of any other covenants, conditions, restrictions, easements, reservations, or clause or phrase thereof.

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IN WITNESS WHEREOF the parties have executed this Declaration as of the date first written hereinabove.

ATTEST:

Meredith Morgan Dale
Meredith Morgan Dale
Assistant Secretary

MORGAN ASSOCIATES, INC.

By: _____ (SEAL)
Daniel Carroll Cross
President

STATE OF MARYLAND, ST. MARY'S COUNTY:

I HEREBY CERTIFY that on this 28th day of May, 1991, before me, the subscriber, a notary public in and for the jurisdiction aforesaid, personally appeared Daniel Carroll Cross, who is known to me (or satisfactorily proven) to be the person who signed the within instrument and said person made oath in due form of law that said person is the President of MORGAN ASSOCIATES, INC., that said corporation is a close corporation, and that, as such, said person is duly authorized to execute the within instrument for the purposes therein contained, and said person acknowledged that said person executed the same as the act and deed of said MORGAN ASSOCIATES, INC.

AS WITNESS my hand and Notarial Seal.

Waverley H. Okeefe Notary Public

My commission expires: 3/1/94

The undersigned, a member in good standing of the Bar of the Court of Appeals of the State of Maryland, hereby certifies that the within instrument was prepared by him or under his supervision.

Bryan T. Dugan
BRYAN T. DUGAN

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Morgan Associates, Inc.

EXHIBIT A

Please refer to the plat recorded for Abell's Run Subdivision Section One on 03 October 1990 at MRB 33/94 and to a subsequent Confirmatory Plat to be recorded after this document.

EXHIBIT B

Please refer to Schedule A of a deed recorded on 11 July 1990 at Liber 546 Page 112. Said schedule describes that property known as "St. John's Farm" as shwon on a plat thereof recorded among the land (Plat) records of St. Mary's County, Maryland in Liber DBK 8, Folio 68.

The areas of land which may be annexed and made subject to these covenants, conditions, and restrictions in the future include portions of St. John's Farm, specifically, the proposed Abell's Run Section Two consisting of 79 acres +/- and the proposed Abell's Run Section Three consisting of 106 acres +/-, among other areas.

DEPOSITORY STATEMENT

1. The developer of Abell's Run Homeowner's Association is Morgan Associates, a Maryland Close Corporation, 100 Exploration, Suite 2030, Lexington Park, Maryland 20653.

2. All of the property that is owned, leased, or maintained by Abell's Run Homeowner's Association is zoned Rural Preservation District (RPD) under the St. Mary's County Zoning Ordinance.

3. All of the property that is owned, leased, or maintained by the Association is described more fully in the Declaration.

4. The Association dues total for the year 1991 is $180.00 per year. The Association has all the enforcement rights as set forth in the Declaration and By-laws and does have the right to charge interest at the maximum legal rate permitted by law and the Board of the Directors may fix late charge.

Del. K&L

EVELYN W. ARNOLD, CLERK SEP 03 1991

LIBER 002 PAGE 174 12:58PM09/03/91E C.& R. $16.00
12:58PM09/03/91E SURCHG $2.00

BOOK 616 PAGE 0454

THIRD AMENDMENT TO
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
OF
CHESTNUT RIDGE COMMUNITY ASSOCIATION, INC.
(FORMERLY CHESTNUT RIDGE-SECTION 1 HOMEOWNERS' ASSOCIATION, INC.)
12:58PM09/03/91E HOMASC $25.00
12:58PM09/03/91E SURCHG $2.00

This THIRD AMENDMENT is made this 28th day of August, 1991, by DELMARVA PROPERTIES, INC.

WHEREAS, DELMARVA PROPERTIES, INC., as the Declarant, on June 1, 1990 recorded the Declaration of Covenants, Conditions and Restrictions of Chestnut Ridge-Section 1 Homeowners' Association, Inc., (the "Declaration") among the land records of St. Mary's County at Liber M.R.B. 539, Page 001; and the Declarant filed said Declaration on the same date in the St. Mary's County Homeowners' Association depository at Liber M.R.B. 002, Page 01;

WHEREAS, the Declarant, on November 26, 1990, filed the "First Amendment of Declaration of Covenants, Conditions and Restrictions for Chestnut Ridge Community Association, Inc. (formerly Chestnut Ridge-Section 1 Homeowners' Association, Inc.) Annexing Section Two if the Subdivision" whereby the Declarant amended the Declaration to reflect the fact that Chestnut Ridge-Section 1 Homeowners' Association, Inc. had filed Articles of Amendment changing its name to Chestnut Ridge Community Association, Inc. and the Declarant amended the Declaration so as to subject Section 2 to the effect of said Declaration. Said Second Amendment is recorded among the Land Records of St. Mary's County at Liber M.R.B. 569, Page 274 and is filed in the St. Mary's County Homeowners' Association Depository at Liber M.R.B. 002, Page 96;

WHEREAS, Article II, Section 2 of the Declaration gives the Declarant the unilateral right, privilege and option to annex that property subject to the Declaration and the jurisdiction of the Corporation all or any portion of the real property located within those boundaries shown by a Boundary Survey dated February 14, 1990 and prepared by John E. Sirine & Associates, Ltd., said Boundary Survey recorded among the plat records of St. Mary's County at Plat Liber M.R.B. 33, folio 11;

WHEREAS, the Declarant wishes to annex that property known as Section 2 of the Chestnut Ridge subdivision;

NOW THEREFORE, DELMARVA PROPERTIES, INC., hereby amends the Declaration as follows;

1. The Declarant, Delmarva Properties, Inc. pursuant to Article II, § 2 of the Declaration hereby annexes and subjects to the legal operation and effect of the Declaration and the jurisdiction of the Association that real property described as

follows:

That real property located in the Third Election District of St. Mary's County, Maryland, which is shown on a Plat entitled "Chestnut Ridge, Section Three" recorded in Plat Liber E.W.A. No. 35, Folio 5, among the Plat Records of St. Mary's County, Maryland, said property being more particularly described on Schedule A, attached hereto and incorporated herein.

Said parcel of land being a portion of the real property located within those boundaries shown by a Boundary Survey dated February 14, 1990 and prepared by John E. Sirine & Associates, Ltd., said Boundary Survey recorded among the plat records of St. Mary's County at Plat Liber M.R.B. 33, folio 11;

2. Except as expressly amended herein, all covenants, conditions and restrictions of the Declaration are to remain in full force and effect;

IN WITNESS WHEREOF, the party below has executed this Third Amendment the date first above written.

ATTEST:

John Paul Causey JR
Secretary

DELMARVA PROPERTIES, INC.

By: Robert F. Brake (SEAL)
Robert F. Brake
President

STATE OF VIRGINIA,
~~COUNTY~~ CITY OF ~~KING WILLIAM~~ RICHMOND, to wit:

I HEREBY CERTIFY that on this 28th day of August, 1991, before me, the subscriber, a notary public in and for the jurisdiction aforesaid, personally appeared ROBERT F. BRAKE, who is known to me (or satisfactorily proven) to be the person who signed the within instrument and said person made oath in due form of law that said person is the President of Delmarva Properties, Inc., and that, as such, said person is duly authorized to execute the within instrument for the purposes therein contained, and said person acknowledged that said person executed the same as the act and deed of said Delmarva Properties, Inc.

AS WITNESS my hand and Notarial Seal.

Notary Public
My Commission expires: 3/23/92

CHESTNUT RIDGE COMMUNITY ASSOCIATION, INC.
(FORMERLY CHESTNUT RIDGE-SECTION 1 HOMEOWNERS' ASSOCIATION, INC.)
SECOND AMENDMENT TO
DISCLOSURES PURSUANT TO THE
MARYLAND HOMEOWNERS ASSOCIATION ACT
September 3, 1991

(1) The name and principal address of the vendor/declarant and the names and addresses of the principal officers of the corporation are:

Delmarva Properties, Inc.
Box 1700
West Point, Virginia 23181
(804) 843-5300

President: Robert F. Brake
P.O. Box 1700
14th and Lee St.
West Point, Virginia 23181

Vice-Pres. Thomas J. Contrucci
P.O. Box 1700
14th and Lee St.
West Point, Virginia 23181

Secretary: John Paul Causey
P.O. Box 1700
14th and Lee St.
West Point, Virginia 23181

Treasurer: Paul A. Dresser
P.O. Box 1700
14th and Lee St.
West Point, Virginia 23181

(2) The name of the Homeowners Association is: **Chestnut Ridge-Section 1 Homeowners Association, Inc.** (a Maryland Corporation). The resident agent of the Homeowners Association is **James A. Kenney, III.**

(3) The development is located in the Second and Third Election district of St. Mary's County, containing approximately 260.58 acres more or less, and is more specifically described in the Declaration and Amendments thereto, copies of which are attached. There are currently 74 lots in the subdivision. The minimum number of lots currently planned which may be contained in the subdivision after annexation is 116. The maximum number of lots currently planned which may be contained in the subdivision after annexation is 125.

(4) The only property to be dedicated to public use consists of that property upon which the roads of the subdivision will be located, said roads to be dedicated to St. Mary's County.

(5) It is currently not anticipated that the development will become a part of another subdivision.

(6) The declarant has reserved the right to annex additional property to the development. It is anticipated that approximately 42 to 51 additional lots will be annexed. The location from which the additional property will be annexed is included within those boundaries shown by a Boundary Survey dated February 14, 1990 and prepared by John E. Sirine & Associates, Ltd., said Boundary Survey recorded among the plat records of St. Mary's County at Plat Liber M.R.B. 33, folio 11; consisting of roughly five hundred ninety three (593) acres. Note that the declarant may not annex all of said additional property but rather that any property annexed will be contained within the boundaries shown on said plat. There is no set date by which the declarant must exercise its right to annex any such property.

(7) After annexation, it is currently anticipated that the homeowners association will own a wooded strip of land approximately two hundred (200) feet wide and five thousand eight hundred (5800) feet in length, which will contain approximately twenty-five (25) acres of green-space. Said wooded strip of land has not been formally platted in its entirety.

(8) Attached is a copy of the:

(i) The articles of incorporation, the declaration, and all recorded covenants and restrictions of the primary development and of other related developments to the extent reasonably available, to which the purchaser shall become obligated on becoming an owner of the lot.

(ii) The bylaws and rules of the primary development and of other related developments to the extent reasonably available, to which the purchaser shall become obligated on becoming an owner of the lot.

NOTE THAT THESE DOCUMENTS IMPOSE OBLIGATIONS WHICH ARE ENFORCEABLE AGAINST THE OWNER AND TENANT.

(9) There is no estimated proposed annual budget for the homeowners association for the current fiscal year due to the fact that it is anticipated that the homeowners' association will not incur any expenses, other than administrative expenses, (which will be paid by the Declarant) until the Class B membership ceases as set forth in the Declaration. Due to the fact that there are no common area improvements, no reserves have been set aside for their replacement. The budget for the homeowners association based upon the development fully expended in accordance with expansion rights contained in the declaration is not anticipated to exceed $3,000.00 per year, said sum to pay for the maintenance of the common areas

and administrative expenses of the homeowners association.

(10) The anticipated mandatory fee for assessments to be paid by owners of lots within the development for the use, maintenance, and operation of common areas and other purposes related to the homeowners association will be $50.00 per lot, per year, unless otherwise determined pursuant to the terms of the attached Bylaws, Articles, and/or Declaration. The declarant/vendor will not be obligated to pay said fees in whole or in part.

(11) Information concerning zoning and other land use requirements affecting the development can be found at the St. Mary's County Office of Planning and Zoning, located in Leonardtown, and various affiliated county and state agencies, including: the Department of Public Works; the Health Department; the State Highway Administration, etc.

(12) Pro-rated assessments for the current year will be required at the time of closing. The mechanism for the determination, assessment, collection, and consequences of nonpayment of assessments or fees is set forth in the Articles, Declaration and Bylaws of the homeowners association.

(13) No funds are to be collected at settlement for contribution to the homeowners association other than prorated fees or assessments.

(14) Any special rights or exemptions reserved by or for the benefit of the declarant or the vendor are contained in Articles, Declaration and Bylaws of the Association.

Returned K+L SEP 9 1991 EVELYN W. ARNOLD, CLERK

FOURTH AMENDMENT TO
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
OF
CHESTNUT RIDGE COMMUNITY ASSOCIATION, INC.
(FORMERLY CHESTNUT RIDGE-SECTION 1 HOMEOWNERS' ASSOCIATION, INC.)

This FOURTH AMENDMENT is made this 5th day of September, 1991, by DELMARVA PROPERTIES, INC.

3:43PM09/10/91B C.& R. $16.00
3:43PM09/10/91B SURCHG $2.00

WHEREAS, DELMARVA PROPERTIES, INC., as the Declarant, on June 1, 1990 recorded the Declaration of Covenants, Conditions and Restrictions of Chestnut Ridge-Section 1 Homeowners' Association, Inc., (the "Declaration") among the land records of St. Mary's County at Liber M.R.B. 539, Page 001; and the Declarant filed said Declaration on the same date in the St. Mary's County Homeowners' Association depository at Liber M.R.B. 002, Page 01;

3:43PM09/10/91B HOMASC $25.00
3:43PM09/10/91B SURCHG $2.00

WHEREAS, the Declarant, on November 26, 1990, filed the "First Amendment of Declaration of Covenants, Conditions and Restrictions for Chestnut Ridge Community Association, Inc. (formerly Chesnut Ridge-Section 1 Homeowners' Association, Inc.) Annexing Section Two of the Subdivision" whereby the Declarant amended the Declaration to reflect the fact that Chestnut Ridge-Section 1 Homeowners' Association, Inc. had filed Articles of Amendment changing its name to Chestnut Ridge Community Association, Inc. and the Declarant amended the Declaration so as to subject additional property to the effect of said Declaration. Said First Amendment is recorded among the Land Records of St. Mary's County at Liber M.R.B. 569, Page 274 and is filed in the St. Mary's County Homeowners' Association Depository at Liber M.R.B. 002, Page 96;

WHEREAS, the Declarant on July 31, 1991 filed the "Second Amendment of Covenants, Conditions and Restrictions of Chestnut Ridge Community Association, Inc. amending Article IV, Section 2(i) of the Declaration. Said Second Amendment is recorded amongst the Land Records of St. Mary's County at Liber E.W.A. 611, Page 0074 and has also been filed in the St. MAry's County Homeowner's Association Depository at Liber E.W.A. 002, 100;

WHEREAS, the Declarant on September 3, 1991, recorded the Third Amendment to Declaration of Covenants, Conditions and Restrictions of Chestnut Ridge Community Association, Inc. whereby the Declarant amended the Declaration so as to subject additional property to the effect of said Declaration. Said Third Amendment is recorded among the Land Records of St. Mary's County at Liber E.W.A. 616, Page 0454 and has been presented for filing in the St. Mary's County Homeowners' Association Depository;

WHEREAS, Article XV, Section 2 of the Declaration provides that the Declarant shall have the sole right and authority, without

the consent of any other person, if so required by the Department of Veterans Affairs or other governmental agency as a condition for loans to be made, insured, guaranteed or purchased by the agency to amend the provisions of the Declaration;

WHEREAS, in a letter dated June 10, 1991 from the Department of Veterans Affairs, the VA indicated that the organizational documents of Chestnut Ridge Community Association, Inc. were acceptable with the exception that Article IV, Section 2(i) of the Declaration terminates Class B membership when ninety five percent (95%) of the Lots are sold to Class A Members whereas the VA requires as a condition of acceptance that developer control be terminated upon the sale of seventy-five percent (75%) of the Lots;

WHEREAS, the Declarant previously amended the Declaration through the aforementioned Second Amendment so as to bring it into compliance as requested by the VA, but has now been instructed by the VA that an additional amendment is necessary;

WHEREAS, the Declarant desires to amend the Declaration so as to bring it in compliance with the aforementioned VA requirements and so as to enable loans to be made, insured, guaranteed or purchased by the VA;

NOW THEREFORE, DELMARVA PROPERTIES, INC. hereby amends the Declaration as follows:

1. Article IV, Section 2 (i) of the Declaration which formerly read "(i) when ninety-one (91) of the Lots are sold to Class A members; or" is hereby stricken in its entirety and in lieu thereof the following shall be substituted:

> (i) when eighty-four (84) of the Lots are sold to Class A members; or"

WITNESS the execution hereof the day and year first above written.

CLASS B MEMBER:
DELMARVA PROPERTIES, INC.

By: _____ (SEAL)
Robert F. Brake
President

ATTEST:

_____
John Paul Causey
Secretary

STATE OF VIRGINIA,
COUNTY OF KING WILLIAM, to wit:

I HEREBY CERTIFY that on this 5th day of September, 1991, before me, the subscriber, a notary public in and for the jurisdiction aforesaid, personally appeared ROBERT F. BRAKE, who

is known to me (or satisfactorily proven) to be the person who signed the within instrument and said person made oath in due form of law that said person is the President of Delmarva Properties, Inc., and that, as such, said person is duly authorized to execute the within instrument for the purposes therein contained, and said person acknowledged that said person executed the same as the act and deed of said Delmarva Properties, Inc.

AS WITNESS my hand and Notarial Seal.

Ellen Godrey Hudson
Notary Public
My Commission expires: 9-29-91

The undersigned, a member in good standing of the Bar of the State of Maryland, hereby certifies that the within instrument was prepared by him or under his supervision.

OCT 7 - 1991 EVELYN W. ARNOLD, CLERK

LIBER 002 PAGE 182

ARTICLES OF AMENDMENT 09-11-91 8:22
OF
CHESTNUT RIDGE COMMUNITY ASSOCIATION, INC.

CHESTNUT RIDGE COMMUNITY ASSOCIATION, INC., having its principal office at One Hundred Exploration, Suite 2030, Lexington Park, Maryland 20653, hereby certifies to the State Department of Assessments and Taxation of Maryland that:

3:30PM09/24/91B HOMASC $10.00

FIRST: The Charter of the Corporation is hereby amended by striking the phrase "(i) when ninety-one (91) of the Lots are sold to Class A members; or" from ARTICLE SEVENTH, subparagraph (i) and by substituting in lieu thereof the following:

> (i) when eighty-four (84) of the Lots are sold to Class A members; or"

SECOND: By written informal action, unanimously taken by the Board of Directors of the Corporation, pursuant to and in accordance with Section 2-408(c) of the Corporations and Associations Article of the Annotated Code of Maryland, the Board of Directors of the Corporation duly advised the foregoing amendment and by written informal action unanimously taken by the members of the Corporation entitled to vote on said amendment of the Corporation in accordance with Section 2-505 of the Corporations and Associations Article of the Annotated Code of Maryland, the said members of the Corporation duly approved said amendment.

IN WITNESS WHEREOF, CHESTNUT RIDGE COMMUNITY ASSOCIATION, INC. has caused these presents to be signed in its name and on its behalf by its President and its corporate seal to be hereunder

I.D. NO# D3018561
ACKN. NO. - 053C3050881
CHESTNUT RIDGE COMMUNITY ASSOCIAT
ION, INC.

1991 SEP 11 A 8:22

NO. OF CERTIFIED COPIES - 1

STATE OF MARYLAND

I hereby certify that this is a true and complete copy of the page document on file in this office. DATED: 9-19-91
STATE DEPARTMENT OF ASSESSMENTS AND TAXATION
BY: Geraldine C. Gilley
This stamp replaces our previous certification form. Effective: 10/86

affixed and attested by its Secretary on this 5th day of September, 1991, and its President acknowledges that these Articles of Amendment are the Act and deed of CHESTNUT RIDGE COMMUNITY ASSOCIATION, INC. and under the penalties of perjury, that the matters and facts set forth herein with respect to authorization and approval are true in all material respects to the best of his knowledge, information and belief.

ATTEST

David Clay, Secretary

CHESTNUT RIDGE COMMUNITY ASSOCIATION, INC.

By: Robert F. Brake, President SEAL

NOV 18 1991 EVELYN W. ARNOLD, CLERK

LIBER 002 PAGE 174 12:58PM09/03/91E C.& R. $16.00
12:58PM09/03/91E SURCHG $2.00

BOOK 616 PAGE 0454

BOOK 632 PAGE 0383 LIBER 002 PAGE 184

THIRD AMENDMENT TO
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
OF
CHESTNUT RIDGE COMMUNITY ASSOCIATION, INC.
(FORMERLY CHESTNUT RIDGE-SECTION 1 HOMEOWNERS' ASSOCIATION, INC.)

12:58PM09/03/91E HOMASC $25.00
12:58PM09/03/91E SURCHG $2.00

This THIRD AMENDMENT is made this 28th day of August, 1991, by DELMARVA PROPERTIES, INC.

RE-RECORDED 12:22PM11/14/91B C.& R. $20.00
12:22PM11/14/91B SURCHG $2.00

WHEREAS, DELMARVA PROPERTIES, INC., as the Declarant, on June 1, 1990 recorded the Declaration of Covenants, Conditions and Restrictions of Chestnut Ridge-Section 1 Homeowners' Association, Inc., (the "Declaration") among the land records of St. Mary's County at Liber M.R.B. 539, Page 001; and the Declarant filed said Declaration on the same date in the St. Mary's County Homeowners' Association depository at Liber M.R.B. 002, Page 01;

12:22PM11/14/91B HOMASC $25.00

WHEREAS, the Declarant, on November 26, 1990, filed the "First Amendment of Declaration of Covenants, Conditions and Restrictions for Chestnut Ridge Community Association, Inc. (formerly Chestnut Ridge-Section 1 Homeowners' Association, Inc.) Annexing Section Two if the Subdivision" whereby the Declarant amended the Declaration to reflect the fact that Chestnut Ridge-Section 1 Homeowners' Association, Inc. had filed Articles of Amendment changing its name to Chestnut Ridge Community Association, Inc. and the Declarant amended the Declaration so as to subject Section 2 to the effect of said Declaration. Said Second Amendment is recorded among the Land Records of St. Mary's County at Liber M.R.B. 569, Page 274 and is filed in the St. Mary's County Homeowners' Association Depository at Liber M.R.B. 002, Page 96;

12:22PM11/14/91B SURCHG $2.00

WHEREAS, Article II, Section 2 of the Declaration gives the Declarant the unilateral right, privilege and option to annex that property subject to the Declaration and the jurisdiction of the Corporation all or any portion of the real property located within those boundaries shown by a Boundary Survey dated February 14, 1990 and prepared by John E. Sirine & Associates, Ltd., said Boundary Survey recorded among the plat records of St. Mary's County at Plat Liber M.R.B. 33, folio 11;

WHEREAS, the Declarant wishes to annex that property known as Section 2 of the Chestnut Ridge subdivision;

NOW THEREFORE, DELMARVA PROPERTIES, INC., hereby amends the Declaration as follows;

1. The Declarant, Delmarva Properties, Inc. pursuant to Article II, § 2 of the Declaration hereby annexes and subjects to the legal operation and effect of the Declaration and the jurisdiction of the Association that real property described as

This Document being re-recorded to add schedule "A".

follows:

That real property located in the Third Election District of St. Mary's County, Maryland, which is shown on a Plat entitled "Chestnut Ridge, Section Three" recorded in Plat Liber E.W.A. No. 35, Folio 5, among the Plat Records of St. Mary's County, Maryland, said property being more particularly described on Schedule A, attached hereto and incorporated herein.

Said parcel of land being a portion of the real property located within those boundaries shown by a Boundary Survey dated February 14, 1990 and prepared by John E. Sirine & Associates, Ltd., said Boundary Survey recorded among the plat records of St. Mary's County at Plat Liber M.R.B. 33, folio 11;

2. Except as expressly amended herein, all covenants, conditions and restrictions of the Declaration are to remain in full force and effect;

IN WITNESS WHEREOF, the party below has executed this Third Amendment the date first above written.

ATTEST:

John Paul Causey JR.
Secretary

DELMARVA PROPERTIES, INC.

By: Robert F. Brake (SEAL)
Robert F. Brake
President

STATE OF VIRGINIA,
~~COUNTY~~ CITY OF ~~KING WILLIAM~~ RICHMOND, to wit:

I HEREBY CERTIFY that on this 28th day of August, 1991, before me, the subscriber, a notary public in and for the jurisdiction aforesaid, personally appeared ROBERT F. BRAKE, who is known to me (or satisfactorily proven) to be the person who signed the within instrument and said person made oath in due form of law that said person is the President of Delmarva Properties, Inc., and that, as such, said person is duly authorized to execute the within instrument for the purposes therein contained, and said person acknowledged that said person executed the same as the act and deed of said Delmarva Properties, Inc.

AS WITNESS my hand and Notarial Seal.

Notary Public
My Commission expires: 3/23/92

SCHEDULE A BOOK 632 PAGE 0385

Chestnut Ridge - Section Three
Description

LIBER 002 PAGE 186

Beginning at a point in the northern right-of-way line of Woodridge Court, said point being the southwest corner of Lot 29, Subdivision of Chestnut Ridge, Section One; thence S31°17'45"W, 50.00' (radial) to a point on a curve on the southern right-of-way line of Woodridge Court; thence, east along the southern right-of-way of Woodridge Court, along the arc of a curve to the right, having a radius of 275.14', and a length of 102.13' to a pin at a point of compound curvature; thence along the arc of a curve to the right, having a radius of 25.00', and a length of 37.67' to a pin on the western right-of-way line of Chestnut Ridge Drive at a point of reverse curvature; thence south along the western right-of-way line of Chestnut Ridge Drive, along the arc of a curve to the left, having a radius of 755.00', and a length of 242.82' to a pin at a point on the curve at the northwest corner of Lot 55, Subdivision of Chestnut Ridge, Section Two; thence along the line of the Subdivision of Chestnut Ridge, Section Two, the following six courses and distances: N59°32'20"W, 275.35' (radial) to a pin; thence S28°57'31"W, 261.32' to a pin; thence N78°58'01"W, 1157.43' to a pin; thence S24°56'12"W, 356.51' to a pin; thence S15°27'31"W, 495.22' to a pin; thence S28°57'31"W, 285.00' to a pin; thence S28°57'31"W, 285.00' to a pin; thence turning and running S77°36'38"W, 216.48' to a pin; thence N34°53"22"W, 1061.95' to a pin in the eastern line of property now or formerly John R. Cline and Albert R. Cline; thence north along the eastern line of property now or formerly John R. Cline and Albert R. Cline N30°06'38"E, 1443.34' to an old axle in the southern line of property of James W. Mattingly and Elva A. Mattingly; then east along the southern line of property now or formerly James W. Mattingly and Elva A. Mattingly S77°55'53"E, 429.51' to an old pin in the southern line of property now or formerly William R. Moore and Sarah B. Moore; thence east along the line of property now or formerly William R. Moore and Sarah B. Moore S77°51'23"E, 284.45' to an old pipe in the southern line of Lot 4, Shorter's Redgate Acres; thence east along the southern line of Lot 4, Shorter's Redgate Acres S84°03'10"E, 103.86' to an old pipe; thence S81°42'10"E, 331.51' to an old pipe in the southern line of property now or formerly Robert I. Hewitt and Brenda B. Hewitt; thence east along the southern line of property now or formerly Robert I. Hewitt and Brenda B. Hewitt S81°54'41"E, 328.60' to an old pin in the southern line of Lot 1, Oswald's Minor Family Subdivision; thence east along the southern line of Lot 1, Oswald's Minor Family Subdivision S81°24'49"E, 221.84' to an old pipe in the southern line of property now or formerly Joseph M. Weiland and Thesera I. Weiland; thence east along the southern line of property of Joseph M. Weiland and Thesera I. Weiland S81°39'26"E, 552.43' to a pin at the northwest corner of Lot 29, Subdivison of Chestnut Ridge, Section One; thence south along the western line of Lot 29, Chestnut Ridge, Sectin One, S12°02'20"W, 467.52' (non-radial) to the point of beginning.

Said parcel of land containing 3,095,213 square feet or 71.056 acres, more or less.

SCHEDULE A BOOK 632 PAGE 0396

Chestnut Ridge - Section Three Streets
Description

USER 002 PAGE 187

Beginning at a point in the northern right-of-way line of Woodridge Court, said point being the southwest corner of Lot 29, Subdivision of Chestnut Ridge, Section One; thence S31°17'45"W, 50.00' (radial) to a point on a curve on the southern right-of-way line of Woodridge Court; thence west along the southern right-of-way line of Woodridge Court, along the arc of a curve to the left, having a radius of 275.14' with a length of 115.04' to a pin at a point of compound curvature, thence along the arc of a curve to the left, having a radius of 2475.00' and a length of 452.73' to a pin at a point of tangency; thence S86°51'33"W, 160.00' to a pin at a point of curvature; thence along the arc of a curve to the right, having a radius of 875.00' and a length of 374.77' to a pin at a point of tangency; thence N68°36'02"W, 260.00' to a pin at a point of curvature; thence along the arc of a curve to the left, having a radius of 1025.00', and a length of 335.47' to a pin at a point of compound curvature; thence along the arc of a curve to the left, having a radius of 314.84', and a length of 434.97' to a pin at a point of tangency; thence S13°29'22"W, 136.38' to a pin at a point of curvature; thence along the arc of a curve to the left, having a radius of 20.00', and a length of 17.45' to a pin at a point of reverse curvature; thence along the arc of a curve to the right, having a radius of 50.00', and a length of 244.34' to a pin at a point of reverse curvature; thence along the arc of a curve to the left, having a radius of 20.00', and a length of 17.45' to a pin at a point of tangency; thence N13°29'22"E, 136.38' to a pin at a point of curvature; thence along the arc of a curve to the right, having a radius of 364.84', and a length of 504.05' to a pin at a point of compound curvature; thence along the arc of a curve to the right, having a radius of 1075.00', and an arc distance of 351.84' to a pin at a point of tangency; thence S68°36'02"E, 260.00' to a pin at a point of curvature; thence along the arc of a curve to the left, having a radius of 825.00' and a length of 353.35' to a pin at a point of tangency; thence N86°51'33"E, 160.00' to a pin at a point of curvature; thence along the arc of a curve to the right, having a radius of 2525.00' and a length of 461.87' to a pin at a point of compound curvature; thence along the arc of a curve to the right, having a radius of 325.14' and a length of 135.95' to the point of beginning.

Said right-of-way containing 123,992 square feet or 2.846 acres, more or less.

JAN 20 1992 EVELYN W. ARNOLD, CLERK

LBER 002 188

RESOLUTION OF BOARD OF DIRECTORS

FOR BEACH MANAGEMENT CORPORATION

OF GOLDEN BEACH

11:38AM01/14/92B HOMASC $5.00

DUE TO increasing need for funds to maintain our beaches, ramps and piers, the Board of Directors of Golden Beach Management Corporation hereby resolves effective January 1, 1992:

A) To increase the late charges for the Beach Dues from $3.00 to $5.00 for the first year; and

B) The 1st day of April will indicate the late date rather than July 1st; and

C) The rate of interest charged for late fees will increase from 6% to 10%. This rate will become effective the second year of a delinquent account.

THIS Resolution was passed by the Board of Directors of Beach Management Corporation at the monthly meeting of July 24, 1991.

Dorothy Newkirk

DOROTHY NEWKIRK, SECRETARY
Beach Management Corporation
of Golden Beach

Madam Clerk,

Please index in Land Records and record in the Homeowner's Association docket book.

Kenney & Lacer

Bryan T. Dugan

Bryan T. Dugan, Atty.

Del. K&L

JAN 20 1992 EVELYN W. ARNOLD, CLERK

LBER 002 189

RESOLUTION OF BOARD OF DIRECTORS

FOR BEACH MANAGEMENT CORPORATION

OF GOLDEN BEACH

11:38AM01/14/92# NOMASC $5.00

DUE TO increasing need for funds to maintain our beaches, ramps and piers, the Board of Directors of Golden Beach Management Corporation hereby resolves effective January 1, 1992:

A) All attorney fees and court costs resulting from the collection of delinquent beach assessment fees will be passed on to the delinquent lot owner.

THIS Resolution was passed by the Board of Directors of Beach Management Corporation at the monthly meeting of August 21, 1991.

Dorothy Newkirk

DOROTHY NEWKIRK, SECRETARY
Beach Management Corporation
of Golden Beach

Madam Clerk,

Please index in Land Records and/record in the Homeowner's Association docket book.

Kenney & Lacer

Bryan T. Dugan

Bryan T. Dugan, Atty.

Del: KHL

MAY 4 - 1992

EVELYN W. ARNOLD, CLERK

FIFTH AMENDMENT TO
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
OF
CHESTNUT RIDGE COMMUNITY ASSOCIATION, INC.
(FORMERLY CHESTNUT RIDGE-SECTION 1 HOMEOWNERS' ASSOCIATION, INC.)

2:42PM04/27/92D C.& R. $20.00

This FIFTH AMENDMENT is made this 10th day of April, 1992, by DELMARVA PROPERTIES, INC.

2:42PM04/27/92D SURCHG $2.00

WHEREAS, DELMARVA PROPERTIES, INC., as the Declarant, on June 1, 1990 recorded the Declaration of Covenants, Conditions and Restrictions of Chestnut Ridge-Section 1 Homeowners' Association, Inc., (the "Declaration") among the land records of St. Mary's County at Liber M.R.B. 539, Page 001; and the Declarant filed said Declaration on the same date in the St. Mary's County Homeowners' Association depository at Liber M.R.B. 002, Page 01;

WHEREAS, the Declarant, on November 26, 1990, filed the "First Amendment of Declaration of Covenants, Conditions and Restrictions for Chestnut Ridge Community Association, Inc. (formerly Chestnut Ridge-Section 1 Homeowners' Association, Inc.) Annexing Section Two of the Subdivision" whereby the Declarant amended the Declaration to reflect the fact that Chestnut Ridge-Section 1 Homeowners' Association, Inc. had filed Articles of Amendment changing its name to Chestnut Ridge Community Association, Inc. and the Declarant amended the Declaration so as to subject Section 2 to the effect of said Declaration. Said Second Amendment is recorded among the Land Records of St. Mary's County at Liber M.R.B. 569, Page 274 and is filed in the St. Mary's County Homeowners' Association Depository at Liber M.R.B. 002, Page 96;

2:42PM04/27/92D HOMASC $25.00

WHEREAS, the Declarant has also filed the Third Amendment to Declaration of Covenants, Conditions and Restrictions of Chestnut Ridge Community Association, Inc., dated August 28, 1991, whereby the Declarant amended the Declaration so as to subject Section 3 of the Chestnut Ridge subdivision to the effect of said Declaration. Said Second Amendment is recorded among the Land Records of St. Mary's County at Liber E.W.A. 632, Page 383 and is filed in the St. Mary's County Homeowners' Association Depository as Liber E.W.A. 002, Page 184;

WHEREAS, Article II, Section 2 of the Declaration gives the Declarant the unilateral right, privilege and option to annex that property subject to the Declaration and the jurisdiction of the Corporation all or any portion of the real property located within those boundaries shown by a Boundary Survey dated February 14, 1990 and prepared by John E. Sirine & Associates, Ltd., said Boundary Survey recorded among the plat records of St. Mary's County at Plat Liber M.R.B. 33, folio 11;

WHEREAS, the Declarant wishes to annex that property known as Section 4 of the Chestnut Ridge subdivision, which is an area of land contained within the aforesaid boundary survey;

NOW THEREFORE, DELMARVA PROPERTIES, INC., hereby amends the Declaration as follows;

1. The Declarant, Delmarva Properties, Inc., pursuant to Article II, § 2 of the Declaration hereby annexes and subjects to the legal operation and effect of the Declaration and the jurisdiction of the Association that real property described as follows:

That real property located in the Third Election District of St. Mary's County, Maryland, which is shown on a Plat entitled "Subdivision of Chestnut Ridge, Section Four" recorded in Plat Liber E.W.A. No. 35, Folio 120, among the Plat Records of St. Mary's County, Maryland, said property being more particularly described by metes and bounds description on Schedule A, attached hereto and incorporated herein.

Said parcel of land being a portion of the real property located within those boundaries shown by a Boundary Survey dated February 14, 1990 and prepared by John E. Sirine & Associates, Ltd., said Boundary Survey recorded among the plat records of St. Mary's County at Plat Liber M.R.B. 33, folio 11;

2. Except as expressly amended herein, all covenants, conditions and restrictions of the Declaration, and amendments thereto are to remain in full force and effect;

IN WITNESS WHEREOF, the party below has executed this Fourth Amendment the date first above written.

ATTEST:

John Paul Causey
Secretary

DELMARVA PROPERTIES, INC.

By: (SEAL)
Robert F. Brake
President

STATE OF VIRGINIA,
COUNTY OF King William, to wit:

I HEREBY CERTIFY that on this 10th day of April, 1992, before me, the subscriber, a notary public in and for the jurisdiction aforesaid, personally appeared ROBERT F. BRAKE, who is known to me (or satisfactorily proven) to be the person who signed the within instrument and said person made oath in due form of law that said person is the President of Delmarva Properties, Inc., and that, as such, said person is duly authorized to execute the within instrument for the purposes therein contained, and said person acknowledged that said person executed the same as the act and deed

LIBER 0674 PAGE 050

LIBER 002 192

of said Delmarva Properties, Inc.

AS WITNESS my hand and Notarial Seal.

Notary Public
My Commission expires: 8-31-95

RONALD D. PIPER
COMMONWEALTH OF VIRGINIA
NOTARY PUBLIC

BDH C:\CORPORAT\INCORP\HOASSOC\ANNEX4
040292 19:58

SCHEDULE A LIBER 0674 PAGE 051

CHESTNUT RIDGE - SECTION FOUR

DESCRIPTION LIBER 002 193

Beginning at a point in the eastern right-of-way line of Chestnut Ridge Drive, said point being the southwest corner of Lot 76, Section Two, Subdivision of Chestnut Ridge, thence N75°27'31"E, 466.19' to a point, being the southeast corner of Lot 76 and in the western line of Lot 65, Section Two, Subdivision of Chestnut Ridge: thence along the western and southern line of said Lot 65, the following two courses and distances: S27°57'07"E 344.11' and S80°23'25"E, 648.37' to a point; thence S03°43'43"W, 423.26' to a point; thence S22°25'39"W, 99.87' to a point; thence S75°27'31"W, 677.06' to a point; thence N14°32'29"W, 310.00' to a point; thence S75°27'31"W, 275.88' (non-radial) to a point on a curve; thence along the arc of a curve to the right, having a radius of 925.00', a length of 141.93' and a delta angle of 08°47'29" to a point on the curve; thence N88°10'17"W, 50.00' (radial) to a point; thence S75°27'31"W, 394.70' to a point; thence S07°11'00"W, 299.38' to a point; thence S15°01'58"W, 740.00' to a point; thence S19°36'11"W, 203.41' to a point; thence N59°53'22"W, 771.02' to a point; thence N29°53'22"W, 1333.19' to a point; thence N10°06'38"E, 984.98' to a point in the southern line of Section Three, Subdivision of Chestnut Ridge; thence along the southern line of said Section Three, Subdivision of Chestnut Ridge, N77°36'38"E, 216.48' to a point in the western line of Lot 72, Section Two, Subdivision of Chestnut Ridge; thence along the line of Section Two, Subdivision of Chestnut Ridge, S10°06'38"W, 707.40' to a point in the southern line of Lot 73, Section Two, Subdivision of Chestnut Ridge; thence along the southern line of Section Two, Subdivision of Chestnut Ridge, N75°27'31"E, 1590.76' (non-radial) to a point in the western right-of-way line of Chestnut Ridge Drive, being the southeast corner of Lot 75, Section Two, Subdivision of Chestnut Ridge; thence along the western right-of-way line of Chestnut Ridge Drive, along the arc of a curve to the left, having a radius of 625.00', a length of 37.29' to a point of tangency; thence continuing along the western right-of-way line of Chestnut Ridge Drive, S14°32'29"E, 48.00' to a point; thence N75°27'31"E, 50.00' to the point of beginning.

Said parcel containing 3,641,207 square feet or 83.591 acres, more or less.

MAY 4 - 1992 EVELYN W. ARNOLD, CLERK

CHESTNUT RIDGE COMMUNITY ASSOCIATION, INC.
(FORMERLY CHESTNUT RIDGE-SECTION 1 HOMEOWNERS' ASSOCIATION, INC.)
THIRD AMENDMENT TO
DISCLOSURES PURSUANT TO THE
MARYLAND HOMEOWNERS ASSOCIATION ACT
April 10, 1992

(1) The name and principal address of the vendor/declarant and the names and addresses of the principal officers of the corporation are:

Delmarva Properties, Inc.
Box 1700
West Point, Virginia 23181
(804) 843-5300

2:42PM04/27/920 HOMASC $25.00

President: Robert F. Brake
P.O. Box 1700
14th and Lee St.
West Point, Virginia 23181

Secretary: John Paul Causey
P.O. Box 1700
14th and Lee St.
West Point, Virginia 23181

Treasurer: Paul A. Dresser
P.O. Box 1700
14th and Lee St.
West Point, Virginia 23181

(2) The name of the Homeowners Association is: **Chestnut Ridge Community Association, Inc.**, formerly known as Chestnut Ridge-Section-1 Homeowners' Association, Inc. (a Maryland Corporation). The resident agent of the Homeowners Association is **James A. Kenney, III**, One Hundred Exploration, Suite 2030, Lexington Park, Maryland 20653.

(3) The development is located in the Second and Third Election district of St. Mary's County, containing approximately 260.58 acres more or less, and is more specifically described in the Declaration and Amendments thereto, copies of which are attached. There are currently 94 lots in the subdivision. The minimum number of lots currently planned which may be contained in the subdivision after annexation is 112. The maximum number of lots currently planned which may be contained in the subdivision after annexation is 112.

(4) The only property to be dedicated to public use consists of that property upon which the roads of the subdivision will be located, said roads to be dedicated to St. Mary's County.

(5) It is currently not anticipated that the development will become a part of another subdivision.

(6) The declarant has reserved the right to annex additional property to the development. It is anticipated that approximately 18 additional lots will be annexed. The location from which the additional property will be annexed is included within those boundaries shown by a Boundary Survey dated February 14, 1990 and prepared by John E. Sirine & Associates, Ltd., said Boundary Survey recorded among the plat records of St. Mary's County at Plat Liber M.R.B. 33, folio 11; consisting of roughly five hundred ninety three (593) acres. Note that the declarant may not annex all of said additional property but rather that any property annexed will be contained within the boundaries shown on said plat. There is no set date by which the declarant must exercise its right to annex any such property.

(7) After annexation, it is currently anticipated that the homeowners association will own a wooded strip of land approximately two hundred (200) feet wide and five thousand eight hundred (5800) feet in length, which will contain approximately twenty-five (25) acres of green-space. Said wooded strip of land has not been formally platted in its entirety.

(8) Attached is a copy of the:

(i) The articles of incorporation, the declaration, and all recorded covenants and restrictions of the primary development and of other related developments to the extent reasonably available, to which the purchaser shall become obligated on becoming an owner of the lot.

(ii) The bylaws and rules of the primary development and of other related developments to the extent reasonably available, to which the purchaser shall become obligated on becoming an owner of the lot.

NOTE THAT THESE DOCUMENTS IMPOSE OBLIGATIONS WHICH ARE ENFORCEABLE AGAINST THE OWNER AND TENANT.

(9) There is no estimated proposed annual budget for the homeowners association for the current fiscal year due to the fact that it is anticipated that the homeowners' association will not incur any expenses, other than administrative expenses, (which will be paid by the Declarant) until the Class B membership ceases as set forth in the Declaration. Due to the fact that there are no common area improvements, no reserves have been set aside for their replacement. The budget for the homeowners association based upon the development fully expended in accordance with expansion rights contained in the declaration is not anticipated to exceed $3,000.00 per year, said sum to pay for the maintenance of the common areas and administrative expenses of the homeowners association.

(10) The anticipated mandatory fee for assessments to be paid by owners of lots within the development for the use, maintenance,

and operation of common areas and other purposes related to the homeowners association will be $50.00 per lot, per year, unless otherwise determined pursuant to the terms of the attached Bylaws, Articles, and/or Declaration. The declarant/vendor will not be obligated to pay said fees in whole or in part.

(11) Information concerning zoning and other land use requirements affecting the development can be found at the St. Mary's County Office of Planning and Zoning, located in Leonardtown, and various affiliated county and state agencies, including: the Department of Public Works; the Health Department; the State Highway Administration, etc.

(12) Pro-rated assessments for the current year will be required at the time of closing. The mechanism for the determination, assessment, collection, and consequences of nonpayment of assessments or fees is set forth in the Articles, Declaration and Bylaws of the homeowners association.

(13) No funds are to be collected at settlement for contribution to the homeowners association other than prorated fees or assessments.

(14) Any special rights or exemptions reserved by or for the benefit of the declarant or the vendor are contained in Articles, Declaration and Bylaws of the Association.

BOM C:\CORPORAT\INCORP\HOASSOC\ANNEX4
042192 20:42

MAY 4 - 1992 EVELYN W. ARNOLD, CLERK

UCCR 002 . 197

3:16PM09/22/920 HOMASC $50.50

ADDENDUM NO. 1

TO

CONTRACT OF SALE

AND

DISCLOSURE

RES:90462:7/31/92

THE LANDINGS AT PINEY POINT
ADDENDUM NO. 1 TO CONTRACT OF SALE

DISCLOSURE UNDER
MARYLAND HOMEOWNERS ASSOCIATION ACT

NOTICE

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

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

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

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

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

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

(3) A DESCRIPTION OF:

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

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

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

(5) IF THE DECLARANT HAS RESERVED IN THE DECLARATION THE RIGHT TO ANNEX ADDITIONAL PROPERTY TO THE DEVELOPMENT, A DESCRIPTION OF THE SIZE AND LOCATION OF THE ADDITIONAL PROPERTY AND THE APPROXIMATE NUMBER OF LOTS CURRENTLY PLANNED TO BE CONTAINED IN THE DEVELOPMENT, AS WELL AS ANY TIME LIMITS WITHIN WHICH THE DECLARANT MAY ANNEX SUCH PROPERTY;

(6) A COPY OF:

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

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

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

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

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

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

(ii) A WRITTEN DISCLOSURE OF WHERE THE INFORMATION IS AVAILABLE FOR INSPECTION;

(11) A STATEMENT REGARDING:

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

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

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

(iv) WHETHER UNPAID FEES OR ASSESSMENTS ARE A PERSONAL OBLIGATION OF OWNERS OF LOTS;

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

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

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

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

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

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

(ii) THE RIGHT TO PAY A REDUCED HOMEOWNERS ASSOCIATION FEE OR ASSESSMENT; AND

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

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

YOU DO CANCEL THE CONTRACT YOU WILL BE ENTITLED TO A REFUND OF ANY DEPOSIT YOU MADE ON ACCOUNT OF THE CONTRACT. HOWEVER, UNLESS YOU RETURN THE MHAA INFORMATION TO THE SELLER WHEN YOU CANCEL THE CONTRACT, THE SELLER MAY KEEP OUT OF YOUR DEPOSIT THE COST OF REPRODUCING THE MHAA INFORMATION, OR $100, WHICHEVER AMOUNT IS LESS.

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

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

(2) OCCUPANCY DENSITY;

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

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

(5) COMMERCIAL ACTIVITY; OR

(6) OTHER MATTERS.

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

DISCLOSURE

MARYLAND HOMEOWNERS ASSOCIATION ACT INFORMATION

The Purchaser set forth below is hereby advised that its contract of sale for the purchase of a lot within The Landings at Piney Point subdivision (the "Subdivision") is subject to the requirements of the Maryland Homeowners Association Act which requires the Seller to disclose to you certain information concerning the Subdivision in which the lot you are purchasing is located.

The lot you are purchasing is subject to a Declaration of Covenants, Restrictions, and Conditions recorded among the Land Records of St. Mary's County, Maryland (the "Declaration"). A true and complete copy of the Declaration and all amendments thereto is attached as Exhibit 1 to this Disclosure. By purchasing a lot within the Subdivision, you and/or your tenants will automatically be subject to the rights, responsibilities, and restrictions set forth in the Declaration.

The information required to be disclosed to you pursuant to Maryland Law is as follows:

1. The Vendor of the lot you have purchased is Piney Point Landing, a Maryland general partnership (the "Vendor"), whose address is 50 Summit Avenue, Hagerstown, Maryland 21740, and whose telephone number is Area Code 301 733-4365. The general partners of the Vendor are Daniel J. Hurson, whose address is Suite 1800, World Trade Center, Baltimore, Maryland 21202, and whose telephone number is Area Code is 301 986-5605; and William E. Murray, whose address is 200 E. 61st Street, New York, New York 10027.

2. The name of the homeowners association provided for in the Covenants is "The Landings at Piney Point Homeowners Association, Inc.," a non-profit, non-stock corporation, incorporated under and by virtue of the laws of the State of Maryland (the "Homeowners Association"). The Resident Agent of the Homeowners Association is Hilton C. Smith, Jr., 50 Summit Avenue, Hagerstown, Maryland 21740.

3. The lot you are purchasing is to be located within The Landings at Piney Point subdivision (the "Subdivision") as set forth on twelve (12) certain plats of subdivision recorded among the Land Records of St. Mary's County, Maryland (hereafter collectively the "Plat"). A copy of the Plat is attached to this Disclosure as Exhibit 2. The total number of lots contained within the Subdivision which are subject to the Declaration is ninety-five (95); no additional or lesser amounts of lots are anticipated or planned to be included within the Subdivision.

4. The Vendor does not intend to annex additional property. The Vendor does not own any property contiguous to the Subdivision which is to be dedicated to public use. All property within the Subdivision which has thus far been dedicated to public use is set forth and shown on the Plat. The Subdivision is not within or part of any other development.

5. A copy of the Articles of Incorporation of the Homeowners Association and its By-Laws are attached hereto collectively as Exhibit 3. <u>The obligations contained in these documents are enforceable against an owner and the owner's tenants.</u>

6. All persons owning a lot in the Subdivision are automatically included as members of the Homeowners Association.

7. The Property which is currently planned to be owned and maintained by the Homeowners Association is described as "Parcel A, Easement for 95 Slip Boat Harbor" as shown on Plat 8; "Parcel B, 134,929 square feet" as shown on Plat 10; and "Parcel C, 112,820 square feet or 2.59 Acres" as shown on Plat 7, and such stormwater management ponds and easements as are shown on any of the Plats.

8. Attached hereto as Exhibit No. 4 is a copy of the estimated proposed annual budget for the Homeowners Association for the current fiscal year, and a copy of the current projected budget for the Homeowners Association based upon the completed development of the Property. Prior to September 1, 1993, the anticipated mandatory annual assessment to be paid owners of lots within the Subdivision for the use, maintenance and operation of common areas and for other purposes related to the Homeowners Association is as set forth in the Homeowners Association's budget for its initial year of operation not to exceed, however, $300.00 per lot. From and after September 1, 1993, the annual assessment will be determined in accordance with the current maintenance costs and future needs of the Homeowners Association. The Vendor is not required to pay assessments with respect to property owned by it.

9. Zoning and other land use requirements affecting the development may be found at the St. Mary's County Administration Building, Leonardtown, Maryland.

10. The Homeowners Association assessments for each lot shall commence on the date the deed to the lot is delivered to the purchaser from the Vendor, and such first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The assessment may be increased by a vote of two-thirds of each class of the members of the Homeowners Association for an increase of greater than 10% over the preceding year. For increases of less than 10%, the Board of Directors shall have the authority. Further procedures for increasing such mandatory assessments may be found in Article XII of the Declaration. The assessments are the personal obligation of the lot owner. Unpaid assessments shall bear interest at the rate of eighteen (18) percent per annum. Assessments will be enforced under the terms of the Maryland Contract Lien Act. The costs of collection of unpaid assessments, including attorneys' fees, will also be assessed to the delinquent lot owner. For further details on the collection of mandatory assessments and procedures to be employed in collecting delinquent assessments please refer to Article XII of the Declaration.

11. At the time of closing on a lot pursuant to an original Contract of Sale with the Vendor, the purchaser of the lot shall pay to the Homeowners Association a capital contribution in the sum of $500.00 for each lot purchased. The intended use of such funds is to meet budgetary deficits, in lieu of special assessments, and for payment of any federal and state income taxes on the earnings of this funds.

12. Prior to the time when the Vendor conveys the common areas to the Homeowners Association pursuant to the provisions of the Declaration, the Vendor will not be required to pay any annual or special assessments for any lot owned by the Vendor, but the Vendor will rather maintain the common areas at its own expense and will be promptly reimbursed by the Homeowners Association out of

funds collected through annual assessments on lots which have been transferred to third parties other than Vendor. The Vendor has reserved an easement over the common areas for any purpose related to the completion of construction of the development. The Vendor has reserved a fifteen (15) foot easement around the perimeter of each lot and has reserved other rights pursuant to the terms of Article XIV of the Declaration. The Vendor shall exercise six (6) votes for each lot owned.

The information set forth has been disclosed to you pursuant to the provisions of the Maryland Homeowners Association Act as set forth in Title 11B of the Real Property Article of the Annotated Code of Maryland. It is necessary for all persons who have signed the contract for the purchase of your lot to sign where indicated below acknowledging your receipt of this Disclosure and a copy of the Declaration, the Articles of Incorporation and the By-laws of the Homeowners Association.

Information regarding the Homeowners Association and other Maryland Homeowners Association Act information will be available from time to time at the Homeowner's Association Depository in the office of the Clerk of the Circuit Court for St. Mary's County, Maryland.

Should you have any questions concerning the information set forth above, kindly direct your inquiries to Piney Point Landing Partnership, 50 Summit Avenue, Hagerstown, Maryland 21740.

PINEY POINT LANDING PARTNERSHIP,
a Maryland general partnership

By: _____(SEAL)
Name:
Title:

[SIGNATURES CONTINUED]

We hereby acknowledge receipt of the above Addendum No. 1 to Contract of Sale, which contains a Notice and a Disclosure, including a copy of the Declaration, the Articles of Incorporation and By-laws of the Homeowners Association, and all amendments thereto, the Plats of subdivision and all other documents described as exhibits therein on this ____ day of _____, 1992.

PURCHASERS:

_____(SEAL)

_____(SEAL)

PLEASE SIGN TWO COPIES

We hereby acknowledge receipt of the above Addendum No. 1 to Contract of Sale, which contains a Notice and a Disclosure, including a copy of the Declaration, the Articles of Incorporation and By-laws of the Homeowners Association, and all amendments thereto, the Plats of subdivision and all other documents described as exhibits therein on this ____ day of _____, 1992.

PURCHASERS:

_____(SEAL)

_____(SEAL)

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EXHIBIT I-A

DECLARATION OF COVENANTS

DECLARATION OF COVENANTS, RESTRICTIONS AND CONDITIONS

WITNESS THIS DECLARATION OF COVENANTS, RESTRICTIONS AND CONDITIONS made as of this 1st day of October, 1989, by PINEY POINT LANDING PARTNERSHIP, a Maryland general partnership, hereinafter called the "Declarant" and consented to by the following: HENRY A. BERLINER, JR., and MARION J. MINKER, JR., Trustees under a certain deed of trust recorded in Liber 450 at folio 41 securing SECOND NATIONAL FEDERAL SAVINGS BANK, Salisbury, Maryland, hereinafter called the "Second National Trustees".

EXPLANATORY STATEMENT

1. Declarant is the owner of those certain pieces or parcels of land located in the 2nd Election District of St. Mary's County, Maryland, consisting of all of those parcels shown on 12 certain subdivision plats entitled "Landings at Piney Point" (individually a "Plat" and collectively the "Plats"). The property which the Declarant intends to subject to the protective covenants, agreements, easements, restrictions and charges herein set forth consist of all of the property shown on the Plats, SAVING AND EXCEPTING therefrom, those parcels shown on Plat 1 as "Residue Area 20.43 Acres"; on Plat 2 as "Residue Area 45.5273 Acres"; and on Plat 4 as "Residue Area 9.3229 Acres" (such residue areas hereafter the "Excluded Property"). All of the property set forth on the Plats saving and excepting the Excluded Property are hereafter referred to as the "Property").

2. Declarant proposes to develop the Property as a residential community to be known as "The Landings at Piney Point" containing approximately 95 residential lots with related facilities and Common Area and a 95 slip boat harbor (collectively the "Project").

3. Declarant intends to develop, improve and offer for sale the Property and desires to subject the Property to certain protective covenants, agreements, easements, restrictions and charges as herein set forth, or as may be hereafter adopted. Declarant desires to subject the Property to these covenants, agreements, easements, restrictions and charges in order to:

(a) Insure that the Common Area (including all recreational facilities thereon) will be used, improved, maintained, operated and repaired in a proper and lawful manner and in accordance with St. Mary's County requirements.

(b) Insure that the cost of maintaining, operating and repairing the Storm Drain Easements and Wetland Ponds shown on the Plat not otherwise borne by St. Mary's County will be paid for by the Lot Owners so that the Storm Drain Easements and Wetland Ponds can be maintained, operated and repaired in accordance with St. Mary's County requirements and any other state or municipal requirements.

(c) Provide for the distribution among Lot Owners of the cost of maintaining, operating and repairing

the Common Area, including the boat harbor, the Storm Drain Easements and Wetland Ponds.

(d) To impose and enforce architectural controls for the Improvements to be placed or constructed on the Lots including any additions, reconstructions and/or replacements thereto and to impose and enforce land use controls relating to the use of the Lots and Common Area.

4. The Declarant has formed or intends to form The Landings at Piney Point Homeowners Association, Inc., a non-stock non-profit corporation organized and existing under the laws of the State of Maryland for the purposes of carrying out the powers and duties herein set forth.

5. The Second National Trustees have joined in the execution of this Declaration for the sole purpose of consenting to the provisions herein contained.

NOW THEREFORE, the Declarant does hereby impose and charge the Property with the covenants, agreements, assessments, easements, restrictions, conditions and charges hereinafter set forth, all of which are for the purpose of enhancing and protecting the value, desirability, and attractiveness of the Property. The terms, provisions and conditions of this Declaration shall be deemed to run with the Property and shall inure to the benefit of and be enforceable by the Declarant, the Association (as hereafter defined) and each of their successors and assigns.

ARTICLE I. DEFINITION OF TERMS

The following words, when used in this Declaration, shall have the following meanings:

1. "Applicant" shall mean any person or entity submitting Plans for consideration, approval and disapproval to the Architectural Committee.

2. "Architectural Committee" shall mean that committee designated in accordance with the provisions of Article IX hereof.

3. "Articles of Incorporation" shall mean and refer to the Charter of The Landings at Piney Point Homeowners Association, Inc., a Maryland non-stock non-profit corporation, and shall include such amendments, if any, as may be adopted from time to time pursuant to the terms thereof.

4. "Association" shall mean and refer to The Landings at Piney Point Homeowners Association, Inc., a non-stock non-profit Maryland corporation, its successors and assigns.

5. "By-Laws" shall mean and refer to the By-Laws of The Landings at Piney Point, Inc., a Maryland non-stock non-profit corporation, all exhibits which are attached thereto and made a part thereof and shall include such amendments, if any, as may be adopted from time to time pursuant to the terms thereof.

6. "Common Area" shall mean any portion of the Property designated by the Declarant as such as may now or hereafter be owned by the Association for the common use and

enjoyment of the Members of the Association. The Common Area includes those parcels designated on "Parcel A, Easement for 95 Slip Boat Harbor" as shown on Plat 8; "Parcel B, 134,929 square feet" as shown on Plat 10; and "Parcel C, 112,820 square feet or 2.59 acres" as shown on Plat 7.

7. "Declarant" shall mean the PINEY POINT LANDING PARTNERSHIP, a Maryland general partnership, its successors and assigns.

8. "Declaration" shall mean and refer to the within instrument, together with those exhibits which are attached hereto and made a part hereof, and shall include such amendments, if any, as may be adopted from time to time pursuant to the terms hereof. The within Declaration may be referred to in any other document as the "Landings at Piney Point Declaration of Covenants, Conditions, and Restrictions".

9. "Home" shall mean and refer to the single-family dwelling constructed on a Lot according to Plans approved by the Architectural Committee as herein provided.

10. "Improvements" shall mean all construction or improvements of any kind or character constructed on a Lot including but not limited to any dwelling, structure, Home, Landscaping, grading, building, sign, fence, wall, garage, greenhouse, shed, bath house, deck, gazebo, swimming pool, tennis court, play house, storage facility, maintenance shed, dog house, utility line or system, jetty, bulkhead,

revetment, pier, dock, boat ramp, driveway, walkway, drain, exterior lighting, flag pole, mail box, clothes line, satellite dish, antenna or any other structure of any other kind or character. Improvements shall be deemed to include all items of personal property which are visible from public streets, Lots, Common Area or the waters surrounding the Project.

11. "Lot " shall mean any Lot or Lots, now or hereafter shown and set forth on a duly recorded Plat of subdivision, located within the Property upon which a Home or Improvements, additions or modifications may be made or erected in conformance with the requirements of this Declaration.

12. "Lot Owner" or "Lot Owners" shall mean the record fee simple owners of the Lots. Except as may be otherwise herein provided, where any provision of this Declaration confers the right to vote upon the Lot Owners, such right shall be exercised by one vote for each Lot, regardless of the number of record owners who shall have an interest in any respective Lot. Lot Owners shall not include those persons having any right, title or interest in a Lot merely as security for the performance of an obligation unless and until such person takes title to such Lot by foreclosure or deed in lieu thereof. The term "person" includes any natural person or any entity capable of holding title to real property.

13. "Member" shall mean and refer to every person or

entity who holds membership in the Association.

14. "Institutional First Mortgagee" shall mean a bank or savings and loan association, insurance company, pension fund, real estate trust, or any other entity which owns or holds an Institutional First Mortgage encumbering a Lot.

15. "Institutional First Mortgage" shall mean a first mortgage or deed of trust conveying a Lot or Lots executed in favor of and securing an Institutional First Mortgagee.

16. "Plans" shall mean collectively all plans for clearing of trees, grading, construction, Improvements, fences, repairs or additions to any Lot required to be submitted to the Architectural Committee.

17. "Plats" or "Plat" shall mean collectively and individually those 12 certain plats of subdivision entitled "Landings at Piney Point" recorded among the Land Records of St. Mary's County, Maryland.

18. "Preexisting Improvements" shall mean all dwellings, barns, and outbuildings as exist on the Property as of the date hereof.

19. "Property" shall mean all of those 12 certain plats of subdivision entitled "Landings at Piney Point" recorded among the Land Records of St. Mary's County, SAVING AND EXCEPTING therefrom, those parcels shown on Plat 1 as "Residue Area 20.43 Acres"; on Plat 2 as "Residue Area 45.5273 Acres"; and on Plat 4 as "Residue Area 9.3229 Acres". All of the property set forth on the Plats saving and excepting the Excluded Property are set forth and

described in Exhibit One attached hereto and made a part hereof.

20. "Storm Drain Easements" and "Wetland Ponds" shall mean the easements and areas designated as such on the Plats.

21. "Excluded Property" shall mean those parcels shown on Plat 1 as "Residue Area 20.43 Acres"; on Plat 2 as "Residue Area 45.5273 Acres"; and on Plat 4 as "Residue Area 9.3229 Acres"

ARTICLE II. PROPERTY SUBJECT TO THIS DECLARATION

The Property shall be held, transferred, sold, conveyed, and occupied subject to the terms and conditions of this Declaration, and any lawful amendments hereto. The filing of this Declaration and the subjecting of the Property to the covenants, conditions, restrictions, and easements contained herein shall not be construed in any way and shall never inhibit or prohibit the Declarant from conveying any other real property owned by the Declarant including but not limited to the Excluded Property to any third parties free and clear of any such covenants, conditions, restrictions, and easements. The Declarant specifically does not intend to impose the covenants, restrictions and conditions herein set forth on the Excluded Property.

ARTICLE III. PURPOSE

The covenants, restrictions, conditions, reservations, liens and charges contained within this Declaration are

hereby declared to insure the best use and the most appropriate development and improvement of each Lot contained within the Property and the Common Area; to protect the Lot Owners against such improper use of surrounding Lots as might depreciate the value of their Lots; to preserve, so far as practicable, the natural beauty of said Property; to guard against the erection thereon of poorly designed or proportioned structures, and structures built of improper or unsuitable materials; to obtain harmonious color schemes; to insure the highest and best development and use of said Property; to encourage and secure the erection and maintenance of attractive Homes thereon, with appropriate locations thereof on Lots including the elevations thereof; to prevent haphazard and inharmonious Improvements of Lots; to secure and maintain property setbacks from streets and adequate free spaces between structures; and in general to provide adequately for the erection and maintenance of high type and quality of Improvements in and upon the Property, and to thereby enhance the value of the investment made by Lot Owners.

ARTICLE IV. MEMBERSHIP

Every person or entity who is a Lot Owner of a fee or undivided fee interest in any Lot shall be a Member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation except as may be herein specifically set forth. Membership shall be appurtenant to

a Lot and may not be separated from ownership of any Lot which is subject to assessment by the Association. Ownership of such Lot shall be the sole qualification for membership.

ARTICLE V. ACCEPTANCE AND MAINTENANCE OF COMMON AREA AND EASEMENTS

The Declarant may make such Improvements to the Common Area and the Storm Drain Easements as Declarant, in its sole discretion, may determine.

Declarant shall have conveyed all of the Common Areas to the Association, who must accept title thereto, not later than the date the last Lot within the Property is conveyed by the Declarant to a Lot Owner who is not the Declarant. At the time of its conveyance to the Association, title to the Common Area shall be free of any mortgages, judgment liens or similar encumbrances. From and after such conveyance, the Association shall thereafter maintain, operate and repair the Common Area so conveyed. If, at the time any or all of the Common Area is conveyed to the Association, the Declarant has not commenced or completed the construction of such Improvements, if any, to the Common Area or any portion thereof as the Declarant, in its sole judgment, shall have determined, the Declarant shall have the right thereafter to enter upon such Common Area or portion thereof for the purpose of constructing or completing such Improvements.

From and after the conveyance to the Association of the Common Area, the Association or its agents shall supervise, manage, examine, inspect, care for, preserve, replace, restore, maintain, operate and repair that Common Area and the Improvements situated thereon in accordance with reasonable recreation, park and open space maintenance standards. The Association shall have the right to charge reasonable admission or other fees for the use of Improvements erected on the Common Area, and to make reasonable rules and regulations in connection with the use thereof.

From and after the conveyance to the Association of the Common Area, the Association or its agents shall maintain and repair the trees, signs, grass, shrubs, plants and any similar improvements located within any sign or landscaping easement now created or to be created, and shall maintain and repair the ditches, dams, Wetland Ponds, inlets and similar structures within the Storm Drain Easements and keep the same free of silt and debris, and shall generally comply with any and all Federal, state, county, or local statutes or requirements relating to same.

ARTICLE VI. VOTING RIGHTS

The Association shall have two classes of voting membership:

Class A. Class A Members shall be all those Lot Owners as defined in Article IV with the exception of the Declarant. Class A Members shall be entitled to one vote

for each Lot in which they hold the interest required for membership by Article IV. When more than one person holds such interest in any Lot, all such persons shall be Members provided that the vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B Member shall be the Declarant, its successors and assigns. The Class B Member shall be entitled to six (6) votes for each Lot in which it holds the interest required for membership by Article IV, PROVIDED that the Class B membership shall cease and be converted to Class A membership on the first to occur of any one of the following events:

(a) when the total votes outstanding in the Class A membership exceed the total votes outstanding in the Class B membership, or

(b) on January 1, 1994, or

(c) upon the surrender of said Class B membership by the then holder thereof for cancellation on the books of the Association.

The Members of the Association shall have no preemptive rights as such Members to acquire any voting rights or memberships of the Association that may at any time be issued by or surrendered to the Association except as may be specifically provided for in this Article.

ARTICLE VII. PROPERTY RIGHTS

Section 1. Members Right of Enjoyment. Every Member shall have a right and easement of enjoyment in and to the Common Area and such right and easement shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

(a) The right of the Association, in accordance with its Articles of Incorporation and By-Laws and with the consent of two-thirds (2/3) of each class of the then Members of the Association present in person or by proxy at a duly constituted meeting, voting separately, to borrow money for the purpose of improving the Common Area, and in aid thereof to mortgage said Common Area; the right to mortgage the Common Area provided herein shall not become effective until each Lot within the Property has been conveyed from the Declarant to a Lot Owner other than the Declarant;

(b) 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 Members entitled to cast two-thirds (2/3) of the votes of the Class A membership and two-thirds (2/3) of the votes of the Class B

membership, if any, has been recorded, agreeing to such dedication or transfer, and unless written notice of the proposed action is sent to every Member not less than 30 days nor more than 60 days in advance of the duly called meeting at which the vote on such dedication or transfer is held;

(c) The right of the Association, acting by and through its Board of Directors, to levy reasonable admission and other fees for the use of the Improvements situated upon the Common Area.

(d) The right of the Association to adopt reasonable rules respecting the use of the Common Area.

(e) The right of the Association to suspend the voting rights and the rights to the use of the Common Area and Improvements for any period during which any assessment as herein provided remains unpaid for thirty (30) days after the same is due and for any period not to exceed thirty (30) days for any infraction of the published rules and regulations of the Association.

(f) The right of the Declarant or the Association acting by and through its Board of Directors to grant licenses, rights of way, and easements for access or for the construction, reconstruction, maintenance, and repair of any utility lines or appurtenances, whether private or public, to any municipal agency, public utility, the Declarant or

any other person; provided, however, that no such licensees, rights of way, or other easements shall be unreasonably and permanently inconsistent with the rights of the Members to the use and enjoyment of the Common Area and community facilities, if any.

(g) Existing easements and agreements of record.

(h) Easements referred to in Article XIV hereof.

(i) All restrictions, easements, and conditions set forth on the Plat or as otherwise herein set forth.

Section 2. Delegation of Use. Subject to such rules and regulations as may be adopted by the Association, any Member may delegate, in accordance with the By-Laws, his right of enjoyment to the Common Area and Improvements to the members of his immediate family residing on a Lot, his tenants residing on a Lot, or contract purchasers who reside on a Lot.

Section 3. Declarant's Reserved Rights. Notwithstanding any provision herein to the contrary, the rights of Members under this Article VII shall be subject to:

(a) The right of the Declarant to execute all documents and take such actions and do such acts affecting the Property (including the Common Area) which, in the Declarant's sole discretion, are desirable or necessary to facilitate the

Declarant's actual construction or development of the Property. However, nothing contained herein shall authorize the Declarant to take any action that would diminish the rights of any lienholder or the holder of any mortgage on any Lot or on the Common Area, or take any action that will affect title to any of the Lots after conveyance to third parties;

(b) Easements and rights of way of record on the date hereof and any easements or rights of way which may hereafter be granted by Declarant to any public or private utilities or governmental bodies for the installation and maintenance of cable television, electrical and telephone conduit and lines, sewers or water pipes, drainage or any other utilities or services to any Lots within the Property or any portion of the Common Area;

(c) The Declarant shall have full rights of ingress and egress to and through, over and about the Common Area, during such period of time as the Declarant is engaged in any construction or improvement work on or within the Property; and shall further have an easement thereon for the purpose of the storage of materials, vehicles, tools, equipment, etc., which are being utilized in such development or construction; and

(d) The Declarant shall have full right to assign all of its right, title and interest in the Property both as Declarant and as a member of the Association to one or more parties by the execution and recording of a proper instrument in the land records of St. Mary's County, Maryland.

Section 4. No Dedication to Public Use. Nothing contained in the within Declaration shall be construed or be deemed to constitute a dedication, express or implied, of any part of the the Property or any Common Area to or for any public use or purpose whatsoever.

ARTICLE VIII. USE AND BUILDING RESTRICTIONS APPLICABLE TO COMMON AREA

The Common Area shall only be used for recreational, park, beautification, or amenity purposes, for utility purposes (including water supply), and for drainage, storm water management, and sediment control facilities. No Improvements, other than those erected by the Declarant or the Association and normally used in connection with (i) recreational, park, beautification, and amenity purposes, and (ii) sewer, gas, electric, telephone, CATV, other utilities, drainage, storm water management or sediment control facilities, shall be built on the Common Area. The Common Area may include facilities for the storage of boats and recreation and other vehicles. No hunting shall be permitted on the Common Area or on the waters adjacent thereto. No snowmobiles, go-carts, motor bikes, trail bikes

or other loud engine recreational vehicles shall be run or operated on the Common Area.

ARTICLE IX. ARCHITECTURAL CONTROL

No Improvements, construction, clearing, fencing or grading of any character shall be erected and none begun on any Lot (including but not limited to modifications, changes or additions to preexisting structures), nor shall any change, modification or addition made in the exterior design of such Improvements be made after the original construction has begun on any Lot, unless and until Plans setting forth the cost, type and size thereof; materials to be used in construction; exterior design and color scheme; exterior lighting; plans, specifications and details thereof, and Lot layout, showing the proposed location of the dwelling, garage, fencing, and any other structures, and drive-ways upon the Lot, final Lot grades, landscaping, and details of the drive-way shall have been approved in writing by an architectural committee composed of three or more representatives appointed by the Board of Directors (hereafter collectively the "Architectural Committee"), and copies of said Plans, specifications, and details shall have been lodged permanently with such Architectural Committee. Plans submitted to the Architectural Committee for consideration shall have a scale of not less than one (1) inch for every 50 feet for site work with elevations on a scale of not less than 1/4 inch for each foot; and floor plans on a scale of not less than 1/4 inch for each foot,

and shall set forth the information specified by this paragraph. The Architectural Committee shall not be required to consider for approval any Plans submitted to it not conforming to the requirements of this paragraph. The Architectural Committee shall have the right to charge a reasonable fee for reviewing each set of plans in an amount not to exceed $100.00.

(a) The Architectural Committee shall have the sole and exclusive right to establish grades and slopes on all Lots and to fix the grade at which any Home or Improvement shall hereafter be erected, and to control the slope of clearing and grading, and to require landscaping as a buffer between Lots, subject only to compliance with the regulations of public authorities having control thereof.

(b) Within thirty (30) days after submission to the Architectural Committee and actual receipt by it of the Plans, the Architectural Committee shall notify the Applicant that such plans have either been approved or disapproved, such notice to be in writing, directed to the Applicant at an address to be designated by the Applicant at the time the Plans are submitted to the Architectural Committee for consideration. In the event such plans are disapproved, the Architectural Committee shall furnish the Applicant a brief description of the reasons resulting in disapproval. Plans or any approvals required of the Architectural Committee hereunder may be disapproved or withheld for any reason consistent with the stated purposes

and other provisions of this Declaration including purely esthetic reasons.

In the event the Architectural Committee fails to approve or disapprove the Plans within said thirty (30) day period, or, if no suit to enjoin the proposed construction by an Applicant whose plans have been disapproved has been commenced within ninety (90) days after completion of such construction, approval will not be required, and the terms of this Declaration shall be deemed to have been satisfied.

(c) The exterior of all residences and other structures on a Lot must be completed within one (1) year after approval of the Plan by the Architectural Committee, and such construction shall proceed and be continuous without delay, except where such completion is impossible or would result in great hardship to the Owner or the builder due to strikes, fire, national emergency or natural calamities. If construction is not commenced within six (6) months of the approval of the Plans, the same shall be re-submitted for approval in accordance with the provisions hereof and shall be subject to complete reconsideration by the Architectural Committee. No residence can be temporarily or permanently occupied until the exterior thereof has been fully completed. During the construction period, the Owner of the Lot shall require the builder to maintain the Lot in a reasonably clean and uncluttered condition and to take necessary action to control any erosion of or from disturbed site areas. Cessation of work

on any structure once started, and prior to completion, for a period of sixty (60) days shall be prima facie evidence of an attempt to abandon the same in its partially completed state, and the same shall be deemed to be both a public and private nuisance.

(d) Should any residence or structure on any Lot be destroyed in whole or in part, it must be reconstructed or the debris therefrom removed from the site and the Property restored to a neat and sightly condition within six (6) months, or the same shall be deemed to be both a public and private nuisance.

(e) A construction deposit (the "Deposit") in the amount of ONE THOUSAND FIVE HUNDRED AND NO/100 ($1,500.00) DOLLARS must be tendered to the Architectural Committee by all Lots Owners as a condition to approval of Plans. All Deposits will be held by the Association in a segregated account until all construction by the Lot Owners tendering such Deposit is completed, inspected, and approved in accordance with the Plans. Any damage to the Common Areas, roads, utilities, storm drains, and/or any other portions of the Property or adjacent properties caused by a Lot Owner or his contractors or subcontractors will be repaired at the Lot Owner's expense and upon the failure to do so, the Association is irrevocably authorized to make such repairs using the Deposit to fund the cost thereof. The Deposit shall be promptly returned to a Lot Owner upon satisfactory completion of all Improvements in accordance with applicable

St. Mary's County requirements and proper restoration of the Lot which restoration is to be determined in the sole discretion of the Architectural Committee. In this regard, the Architectural Committee is empowered to conduct a final walk-through of the Lot and Improvements and issue a certificate of compliance (the "Certificate") verifying that all Improvements have been made in compliance with the Plans approved by the Architectural Committee. Corrective action to fix deviations from the Plans may be required by the Architectural Committee and shall be a condition precedent to the return of the Deposit to the Lot Owner. Upon issuance of the Certificate, the Deposit will be returned to the Lot Owner.

ARTICLE X. DESIGNATION OF ARCHITECTURAL COMMITTEE - VOTING

1. Until such time as a different designation shall be made by the Board of Directors in accordance with this Article X, Daniel J. Hurson, William E. Murray, and Paul Brost . are hereby designated as the Architectural Committee. The mailing address of the Architectural ~~Committee shall be~~ c/o Daniel J. Hurson, 4912 Del Ray Avenue, Bethesda, Maryland 20814, or such other address as shall from time to time be designated by the Architectural Committee by instrument recorded among the Land Records for St. Mary's County, Maryland. In the event of death, resignation, or inability to act of any designated member of the Architectural Committee, the Board of Directors shall

promptly designate a successor. The right is reserved to the Board of Directors at any time to remove any designated member of the Architectural Committee, with or without cause. Neither the members of the Architectural Committee nor any of their successors shall be entitled to any compensation for services performed pursuant to the provisions of this Declaration, provided that the Architectural Committee and members thereof shall be entitled to reasonable reimbursement for out-of-pocket expenses incurred in connection with the performance of their duties pursuant to the provisions herein contained. A majority of the membership of the Architectural Committee shall constitute a quorum, and all approvals or disapprovals or any other action required by the Architectural Committee shall require a majority vote. The Chairman of the Architectural Committee shall have the absolute authority to certify in writing to any applicant or party for any purpose whatsoever, that the Architectural Committee has either duly approved or disapproved any action coming within the scope of the Architectural Committee's authority, and such certification in writing shall be in all respects absolutely, irrevocably and conclusively binding upon the Architectural Committee, and all Members and Lot Owners. Members of the Architectural Committee need not be Members of the Association.

The Declarant, the Board of Directors, the Association, all Members, and any designated or elected member of the

Architectural Committee shall not have any individual or personal liability to any Lot Owner or any other person for any decision, vote, approval, disapproval, or any other action taken by the Board of Directors, the Architectural Committee, the Declarant or any elected or designated member of the Architectural Committee, pursuant to the provisions of this Declaration. Each Lot Owner by virtue of their ownership of such Lot, shall be deemed to have conclusively and irrebuttably waived, discharged and released the Declarant, the Board of Directors, the Association, all Members, and the Architectural Committee and its designated or elected members and successors and assigns from and against any and all loss, cost, damage or expense and causes of action which any Lot Owner may now or hereafter have as a result of any action taken by the Declarant, the Board of Directors, the Association, all Members, or the Architectural Committee or its designated or elected members pursuant to this Declaration.

ARTICLE XI. ARCHITECTURAL RESTRICTIONS -

Section 1. Prohibited Uses and Nuisances. Except for the activities of the Declarant during the construction and development of the Property (to which the following provisions do not apply) the following shall be expressly prohibited:

1. No Lot, or any portion of the Property shall be used for other than private residential purposes and no more than one family (including its employees and transient

guests) shall occupy any such Lot. Nothing contained within this paragraph or elsewhere in this Declaration shall prohibit the Declarant from the use of any Lot or any portion of the Property for promotional or display purposes, or as a "model home", sales office or the like.

2. All construction, Lot grading, and landscaping must comply with all applicable Federal, state, county, and municipal laws and ordinances.

3. No landscaping of any kind or removal of any trees over four (4) inches diameter at a point four (4) feet above grade shall be done on or about any of the Lots until landscaping plans which show in detail the location of any trees planted or removed, shrubbery, bushes, vines, and similar items are first approved in writing by the Architectural Committee. Every Lot must have a minimum of four shade trees installed within ninety (90) days following the completion of the Home or the first planting season, whichever comes first.

4. No offensive trade or activity shall be carried on upon any Lot nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood. There shall not be maintained on any Lot any plants or animals or device or thing of any kind of the normal activities or existence of which is in any way noxious, offensive, dangerous, unsightly, unpleasant or of a nature that would diminish or destroy the enjoyment of other property in the community by the owners thereof.

Notwithstanding this provision, horses for the personal use of a Lot Owner and his family shall be permitted to be maintained on Lots 93, 94 and 95 subject to compliance with applicable statutes. Without limiting the generality of the aforegoing, no speaker, horn, whistle, siren, bell, or other sound device (except such devices as are used exclusively for security purposes) shall be located, installed or maintained upon the exterior of any Home or other Improvements or any Lot.

5. No tent, trailer, mobile home, (including but not limited to semi-permanent mobile homes such as "double-wides") or temporary structure of any kind may be erected on or moved to any Lot without written approval of the Architectural Committee, except a contractor's shed, which is to be used only during construction of the permanent Improvements upon the Property (but not prior to construction of such Improvements) and such contractor's shed shall not be used for living quarters and shall be removed upon the completion of such permanent Improvements.

6. Except for entrance, street, or directional signs, or any promotional or advertising signs as may be maintained by the Declarant, no sign of any kind shall be displayed to public view on any Lot without written approval of the Architectural Committee, except:

(a) Signs required by legal proceedings.

(b) Residential identification signs, including professional identification, having a combined total face

area of nor more than two (2) square feet and subject to written approval by the Architectural Committee as to location, size, color, material and content.

(c) Community or street identification signs which may be located on private Property.

(d) Signs erected by the Declarant in connection with the development or marketing program of the Property and the Project, including, but not limited to promotional sales or related signs.

(e) Signs erected by builders and contractors on Lots in the community provided said signs are approved by the Architectural Committee.

This paragraph is intended to specifically preclude signs on the Property or on any Lot within the Property indicating that such Property is "for sale", "for rent" or "sold".

7. No basement, garage or outbuilding, other than a servants' quarters or guest house erected on a Lot shall at any time be used for human habitation, temporarily, or permanently, nor shall any structure of a temporary character be used for human habitation. A guest house cannot be rented or leased except as part of the entire premises.

8. No main residential structure shall be permitted on any Lot, the habitable finished floor area of which, exclusive of basements, porches, patios, garages, and guest houses is less than 1,800 square feet in the case of a

one-story Home, or less than 2,000 square feet in the case of a one and one-half or two story Home, or 2,200 square feet in the case of a two and one-half story Home. Except for Lots 34,39,40,93,94,& 95, no Homes over two and one-half stories shall be permitted. For the purposes of this Declaration, a basement shall be deemed any floor area fifty-five (55%) percent or more of which is below grade. The square footage requirements may be revised downward by no more than ten (10%) percent on Lots 1 through 33 with the unanimous approval of the Architectural Committee. Each Home shall include (at a minimum) a single car garage (either attached or detached), having a minimum floor area of 264 square feet, with a minimum dimension of 12 feet by 22 feet. Garages must have doors and must not face the street except where, in the sole judgment of the Architectural Committee, such siting is not practical or possible. Ample off street parking shall be provided for all vehicles belonging to Lot Owners or tenants living in any Home.

9. Every Home will have a standardized driveway lamp and pole at a location designated by the Architectural Committee. No exterior lighting shall be directed outside the boundaries of any Lot. Use of non-white (e.g., sodium) lamps is prohibited.

10. No fences or enclosures shall be constructed upon any Lot without prior approval by the Architectural Committee. "Fence" shall include, but not be limited to,

any free standing structure combined or configured to provide a visual barrier within or around any Lot. The location, type, color, height and texture of all fences shall be subject to the review and approval of the Architectural Committee. This section shall not preclude a fence surrounding a built in swimming pool provided approval is obtained from the Architectural Committee. No chain link fence shall be permitted on any Lot. The Architectural Committee shall have the broadest discretion to determine those instances where fencing shall be permitted and shall have the absolute authority to prohibit fencing where, in its sole discretion, the Architectural Committee determines that such fencing shall be offensive, inharmonious, or otherwise incompatible with the community and the Project.

11. The location of all television or radio aerials or antennae or other aerial antenna or similar device (including "satellite dishes") for reception or transmission shall require the approval of the Architectural Committee, but in no event shall be placed so that they are prominently visible from the street. Antennae may be installed in attics. Satellite dishes must:

(a) be black mesh, no greater than ten (10) feet in diameter;

(b) be screened by fencing and/or planting approved by the Architectural Committee;

(c) not placed on rooftops or otherwise elevated.

12. No animals, livestock or poultry of any kind, regardless of number shall be maintained on a Lot, except that no more than two (2) dogs or cats may be maintained on a Lot, provided they are not kept or maintained for a commercial purpose. All pets must be secured by leash or lead and under the control of a responsible person. The Board of Directors shall have the right from time to time to adopt such additional rules and regulations pertaining to pets as it may from time to time consider necessary or appropriate.

13. No trash or other refuse of any kind shall be stored on any Lot except household trash which shall be promptly disposed of by weekly trash collection. Each Lot Owner at its expense shall keep the total Lot road frontage out to the edge of the pavement free of trash, refuse, or debris of any kind. The Architectural Committee, or its agents, shall have the right to enter upon any Lot or the road area in front of a Lot to remove any such trash or debris if not removed by the Lot Owner, as well as the right at all reasonable times to cut and remove any grass, weeds, or undergrowth on any Lot deemed by the Architectural Committee to be unsightly, all at the cost and expense of the Lot Owner, which expense shall be considered an assessment and lien against said Lot and which shall have the same priority and enforceability as herein provided for assessments.

14. Well drilling, oil development operations, refining, mining operations of any kind, or quarrying, shall not be permitted upon, or in, any of the Lots, nor shall oil wells, tunnels, mineral excavations or shafts be permitted upon or in any of the Lots covered by this Declaration.

15. All trash, garbage, and refuse stored without any dwelling shall be stored in covered receptacles, and shall not remain in public view except for trash collection days. No burning of any trash and no accumulation or storage of litter, lumber, scrap materials, refuse, bulk materials, wastes, building materials or trash of any kind shall be permitted on any Lot. Each residence shall contain an appropriately screened or fenced service yard or yards enclosing all above ground garbage and trash containers, incinerators, fuel tanks, mechanical swimming pool equipment, utility meters, air conditioning equipment, clotheslines and other similar outdoor maintenance, storage and service facilities in order to conceal them from view from the road and neighboring properties. Garbage and trash containers and fuel tanks may be located outside service yards but only if located underground. The placement of all of the aforesaid items, whether located above or below ground, shall require the approval of the Architectural Committee.

16. No school day care center, child care center, family day care home, nursing home, or church of any kind shall be maintained or operated upon the Property. The

prohibition contained as to family day care homes may be eliminated, and family day care homes may be approved by a simple majority of the total eligible voters of the association under the voting procedures contained in the Declaration or the By-Laws of the Association.

17. All Improvements shall be constructed in accordance with the applicable building lines, setback and height provisions set forth in the Zoning Ordinance of St. Mary's County, Maryland, except where more stringent requirements are imposed by the recorded subdivision plat, the deed of conveyance for a particular Lot or the Architectural Committee.

18. Unless kept entirely within a garage, no recreational or commercial vehicle, trailer, truck with a gross vehicle weight in excess of 7,500 pounds, camper, camp truck, house or horse trailer, boat or other machinery or equipment of any kind or character shall be permanently parked and/or stored in view from any public roadway or in view from any adjoining Lot.

19. No automobile or vehicle of any kind and no boat, or trailer of any kind shall be abandoned, nor shall any be constructed, restored or repaired upon any Lot in such a manner that said construction, restoration or repair is visible from the street or any Lots or from any adjacent waters.

20. Lots 3, 4, 5, 6, 7, 8, 24, 25, 26, and 27 shall, at the Declarant's discretion, maintain a common loop

driveway. Such driveways will subsequently be maintained by these individual Lot Owners whose Lots are serviced by such driveways.

21. The exterior of all Homes and any other structures shall be wood, standard size (i.e., non-jumbo) muted-tone brick, stone, or a combination thereof. The Architectural Committee reserves the right to approve additional exterior building materials provided that in the exercise of its sole discretion such materials are compatible with the community and the Project and are of a high quality. No aluminum siding, exterior plywood, composition board, or brick, stone or wood veneer may be used. All wood must be painted or stained in an approved color. Brick colors must be similarly approved.

22. All roofs shall be wood shake or "upgraded" architectural grade asphalt shingles or slate. The roof pitch shall be at least 6/12 unless waived by the Architectural Committee for good cause shown.

23. Exposed foundations are to be kept to a minimum and should be in harmony with the architecture of the Home. Piling or pole foundations are not permitted. Concrete block or poured concrete walls must be parged and painted in colors approved by the Architectural Committee. Siding must be continued to grade if site conditions require large areas of exposed foundations. First floor elevations should be no more than three (3) feet above finished front grade.

24. Swimming pools are permitted only if constructed below ground level on rear (private side) of the Home and then only after the pool and all appurtenant structures are approved by the Architectural Committee. Pool houses and gazebos are not allowed outside the building envelope. Individual tennis courts are not permitted except on Lots 93, 94, and 95.

25. No grass clippings, organic debris, trash or other refuse may be disposed of by dumping in or on any open space or wetlands area.

26. Discharge of firearms is prohibited within the Property and the waters adjacent to the Property.

27. No Lot Owner may erect a private pier serving such Lot unless approved by the Architectural Committee and all governmental bodies. Such piers, if permitted, must be built to governmental regulations and maintained in good condition. Boat houses or other waterfront structures that will block views are not permitted. All waterfront access for boating, fishing and related activities shall be by the use of "common access" boat basin and related facilities on the Common Area. The allocation of slips within the boat basin, and all rules and regulations governing the operation and maintenance of the boat basin, are within Declarant's sole discretion unless and until such authority is transferred to the Association.

28. Each Lot shall be improved by an entrance driveway. Driveways shall be constructed of either asphalt,

concrete, brick or cobblestone. Gravel (except during construction), oyster shells, or similar surfaces are not permitted. To the extent that any applicable governmental ordinances require the posting of a bond to secure the construction of a driveway entrance, such bond shall be posted by the Lot Owner as required.

29. All mailboxes shall be of a uniform design, as selected by the Declarant. Alternatively, Declarant may choose to construct common mailbox structures.

30. Any exposed areas of prefabricated roof vents or flues have to be painted the same color as that of the roof of the dwelling, and all gutter and downspout colors must blend in with other dwelling colors.

31. All storage shed or other out-building construction must be comprised of materials similar to those used for main residence construction.

32. No "painted rocks" or lawn ornaments shall be permitted on any Lot.

33. No "jet skis" or similar devices may be stored or maintained on any Lot nor may any of the same be used in the waters immediately adjoining the Property.

34. Solar heating panels are permitted if approved by the Architectural Committee, but free-standing panels will be not allowed where visible from the public street.

35. Home elevations must comply with Federal, state, and local requirements, including flood insurance requirements. The Architectural Committee is empowered to

set minimum "elevation above sea level" requirements for any or all Lots.

Section 2. Waiver. Notwithstanding the provisions of Section 1 above, the absolute right is reserved to the Declarant and/or the Architectural Committee (in their sole discretion, but only by unanimous vote) to waive or exempt any Preexisting Improvements from the provisions of Section 1. The Declarant and Architectural Committee is further granted the absolute right (in their sole discretion) to grant to any Lot a waiver from the effect of any of the aforegoing restrictions where the Declarant and/or the Architectural Committee concludes that the (i) failure to waive such provision would result in a hardship to a Lot Owner or (ii) such waiver will not result in a condition inconsistent with the spirit and intent of this instrument.

ARTICLE XII. COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments to be Paid to the Association. Each Lot Owner (but expressly excluding the Declarant) of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, is deemed to covenant, which covenant shall run with the land and be binding on every Lot Owner, and agree to pay to the Association: (1) annual assessments or charges; (2) special assessments for capital improvements; and (3) annual assessments or charges to effect payment of any real or personal property taxes on any personal or real property now

or in the future owned by the Association. All such assessments shall be fixed, established, and collected by the Association from time to time as hereinafter provided. Annual and special assessments, together with such interest thereon and costs of collection thereon, including interest costs and attorney fees, as hereinafter provided, shall be a charge and lien on each Lot and shall be a continuing lien upon the Lot against which each such assessment is made, and said lien shall be enforceable in accordance with the provisions of the Maryland Contact Lien Act as set forth in Section 14-201, et seq, of the Real Property Article of the Annotated Code of Maryland. Each such assessment, together with such interest costs and reasonable attorney fees for its collection, including at the appellate level, shall also be the personal obligation of the persons who were the Lot Owners of such Lot or Lots at the time when the assessment fell due provided that such personal obligation shall not pass to successors in title to such Lot or Lots unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments to be levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety, and welfare of the residents of the Property and shall specifically include, but not be limited to: maintenance of all lighting and parking facilities in the Common Areas; and the payment of taxes and insurance for the Common Area; payment for the Improvement and maintenance of the Common

Area and Storm Drain Easements, including Wetland Ponds and facilities related to the use and enjoyment of the Common Area and of the Homes situated upon the Property, including all docking facilities within and around the community boat harbor; and for payment of the Association's operating expenses. Assessments may also be used to provide maintenance, landscaping and placement of entrance signage within the public rights of way and/or easements adjoining the Lots.

Section 3. Basis of Annual Assessments. Until September 1, 1990, the annual assessments shall be the amount as set forth in the initial budget of the Association for its initial year of operation not to exceed, however, THREE HUNDRED AND NO/100 ($300.00) DOLLARS per Lot. From and after September 1, 1990, the annual assessment shall be determined in accordance with the current maintenance costs and future needs of the Association. The annual assessment for each Lot may increase yearly but not in excess of ten (10%) percent per year unless approved by the Association as herein set forth. The Board of Directors of the Association without the need for a vote of the Association's Members may fix the annual assessment at an amount not in excess of the then applicable maximum. Any increase above ten (10%) percent of the prior year's assessment shall require the consent of two-thirds of the votes of each class of members who are voting in person or by proxy or at a meeting duly called for this purpose written notice of which shall be

sent to all Members not less than fifteen (15) days nor more than sixty (60) days in advance of the meeting setting forth the purpose of the meeting. The maintenance costs shall include and shall mean all operating costs of the Association, maintenance costs of the Common Area, Wetland Ponds, Storm Drain Easements, payment of insurance premiums for the Common Area, Wetland Ponds, and Storm Drain Easements, and payment of any real or personal property taxes on the Common Area, Wetland Ponds, and Storm Drain Easements. The annual assessment shall also include a sum required to provide an adequate reserve fund for the maintenance, repair and replacement of the Common Area, Wetland Ponds, and Storm Drain Easements, Improvements thereon, if any, and any personal property owned by the Association, which are funded by annual payments rather than special assessments.

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 or reconstruction or unexpected repair or replacement of a described capital Improvement upon the Common Area, including the necessary fixtures and personal property related thereto, PROVIDED that any such special assessment in excess of 25% of the regular annual assessments shall have the assent of two-thirds (2/3) of the

votes of each class of Members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all Members not less than fifteen (15) days nor more than sixty (60) days in advance of the meeting setting forth the purpose of the meeting.

Section 5. Prior to the time when the Declarant conveys the Common Areas to the Association pursuant to the provisions of this Declaration, Declarant will not be required to pay any annual or special assessments for any Lot owned by the Declarant but will rather maintain the Common Areas at its own expense and will be promptly reimbursed by the Association pro-rata out of funds collected through annual assessments on Lots which have been transferred to third parties other than the Declarant. In no case will the Association be required to reimburse the Declarant any amount in excess of the funds that have been actually collected from Lot Owners other than the Declarant from annual or special assessments. The Lot capital contribution as described in Article XII required of each Lot Owner shall not be used for such reimbursement purposes and shall not be paid to the Declarant.

Section 6. Uniform Rate of Assessment. Both annual and special assessments must be fixed at uniform rate for all Lots and may, if so determined by the Association, be collected on a monthly basis.

Section 7. Quorum for Any Action Authorized Under Section 4. At each meeting called, as provided in Section 4

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hereof, the presence at the meeting of Members or of proxies entitled to cast sixty-six percent (66%) of all the votes of each class of Membership shall constitute a quorum. If the number of Members present at a properly called meeting of the Members is insufficient to constitute a quorum, another meeting of the Members may be called for the same purpose if (i) the notice of the meeting states that the procedure authorized by Section 5-206 of the Corporations and Associations Article may be invoked, and (ii) by majority vote, the Members present in person or by proxy call for the additional meeting. Fifteen (15) days notice of the time, place, and purpose of the additional meeting shall be given by an advertisement in a newspaper published in the county where the principal office of the Association is located. The notice shall advise that at such additional meeting the Members present in person or by proxy thereat shall constitute a quorum and that a majority of the Members present in person or by proxy may approve or authorize the proposed action taken at the additional meeting and may take any other action which could have been taken at the original meeting if a sufficient number of Members had been present.

Section 8. 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 first Lot to a Lot Owner other than the Declarant. The first annual assessment shall be adjusted according to the number of months remaining in

the calendar 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 Lot Owner subject thereto. The due date shall be established by the Board of Directors. The Association shall upon demand at any time furnish a certificate in writing signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A reasonable charge may be made by the Board for the issuance of these certificates. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 9. Effect of Nonpayment of Assessments: Remedies of the Association. 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 eighteen percent (18%) per annum, and the Association, acting through its Board of Directors, may bring an action at law against the Lot Owner personally obligated to pay the same, or foreclose the lien against the Lot to which the assessment is levied, and interest, costs and reasonable attorney's fees, including at the appellate level, of any such action shall be added to the amount of such assessment. No Lot Owner may waive or otherwise escape

liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

Section 10. Special Assessment Against a Particular Lot Owner.

(a) In the event a Lot Owner shall fail to maintain the premises and the Improvements situated thereon in a manner satisfactory to the Board of Directors, the Association, after approval by a majority of the Board of Directors, shall have the right, through its agents and employees, to enter upon said parcel and to repair, maintain, and restore the Lot, and the exterior of the buildings and any other Improvements erected thereon. The costs of such exterior maintenance shall be added to and become part of the annual assessment to which such Lot is subject; and said assessment shall be enforced in the same manner as provided for in Section 8.

(b) Whenever the Declarant, Board of Directors of the Association, or their duly authorized agents, officers and employees are permitted by these Covenants or other applicable Covenants, Articles, By-laws, Rules or Regulations of The Landings at Piney Point to correct, repair, clean, preserve, clear out or take any action whatever on the Property of any Lot, the performance of same or the taking of any such action shall not be deemed a trespass or considered to be a violation of any law whatever or to constitute a wrongful act of any kind.

Section 11. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be superior to all other liens save and except real property tax liens and the liens of any bona fide Institutional First Mortgage to an Institutional First Mortgagee.

Section 12. Exempt Property. The following Property subject to this Declaration shall be exempt from all assessments (annual, special, or otherwise) created herein: (a) any portion of the Property dedicated to and accepted by a local public authority; (b) the Common Area; (c) any portion of the Property which is designated and/or reserved for easements and not contained within a Lot; and (d) any Lots or other portion of the Property owned by the Declarant.

ARTICLE XIII. CAPITAL CONTRIBUTION

At the time of closing on a Lot pursuant to an original contract of sale with the Declarant, the purchaser of the Lot shall pay to the Association a capital contribution in the sum equal to FIVE HUNDRED AND NO/100 ($500.00) DOLLARS for each Lot purchased. These monies shall be the Association's property and shall be held by the Association through its Board of Directors pursuant to the powers described in the Articles of Incorporation and By-Laws of the Association for the purposes of meeting budgetary deficits, in lieu of special assessments, and for payment of any Federal and State income taxes on the earnings of this Fund. This capital contribution shall remain with the

respective Lot on the books of the Association and while the asset amount may be affected by the actions of the Board of Directors, no refund of capital contribution will be forthcoming on resale. Therefore, each purchaser and/or Lot Owner should consider this item as an asset in his negotiation for resale of any Lot.

ARTICLE XIV. RESERVATION OF EASEMENT

The Declarant expressly reserves, for itself, its successors and assigns, a 15-foot easement along the front and rear line and a 15-foot easement along the side lines of each and every Lot for the installation of utilities or other uses by it deemed to be necessary for the service of said Lot and any walls, fences, paving, planting, or other Improvements placed thereon by the Lot Owner of the Lot on which the easement lies shall be removed, if required, by the Declarant, the Association or its assigns, at the expense of such Lot Owner. This reservation includes the right to re-enter upon any easement for the purpose of locating, erecting, maintaining and constructing any drain, culvert, sanitary or storm sewer, water main, electric and telephone lines, and other utilities; the Declarant specifically reserving the right to assign any and all easements hereby reserved. The right is also reserved to the Declarant and/or the Association to create by additional instruments such other utility or public easements across the Property as may be deemed necessary by the Declarant and/or the Association. The right is further reserved to

the Declarant and to the Association to enter upon any portion of any Lot which lies within the public right of way in order that the same may be maintained, mowed, trimmed, cleaned, and/or planted (collectively "maintenance") as the Declarant and/or the Association may determine in their discretion. The cost of such maintenance shall be at the cost and the expense of the Association provided that such maintenance shall be included in the maintenance assessment described in Article XII hereof.

ARTICLE XV. BINDING EFFECT

These covenants are to run with the land and shall be binding on all parties and all persons claiming under them until December 31, 2020, at which time each and all of said covenants shall be automatically extended for successive periods of 10 years unless by vote of two-thirds (2/3) of the then Lot Owners covered by this Declaration agree to change the same in whole or in part; and an instrument setting forth said changes is duly executed and acknowledged by said two-thirds (2/3) of the then Lot Owners and duly recorded among the Land Records for St. Mary's County, Maryland.

ARTICLE XVI. ENFORCEMENT

Section 1. Enforcement by Declarant and the Association. The Declarant expressly and exclusively reserves to itself, the Association, their successors and assigns, in case of any violation or breach of any of the conditions or agreements herein contained, the right to

enter the Lot upon which the violation or breach exists and to correct same. As noted in Section 9(a) above, the Declarant and/or the Association shall not, by reason thereof, be deemed guilty of any manner of trespassing for such entrance, abatement, or removal, which shall be at the cost and expense of the Lot Owner upon which such condition or breach exists. Failure by the Declarant or the Association to enforce any provision of this Declaration shall in no event be deemed a waiver of the right to do so thereafter as to the same breach or as to one occurring prior or subsequent thereto. The right to enforce any provision of this Declaration shall at all times remain exclusively with the Declarant, the Association, and their successors, designees, and assigns (including the Architectural Committee). No individual Lot Owner shall have any right of enforcement of any of the provisions of this Declaration and all decisions, action or inaction by Declarant, the Association, or their successors and assigns with respect to the enforcement of any of the provisions hereof shall be conclusive, final and binding on each individual Lot Owner.

In the event any judicial proceeding is commenced by the Declarant, or the Association, their successors and assigns, to enforce any provision of this Declaration, the Declarant and Association, their successors and assigns shall, in addition to any injunctive relief requested, be entitled to an award of reasonable attorney fees and costs

of suit incurred as a result of such proceeding. In a proceeding commenced by the Declarant, the Association, or their successors and assigns in which injunctive relief shall not constitute full and adequate compensation, the Lot Owner against whom such proceeding is commenced shall further be subject to award of monetary damages to which the Court hearing such proceeding shall deem appropriate to adequately compensate the Declarant, the Association, and/or Lot Owners for the violation of the Covenants which are the subject of such proceeding.

ARTICLE XVII. DESIGNATION OF SUCCESSOR

At any time prior to December 31, 1994, the Declarant may assign any and all of its rights, powers, obligations and privileges under this Declaration, including but not limited to, its authority to act as and designate members of the Architectural Committee to any other corporation, association, or person, any such assignment, or assignments, to be effective upon the recordation among the Land Records of St. Mary's County, Maryland, of the instrument assigning same. Each and every one of the obligations, benefits, and duties of Declarant pursuant to this Declaration shall be binding upon and inure to the benefit of any assignee or successor of Declarant.

ARTICLE XVIII. PROHIBITION AGAINST FURTHER SUBDIVISION

No Lot within the Property shall be further subdivided for any reason except for utility or storm drainage purposes, to establish Common Area, or to conform with

County and/or State requirements for subdivision approval purposes. No Lot within the Property shall be further subdivided in any event without the prior express written consent of the Declarant, the Association, or their successors and assigns. In no event may any Lot be subdivided to create an additional building Lot.

ARTICLE XIX. MODIFICATION AND WAIVER

Section 1. By Declarant.

All grantees in a conveyance of a Lot or Lots expressly stipulate and agree that, inasmuch as the Declarant is the most interested party in maintaining the high quality development which by this Declaration is sought to be maintained, the Declarant has rightfully reserved unto itself, and its successors and assigns, as herein set forth, until January 1, 1994 (but not thereafter), the right to waive or alter such of the above restrictions as it, in its sole discretion, may deem best for the benefit of the development or maintenance of the whole community in any particular instance, which waiver, or alteration, shall be by the written consent of the Declarant and the then Owner or Owners of the Lot, or land upon which said restrictions are to be waived or altered; such written consent to be duly acknowledged and recorded among the Land Records for St. Mary's County, Maryland; and further such waiver, or alteration as to a particular Lot shall in no way be construed to waiver or alter the applicability of the

particular restriction or restrictions so waived or altered as to any other Building or Lot.

Section 2. Generally.

The provisions of this Declaration may be amended at any duly called meeting of the Association upon the affirmative vote of two-thirds (2/3) of the then Lot Owners covered by this Declaration at a duly convened meeting of the membership provided that: (i) any amendment to this Declaration so long as there exists Class B Members shall require the consent of one hundred (100%) percent of the Class B membership, and (ii) no amendment may be made to this Declaration which shall change or alter the priority of any Institutional First Mortgage which shall then be a lien on any Lot.

ARTICLE XX. PROVISIONS RELATING TO FIRST MORTGAGEES

Section 1. It is expressly provided that the breach of any of the foregoing conditions, or of any re-entry by reason of such breach, shall not defeat or render invalid the lien of any mortgage of deed of trust, made in good faith and for value, as to the said premises, or any part thereof, encumbered by such mortgage or deed of trust; but said conditions shall be binding upon and effective against any Lot Owner of said premises, whose title thereto is acquired by foreclosure, trustees' sale, or otherwise, as to any breach occurring after such acquirement of title. It is expressly agreed that the lien and effect of any initial or annual assessment provided for herein shall be and at all

times remain inferior and subordinate to the lien of any First Deed of Trust or Mortgage secured by any Lot or the Property. Notwithstanding this provision, nothing herein shall release any such First Mortgage from the lien and effect of any assessments made against any Lot at any time subsequent to the date any such First Mortgage shall acquire title to any Lot by virtue of a foreclosure proceeding or deed in lieu of foreclosure. No amendment to this Declaration shall affect the holder of any First Mortgage or Deed of Trust recorded prior to the recordation of any such amendment.

Section 2. Any Institutional First Mortgagee of a Lot on the Property who obtains title by deed in lieu of foreclosure, shall not be liable for any unpaid assessment or charge accrued against said Lot prior to the acquisition of title to said Lot by such Mortgagee.

Section 3. The Institutional First Mortgagee of any Lot on the Property is entitled, upon request, to written notification from the Association of any default in the performance by the Institutional First Mortgagor, of any of such Owner's obligations pursuant to the terms of this Declaration, which default is not cured after sixty (60) days notice to such Owner.

Section 4. Any Institutional First Mortgagee who succeeds the Declarant in Title to any portion of the Property, or acquires title to any portion of the Property by way of foreclosure, deed in lieu of foreclosure, or

otherwise, shall be entitled to any exemption from the terms or restrictions of the Declaration to the same extent that Declarant would be exempt from such terms or restrictions.

ARTICLE XXI. CONSENTS

Section 1. Consent of Federal Housing Administration and Veterans Administration. Provided that any Lot in the project is then encumbered by a deed of trust or mortgage which is insured by the Federal Housing Administration or guaranteed by the Veterans Administration and, provided further, that there are then Class B Memberships of the Association outstanding, neither the Members, the Association nor its Board of Directors shall, by act or omission, take any of the following actions without the prior written consent and approval of the Federal Housing Administration and the Veterans Administration, as the circumstances may require:

(a) abandon, partition, divide, encumber, sell or transfer any of the Common Area and community facilities, provided, however, that the granting of rights of way, easements, and the like for public utilities or for other purposes consistent with the use of the Common Area and community facilities by the Members of the Association shall not be considered a transfer within the meaning of this Section; or

(b) abandon or terminate this Declaration.

Section 2. Notwithstanding anything to the contrary herein set forth, but subject to the provisions hereafter stated, 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, all as from time to time amended or supplemented. This unilateral right, power and authority of Declarant, may be exercised if and only if (i) either the Veterans Administration ("VA"), the Federal Housing Administration ("FHA"), the Federal Home Loan Mortgage Corporation ("Freddie Mac"), the Federal National Mortgage Association ("Fannie Mae"), or the Government National Mortgage Association ("Ginnie Mae") or any successor agencies or entities thereto or any agencies or entities providing similar programs, shall require such action as a condition precedent to the approval by such agency or entity of the Project or any part thereof or any Lots thereon, for approved mortgage financing purposes under applicable VA, FHA, Freddie Mac, Ginnie Mae or similar programs, or (ii) St. Mary's County, Maryland, shall require such action. Once the VA or the FHA or any successor agencies thereto, approve the Project or any part thereof or any Lots thereon for approved mortgage financing purposes, any further modifications, provisions, amendments, or changes to any of the terms and provisions of this Declaration made during any period of time when there are Class B Members of the

Association shall also require the consent of the agency or entity giving such approval.

ARTICLE XXII. PARTIAL INVALIDITY

Each of the provisions hereof shall be deemed independent of the others, and invalidation of any one of these covenants and conditions, or any part, or parts thereof, by judgments, or Court order, shall in no wise affect any of the other provisions hereof, which shall remain in full force and effect.

These covenants shall bind, and benefit the Declarant, and its successors and assigns. Whenever used the singular shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

ARTICLE XXIII. NOTICE

Section 1. General Notice. Except as specifically provided in Section IV hereof, any notice, communication or writing required to be sent pursuant to this Declaration shall be deemed to have been received forty-eight (48) hours after depositing same with the United States Post Office, postage prepaid, by first-class mail addressed to the last known address of the person to whom such notice, writing or communication is directed.

Section 2. Additional Rights of Mortgagees - Notice. The Association shall promptly notify the holder of the First Mortgage of any Lot for which assessment levied pursuant to the Declaration or any installment thereof, becomes delinquent for a period in excess of sixty (60)

days, and the Association shall promptly notify the holder of the First Mortgage on any Lot with respect to which any default in any other provision of this Declaration remains uncured for a period in excess of sixty (60) days following the date of such default.

ARTICLE XXIV. PARTIES SIGNING FOR CONSENT PURPOSES

It is expressly agreed that the Second National Trustees have executed this instrument for the sole purpose of evidencing their consent to the provisions herein set forth and with the express agreement with the Declarant that none of such parties shall have any liability of any kind or

(THE BALANCE OF THIS PAGE INTENTIONALLY LEFT BLANK)

character with respect to any of the matters set forth in this Declaration.

IN WITNESS WHEREOF, the parties hereto have set their names and seals as of the year and day first above written.

PINEY POINT LANDING PARTNERSHIP,
a Maryland general partnership

By: Daniel J. Hurson (SEAL)
DANIEL J. HURSON

PARTIES SIGNING FOR CONSENT
PURPOSES ONLY:

(SEAL)
HENRY A. BERLINER, JR., Trustee

(SEAL)
MARION J. MINKER, JR., Trustee

STATE OF Maryland)
COUNTY OF Anne Arundel)

I HEREBY CERTIFY that on this 4th day of October 1989, before me, the undersigned subscriber, a notary public for the state and county aforementioned did personally appear DANIEL J. HURSON who acknowledged himself to be the Managing Partner and General Partner of PINEY POINT LANDING PARTNERSHIP, a Maryland general partnership and as such Managing and General Partner, being duly authorized so to do, did further acknowledge that he executed the aforegoing Declaration of Covenants for the purposes therein contained by signing the same of PINEY POINT LANDING PARTNERSHIP, as its Managing and General Partner and Attorney in Fact.

AS WITNESS WHEREOF, I have hereunto set my hand and notarial seal this 4th day of October, 1989.

Patricia A. Gleason (SEAL)
NOTARY PUBLIC

My Commission Expires: ~~7/1/90~~

PATRICIA A. GLEASON
NOTARY PUBLIC STATE OF MARYLAND
My Commission Expires: September 1, 1993

STATE OF Maryland)
COUNTY OF Anne Arundel)

I HEREBY CERTIFY that on this 4th day of October, 1989, before me, the undersigned subscriber, a notary public for the state and county aforementioned did personally appear HENRY A. BERLINER, JR., and MARION J. MINKER, JR., who each acknowledged themselves to be trustees under a certain Deed of Trust recorded in Liber _____ at folio _____ among the land records of St. Mary's County, Maryland, and, being duly authorized so to do by the secure parties under said Deed of Trust did each further acknowledge that they executed the aforegoing Declaration of Covenants for the purposes therein contained.

AS WITNESS WHEREOF, I have hereunto set my hand and notarial seal this 4th day of October, 1989.

PATRICIA A. GLEASON
NOTARY PUBLIC [illegible] MARYLAND
My Commission Expires September 8, 1993

Patricia A. Gleason (SEAL)
NOTARY PUBLIC

My Commission Expires: _____.

I HEREBY CERTIFY that the within Declaration of Covenants was prepared by an attorney duly authorized to practice before the Maryland Court of Appeals.

RICHARD A. KRAMER

Mr. Clerk:

After recording please remit to:

_____

_____

_____

EXHIBIT I-B

MODIFICATION AGREEMENT

MODIFICATION AGREEMENT

The Piney Point Landing Partnership (hereafter the Declarant), acting through its General Partners, William E. Murray and Daniel J. Hurson, has determined that given radically changed market conditions it is in the best interests of The Landings at Piney Point Development that certain restrictions on certain lots in the Development be modified. Therefore, acting under the authority granted it by Article XIX, "Modification and Waiver", Sec. 1 of the "Declaration of Covenants, Restrictions, and Conditions" of October 1, 1989 (Pg. 49), (Recorded in the Land Records of St. Mary's County at 521/425) the Declarant determines as follows:

1. Prior restrictions on Lots 1-33 are hereby modified as set forth below in Paragraphs A-H. To the extent they are not modified by these changes, all other covenants and restrictions remain in effect for all lots at The Landings at Piney Point.

2. For lots 3, 17 and 27, not owned by the Declarant as of the date of this Modification Agreement, the Declarant hereby consents to the modifications listed below for those lots provided they are agreed to in writing by the owner or owners of those lots.

3. For purposes of this Modification Agreement the term "Cottage Style" refers to a particular architectural style typified by the house on Lot 3. The final determination of what constitutes "Cottage Style" lies in all instances with the Architectural Committee.

A. Garages will not be required as long as the square footage of the houses to be built is in accordance with Paragraph 8 of Article XI of the Declarations except that all square footage requirements in Paragraph 8 of Article XI will be reduced by 30% for lots 7 through 23 and by 20% for lots 1 through 6 and lots 24 through 33.

B. In computing the required square footage of houses on lots 1 through 33, square footage of covered porches shall count the same as if the porches were within the

heated portions of the house. Square footage of any heated spaces and detached guest houses or heated living areas over detached garages shall count fully as if the heated spaces were included in the primary house on the lot. All square footage requirements shall be defined as gross square footage calculated to the outside wall line of all enclosed spaces and to the outside of the rails of all porches.

C. To qualify for any of these waivers, the houses shall be of the cottage style.

D. Both vinyl and aluminum siding and trim are approved for use on lots 1 through 33 provided the siding is indistinguishable from wood siding when viewed from the street and is of a pattern consistent with "cottage" style housing.

E. Roof pitches below 6'12" are approved provided the house is of a "cottage" style. Standing seam 10 or galvanized or aluminum (Five V) siding is approved provided it is painted a color consistent with the paint scheme for the house.

F. First floor elevations may be up to 4' above grade (the 3' maximum allowed by the declaration is also the minimum allowed by the code for a crawl space).

G. Gazebos, trellises and other detached structures consistent with the "cottage" style architecture are permitted.

H. Oyster shell surface driveways/pathways are permitted.

IN WITNESS WHEREOF, the parties hereto have set their names and seals.

PINEY POINT LANDING PARTNERSHIP,
a Maryland General Partnership

Date: 7-30-92

By: /S/ (SEAL)
WILLIAM E. MURRAY

PARTIES SIGNING FOR CONSENT PURPOSES ONLY:

SECOND NATIONAL F.S.B.

Date:_____ By:_____(SEAL)
Trustee

Date:_____ By:_____(SEAL)
Trustee

STATE OF _____,
COUNTY OF _____.

I HEREBY CERTIFY that on this 30 day of July, 1992, before me, the undersigned subscriber, a Notary Public for the state and county aforementioned, did personally appear WILLIAM E. MURRAY who acknowledged himself to be the Managing Partner and General Partner of PINEY POINT LANDING PARTNERSHIP, a Maryland General Partnership and as such Managing and General Partner, being duly authorized so to do, did further acknowledge that he executed the aforegoing Modification Agreement for the purposes therein contained by signing the same of PINEY POINT LANDING PARTNERSHIP, as its Managing and General Partner.

AS WITNESS WHEREOF, I have hereunto set my hand and notarial seal this 30 day of July, 1992.

_____
NOTARY PUBLIC

My commission expires:

002 270

STATE OF _____)
COUNTY OF _____)

I HEREBY CERTIFY that on this ____ day of _____, 1992, before me, the undersigned subscriber, a notary public for the state and county aforementioned did personally appear _____, and _____, who each acknowledged themselves to be trustees under a certain Deed of Trust recorded in Liber _____ at folio ____ among the land records of St. Mary's County, Maryland, and, being duly authorized so to do by the secured parties under said Deed of Trust did each further acknowledge that they executed the aforegoing Modification Agreement for the purposes therein contained.

AS WITNESS WHEREOF, I have hereunto set my hand and notarial seal this 30 day of July, 1992.

/S/
NOTARY PUBLIC

My Commission Expires: _____.

I HEREBY CERTIFY that the within instrument was prepared by an attorney duly authorized to practice before the Maryland Court of Appeals.

Marc K. Cohen, Esquire

Mr. Clerk:

After recording please remit to:

Marc K. Cohen, Esquire
Ober, Kaler, Grimes & Shriver
120 East Baltimore Street
Baltimore, Maryland 21202-1643

LIBER 002 272

APPOINTMENT OF SUBSTITUTE TRUSTEE (S)

WHEREAS, the undersigned is the owner and holder of indebtedness secured by a Deed of Trust ("the Deed of Trust") from Piney Point Landing Partnership to Henry A. Berliner, Jr. and M. John Miller, Jr., Trustees for Second National Building and Loan, Inc., now Second National Federal Savings Bank by virtue of conversion to a federal charter, dated May 11, 1987 and recorded among the Land Records of St. Mary's county, Maryland, in Liber 521 No. 425, Folio -, et seq.; and

WHEREAS, the Deed of Trust provides for the removal and substitution of a Trustee or Trustees, at the option of the holder of the indebtedness secured by the Deed of Trust; and

WHEREAS, the undersigned beneficiary of the Deed of Trust deems it necessary to substitute the Trustees.

NOW, THEREFORE, pursuant to the provisions of said Deed of Trust and Rule W77d of the Maryland Rules of Procedure, the undersigned corporation hereby removes Henry A. Berliner, Jr. as the Trustee of the Deed of Trust and appoints Sonya Hall as Substitute Trustee, to act in his place and stead in all respects as Trustee under the terms of the Deed of Trust.

AS WITNESS the execution hereof by the undersigned, the 30 day of July, 1992.

ATTEST:

Keri Dolan

SECOND NATIONAL FEDERAL SAVINGS BANK

BY: (SEAL)
William T. Russell/Sr. Vice President

STATE OF MARYLAND, COUNTY, TO WIT:

I HEREBY CERTIFY, that on this 31st day of July, 1992, before me the undersigned officer, personally appeared William T. Russell acknowledged himself as the Vice President of Second National Federal Savings Bank, a Federal Corporation, and the Vice President, as such officer, being authorized to do so, executed the foregoing instrument for the purposes therein contained, by signing the name of corporation by herself as such officer.

IN WITNESS WHEREOF, I hereto set my hand and Official Seal.

NOTARY PUBLIC Rebecca L. Kanbarn
My Commission expires: 3/7/95

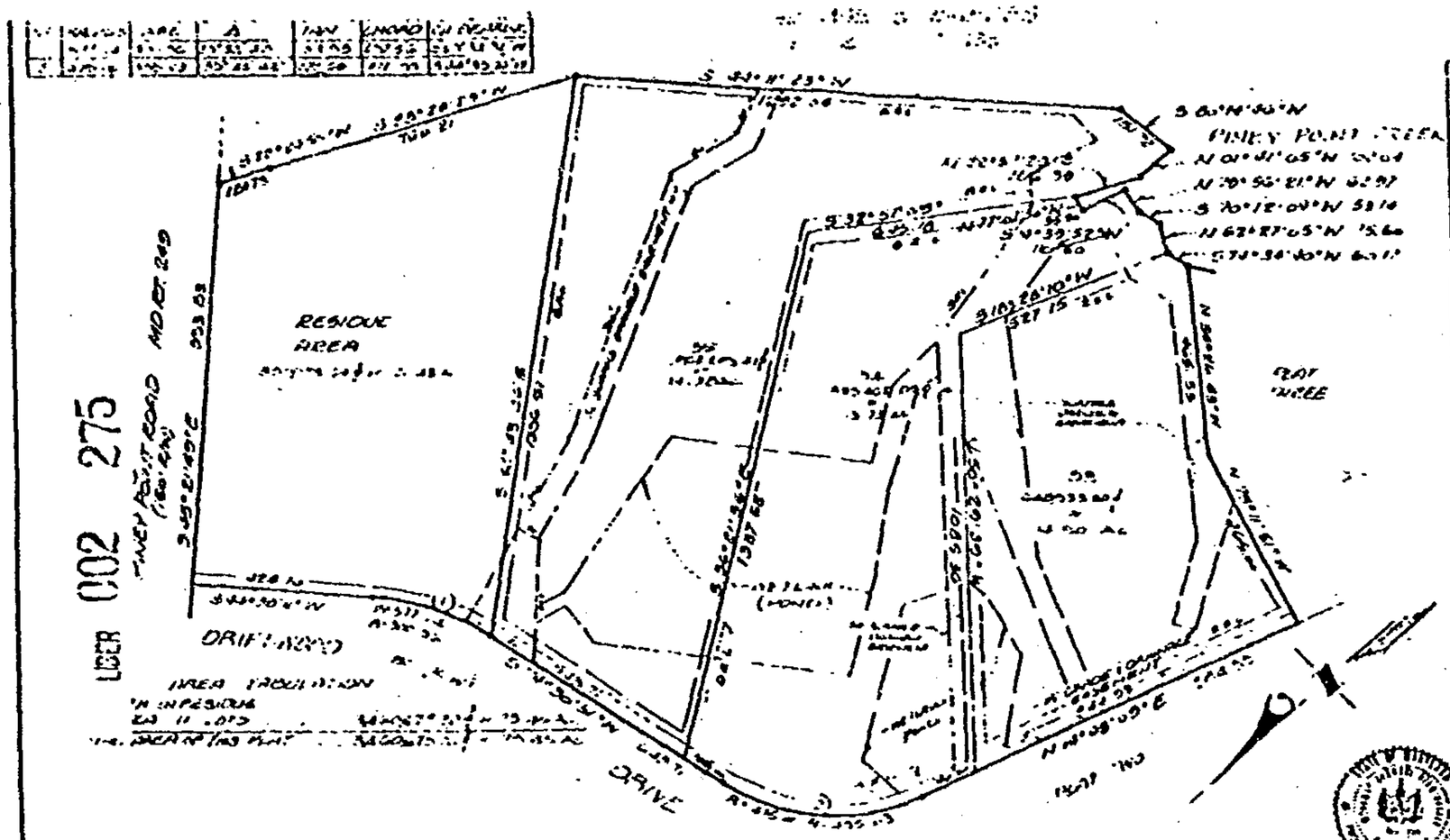
USSR 002 273

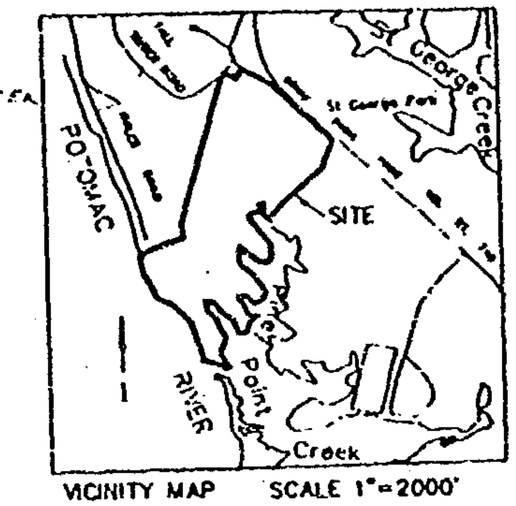
LBER 002 .274

EXHIBIT II

PLAT

LIBER 002 275





VICINITY MAP SCALE 1"=2000'

SURVEYOR'S CERTIFICATE

I hereby certify that the plan shown hereon is correct, that it is a subdivision of part of all the land conveyed by Piney Point Landing Partnership, a Maryland Partnership, by deed dated December 24th, 1986, and from Raymond K. Mickey Investment Properties by deed dated December 31st, 1986, all among the Land Records of St. Mary's County Maryland in Liber 328 at Folio 100 and Liber 328 at Folio 233 respectively and that property markers designated thereon are in place or to be placed as indicated.

The total area of this plat is _____ square feet or _____ acres of land.

10/26/88 — Mohamad S. Hassan
Date — Mohamad S. Hassan, P.E. & L.S. No. 11253-MD, Registered Professional Engineer and Land Surveyor

OWNER'S DEDICATION

We, Piney Point Landing Partnership, a Maryland Partnership, by Daniel Hurson, General Partner, owners of the property shown hereon and described in the Surveyor's Certificate, hereby adopt this plan of subdivision, establish the minimum building restriction lines, designate the reserved areas, parks, parkways, easements, alleys, reservations, to public use. Fifteen (15) feet wide easements, if not shown otherwise, are established along all dedicated streets for electric and telephone utilities, storm drainage and/or water mains.

There are no suits, actions-at-law, leases, liens, or mortgages affecting this property except for a certain deed of trust, and all parties of interest thereto have affixed their signatures indicating their assent and approval of this plan of subdivision.

Witness	Date 12-15-88	Piney Point Landing Partnership — Daniel Hurson, General Partner
Witness	Date 2-8-88	Mortgagee & Beneficiary — Trustee
Witness	Date 2-8-88	Trustee — Trustee

GENERAL NOTES

1) The subdivision shown hereon is part of the cluster subdivision of Piney Point Landing, as approved, and is subject to covenants and restrictions of record.
2) Public utility easements shall be a minimum of 10 feet in width along all property lines or as required in the St. Mary's County Subdivision regulations, Article IV – Section 4.06, and there shall be a 15 foot easement along all cross rights-of-way and a 5 foot easement along all lot lines for public utilities and drainage.
3) All lots are to be served by central water and sanitary sewer systems constructed in accordance with the St. Mary's County Standards and specifications for water and sewer construction and in accordance with the public works agreement between the owner and the St. Mary's County Metropolitan Commission. The subdivision shown hereon is in compliance with the St. Mary's County Comprehensive Water and Sewer plan.
4) The utility easement(s) as recorded are for the use of Piney Point Landing Partnership, its heirs and assigns, to install and maintain underground utilities and their appurtenances. Any area disturbed during installation and/or maintenance shall be permanently stabilized. See utility easement covenant for further clarification.

UTILITY EASEMENT COVENANT

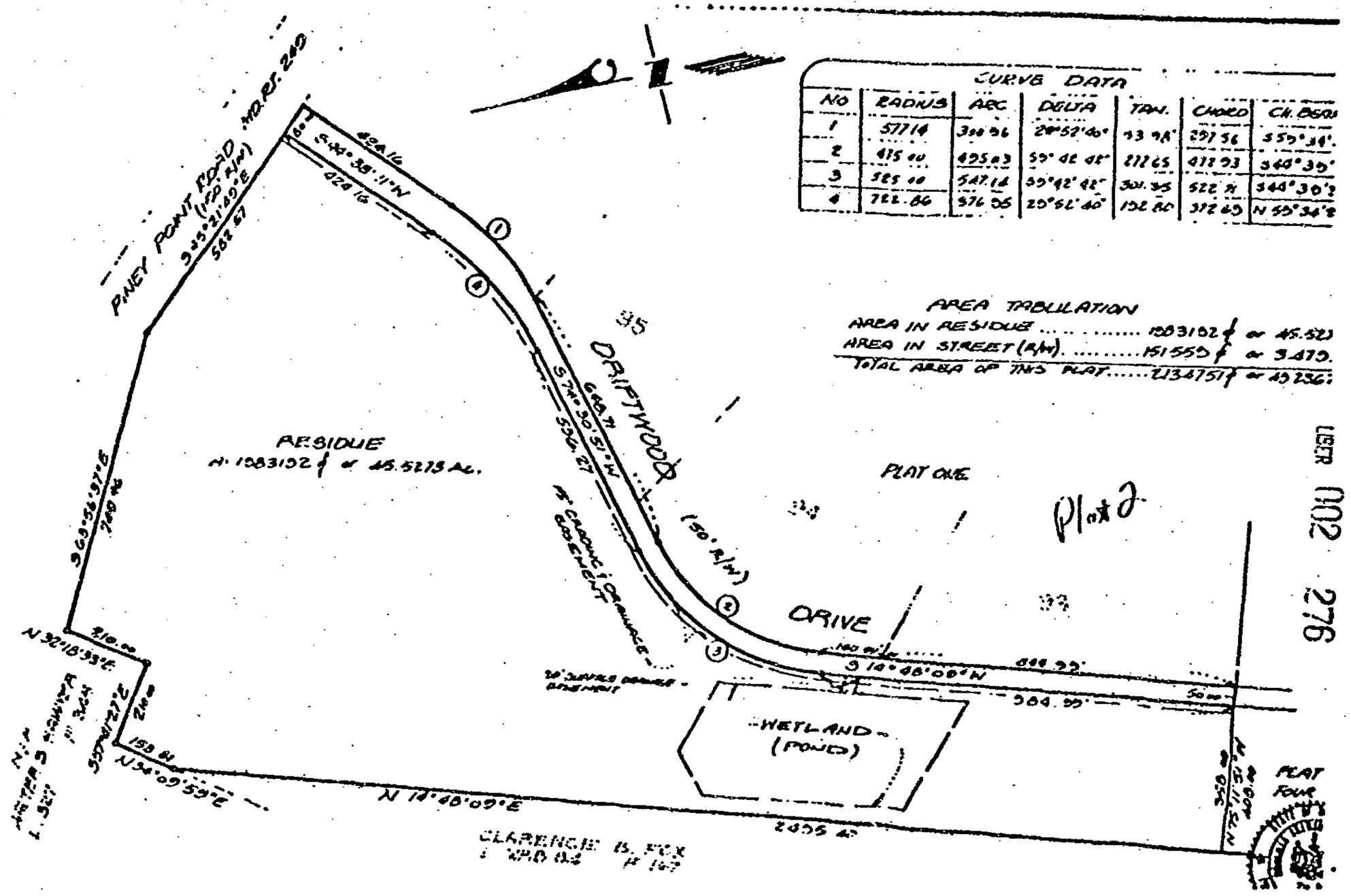
There is hereby created a blanket easement upon, across, over, through and under the below described property for ingress, egress, construction, installation, replacement, repair and maintenance of all streets and parking lots, utility and service lines and systems, including, but not limited to streets, parking, pedestrian walkways, water, sewer, gas, telephones, electricity, television, cable or communication lines and systems. By virtue of this easement it shall be expressly permissible for Piney Point Landing Partnership, the declarant, or the providing utility or service company, with the approval of the declarant, to complete construction of all contemplated improvements to the subject lots, install and maintain facilities and equipment on said property, to excavate for such purposes, and to affix and maintain wires, circuits and conduits on, in and under the roofs and exterior walls of improvements thereon, providing such disturbed areas are restored to the condition in which they were found.

HEALTH DEPARTMENT	PLANNING COMMISSION	PLANNING AND ZONING
Date: 2/21/89	Date: 2-13-89	Date: 2-21-89

CLERK OF PUBLIC WORKS
Date _____

PLAT ONE
LOTS 33 THRU 68 AND RESERVE AREA
LANDINGS AT PINEY POINT
(FORMERLY L.W.O.) DISTRICT
ST. MARY'S COUNTY, MARYLAND

J.P.O.S. LTD., CONTRACT PURCHASER, PLANNING & DESIGN STAFF
ARE ALSO AVAILABLE



CURVE DATA

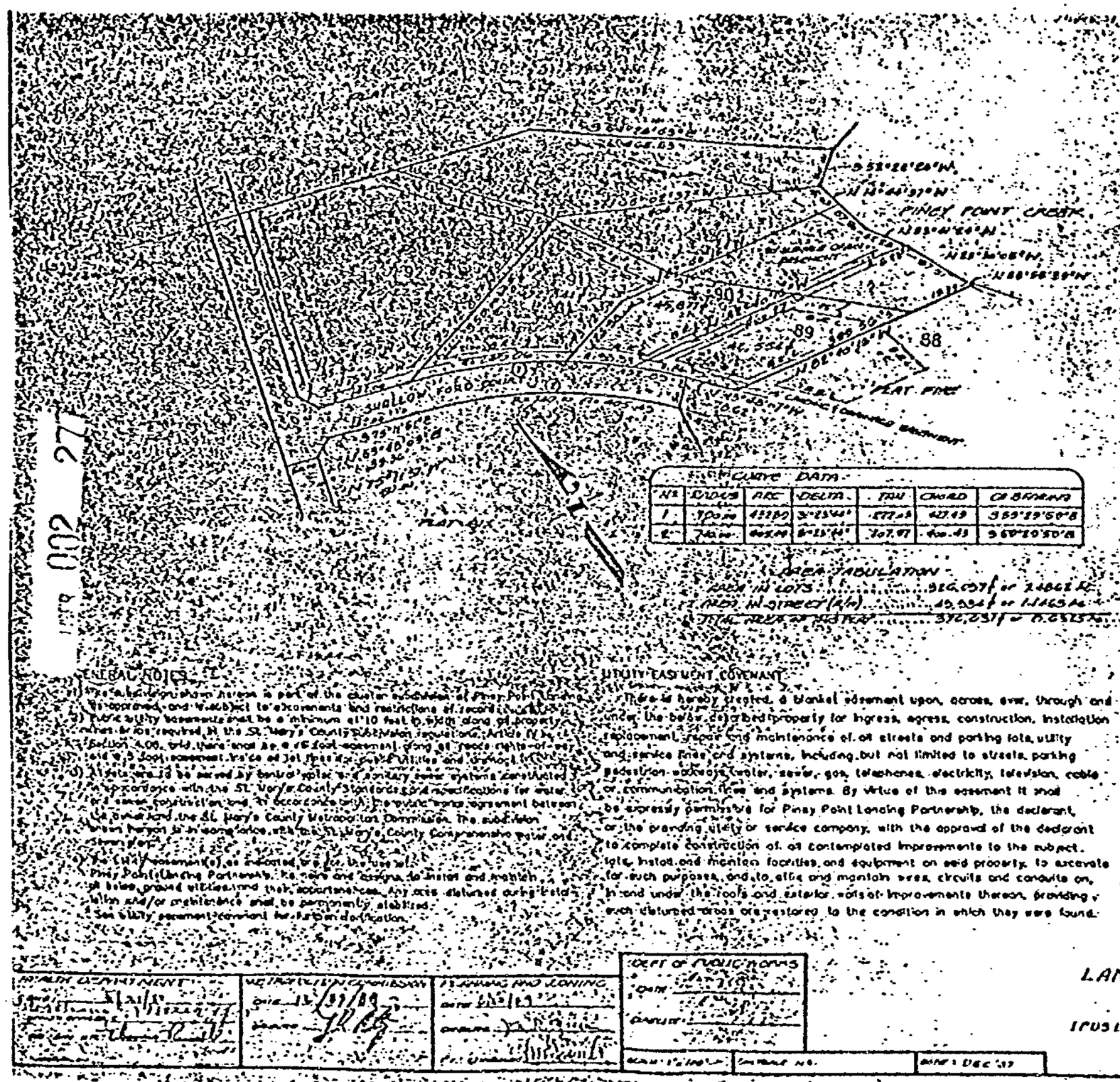
NO	RADIUS	ARC	DELTA	TAN.	CHORD	CH. BEAR
1	577.14	300.96	28°52'40"	153.98'	297.56	S 55°34'
2	875.00	425.03	55°42'42"	227.65	417.03	S 40°35'
3	525.00	547.14	59°42'42"	301.35	522.71	S 44°30'
4	722.86	576.05	29°51'40"	152.80	572.45	N 55°34'

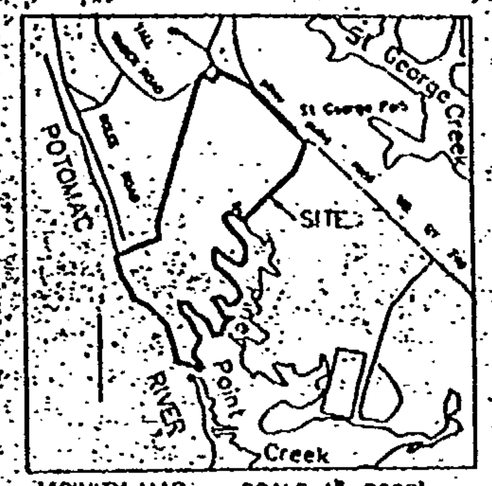
AREA TABULATION

AREA IN RESIDUE ..... 1983102 ± or 45.523
AREA IN STREET (R/W) ..... 151550 ± or 3.470
TOTAL AREA OF THIS PLAT ..... 2134751 ± or 49.236

Plat 2

LIBER 102 276





VICINITY MAP SCALE 1"=2000'

SURVEYOR'S CERTIFICATE

I hereby certify that the plat shown hereon is correct, that it is a subdivision of part of all the land acquired by Piney Point Landing Partnership, a Maryland Partnership, from KRK a Maryland Partnership, by deed dated December 24th, 1986, and from Raymond V. McKay Investment Properties, by deed dated December 31st, 1986, all among the Land Records of St. Mary's County, Maryland in Liber 328 at Folio 100 and Liber 328 at Folio 333 respectively and that property markers designated thereon are in place or will be placed as is denoted.

The total area of this plat is [illegible] square feet or [illegible] acres of land.

10/21/88 — Mohamad S. Hass
Date — Registered Property Line Surveyor

OWNER'S DEDICATION

We, Piney Point Landing Partnership, a Maryland Partnership, by Daniel Hurson, General Partner, owner of the property shown hereon and described in the Surveyor's Certificate hereby adopt this plan of subdivision, establish the minimum building restriction lines, dedicate the streets, walks, parks, parkways, easements, alleys and ways to public use. Fifteen (15) foot wide easements, if not shown otherwise are established along all dedicated streets for electric and telephone utilities, storm drainage and/or water supply.

There are no suits, actions at law, leases, liens, or mortgages affecting this property except for a certain deed of Trust, and all parties of interest thereto have affixed their signatures indicating their assent and approval of this plan of subdivision.

Witness	10-11-88 Date	Partner, Piney Point Landing Partnership
Witness	2-8-88 Date	Partner, Piney Point Landing Partnership
Witness	11-8-88 Date	Partner, Piney Point Landing Partnership

GENERAL NOTES

1) The subdivision shown hereon is part of the cluster subdivision of Piney Point Landing, approved and subject to covenants and restrictions of record.

2) Public utility easements shall be a minimum of 10 feet in width along all property lines or as required in the St. Mary's County Subdivision Regulations, Article II, Section 4.00, and there shall be a 15 foot easement along all rear lots of record. Said 15 foot easement is for all Public Utilities and drainage.

3) All lots shall be served by central water and sanitary sewer systems constructed in accordance with the St. Mary's County Standards and specifications for water and sewer construction and in accordance with the public works agreement between the Developer and the St. Mary's County Metropolitan Commission. The subdivision shown hereon is in compliance with the St. Mary's County Comprehensive Water and Sewer Plan.

4) The (15) easement(s) as indicated are for the use of Piney Point Landing Partnership, its heirs and assigns, to install and maintain all below ground utilities and such appurtenances as may be required during installation and/or maintenance shall be promptly stabilized.

5) See utility easement covenant for further clarification.

UTILITY EASEMENT COVENANT

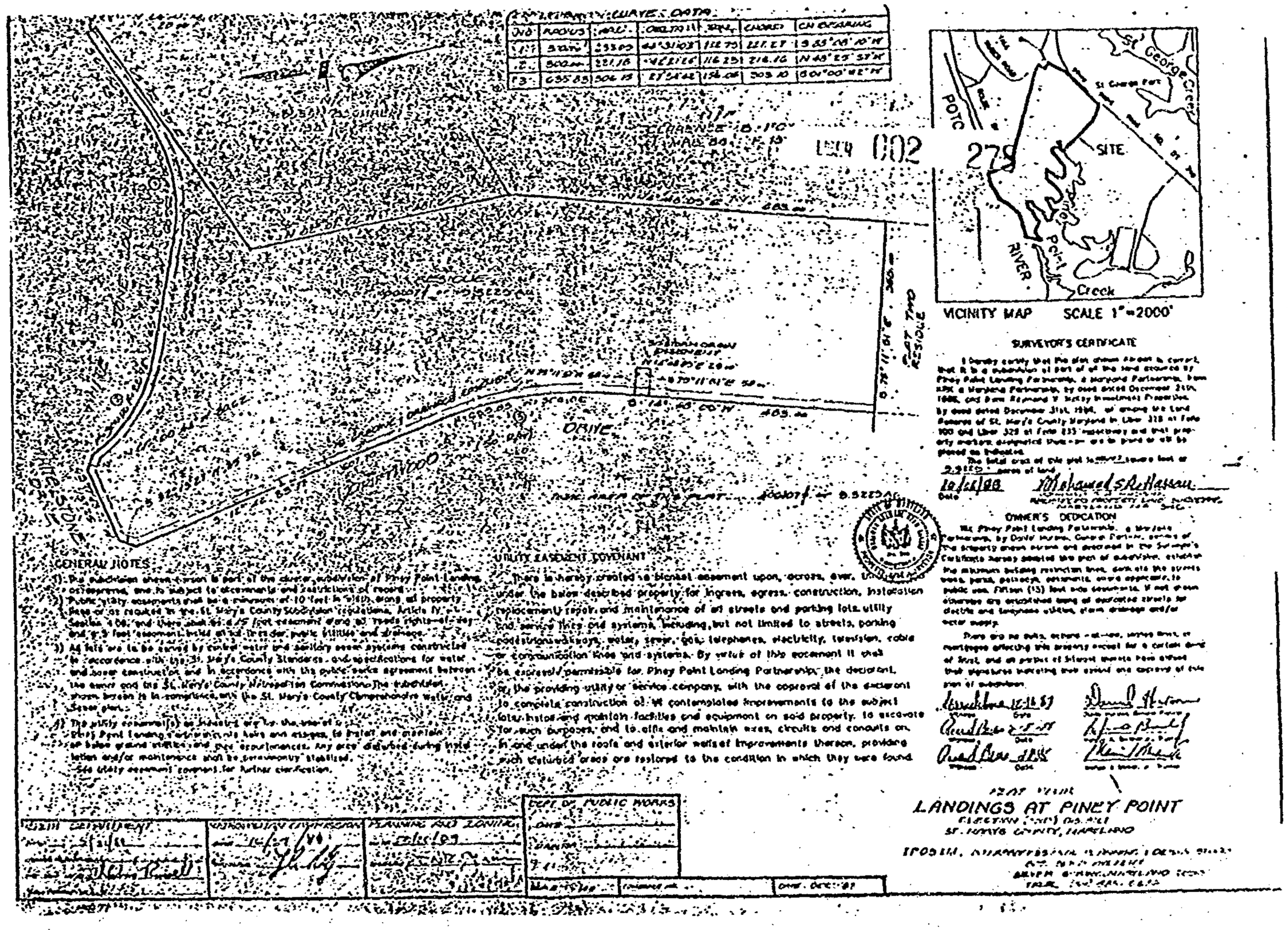
There is hereby created, a blanket easement upon, across, over, through and under the below described property for ingress, egress, construction, installation, replacement, repair and maintenance of all streets and parking lots, utility and service lines and systems, including, but not limited to streets, parking, pedestrian walkways, water, sewer, gas, telephones, electricity, television, cable or communication lines and systems. By virtue of this easement it shall be expressly permissive for Piney Point Landing Partnership, the declarant, or the pending utility or service company, with the approval of the declarant to complete construction of all contemplated improvements to the subject lots, install and maintain facilities and equipment on said property, to excavate for such purposes, and to affix and maintain wires, circuits and conduits on, in and under the roofs and exterior walls of improvements thereon, providing such disturbed areas are restored to the condition in which they were found.

HEALTH DEPARTMENT	METROPOLITAN COMMISSION	PLANNING AND ZONING	DEPT OF PUBLIC WORKS
Date 10/31/88	Date 11/07/88	Date 11/8/88	Date
			Director

PLAT THREE
LOTS 80 THRU 92
LANDINGS AT PINEY POINT
ELECTION (2ND) DISTRICT
ST. MARY'S COUNTY, MARYLAND

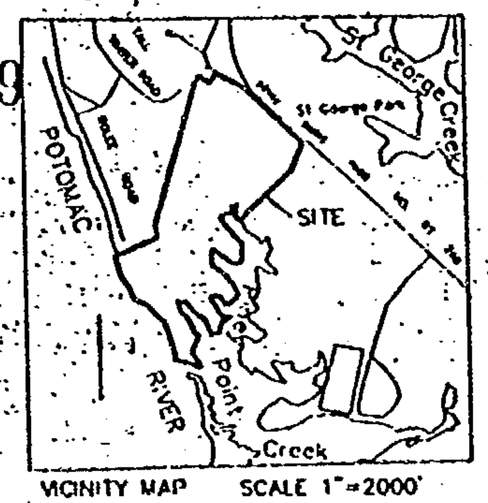
IPUSLLC, INTERPROFESSIONAL PROJECT MANAGEMENT GROUP
101 BLUE HERON
SILVER SPRING, MARYLAND 20901
(301) 593-[illegible]

PLAT 77
2000 APR


CURVE DATA
VICINITY MAP SCALE 1"=2000'
SITE
POTC
RIVER
Point
Creek
St George Creek
SURVEYOR'S CERTIFICATE
OWNER'S DEDICATION
GENERAL NOTES
UTILITY EASEMENT COVENANT
DRIVE
LANDINGS AT PINEY POINT
ST. MARY'S COUNTY, MARYLAND
DEPT. OF PUBLIC WORKS
PLANNING AND ZONING

LBER 002 279

	CURVE DATA				



VICINITY MAP SCALE 1"=2000'

GENERAL NOTES

1) The subdivision shown hereon is part of the Bunker subdivision of Piney Point Landing as recorded, and is subject to documents and restrictions of record.

2) Public utility easements shall be a minimum of 10 feet in width along all property lines or as required in the St. Mary's County Subdivision Regulations, Article IV - Section 4.00, one there shall be a 25 foot easement along all roads rights-of-way and a 5 foot easement inside all lot lines for public utilities and drainage.

3) All lots are to be served by central water and sanitary sewer systems constructed in accordance with the St. Mary's County Standards and specifications for water and sewer construction and in accordance with the public parks agreement between the Sikorsky and the St. Mary's County Subdivision Commission. The subdivision shall be zoned in compliance with the St. Mary's County Comprehensive Water and Sewer Plan.

4) The utility easement(s) to be granted are for the use of Piney Point Landing Partnership, its heirs and assigns, to install and maintain all buried ground utilities and their appurtenances. Any area disturbed during installation and/or maintenance shall be permanently stabilized.

See utility easement covenant for further certification.

UTILITY EASEMENT COVENANT

There is hereby created a blanket easement upon, across, over, through and under the below described property for ingress, egress, construction, installation replacement, repair and maintenance of all streets and parking lots, utility and service division systems, including but not limited to streets, parking, pedestrian walkways, water, sewer, gas, telephones, electricity, television, cable or communication lines and systems. By virtue of this easement it shall be expressly permissible for Piney Point Landing Partnership, the declarant, or the providing utility or service company, with the approval of the declarant to complete construction of all contemplated improvements to the subject lots, install and maintain facilities and equipment on said property, to excavate for such purposes, and to affix and maintain wires, circuits and conduits on, in and under the roofs and exterior walls of improvements thereon, providing such disturbed areas are restored to the condition in which they were found.

SURVEYOR'S CERTIFICATE

I hereby certify that the plan shown hereon is correct. that it is a subdivision of part of all the land acquired by Piney Point Landing Partnership, a Maryland Partnership, from KPK, a Maryland Partnership, by deed dated December 21th, 1986, and from Raymond V. Sickey Investment Properties, by deed dated December 31st, 1986, all among the Land Records of St. Mary's County Maryland in Liber 328 at Folio 210 and Liber 329 at Folio 235 respectively and that properly monuments designated hereon are in place or will be placed as indicated.

The total area of this plat totaling [illegible] square feet or 9.3122 acres of land.

10/6/88 Date

Mohamed S. Hassan

OWNER'S DEDICATION

We, Piney Point Landing Partnership, a Maryland Partnership, by Danko Hassan, General Partner, owners of the property shown hereon and described in the Surveyor's Certificate hereby adopted this plan of subdivision, establish the minimum building restriction lines, grant the streets, walks, paths, pathways, easements, where applicable to public use, fifteen (15) feet wide easements, if not shown otherwise are established along all dedicated streets for electric and telephone utilities, storm drainage and/or water courses.

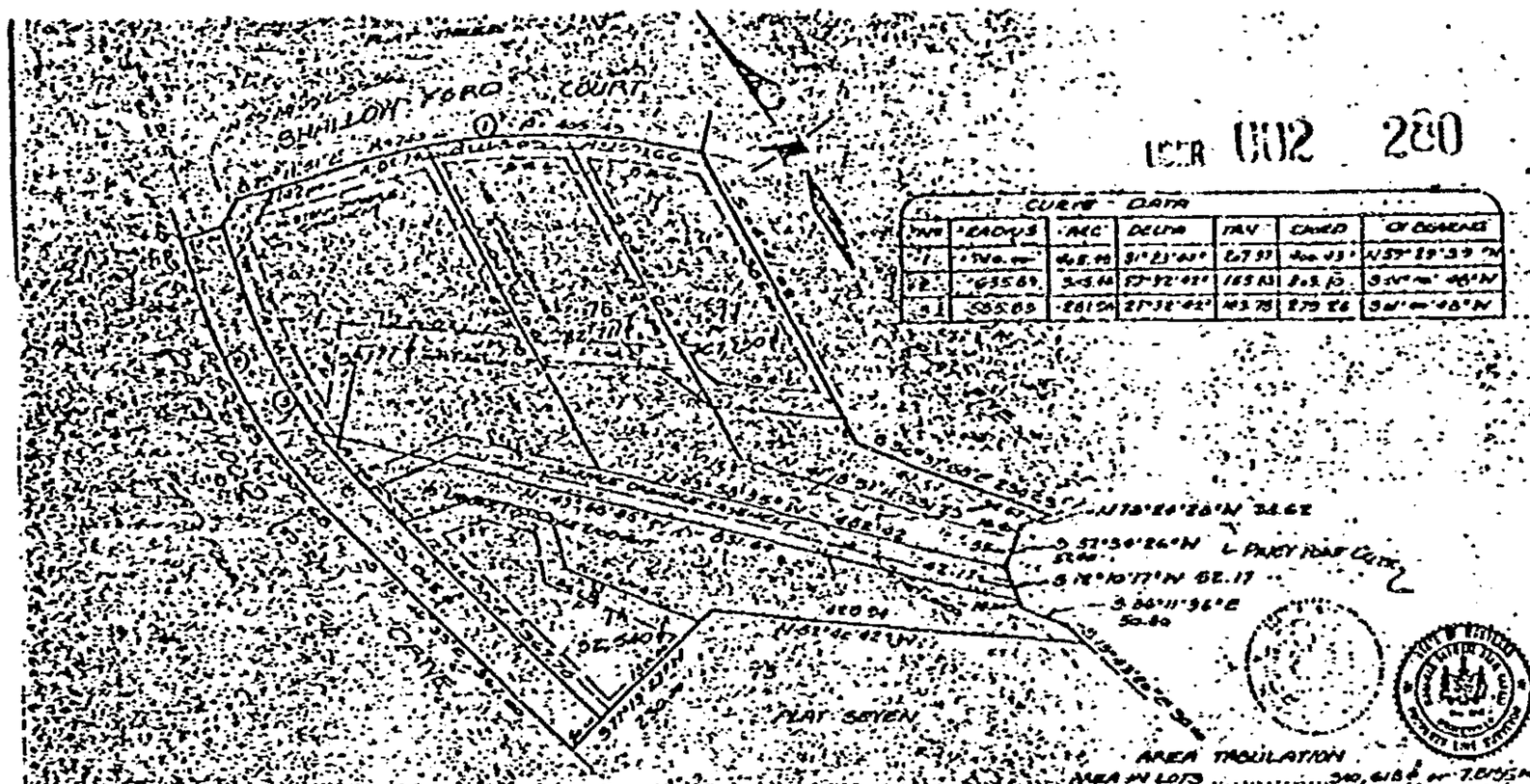
There are no suits, actions, writs, liens, debts, or mortgages affecting this property except for a certain deed of trust, and all parties of interest thereto have affixed their signatures indicating their assent and approval of this plan of subdivision.

Date

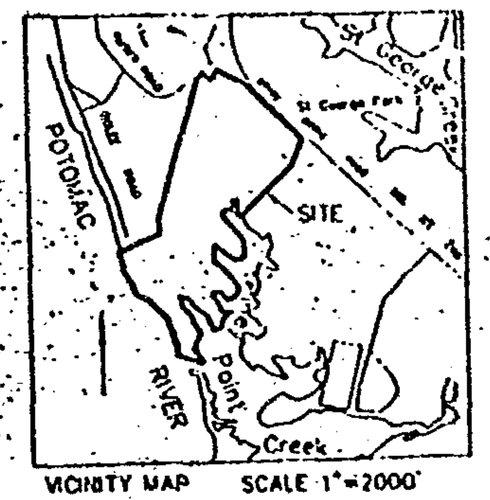
Date

Date

LBR 0002 280



CURVE DATA						
TYPE	RADIUS	ARC	DELTA	TAN	CHORD	CH BEARING
1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2	635.69	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3	505.85	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]



VICINITY MAP SCALE 1" = 2000'

AREA TABULATION

AREA IN LOTS ..... 340,618 ± or 7.8193 ac.
AREA IN STREET(s) ..... 23,000 ± or 0.5280 ac.
TOTAL AREA OF THIS PLAT ..... 363,618 ± or 8.3473 ac.

SURVEYOR'S CERTIFICATE

I hereby certify that the plan shown hereon is correct, that it is a subdivision of part of the land acquired by Piney Point Landing Partnership, a Maryland Partnership, from KRK, a Maryland Partnership, by deed dated December [illegible], 1986, and from Raymond V. Mitsky Investment Properties by deed dated December 31st, 1986, all among the land records of St. Mary's County, Maryland in Liber 328 at Folio 100 and Liber 328 at Folio 235 respectively and that property markers designated thereon are in place or will be placed as indicated.

The total area of this plat is [illegible] square feet or [illegible] acres of land.

[illegible] 10/26/88 Date

OWNER'S DEDICATION

We, Piney Point Landing Partnership, a Maryland Partnership, by David Hanson, General Partner, owners of the property shown hereon and described in the Surveyor's Certificate hereby adopt this plan of subdivision, establish the minimum building restriction lines, dedicate the streets, lanes, parks, walkways, easements, where applicable, to public use. Fifteen (15) feet side easements, if not shown otherwise are established along all dividing lines for electric and telephone utilities, storm drainage and or water mains.

There are no liens, actions-at-law, assessments, or mortgages affecting this property except for a certain deed of trust, and all parties of interest thereto have affixed their signatures indicating their assent and approval of this plan of subdivision.

[illegible] 12/6/88 Date
[illegible] 12-5-88 Date
[illegible] 12/5/88 Date

GENERAL NOTES

1) This subdivision shown hereon is part of the master subdivision of Piney Point Landing [illegible] approved, and is subject to easements and restrictions of record.
2) Public utility easements shall be a minimum of 10 feet in width along all property lines except as required by the St. Mary's County Subdivision Regulations, Article IV, Section 4.00, and have shall be a 15 foot easement along all roads right-of-way and a 5 foot easement along all lot line for public utilities and drainage.
3) All lots are to be served by central water and sanitary sewer systems constructed in accordance with the St. Mary's County Standards and specifications for water and sewer construction and in accordance with the public works agreement between the developer and the St. Mary's County Metropolitan Commission. The subdivision is being developed in compliance with the St. Mary's County Comprehensive Water and Sewer Plan.
4) Any utility easement(s) as indicated are for the use of [illegible] Piney Point Landing Partnership, its heirs and assigns, to install and maintain all above ground utilities and their appurtenances. Any tree disturbed during installation and/or maintenance shall be commercially stabilized.
See utility easement covenant for further clarification.

UTILITY EASEMENT COVENANT

There is hereby created a blanket easement upon, across, over, through, and under the below described property for ingress, egress, construction, installation, replacement, repair and maintenance of all streets and parking lots, utility and service lines and systems, including, but not limited to streets, parking, pedestrian walkways, water, sewer, gas, telephones, electricity, television, cable or communication lines and systems. By virtue of this easement it shall be expressly permissable for Piney Point Landing Partnership, the declarant, or the providing utility or service company, with the approval of the declarant to complete construction of all contemplated improvements to the subject lots, install, and maintain facilities and equipment on said property, to excavate for such purposes, and to affix and maintain wires, circuits and conduits on, in and under the roofs and exterior walls of improvements thereon, providing such disturbed areas are restored to the condition in which they were found.

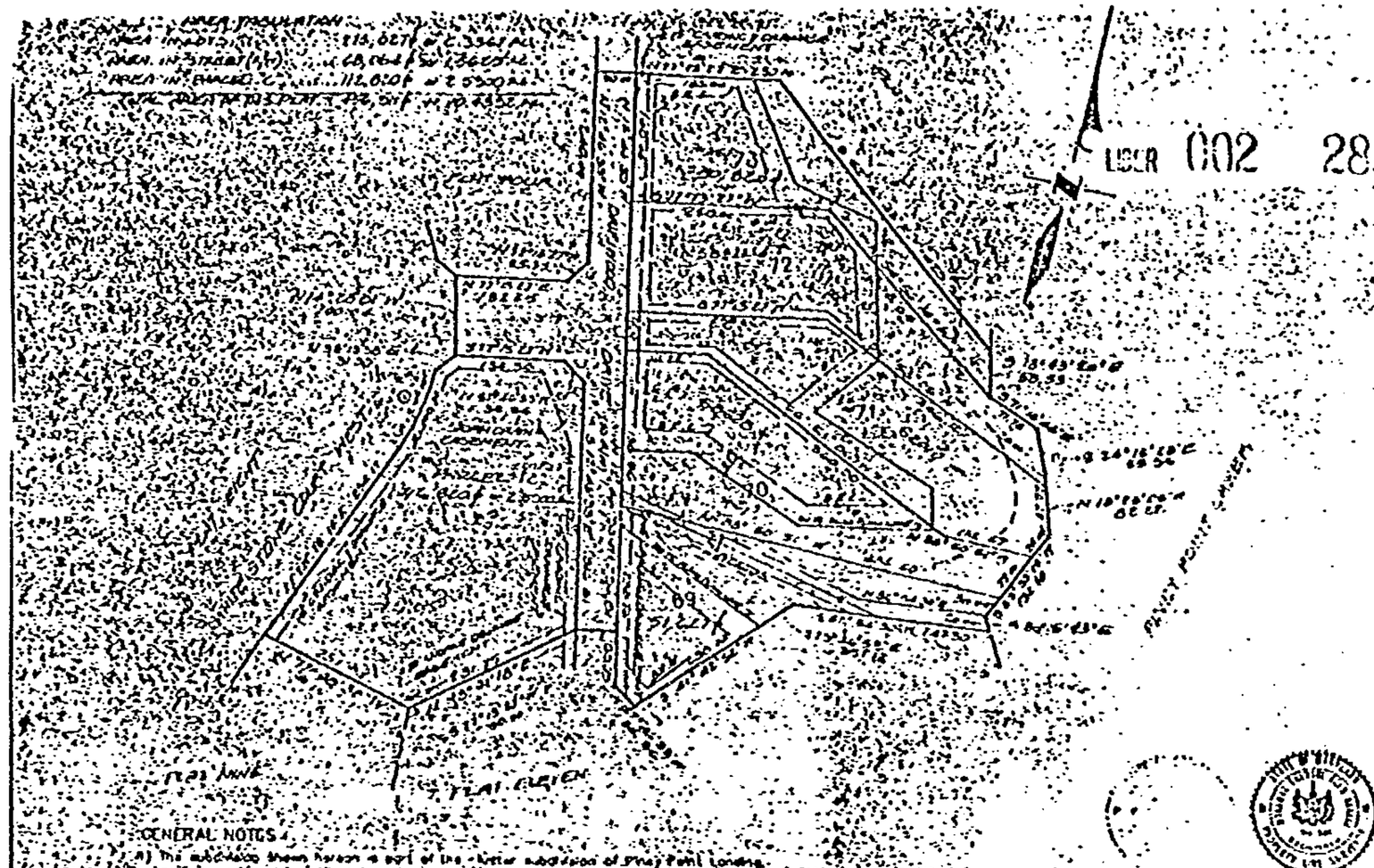
TOWN CONSTRUCTION	PUBLIC WORKS ENGINEER	PLANNING AND ZONING
date 3/21/91	date 11/27/88	date 3/20/91

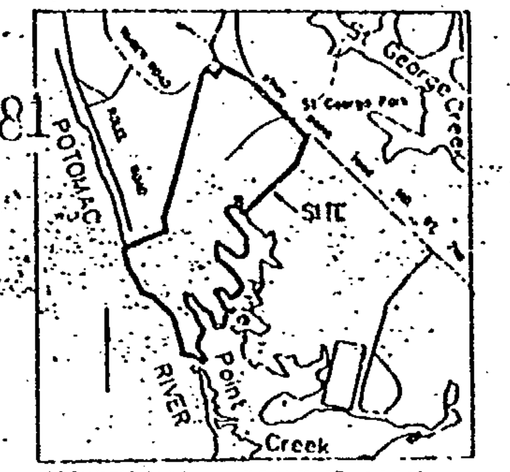
DEPT. OF PUBLIC WORKS
date
condition

PLAT SIX
LOTS 76 THRU 77
LANDINGS AT PINEY POINT
ELECTION (2ND) DISTRICT
ST. MARY'S COUNTY, MARYLAND

SPOSUS, ENGINEERING, PLANNING & DESIGN DIVISION
[illegible]
SILVER SPRING, MARYLAND 20910
[illegible]

LIBER 002 281





VICINITY MAP SCALE 1"=2000'

GENERAL NOTES

A) This subdivision shown hereon is part of the Piney Point Landing, Inc. development and is subject to agreements and restrictions of record.

B) Public utility easements shall be a minimum of ten feet in width along all property lines or as required in the St. Mary's County Subdivision regulations, Article IV, Section 4.06, and there shall be a 15 foot easement along all roads (right-of-way and a 5 foot easement outside of lot for other public utilities and drainage.

C) All lots are to be served by central water and sanitary sewer systems constructed in accordance with the St. Mary's County Standards and Specifications for water and sewer construction and in accordance with the form agreement between the owner and the St. Mary's County Metropolitan Commission, the allocation of capacity therein in compliance with the St. Mary's County Comprehensive Water and Sewer Plan.

D) The utility easement(s) as indicated on this plat are the use of Piney Point Landing Partnership, its heirs and assigns, to install and maintain underground utilities and pipelines. Any area disturbed during installation and/or maintenance shall be permanently stabilized.

See utility easement covenant for further clarification.

UTILITY EASEMENT COVENANT

Whereas, it is hereby created a blanket easement upon, across, over, through and under the below described property for ingress, egress, construction, installation, replacement, repair and maintenance of all streets and parking lots, utility lines, service lines and systems, including, but not limited to, streets, sanitary sewer, storm sewer, gas, telephones, electricity, television, cable or communication lines and systems. By virtue of this easement it shall be expressly permissible for Piney Point Landing Partnership, the developer, and the providing utility or service company, with the express of the owner, to complete construction of all contemplated improvements to the subject lots, install and maintain facilities and equipment on said property, to excavate for such purposes, and to site and maintain wires, circuits and conduits on, in and under the roads and other areas of improvements thereon, providing such disturbed areas are restored to the condition in which they were found.

SURVEYOR'S CERTIFICATE

I hereby certify that the plan shown hereon is correct, that it is a subdivision of part of the land acquired by Piney Point Landing Partnership, a Maryland Partnership, from KVF a Maryland Partnership, by deed dated December 29th, 1986, and from Raymond V. Morris Investment Properties, by deed dated December 31st, 1986, all among the Land Records of St. Mary's County, Maryland in Liber 328 at Folio 100 and Liber 322 at Folio 235 respectively and that proper monuments designated thereon are in place or will be placed as indicated.

The total area of this plat [illegible] square feet or [illegible] acres or [illegible]

10/06/88 Mohamad Sh. Hussein
Date REGISTERED PROPERTY LINE SURVEYOR

OWNER'S DEDICATION

We, Piney Point Landing Partnership, a Maryland Partnership, by Dana Hussein, General Partner, owner of the property shown hereon and described in the Surveyor's Certificate hereby adopted the plan of subdivision, establish the minimum building restriction lines, dedicate the streets, lanes, parks, easements, shown hereon for public use. Fifteen (15) foot wide easements, if not shown otherwise are established along all dedicated streets for electric and telephone utilities, storm drainage and/or water supply.

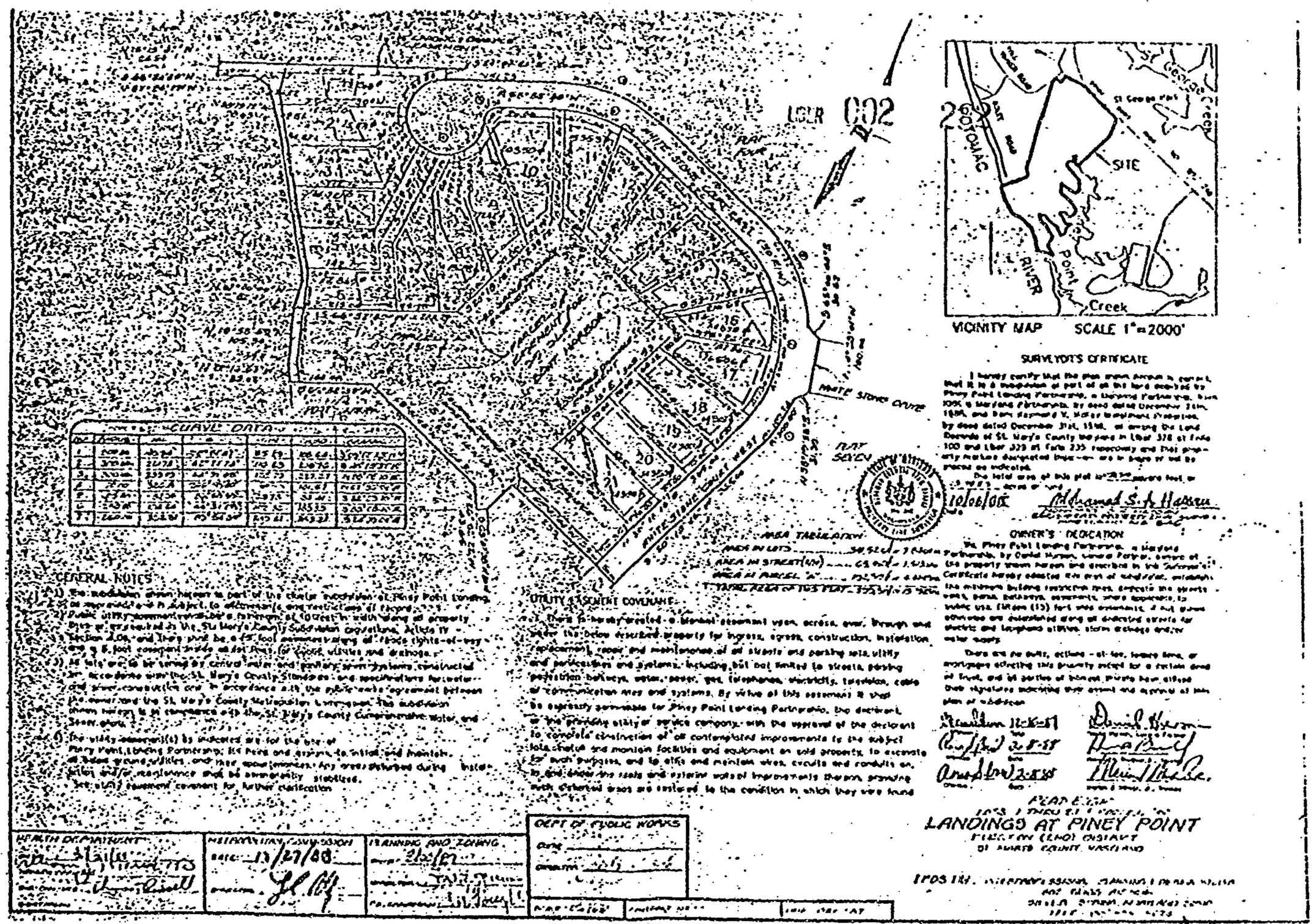
There are no suits, actions, writs, liens, leases, liens, or mortgages affecting the property except for a certain deed of trust, and all parties of interest thereto have affixed their signatures indicating their assent and approval of this plan of subdivision.

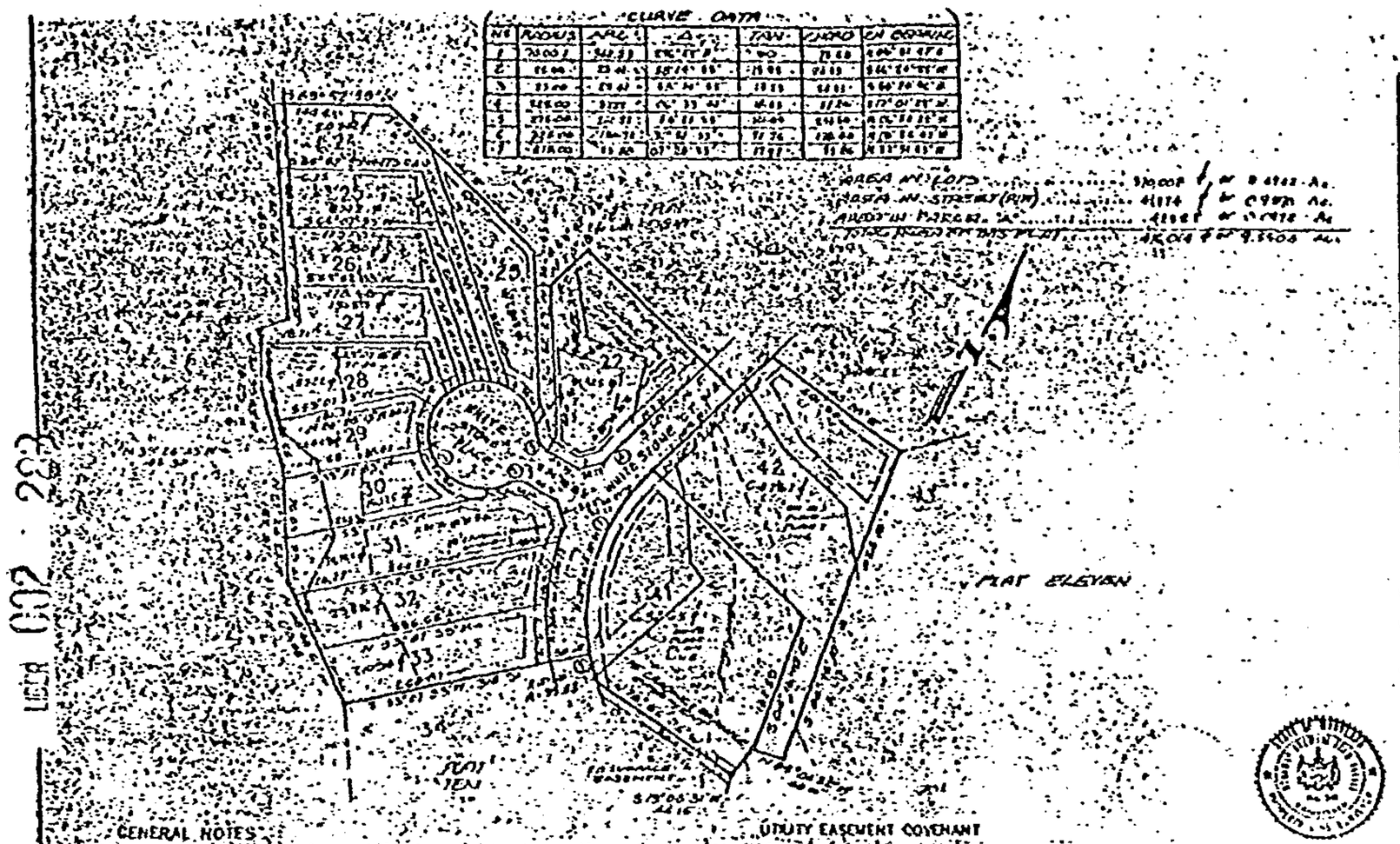
Witness 10-10-88 Dana Hussein
Witness 7-5-88 Nuri Dawlaf
Witness 10/10/88 Mazen Hussein

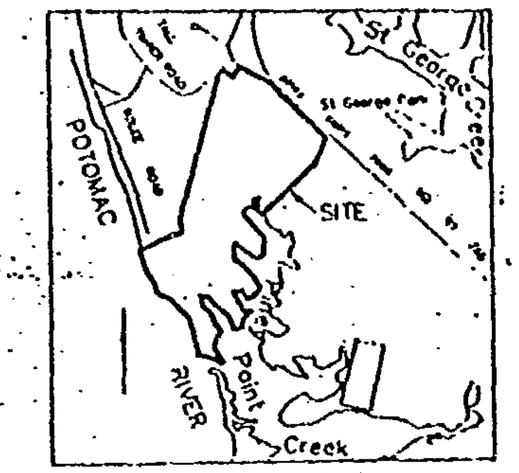
LANDINGS AT PINEY POINT

DEPT OF PUBLIC WORKS

LGLR 002


POTOMAC
SITE
RIVER
Point
Creek
VICINITY MAP SCALE 1"=2000'
SURVEYOR'S CERTIFICATE
OWNER'S DEDICATION
CURVE DATA
GENERAL NOTES
UTILITY EASEMENT COVENANT
AREA TABULATION
WHITE STONE DRIVE
PLAT SERIES
HEALTH DEPARTMENT
PLANNING AND ZONING
DEPT OF PUBLIC WORKS
LANDINGS AT PINEY POINT





VICINITY MAP SCALE 1"=2000'

GENERAL NOTES

1) The subdivision shown hereon is part of the cluster subdivision of Piney Point Landing as approved, and is subject to covenants and restrictions of record.

2) Public utility easements shall be a minimum of 10 feet in width along all property lines as required in the St. Mary's County Subdivision regulations, Article IV - Section 4.06, and there shall be a 15 foot easement along all roads right-of-way and a 5 foot easement inside of lot lines for public utilities and drainage.

3) All lots are to be served by central water and sanitary sewer systems constructed in accordance with the St. Mary's County Standards and specifications for water and sewer construction and in accordance with the public water easement between the owner and the St. Mary's County Metropolitan Commission. The subdivision shown hereon is in compliance with the St. Mary's County Comprehensive Water and Sewer Plan.

4) The utility easement(s) as indicated are for the use of Piney Point Landing Partnership, its heirs and assigns, to install and maintain all area ground utilities and their appurtenances. Any area disturbed during installation and/or maintenance shall be permanently stabilized.

See utility easement covenant for further particulars.

UTILITY EASEMENT COVENANT

There is hereby created a blanket easement upon, across, over, through and under the below described property for ingress, egress, construction, installation, replacement, repair and maintenance of all streets and parking lots, utility and service lines and systems, including, but not limited to streets, parking, pedestrian walkways, water, sewer, gas, telephones, electricity, television, cable or communication lines and systems. By virtue of this easement it shall be expressly permissible for Piney Point Landing Partnership, the declarant, or the providing utility or service company, with the approval of the declarant, to complete construction of all contemplated improvements to the subject lots, install and maintain facilities and equipment on said property, to excavate for such purposes, and to affix and maintain wires, circuits and conduits on, in and under the roofs and exterior walls of improvements thereon, providing that disturbed areas are restored to the condition in which they were found.

SURVEYOR'S CERTIFICATE

I hereby certify that the plat shown hereon is correct; that it is a subdivision of part of all the land acquired by Piney Point Landing Partnership, a Maryland Partnership, from [illegible], a Maryland Partnership, by deed dated December [illegible], 1985, and from Raymond V. Morley Investment Properties, by deed dated December 31st, 1986, of record in the Land Records of St. Mary's County, Maryland in Liber 328 at Folio 100 and Liber 328 at Folio 233, respectively and that proper monuments designated thereon are in place or will be placed as indicated.

The total area of this plat is [illegible] square feet or [illegible] acres of land.

10/26/88 Richard S. Hasson
Date

OWNER'S DEDICATION

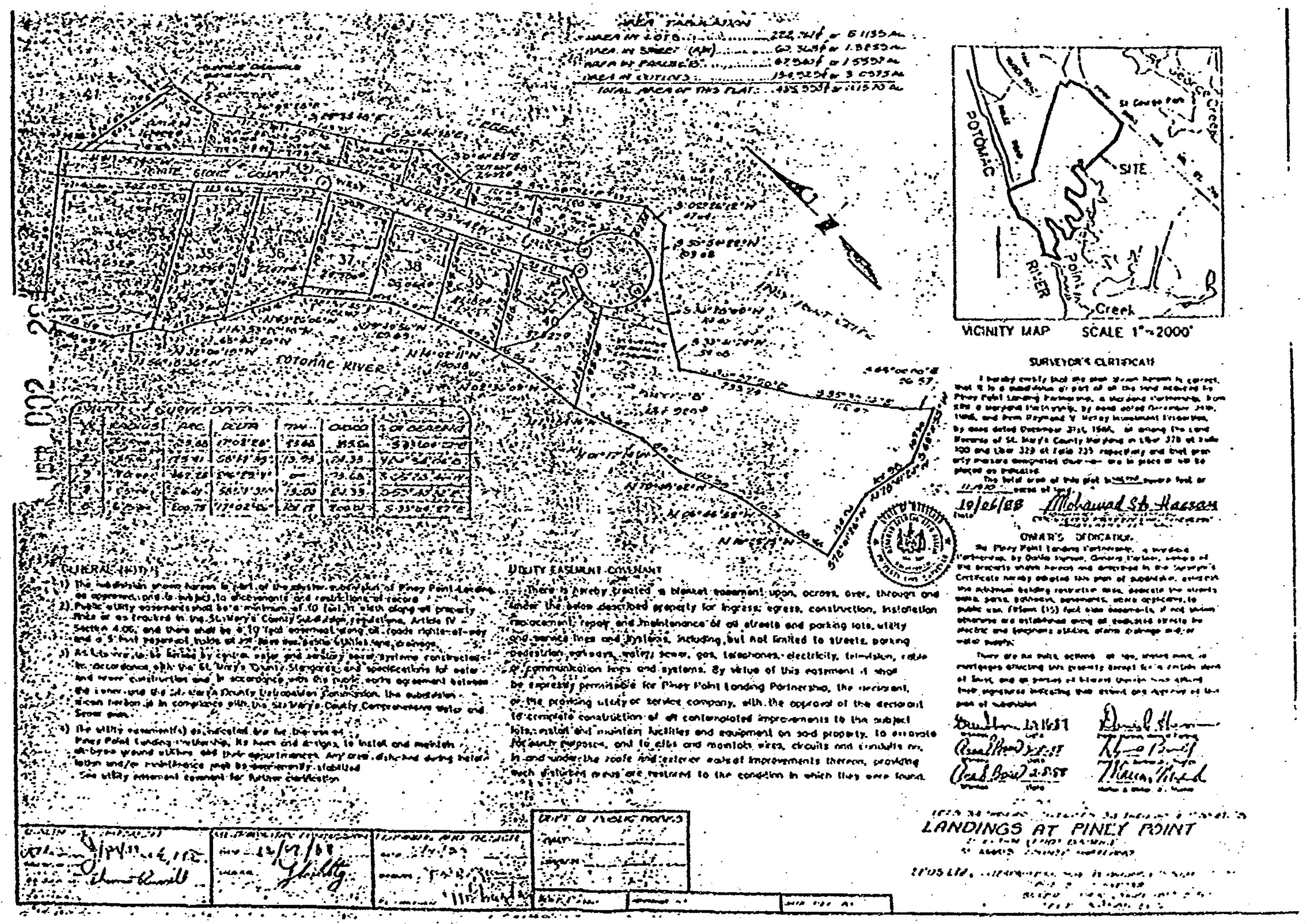
We, Piney Point Landing Partnership, a Maryland Partnership, by David Hasson, General Partner, owners of the property shown hereon and described in the Surveyor's Certificate hereby adopt this plan of subdivision, establish the minimum building restriction lines, dedicate the streets, ways, public parkland, easements, areas and roads to public use. Fifteen (15) foot wide easements, if not shown, shall be established along or adjacent streets for electric and telephone utilities, storm drainage and or water mains.

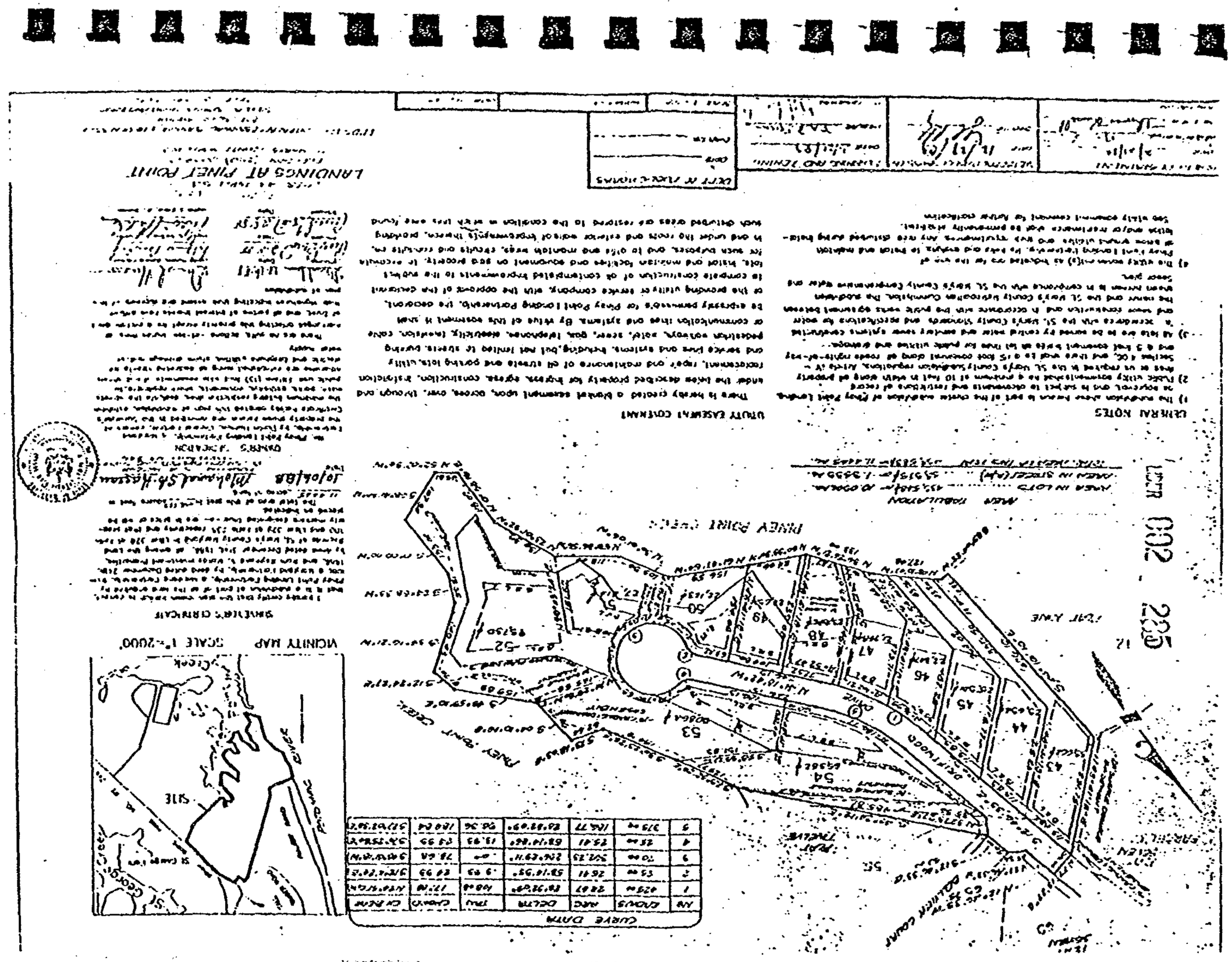
There are no suits, actions, actions at law, leases, liens, or mortgages affecting this property except for a certain deed of trust, and we persons of interest thereto have affixed their signatures indicating their assent and approval of this plan of subdivision.

[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]

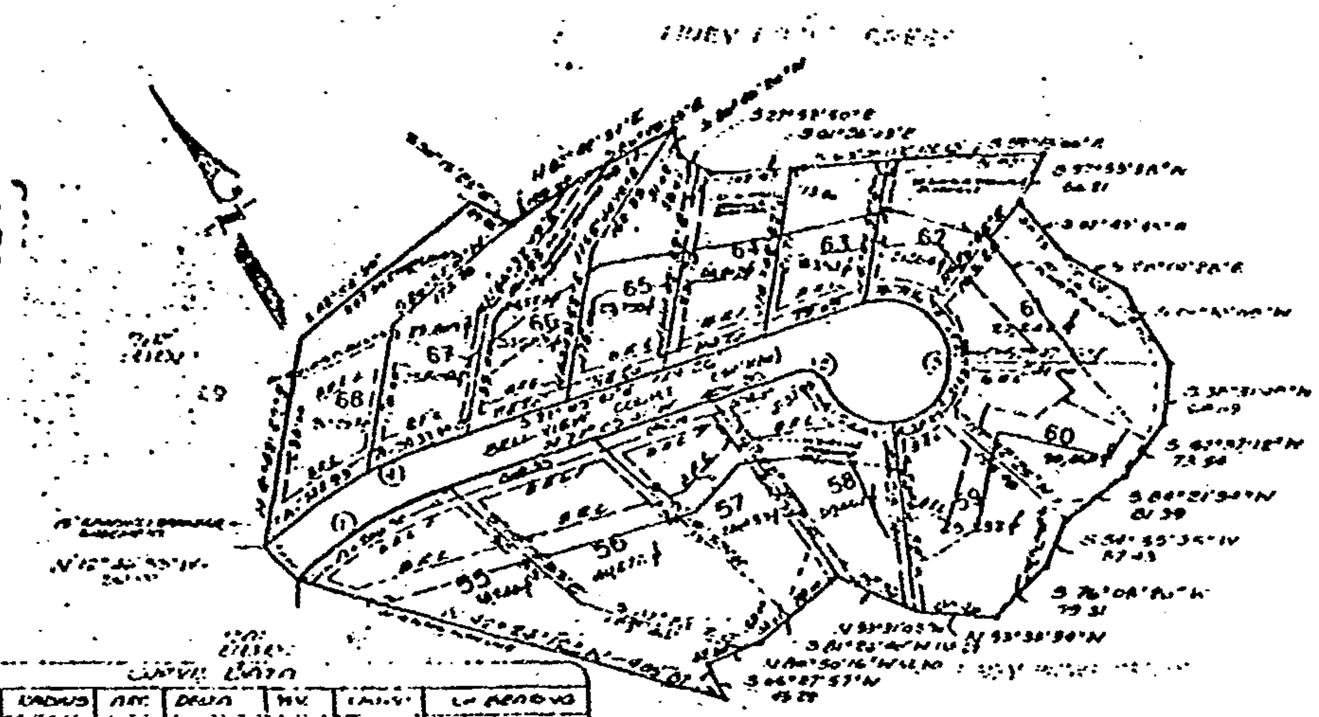
LOTS 22 THRU 51 AND LOTS 52 & 53
LANDINGS AT PINEY POINT

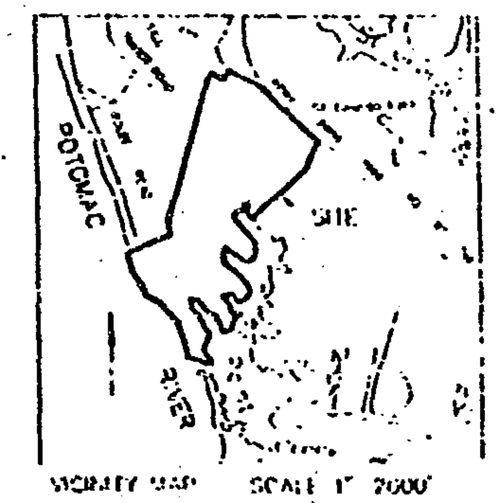
[illegible]	[illegible]	PLANNING AND ZONING	DEPT. OF PUBLIC WORKS
[illegible]	[illegible]	[illegible]	[illegible]


POTOMAC RIVER
SITE
Point Creek
VICINITY MAP SCALE 1"=2000'
SURVEYOR'S CERTIFICATE
OWNER'S DEDICATION
UTILITY EASEMENT COVENANT
GENERAL NOTES
LANDINGS AT PINEY POINT


LANDINGS AT PINEY POINT
PINEY POINT CREEK
VICINITY MAP SCALE 1"=2000'
SURVEYOR'S CERTIFICATE
OWNERS DEDICATION
LEGAL NOTES
UTILITY EASEMENT COVENANT
CURVE DATA
LOT 52
LOT 53
LOT 54
LOT 55
LOT 56
LOT 48
LOT 49
LOT 50
LOT 45
LOT 46
LOT 43
LOT 44
PLAT TWELVE
PINEY POINT CREEK
SITE

LIBER 002 286





VICINITY MAP SCALE 1" 2000'

AREA TABULATION

SURVEYOR'S CERTIFICATE

10/01/88

OWNER'S NOTICE

GENERAL NOTES

1) The subdivision shown hereon is part of the master subdivision of Piney Point Landing, as approved, and is subject to easements and restrictions of record.
2) Public utility easements shall be a minimum of 10 feet in width along all property lines or as required in the St. Mary's County Subdivision regulations, Article IV - Section 4.06, and there shall be a 10 foot easement along all private rights-of-way and a 5 foot easement inside all lot lines for public utilities and drainage.
3) All lots are to be served by central water and sanitary sewer systems constructed in accordance with the St. Mary's County Standards and specifications for water and sewer construction and in accordance with the public water easement between the owner and the St. Mary's County Metropolitan Commission. The subdivision shown hereon is in compliance with the St. Mary's County Comprehensive Water and Sewer plan.
4) The utility easement(s) as indicated are for the use of Piney Point Landing Partnership, its heirs and assigns, to install and maintain all buried ground utilities and their appurtenances. Any area disturbed during installation and/or maintenance shall be promptly restored.
See utility easement covenant for further restrictions.

UTILITY EASEMENT COVENANT

There is hereby created a blanket easement upon, across, over, through and under the below described property for ingress, egress, construction, installation, replacement, repair and maintenance of all streets and parking facilities and service lines and systems, including, but not limited to streets, parking, pedestrian walkways, water, sewer, gas, telephones, electricity, television, cable or communication lines and systems. By virtue of this easement it shall be expressly permissible for Piney Point Landing Partnership, the declarant, or the providing utility or service company, with the approval of the declarant to complete construction of all contemplated improvements to the subject lots, install and maintain facilities and equipment on said property, to excavate for such purposes, and to affix and maintain wires, circuits and conduits on, in and under the roofs and exterior walls of improvements thereon, providing such disturbed areas are restored to the condition in which they were found.

DATE OF PUBLIC HEARING

LANDINGS AT PINEY POINT

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EXHIBIT III-A

ARTICLES OF INCORPORATION

ARTICLES OF INCORPORATION OF THE
THE LANDINGS AT PINEY POINT HOMEOWNERS ASSOCIATION, INC.

FIRST: I, the undersigned, HILTON C. SMITH, JR., whose post office address is 50 Summit Avenue, Hagerstown, Maryland 21740, being at least twenty-one (21) years of age, do hereby designate myself as incorporator with the intention of forming a corporation under and by virtue of the laws of the State of Maryland.

SECOND: The name of the Corporation is

THE LANDINGS AT PINEY POINT HOMEOWNERS ASSOCIATION, INC.

THIRD: Said Corporation is incorporated as a non-stock corporation not for profit under the provisions of the Annotated Code of Maryland, as amended, and will be referred to hereafter as the "Association".

FOURTH: The principal office and post office address of the Association shall be located at 50 Summit Avenue, Hagerstown, Maryland 21740. The name and address of the resident registered agent of the Association is: Hilton C. Smith, Jr., 50 Summit Avenue, Hagerstown, Maryland 21740; said resident agent is a resident of the State of Maryland and actually resides therein.

FIFTH: The purposes for which this Association is formed do not contemplate pecuniary gain or profit to the members thereof, and the specific purposes for which it is formed are to provide for maintenance, preservation and architectural control of the residence Lots and Common Areas within that certain tract of property identified and described as The Landings at Piney Point in St. Mary's County, Maryland. These Lots and Common Areas are subject to a certain Declaration of Covenants, Conditions and

Restrictions (the "Declaration"). The purposes for which this Association is formed also include the promotion of 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 the following:

(a) To exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in the Declaration, applicable to the property and recorded or to be recorded in the Office of the Clerk of the Circuit Court of St. Mary's 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) To fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the property of the Association;

(c) To 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) To dedicate, sell or transfer all or any part of the Association property to any public agency, authority or utility;

(e) To borrow money, to mortgage, pledge, deed in trust, or hypothecate any or all of the Association's real or personal property as security for money borrowed or debts incurred; and

(f) To have and to exercise any and all powers, rights and privileges which a corporation, organized under the corporation not-for-profit law of the State of Maryland, by law may now or hereafter have or exercise.

SIXTH: Every person or entity who is a record Owner of a fee or undivided fee interest in any Lot shall be a Member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association. Ownership of such Lot shall be the sole qualification for membership.

SEVENTH: The Association shall have two classes of voting membership:

Class A: Class A Members shall be all those Owners as defined in paragraph SIXTH with the exception of Piney Point Landing Partnership, a Maryland general partnership, the Declarant, its successors and assigns. Class A Members shall be entitled to one vote for each Lot in which they hold the interest required for membership by paragraph SIXTH. When more than one person holds

such 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 vote be cast with respect to any Lot.

Class B: The Class B Member shall be Piney Point Landing Partnership, a Maryland general partnership, the Declarant, its successors and assigns. The Class B Member shall be entitled to six (6) votes for each Lot in which it holds the interest required for membership by paragraph SIXTH, PROVIDED THAT 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:

(a) when the total votes outstanding in the Class A membership exceed the total votes outstanding in the Class B membership, or

(b) January 1, 1994, or

(c) Upon the surrender of said Class B Membership by the then holder thereof for cancellation on the books of the Association.

EIGHTH: The term for which this Association is to exist is perpetual.

NINTH: This Association shall be governed by a Board of Directors, who need not be Lot owners, consisting of not less than three (3) and no more than five (5) persons and the names and addresses of the persons who are to serve as Directors until the first annual meeting of the members are as follows:

William E. Murray	50 East 77th Street, #5C New York, NY 10021
Hilton C. Smith, Jr.	50 Summit Avenue Hagerstown, MD 21740
Raymond C. Geiger	Charleston, SC

Commencing with the first annual meeting and at each subsequent annual meeting of the Members of the Association, the Directors of the Association will be elected by the Members and they will hold office in each instance until the next annual meeting of the Members or until removed or until their successors are elected and qualified. Vacancies in the Board of Directors shall be filled by the remaining Directors at a special meeting called for that purpose and a Director so elected shall serve until the next annual meeting of the Association.

TENTH: The Board of Directors shall have all the powers and duties referred to in the Declaration and in the laws of the State of Maryland respecting corporations not for profit.

ELEVENTH: The initial By-Laws of this Association are those adopted by the Board of Directors and entered in the Minute Book of the Association. Such By-Laws may be altered, amended, added to or repealed by the Members of the Association in the manner provided for in said initial By-Laws and in conformity with the provisions and requirements of the Maryland statutes regulating non-stock corporations not for profit, as amended from time to time, which is currently set forth in the Annotated Code of Maryland, as amended from time to time.

TWELFTH: The Articles of Incorporation may be altered, amended, changed, added to, or repealed, in the manner now or

hereafter prescribed by statute or herein, at any duly called meeting of the Members of this Association provided that (a) the notice of the meeting is given in the manner provided for in the By-Laws and it contains a full statement of the proposed alteration, amendment, change, addition, or repeal, and (b) there is an affirmative vote of sixty-six and two/thirds (66.66%) of all Members present in person or by proxy of said alteration, amendment, change, addition, or repeal, provided that: (i) any amendment to The Articles of Incorporation, so long as there exists Class B Members, shall require the consent of one hundred (100%) percent of the Class B membership, and (ii) no amendment may be made to The Articles of Incorporation which shall change or alter the priority of any Institutional First Mortgage which shall then be a lien on any lot.

THIRTEENTH: This Association shall never have or issue shares of stock nor shall it have the authority to do so. The Association will never have or provide for non-voting membership.

FOURTEENTH: The Association shall have all the powers set forth and described in the Maryland statutes regulating non-stock corporations not for profit, as amended from time to time, which are currently set forth in the Annotated Code of Maryland, together with those powers conferred by the aforesaid Declaration, this Articles of Incorporation and any and all lawful By-Laws of the Association.

FIFTEENTH: Each Director and Officer of this Association shall be indemnified by the Association against all costs and expenses reasonably incurred or imposed upon him in connection with

or arising out of any action, suit or proceedings in which he may be involved or to which he may be made a party by reason of his having been a Director or Officer of this Association, such expense to include the cost of reasonable settlement (other than amounts paid to the Association itself) made with a view to curtailment of costs of litigation. The Association shall not, however, indemnify such Director or Officers with respect to matters as to which he shall be finally adjudged in any such action, suit or proceedings to be liable for negligence or misconduct in the performance of his duty as such Director or Officer, or in respect to any matter in which any settlement or compromise is effected if the total expense, including the cost of settlement, shall substantially exceed the expense which might reasonably be incurred by such Director or Officer in conducting such litigation to final conclusion, and in no event shall anything herein contained be construed as authorizing this Association to indemnify any such Director or Officer against any liability of the Association to which he would otherwise be subject by reason of willful malfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of his office. The foregoing right of indemnification shall be in addition to any other rights to which any such Director or Officer may be entitled as a matter of law or otherwise.

SIXTEENTH: Capitalized terms herein shall have the same defined meaning as set forth in the Declaration and the By-Laws.

IN WITNESS WHEREOF, I have signed these Articles of Incorporation this 30th day of July, 1992.

WITNESS:

Kate Kurnbrie

HILTON C. SMITH, JR. (SEAL)

STATE OF Maryland
County of Washington }

BEFORE ME, the undersigned authority, this day personally appeared HILTON C. SMITH, JR., who after being duly sworn according to law, deposes and says that he is competent to contract and further acknowledge that he did subscribe to the foregoing Articles of Incorporation freely and voluntarily and for the purposes therein expressed.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal this 30th day of July, 1992.

Alessa J. Banzhoff (SEAL)
NOTARY PUBLIC

My Commission expires: 9-1-95

EXHIBIT III-B

BY-LAWS

BY-LAWS OF

THE LANDINGS AT PINEY POINT HOMEOWNERS ASSOCIATION INC.

(A Non-Profit Maryland Corporation)

ARTICLE I. NAME AND LOCATION

The name of the corporation is THE LANDINGS AT PINEY POINT HOMEOWNERS ASSOCIATION, INC., hereinafter referred to as the "Association". The principal office of the corporation shall be located at 50 Summit Avenue, Hagerstown, Maryland 21740, or at such other places as may be subsequently designated by the Board of Directors, but meetings of Members and Directors may be held at such places within the State of Maryland as may be designated by the Board of Directors.

ARTICLE II. DEFINITION OF TERMS

The following words, when-used in these By-Laws, shall have the following meanings:

1. "Applicant" shall mean any person or entity submitting Plans for consideration, approval or disapproval to the Architectural Committee.

2. "Architectural Committee" shall mean that committee designated in accordance with the provisions of Article IX of the Declaration.

3. "Articles of Incorporation" shall mean and refer to the Charter of The Landings at Piney Point Homeowners Association, Inc., a Maryland non-stock non-profit corporation, and shall

include such amendments, if any, as may be adopted from time to time pursuant to the terms thereof.

4. "Association" shall mean and refer to The Landings at Piney Point Homeowners Association, Inc., a non-stock non-profit Maryland corporation, its successors and assigns.

5. "By-Laws" shall mean and refer to these By-Laws of The Landings at Piney Point Homeowners Association, Inc., a Maryland non-stock non-profit corporation, and shall include such amendments, if any, as may be adopted from time to time pursuant to the terms thereof.

6. "Common Area" shall mean any portion of the Property designated by the Declarant as such as may now or hereafter be owned by the Association for the common use and enjoyment of the Members of the Association.

7. "Declarant" shall mean the PINEY POINT LANDING PARTNERSHIP, a Maryland general partnership, its successors and assigns.

8. "Declaration" shall mean and refer to The Landings at Piney Point Declaration of Covenants, Restrictions and Conditions recorded in the Land Records of St. Mary's, Maryland as may be amended from time to time.

9. "Home" shall mean and refer to the single-family dwelling constructed on a Lot according to Plans approved by the Architectural Committee.

10. "Improvements" shall mean all construction or improvements of any kind or character constructed on a Lot including but

not limited to any dwelling, structure, Home, landscaping, grading, building, sign, fence, wall, garage, greenhouse, shed, bath house, deck, gazebo, swimming pool, tennis court, play house, storage facility, maintenance shed, dog house, utility line or system, jetty, bulkhead, revetment, pier, dock, boat ramp, driveway, walkway, drain, exterior lighting, flag pole, mail box, clothes line, satellite dish, antenna or any other structure of any other kind or character. Improvements shall be deemed to include all items of personal property which are visible from public streets, Lots, Common Area or the waters surrounding the Project.

11. "Lot" shall mean any Lot or Lots, now or hereafter shown and set forth on a duly recorded plat of subdivision, located within the Property upon which a Home or improvements, additions or modifications may be made or erected in conformance with the requirements of the Declaration.

12. "Lot Owner" or "Lot Owners" shall mean the record fee simple owners of the Lots. Except as may be otherwise herein provided, where any provision of the Declaration confers the right to vote upon the Lot Owners, such right shall be exercised by one vote for each Lot, regardless of the number of record owners who shall have an interest in any respective Lot. Lot Owners shall not include those persons having any right, title or interest in a Lot merely as security for the performance of an obligation unless and until such person takes title to such Lot by foreclosure or deed in lieu thereof. The term "person" includes any natural person or any entity capable of holding title to real property.

13. "Member" shall mean and refer to every person or entity who holds Membership in the Association.

14. "Institutional First Mortgage" shall mean a first mortgage or deed of trust conveying a Lot or Lots executed in favor of and securing an Institutional First Mortgagee.

14. "Institutional First Mortgagee" shall mean a bank or savings and loan association, insurance company, pension fund, real estate trust, or any other entity which owns or holds an Institutional First Mortgage encumbering a Lot.

15. "Plans" shall mean collectively all plans for clearing of trees, grading, construction, Improvements, fences, repairs or additions to any Lot required to be submitted to the Architectural Committee.

16. "Plat" or "Plats" shall mean collectively and individually those twelve (12) certain plats of subdivision entitled "Landings at Piney Point" recorded or intended to be recorded by the Declarant among the Land Records of St. Mary's County, Maryland.

17. "Preexisting Improvements" shall mean all dwellings, barns, and outbuildings as exist on the Property as of the date hereof.

18. "Property" shall mean all of those 12 certain plats of subdivision entitled "Landings at Piney Point" recorded among the Land Records of St. Mary's County, SAVING AND EXCEPTING there from, those parcels shown on Plat 1 as "Residue Area 20.43 Acres"; on

Plat 2 as "Residue Area 45.5273 Acres"; and on Plat 4 as "Residue Area 9.3229 Acres".

19. "Storm Drain Easements" and "Wetland Ponds" shall mean the easements and areas designated as such on the Plats.

20. "Excluded Property" shall mean those parcels shown on Plat 1 as "Residue Area 20.43 Acres"; on Plat 2 as "Residue Area 45.5273 Acres"; and on Plat 4 as "Residue Area 9.3229 Acres".

ARTICLE III. MEMBERSHIP

Section 1. Membership. Every person or entity who is a Lot Owner of a fee or undivided fee interest in any Lot which is subject to the Declaration shall be a Member of the Association. The foregoing is not intended to include person or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to a Lot and may not be separated from ownership of any Lot which is subject to assessment by the Association. Ownership of such Lot shall be the sole qualification for Membership.

Section 2. Suspension of Membership. During any period in which a Member shall be in default for more than thirty (30) in the payment of any annual or special assessment levied by the Association, the voting rights of such Member may be suspended by the Board of Directors until such assessment has been paid. Such rights of a Member may also be suspended, after notice and hearing, for a period not to exceed thirty days (30) for violation of any

published rules and regulations established by the Board of Directors.

Section 3. Voting Rights. The Association shall have two classes of voting Membership:

Class A. Class A Members shall be all those Lot Owners as defined in Article III, Section 1, with the exception of the Declarant. Class A Members shall be entitled to one vote for each Lot in which they hold the interest required for Membership by Article III, Section 1. When more than one person holds such 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 vote be cast with respect to any Lot.

Class B. The Class B Member shall be the Declarant, its successors and assigns. The Class B Member shall be entitled to six (6) votes for each Lot in which it holds the interest required for Membership by Article III, Section 1, PROVIDED that 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:

(a) when the total votes outstanding in the Class A Membership exceeds the total votes outstanding in the Class B Membership, or

(b) on January 1, 1994,

(c) upon the surrender of said Class B Membership by the then holder thereof for cancellation on the books of the Association.

The Members of the Association shall have no preemptive rights as such Members to acquire any Memberships of the Association that may at any time be issued by the Association except as may be specifically provided for in this Article.

ARTICLE IV. PROPERTY RIGHTS: RIGHTS OF ENJOYMENT

Each Member shall be entitled to the use and enjoyment of the Common Area and facilities as provided in the Declaration. Any Member may delegate his rights of enjoyment of the Common Area and facilities to the members of his family, his tenants or contract purchasers, who reside on the Property. Such Member shall notify the secretary in writing of the name of any such delegatee. The rights and privileges of such delegatee are subject to suspension to the same extent as those of the Member.

ARTICLE V. BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of not less than three (3) and no more than five (5) directors. Directors need not be Lot Owners.

Section 2. Election. Directors shall be elected at the annual meeting of the Members. At each such annual meeting not less than three (3) and no more than five (5) directors shall be elected, and they shall serve until the next annual meeting or

until their successors are chosen or until removed in accordance with the Articles of Incorporation or these By-Laws.

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

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

Section 5. Action Taken Without A Meeting. The Board of Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all of the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Board of Directors.

ARTICLE VI. MEETING OF DIRECTORS

Section 1. Regular Meetings. Meetings of the Board of Directors shall be held at regular intervals, without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday. The Board of Directors may conduct its

meetings by telephone or any other means of written or oral communication.

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

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VII. NOMINATION AND ELECTION OF DIRECTORS.

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a nominating committee ("Nominating Committee"). Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more Members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the Members, to serve until the close of such annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among Members or non-Members.

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

ARTICLE VIII. POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have the power:

(a) To adopt and publish, from time to time, rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;

(b) To exercise for the Association all powers, duties and authority vested in or delegated to this Association not reserved to the Membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration;

(c) To declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and

(d) To employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

Section 2. Duties. It shall be duty of the Board of Directors, and the Board shall have the power and authority:

(a) To cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members or at any special meeting, when such statement is requested in writing by one-fourth (1/4) of the Class A Members who are entitled to vote;

(b) To supervise all officers, agents and employees of this Association and to see that their duties are properly performed;

(c) As more fully provided herein and in the Declaration:

(1) To fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period; and

(2) To send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and

(3) To exercise any rights and remedies provided for in the Declaration for non-payment of assessments.

(d) To issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether any assessment has been paid. A reasonable

charge may be made by the Board for the issuance of these certificates. Such certificate shall be conclusive evidence of any assessment therein stated to have been paid;

(e) To collect delinquent assessments and penalties and to create, record and foreclose the lien securing the said assessments and to hire attorneys, accountants and other professionals to do the same;

(f) To procure and maintain adequate liability insurance, and to procure adequate hazard insurance on property owned by the Association;

(g) To cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(h) To cause the Common Area, Storm Drain Easements, and Wetland Ponds to be maintained;

(i) To cause the exterior of the Homes and other improvements to be maintained by the Owners.

(j) To enforce any provision of the Declaration or these By-Laws in accordance with Article XVI of the Declaration or as otherwise permitted by law.

(k) To take any action as may be reasonably required under the Declaration.

(l) To contract for and on behalf of the Association for goods, materials, or services in accordance with the budget of the Association, including any capital

improvements, replacements, or repairs provided the cost of same can be funded from either reserves or special assessments.

(m) To retain attorneys, accountants, and other professionals on such terms as are approved by the Board.

(n) To take any other action as shall be reasonably required in the best interests of the Association.

ARTICLE IX. COMMITTEES

Section 1. The Association shall appoint an Architectural Committee as provided in the Declaration and a Nominating Committee as provided in these By-Laws. In addition, the' Board of Directors may appoint other committees as deemed appropriate in carrying out its purposes, such as:

(a) A Recreation Committee which shall advise the Board of Directors on all matters pertaining to the recreational program and activities of the Association and shall perform such other functions as the Board in its discretion determines;

(b) A Maintenance Committee which shall advise the Board of Directors on all matters pertaining to the maintenance, repair or improvement of the Common Area, Storm Drain Easements, or Wetlands Ponds and shall perform such other functions as the Board, in its discretion, determines;

(c) A Publicity Committee which shall inform the Members of all activities and functions of the Association and

shall, after consulting with the Board of Directors, make such public releases and announcements as are in the best interest of the Association; and

(d) An Audit Committee which shall supervise the annual audit of the Association's books and approve the annual budget and statement of income and expenditures to be presented to the Membership at its regular annual meeting. The Treasurer shall be an EX OFFICIO member of the Audit Committee.

Section 2. It shall be the duty of each committee to receive complaints from Members on any matter involving Association functions, duties, and activities within its field of responsibility. It shall dispose of such complaints as it deems appropriate or refer them to such other committees, director or officer of the Association as it further concerned with the matter presented.

ARTICLE X. MEETING OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the Members shall be held within one year of the filing of the Articles of Incorporation of the Association and each subsequent regular annual meeting of the members shall be held on the same day of the month of each year thereafter, at the hour of seven o'clock, P.M. If the day for the annual meeting of the Members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Members may be called at any time by the President or by the Board of Directors, or upon written request of the Members who are entitled to vote one-fourth (1/4) of all of the votes of the entire Membership or who are entitled to vote one-fourth (1/4) of the votes of the Class A Membership.

Section 3. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the, direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen (15) days before such meeting to each Member entitled to vote thereat, addressed to the Member's address last appearing on the books for the Association, or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. At each meeting called, as provided in Section 3 hereof, the presence at the meeting of Members or of proxies entitled to cast sixty-six percent (66%) of all the votes of each class of Membership shall constitute a quorum. If the number of Members present at a properly called meeting of the Members is insufficient to constitute a quorum, another meeting of the Members may be called for the same purpose if (i) the notice of the meeting states that the procedure authorized by Section 5-206 of the Corporations and Associations Article may be invoked, and (ii) by majority vote, the Members present in person or by proxy

call for the additional meeting. Fifteen (15) days notice of the time, place, and purpose of the additional meeting shall be-given by an advertisement in a newspaper published in the county where the principal office of the Association is located. The notice shall advise that at such additional meeting the Members present in person or by proxy thereat shall constitute a quorum and that a majority of the Members present in person or by proxy may approve or authorize the proposed action taken at the additional meeting and may take any other action which could have been taken at the original meeting if a sufficient number of Members had been present.

Section 5. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Lot.

ARTICLE XI. OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Association shall be a president and vice-president, a secretary and a treasurer, who shall at all times be members of the Board of Directors, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. Except for the first organizational action, the election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or is otherwise disqualified so serve.

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

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

Section 6. Vacancies. A vacancy in any office may be filled in the manner prescribed for regular election. The officer elected to such vacancy shall serve for the remainder of the term of the officers he replaces.

Section 7. Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

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

(a) PRESIDENT: The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

(b) VICE-PRESIDENT: The vice-president shall act in the place and stead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

(c) SECRETARY: The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses, and shall perform such other duties as required by the Board.

(d) TREASURER: The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; shall maintain the books of the Association, an examination of which shall be made by a public accountant at the completion of each

fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the Membership at its regular annual meeting, and send a copy of each of to the Members; and shall, upon the request of the Board of Directors, furnish a corporate surety bond in a sum satisfactory to the Board for the faithful performance of the duties of his office and the restoration to the Association of all books, papers, vouchers, money or other property of whatever kind in his possession, or under his control, belonging to the Association. The Association shall pay all premiums for said bond.

ARTICLE XII. COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments to be Paid to the Association. Each Lot Owner (but expressly excluding the Declarant) of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, is deemed to covenant, which covenant shall run with the land and be binding on every Lot Owner, and agree to pay to the Association; (1) annual assessments or charges; (2) special assessments for capital improvements; and (3) annual assessments or charges to affect payment of any real or personal property taxes on any personal or real property now or in the future owned by the Association. All such assessments shall be fixed, established, and collected by the Association from time to

time as hereinafter provided. Annual and special assessments, together with such interest thereon and costs of collection thereon, including interest costs and attorney fees, as hereinafter provided, shall be a charge and lien on each Lot and shall be a continuing lien upon the Lot against which each such assessment is made, and said lien shall be enforced in accordance with the Maryland Contract Lien Act as set forth in Section 14-201, et seq., of the Real Property Article of the Annotated Code of Maryland. Each such assessment, together with such interest costs and reasonable attorney fees for its collection, including at the appellate level, shall also be the personal obligation of the persons who were the Lot Owners of such Lot or Lots at the time when the assessment fell due provided that such personal obligation shall not pass to successors in title to such Lot or Lots unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments to be levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety, and welfare of the residents of the Property and shall specifically include, but not be limited to: maintenance of all lighting and parking facilities in the Common Areas; the payment of taxes and insurance for the Common Area; payment for the Improvements and maintenance, of the Common Area and Storm Drain Easements, including Wetland Ponds and facilities related to the use and enjoyment of the Common Areas and of the Homes situated upon the Property, including all docking facilities within and around the community boat harbor; and for

payment of the Association's operating expenses. Assessments may also be used to provide maintenance, landscaping and placement of entrance signage within the public rights of way and/or easements adjoining the Lots.

Section 3. Basis of Annual Assessments. Until September 1, 1993, the annual assessments shall be the amount as set forth in the initial budget of the Association for its initial year of operation not to exceed, however, Three Hundred ($300.00) DOLLARS per Lot. From and after September 1, 1993, the annual assessment shall be determined in accordance with the current maintenance costs and future needs of the Association. The annual assessment for each Lot may increase yearly but not in excess of ten (10%) percent per year unless approved by the Association as herein set forth. The Board of Directors of the Association without the need for a vote of the Association's Members may fix the annual assessment at an amount not in excess of the then applicable maximum. Any increase above ten (10%) percent of the prior year's assessment shall require the consent of two-thirds (2/3) of the votes of each class of Members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all Members not less than fifteen (15) days nor more than sixty (60) days in advance of the meeting setting forth the purpose of the meeting. The maintenance costs shall include and shall mean all operating costs of the Association, maintenance costs of the Common Area, Storm Drain Easements and Wetland Ponds, payment of insurance premiums for the Common Area and Storm Drain

Easements and Wetland Ponds, and payment of any real or personal property taxes on the Common Area and Storm Drain Easements and Wetland Ponds. The annual assessment shall also include a sum required to provide an adequate reserve fund for the maintenance, repair and replacement of the Common Area and Storm Drain Easements and Wetland Ponds, Improvements thereon, if any, and any personal property owned by the Association which are funded by annual payments rather than special assessments.

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 or reconstruction or unexpected repair or replacement of a described capital improvement upon the Common Area, including the necessary fixtures and personal property related thereto, PROVIDED that any such special assessment in excess of twenty-five (25%) percent of the regular annual assessments shall have the assent of two-thirds (2/3) of the votes of each class of Members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all Members not less than fifteen (15) days nor more than sixty (60) days in advance of the meeting setting forth the purpose of the meeting.

Section 5. Payments by Declarant. Prior to the time when the Declarant conveys the Common Areas to the Association pursuant to the provisions of this Declaration, Declarant will not be required

to pay any annual or special assessments for any Lot owned by the Declarant but will rather maintain the Common Areas at its own expense and will be promptly reimbursed by the Association out of funds collected through annual assessments on Lots which have been transferred to third parties other than the Declarant. In no case will the Association be required to reimburse the Declarant any amount in excess of the funds that have been actually collected from Lot Owners other than the Declarant from annual or special assessments. The Lot capital contribution as described in Article XIII required of each Lot Owner shall not be used for such reimbursement purposes and shall not be paid to the Declarant.

Section 6. Uniform Rate of Assessment. Both annual and special assessments must be fixed at uniform rate for all Lots and may, if so determined by the Association, be collected on a monthly basis.

Section 7. Quorum for Any Action Authorized Under Section 4. At each meeting called, as provided in Section 4 hereof, the presence at the meeting of Members or of proxies entitled to cast sixty-six percent (66%) of all the votes of each class of Membership shall constitute a quorum. If the number of Members present at a properly called meeting of the Members is insufficient to constitute a quorum, another meeting of the Members may be called for the same purpose if (i) the notice of the meeting states that the procedure authorized by Section 5-206 of the Corporations and Associations Article may be invoked, and (ii) by majority vote, the Members present in person or by proxy call for the additional

meeting. Fifteen (15) days notice of the time, place, and purpose of the additional meeting shall be given by an advertisement in a newspaper published in the county where the principal office of the Association is located. The notice shall advise that at such additional meeting the Members present in person or by proxy thereat shall constitute a quorum and that a majority of the Members present in person or by proxy may approve or authorize the proposed action taken at the additional meeting and may take any other action which could have been taken at the original meeting if a sufficient number of Members had been present.

Section 8. 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 first Lot to an Owner. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors of the Association 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 date shall be established by the Board of Directors. The Association shall upon demand at any time furnish a certificate in writing signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A reasonable charge may be made by the Board for the issuance of these certificates. Such certificate shall be

conclusive evidence of payment of any assessment therein stated to have been paid.

Section 9. Effect of Nonpayment of Assessments: Remedies of the Association. 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 eighteen percent (18%) per annum, and the Association, acting through its Board of Directors, may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the Lot to which the assessment is levied, and interest, costs and reasonable attorney's fees, including at the appellate level, of 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 abandonment of his Lot.

Section 10. Special Assessment Against a Particular Owner of Lot.

(a) In the event a Lot Owner shall fail to maintain the premises and the Improvements situated thereon in a manner satisfactory to the Board of Directors, the Association, after approval by a majority of the Board of Directors, shall have the right, through its agents and employees, to enter upon said parcel and to repair, maintain, and restore the Lot, and the exterior of the buildings and any other Improvements erected thereon. The costs of such exterior maintenance shall be added to and become part of the

annual assessment to which such Lot is subject; and said assessment shall be enforced in the same manner as provided for in Section 8.

(b) Whenever the Declarant, Board of Directors of the Association, or their duly authorized agents, officers and employees are permitted by the Declaration or applicable Articles, By-laws, Rules or Regulations of The Landings at Piney Point to correct, repair, clean, preserve, clear out or take any action whatever on the Property or any Lot, the performance of same or the taking of any such action shall not be deemed a trespass or considered to be a violation of any law whatever or to constitute a wrongful act of any kind.

Section 11. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be superior to all other liens save and except real property tax liens and the liens of any bona fide Institutional First Mortgage to an Institutional First Mortgagee.

Section 12. Exempt Property. The following Property subject to this Declaration shall be exempt from all assessments (annual, special, or otherwise) created herein: (a) any portion of the Property dedicated to and accepted by a local public authority; (b) the Common Area; (c) any portion of the Property which is designated and/or reserved for easements and not contained within a Lot; and (d) any Lots or other portion of the Property owned by the Declarant.

ARTICLE XIII. CAPITAL CONTRIBUTION

At the time of closing on a Lot pursuant to an original contract of sale with the Declarant, the purchaser of the Lot shall pay to the Association a capital contribution in the sum equal to FIVE HUNDRED AND NO/100 ($500.00) DOLLARS for each Lot purchased. These monies shall be the Association's property and shall be held by the Association through its Board of Directors pursuant to the powers described in the Articles of Incorporation and these By-Laws of the Association for the purposes of meeting budgetary deficits, in lieu of special assessments, and for payment of any Federal and State income taxes on the earnings of this Fund. This capital contribution shall remain with the respective Lot on the books of the Association and while the asset amount may be affected by the actions of the Board of Directors, no refund of capital contribution will be forthcoming on resale. Therefore, each purchaser and/or Lot Owner should consider this item as an asset in his negotiation for resale of any Lot.

ARTICLE XIV. BOOKS AND RECORDS

The books, records and papers of the Association shall, at all times, during reasonable business hours, be subject to inspection by any Member. The Declaration, the Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any Member at the principal office of the association, where copies may be purchased at reasonable cost.

ARTICLE XV. CORPORATE SEAL

The association shall have a seal in circular form having within its circumference the words: THE LANDINGS AT PINEY POINT HOMEOWNERS ASSOCIATION, INC. -- a Maryland Non-Profit Non-Stock Corporation.

ARTICLE XVI. RULES AND REGULATIONS

In addition to the other provisions of these By-Laws, such rules and regulations as may hereafter, from time to time, be adopted by the Board of Directors, shall govern the use of the Homes located in the Property and the conduct of all residents thereof (provided that such provisions shall not apply to the activity of the Declarant during the construction and development of the Property).

ARTICLE XVII. AMENDMENTS

Section 1. These By-Laws may be amended, at a regular or special meeting of the Members, by a vote of sixty-six (66%) percent of Members of each Class, provided that the provisions of these By-Laws may be amended at any time upon the affirmative vote of two-thirds (2/3) of the then Lot Owners covered by these By-Laws at a duly convened meeting of the Membership provided that: (i) any amendment to these By-Laws so long as there exists Class B Members shall require the consent of one hundred (100%) percent of the Class B Membership, and (ii) no amendment may be made to these By-Laws which shall change or alter the priority of any Institutional First Mortgage which shall then be a lien on any lot.

Section 2. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

ARTICLE XVIII. DEFINED TERMS

Any capitalized terms herein shall have the same defined meaning as set forth in the Declaration unless a different meaning is specifically set forth in these By-Laws.

EXHIBIT IV

OPERATING BUDGET

THE LANDINGS AT PINEY POINT PROJECTED "H.O.A" OPERATING BUDGET

MAINTENANCE & RESERVE SCHEDULE:

ANNUAL MAINTENANCE			
1)	Administrative/Management	$ 6,000	
2)	Administrative/Operating Expenses	2,400	
3)	Administrative/Accounting	1,000	
4)	H.O.A. Insurance Expenses	3,000	
5)	H.O.A. Legal Expenses	500	
6)	Common Area Utilities	2,000	
7)	Building(s)/Fixture(s) Maintenance	1,500	
8)	Pool Operating Expenses/Maintenance	10,000	
9)	Lawn/Common Area Maintenance	7,500	
10)	Miscellaneous Expenses/Maintenance	1,000	
	ANNUAL TOTAL		$ 34,900
10 YEAR RESERVE ACCOUNT			
1)	Landscaping Common Areas	$10,000	
2)	Signage, Fencing, etc.	5,000	
3)	Common Area Parking Lots	3,000	
4)	Misc. Recreational Equipment	2,000	
5)	Tennis Court(s)	5,000	
6)	Pool	8,000	
7)	Harbor, Dock Works	25,000	
8)	Harbor/Channel Dredging	40,000	
	10 YEAR TOTAL		$ 98,000
	ANNUAL RESERVE		$ 9,800
SUMMATION			
1)	Total Annual Maintenance/Reserve Budget		$ 44,700
2)	Annual Budget Expense per Lot (95)		$ 471
3)	Monthly Budget Expense per Lot (95)		$ 39

* Summation based on shown estimated costs, actual annual expense may vary depending on escalations and H.O.A. direction related to amenities.

INITIAL BUDGET WITHOUT POOL OR TENNIS COURTS		
	Total from above	$44,700
	LESS	
	Pool Maintenance	10,000
	Pool Utilities	1,000
	Pool/Tennis Insurance	2,000
	Pool/Tennis Landscape	1,000
	Tennis Reserves	500
	Pool Reserves	800
1)	Total Annual Maintenance/Reserve (Less Pool & Tennis Courts)	$29,400
2)	Annual Budget Expense per Lot	$ 309

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INFORMAL RESOLUTION OF THE BOARD OF DIRECTORS

OF CHESTNUT RIDGE COMMUNITY ASSOCIATION, INC.

(Formally "Chestnut Ridge - Section I

Homeowners' Association, Inc.")

DATE: September 1, 1992

1:37PM10/08/92A HOMASC $50.00

The undersigned, constituting all of the members of the Board of Directors of Chestnut Ridge Community Association, Inc., a Maryland corporation (the "Corporation"), in accordance with Section 2-408(c) of the Corporations and Associations Article of the Annotated Code of Maryland do hereby take the actions below set forth and to evidence their waiver of any right to dissent from such actions, do hereby consent as follows:

WHEREAS, pursuant to Article V, Sections 12(d) and 12(r) of the By-Laws of the Corporation and pursuant to Article XI, of the Declaration of Covenants, Conditions, and Restrictions of Chestnut Ridge Community Association, Inc. as amended, the Board of Directors have the authority to adopt rules and regulations from time to time concerning architectural standards for all improvements, modifications or alterations to lots in Chestnut Ridge and/or to delegate certain powers, authorities, and responsibilities with respect to said architectural standards;

WHEREAS, by resolution dated May 25, 1990 the Board of Directors adopted those architectural regulations and standards

contained in the document entitled "Chestnut Ridge - The Chestnut Ridge Standards, Delmarva Properties Incorporated, 1990";

WHEREAS, the Board of Directors wishes to amend, revise, and refine the aforementioned rules and regulations; and the Board of Directors desires to create an architectural review committee to review plans for improvements to ensure compliance with the revised regulations.

NOW THEREFORE, be it RESOLVED, that there is hereby created an architectural review committee known as the Architectural Review Board ("ARB") which shall consist of three (3) individuals, each of whom shall hold a term of office of one (1) year or until their successors are duly appointed by the Board of Directors;

RESOLVED, that the powers, authorities, and responsibilities of the Board of Directors as set forth in Article XI, Section 1, 2, and 3 of the Declaration and as set forth in Section 12(r) (pertaining to the right of the Board to exercise any and all rights of the Association to approve the plans and any specifications for any construction or architectural change) are hereby delegated to the ARB;

RESOLVED, that the powers, authorities, and responsibilities of the Board of Directors as set forth in Article XI, Section 4 of the Declaration are not hereby delegated and are specifically reserved by the Board of Directors and the Board of Directors hereby reserves the right to hear appeals pursuant to Article XI, Section 5 of the Declaration;

RESOLVED, that the following individuals are appointed as members of the ARB:

Eric Rowland
Stephen Campitell
Frederick C. Larmore

RESOLVED, that Eric Rowland is hereby designated as the ARB representative;

RESOLVED, that the architectural regulations and standards contained in the document entitled "Chestnut Ridge - The Chestnut Ridge Standard - Delmarva Properties, Incorporated 1990" are hereby repealed, and in lieu thereof the attached rules and regulations entitled "Chestnut Ridge - The Chestnut Ridge Standard, Second Edition, Delmarva Properties, Incorporated, August, 1992" having been reviewed by the Board of Directors, are hereby approved and accepted as guidelines which may be followed by the Board and the ARB, in their respective discretion, when reviewing improvements, alterations, and modifications to lots within Chestnut Ridge.

This Informal Action of the Board of Directors may be executed in counterparts.

WITNESS the hands and seals of the Directors as of the day and year first above written.

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WITNESS:

Lorraine B. Piper

Robert F. Brake (SEAL)
ROBERT F. BRAKE

Lorraine B. Piper

Frederick C. Larmore (SEAL)
FREDERICK C. LARMORE

Lorraine B. Piper

(SEAL)
JAMES H. HUDSON, III

WM C:\INCORPOR.WP\CHESTNUT.RES
090292 11:36

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CHESTNUT RIDGE

THE CHESTNUT RIDGE STANDARDS

SECOND EDITION

DELMARVA PROPERTIES INCORPORATED

AUGUST, 1992

prepared by:

NICHOLSON GREENE AND GULAK
ARCHITECTURE AND URBAN PLANNING

Richmond, Virginia

CHESTNUT RIDGE REVIEW POLICY

I. INTRODUCTION

Architectural Review is the means by which Delmarva Properties, Incorporated (the "Developer") and Chestnut Ridge Community Association (the "Association") can maintain standards of design quality within Chestnut Ridge, and is required for all new home construction. It is based on these Standards which are a written composite summary of the Developer's and the Association's policies related to architecture, materials and finishes, siting, landscaping and site improvements for all residential properties in Chestnut Ridge.

Design Standards differ from the more general Covenants contained in the Declaration of Covenants, Conditions and Restrictions for the Chestnut Ridge Community Association, Inc. in that they establish more specific requirements as determined to be appropriate by the Developer. Changes may be adopted from time to time. Design Standards are authorized by the Covenants and, as such, are legally enforceable restrictions.

Design Standards may also establish requirements which are more restrictive than minimum zoning requirements or building codes in order to maintain a standard of quality for the community. These standards supercede other less stringent requirements unless exceptions are granted by the Developer.

Each property owner within Chestnut Ridge is responsible for his or her property's compliance with these Standards. Any proposed improvements to be made to that property may affect that compliance, and the Covenants require that the Owner obtain approvals from the Association prior to making the improvements, in order to maintain compliance. This is true regardless of whether or not the work is being performed by the Owner directly or by a Contractor.

In addition to approvals from the Association, other approvals and permits may be required by the County, such as a building permit. It is not the responsibility of the Association, the Architectural Review Board, or the Developer, to obtain any other permits for you, nor to provide any guarantees or waive any legal requirements for compliance with any state or county law, with the Declaration or with these Standards.

II. ARCHITECTURAL REVIEW BOARD

In order to maintain these Standards, the Board of Directors of Chestnut Ridge Community Association, Inc. (the "Board of Directors") has created an Architectural Review Board (ARB) which will consist of at least three members, and which will meet as required to review new house plans or other property improvements as defined in these Standards subject to the authority of the Board of Directors, the Declaration and Bylaws of the Association. The ARB shall be the sole judge as to an application's compliance with these Standards, and shall have authority to waive requirements where legitimate reasons exist, in the opinion of the ARB, to do so. Exceptions granted in any instance shall not constitute a precedent. Each application is judged on its own merits.

Application forms are available from the sales agents, or by contacting the Developer at (804) 843-5300.

III. PREPARATION OF SUBMITTALS

Submittals prepared for consideration by the Architectural Review Board need to be complete and accurate. Submittals for design review must include drawings prepared as described below. Submittals for color review must include manufacturer's color chip samples. All requested information on the application forms need to be furnished. The Board may, at it's discretion, reject applications that are incomplete or inaccurate.

Proper submittals include drawings that are neat, accurate, drawn to scale, and with sufficient detail to adequately explain the entire design. Insufficient explanation of a design including all visible details, is cause for rejection of an application. The ARB, at its discretion, may accept plans that are marked-up in red with late changes to design features. However, the ARB may require that the marked-up sheets be corrected and revised, and re-submitted. As a minimum requirement, one (1) copy of each of the following drawings shall be submitted:

<u>NEW HOMES</u>:
Site Plan *
Foundation Plan
Floor Plans
All Exterior Elevations (Show actual ground level. Indicate finish materials.)
Exterior Color Selection (can be submitted later)

<u>ADDITIONS</u>:
Site Plan* - showing addition location, distances to property lines and tree(s) if any, to be removed. Show any changes in landscaping.
Floor plan(s) of Addition
All Exterior Elevations of Addition incl. existing house. (Show finish materials).

<u>ACCESSORY STRUCTURES</u>:
Site Plan* - showing location of new structure and existing house, with distances between each, distances to property lines and tree(s) if any to be removed.
Floor Plan(s)
All Exterior Elevations (Show finish materials).

<u>FENCES</u>:
Site Plan* - showing location, extent of fence and tree(s) if any to be removed.
Drawing of fence with heights, materials and sizes identified.

*See appendix for sample drawings showing required information.

Site plans and Landscape Plans shall be drawn to scale (min. 1"= 20'-0" for houses, 1"= 50'-0" for larger buildings). Drawings of structures, houses, or other improvements shall be drawn to scale (min. 1/4"= 1'-0" for houses, 1/8"= 1'-0" for larger structures).

Submittals are kept on file for a record of approved designs. Therefore submitted drawings should be copies of originals, not the originals themselves.

IV. REVIEW BASIS

The ARB bases it's review of each application on it's interpretation of the Covenants and these Standards and on the graphic and written information presented. Due to time constraints, ARB review of all applications occurs without personal presentations by the applicants. Therefore it is incumbent upon the applicant to provide sufficient and accurate information to the ARB for proper consideration. If, in the applicant's opinion, extenuating circumstances exist which would justify a variance from stated guidelines, this information should be presented with the application.

An application is approved when notice is given to the applicant in writing by the ARB or its designated representative. No verbal approvals are given. The ARB may issue any of the following four decisions:

"Approved": means approved as submitted.

"Approved with Limiting Conditions": means approved only if stated conditions in the approval letter are met.

"Not Approved": means not approved for construction. Reasons for disapproval will be given in writing. The ARB may also provide suggestions for revisions but does not provide design solutions. A disapproval action requires a re-submittal by the applicant for review before any approvals can be given.

"Preliminary Review": means a review of early design drawings to give the applicant direction as to what the concerns of the ARB are likely to be regarding that design. Comments are given to the Applicant but no approval to proceed is granted without ARB review of a complete submittal in accordance with the above requirements.

V. APPEALS

Should an application be denied on the basis of the Declaration or these Standards by the ARB, and the applicant feels that the submittal was misinterpreted or that there are extenuating circumstances which should qualify the applicant for an exception from these requirements, the applicant must contact the designated ARB representative in writing to request a rehearing. If the representative agrees that a second review is in order, the application will be placed back on the agenda for the next meeting. The ARB representative shall make this decision within 10 days of receipt of the request for rehearing.

If an applicant feels that he or she has been unfairly denied approval by the ARB and the ARB representative denies a rehearing, a written appeal may be filed with the Board of Directors (P.O. Box 1700, West Point, Va. 23181) within 30 days of the date the application was denied by the ARB or the date the ARB representative denied a rehearing whichever is later. The Board of Directors shall decide whether sufficient reason exists to permit an appeal, and, if so will schedule a meeting.

VI. CONSTRUCTION CHANGES

All construction must be completed in accordance with the application and the plans as approved. Exterior changes to the subject property must receive prior written approval by the ARB. Applicants requesting design change approvals should consult with the ARB to determine if additional plans and specifications are required.

CHESTNUT RIDGE DESIGN GUIDELINES

I. GENERAL

Far from being arbitrary, or a matter of personal taste, good residential design is the result of applying some basic rules. Provided here are principles that should guide successful home design and property planning in Chestnut Ridge. The specific design requirements on the following pages are designed to help the builder achieve these principles and thus maintain a high design standard for the entire community.

[A] THE SETTING: Each house in Chestnut Ridge should be provided an individual setting. Lots should not be cleared completely to their side or rear property lines. Rather, trees should be maintained to frame the house site and provide visual separation between houses. The house should visually "address" the road. The location of the house on the site, the direction that it faces, how the driveway enters the site and approaches the house, and what level of clearing and re-landscaping is done, all should work together to create a strong visual "setting".

[B] THE LANDSCAPE: Landscaping should create a neat, orderly, and finished appearance of a well maintained home. This includes areas of the property that are left "natural".

[C] ARCHITECTURAL VOCABULARY - Every building has an architectural vocabulary. It consists of the materials, colors, and types of elements that make it up, including styles of windows, doors, chimneys, shutters, eaves, rake boards, trim, moldings, handrails, louvers, etc. A successful house has a limited vocabulary of complimentary elements used consistently throughout the design. A large vocabulary of inconsistent elements is cause for rejection of the design.

II. PERMITTED STRUCTURES AND SITING

[A] On any lot in Chestnut Ridge the following structures are permitted:

1. One approved single family residence with attached or detached garage.
2. One approved accessory building of maximum 1½ story height and 600 SF main floor
3. One approved open landscape structure such as a gazebo or hot house - max. 200 sf.
4. One approved in-ground swimming pool.
5. One approved above-ground swimming pool if located to the rear of the house.
6. Decks or patios as approved.
7. Fences as approved.

[B] The following structures are <u>not</u> permitted on any lot.

1. Two-family or multiple family houses.
2. Commercial structures of any type including storage of commercial goods.
3. Temporary structures of any type.

[C] Any proposed structure, if not included above, must be approved by the ARB.

[D] No primary structure may be erected without approval of an accurately drawn plot plan. An engineered drawing is not required.

[E] Effective after March 1, 1992, Chestnut Ridge minimum setback requirements will be as shown below:

	Sections 1 & 2	Sections 3, 4 & 5
Front Yards:	60 ft.	75 ft.
Side Yards:	15 ft.	30 ft.
Corner Side Yards:	60 ft.	75 ft.
Rear Yards:	15 ft.	30 ft.

Variances may be granted by the ARB due to abnormal site conditions.

[F] Locate structures to avoid low areas and drainage ways on sites. Provide positive drainage away from the house foundation. Do not direct drainage across adjacent properties.

[G] Limit clearing of trees as required by these standards.

[H] Consider the location of any mature trees, and arrange structures, driveways, etc. to preserve these where possible.

[I] Siting of a house shall maintain reasonable levels of privacy for neighbors. Houses shall not face the side or rear of adjacent houses.

[J] Sheds, fences, etc. shall not be located or designed to create a visual nuisance for neighbors. Structures shall be located away from major sight lines of neighboring houses.

III. PAVEMENTS

[A] All new houses shall be provided with a single driveway as permitted below.

[B] Driveways shall be constructed of bank run gravel,brown crusher run stone, asphalt paving, exposed aggregate concrete paving, interlocking concrete pavers or patterned concrete in a similar design, or brick pavers.

[C] In general, driveways with more than one street access, more than one driveway on a lot, or driveways with parking areas larger than that required for two cars, are discouraged.

IV. LANDSCAPING

[A] General clearing for construction of structures should be limited to a maximum of 15' from the structure. Additional clearing will be permitted for yards, however, in no case shall clearing be permitted to side or rear property lines. Trees shall be maintained at side and rear lot perimeters to provide individual settings for houses.

[B] Exercise care to minimize disruption of the soil within the drip-line mature trees near to the clearing lines to protect roots.

[C] Approval must be obtained for any earthwork to create changes in topography, site drainage, or creation of ponds, pools, or other water features.

[D] Landscape accessories including fences, walls, gazebos, firewood sheds, hot houses, arbors, trellises, benches, fountains, flagpoles, permanent barbecues, play equipment, satellite dishes, decorative objects, etc. shall be placed to the rear of the house. Otherwise, they must be approved by the ARB as to design and location.

V. ARCHITECTURE

[A] All houses in Chestnut Ridge shall have a minimum finished floor area of 1,500 square feet for single story, and 1,800 square feet for 2 story and split foyer. The following areas can not be used to help meet that requirement: garages, basements (except walk-outs or finished areas of split foyers) open or screened porches, terraces, decks, attics, or attached storage sheds.

[B] All houses shall have brick, stone, or parged surfaced foundations. Synthetic stucco foundations may be used on houses where synthetic stucco is approved for walls. Brick front foundations with parged side and rear foundations may be used where parged faces are not highly visible from the road (in the opinion of the ARB). Parged front foundations shall be entirely screened with shrubs.

[C] Where masonry chimneys are used, they shall be brick or stone. The house foundation shall match the chimney material. Frame chimneys enclosing metal flues may also be used in lieu of masonry. All chimneys shall project at least 3 feet above the highest point of the roof within 10 feet.

[D] All exposed portions of a house above the foundation shall be of finished materials, painted, stained, or pre-finished as appropriate.

[E] Minimum roof pitch on main roof of colonial and transitional houses shall be 8 in 12. Minimum roof pitch on main roof of contemporary houses shall be 6 in 12. No secondary roof may be less than 3 in 12. Architectural designs incorporating low slope or flat roofs will be considered for approval as exceptions to this criteria when the entire design concept is judged to be of a meritorious quality acceptable to the ARB who shall be the sole judge.

[F] All roofs shall be finished with a minimum 30 year dimensional composition shingle, cedar shingle or shake, slate, approved imitation slate, concrete shingle, or pre-finished metal standing seam. Any other roof material must be approved by the ARB.

[G] All exposed flashing shall be pre-finished metal, or copper.

[H] Gutters and rain leaders shall match the trim color of the house.

[I] All vertical surfaces of front porches, railings, steps and lattice shall be painted or stained to match the house wall or trim color as appropriate. Front steps shall have closed risers. (Flooring and step treads may be unfinished salt treated wood).

[J] Stoops and extended front porches shall be supported on continuous foundations, 12" x 12" brick piers or on a minimum of 6" x 6" wood posts, finished to grade to match porch. .

[K] Open areas under extended front porches of 12" or greater in height above grade shall be concealed with lattice.

[L] Rear patio decks shall be constructed of quality exterior grade or pressure treated wood, including steps and railings.

[M] Rear patio decks shall be supported on minimum 4 x 4 wood posts.

[N] In general, decks may remain unfinished, however second story balconies or decks including supporting structure, when approved by the ARB, shall be finished to match the house (except decking boards).

[O] Exterior post lamps, low intensity landscape lights, and floodlights mounted on the house are permitted. High intensity pole or building mounted area lights are not permitted except at the discretion of the ARB.

[P] Heat pumps, trash containers, electric and gas meters, propane tanks and other non-architectural equipment shall be located on the back of the house or, if on the side, shall be screened from view of the road. No such equipment may be located on the front of any house. The height of the screening enclosure shall be at least as high as the object screened.

[Q] Window design shall be consistent with the architectural character of the house.

[R] Pre-finished window screens, storm windows, window or doors shall be finished in a color that complements the house colors.

VI. MATERIALS

[A] Below is a list of acceptable exterior finish materials, with a brief description of each, for use on houses in Chestnut Ridge. Any material desired for use that is not listed below, and not expressly prohibited by this section shall be submitted to the ARB for approval prior to approval of house plans.

[1] Brick: Any natural brick, generally in the red to brown color range, unpainted, used consistently at all visible portions of the foundation. All-brick houses and houses with portions in brick are permitted and encouraged. Painted brick or unusual colors of brick may be considered for use upon approval of the Developer.

[2] Stone: Any natural stone, cut or uncut with the same restrictions as for brick.

[3] Rough-Sawn Lap Siding: Rough textured natural board horizontal siding. Cedar is most commonly used, however redwood is also accepted. Pine siding is not acceptable. Portions of a facade may contain vertical or diagonal siding.

[4] Smooth Lap Siding: Smooth surface board siding of either standard lap design, ship lap, or beaded lap design. This is available in natural wood although hardboard or vinyl is permitted. Lap siding composed of aluminum (or any other material) must be approved by the ARB before being used in Chestnut Ridge.

[5] Stucco: Exterior textured cement plaster finish. Acceptable contingent upon approval of use in design by the ARB.

[6] Imitation Stucco: (Also known generically as "Exterior Insulation Finish System".) A composition material placed over insulation board with a finished appearance of stucco. Acceptable contingent upon approval of use by the ARB.

[7] Cedar Roof: Cedar roofs are available as either hand-split cedar shakes (very rough texture) or machine cut cedar shingles. These are unfinished but can be treated with a fire retardant chemical, or a preservative.

[8] Slate Roof: Any natural, unfading, commercially produced slate roofing.

[9] Imitation Slate Roof: Fibre cement roofing tiles manufactured to look like slate. Acceptable only on condition of review and approval of actual sample by the Developer.

[10] Concrete Shingle Roof: Concrete roofing shingles with an appearance similar to Cedar Shake. Acceptable only on condition of review and approval of actual sample by the Developer.

[B] Prohibited materials for the primary dwelling include rough sawn pine siding, plywood siding (including T-1-11), metal panel siding, imitation brick or stone, and asphalt roll roofing.

VII. COLOR AND FINISHES

[A] It is not the policy of the Developer to dictate colors, nor to establish a list of acceptable colors. General guidelines are listed below.

[1] Rough-sawn siding shall be finished with either an oil based or latex solid color stain. Semi-transparent stains or clear finishes are not recommended. Unfinished siding is prohibited.

[2] Smooth wood siding shall be finished with an oil or latex based exterior house paint.

[3] In general, colors should be muted.

[4] Finish colors should complement the roof and foundation colors, as well as each other.

[5] Garages and accessory buildings must be finished in the same colors as the house.

AVENMAR COMMUNITY ASSOCIATION, INC.

4:00PM09/29/92D C.& R. $214.00

DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS

THIS DECLARATION is made on the date hereinafter set forth by Avenmar Limited Partnership, a Maryland limited partnership, hereinafter referred to as "Declarant".

4:00PM09/29/92D SURCHG $2.00

W I T N E S S E T H:

WHEREAS, Declarant is the owner of certain Property in the County of St. Mary's, State of Maryland, which is more particularly described on the legal description attached hereto and made part hereof as Exhibit A.

1:36PM10/08/92A HOMASC $50.00

NOW, THEREFORE, Declarant hereby declares that all of the Property described on Exhibit A hereto 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 the Property, and which shall run with the real property and be binding on all parties having any right, title or interest in the Property described on Exhibit A hereto, or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each Owner thereof.

ARTICLE I
DEFINITIONS

Section 1.01. "Association" shall mean and refer to Avenmar Community Association, Inc., a non-stock, nonprofit corporation, its successors and assigns.

Section 1.02. "Board" shall mean the Board of Directors of the Association.

Section 1.03. "Buffer Management Plan" shall mean and refer to any management plan proposed by the Declarant or the Association and approved by the St. Mary's County Office of Planning and Zoning concerning the management or maintenance of any water quality protection buffer zones or other property within the critical area as defined in accordance with federal, state and local law.

Section 1.04. "Common Area" shall mean all real and personal property now or hereafter owned, leased or maintained by the Association (including the improvements thereto which shall include the Recreational Facilities), or otherwise held, for the common use and enjoyment of the Owners or any portion of the Owners.

Section 1.05. "Common Expenses" shall mean and refer to the actual and estimated expenses of operating the Association, including general and specific expenses and general and specific reserves, all as may be found to be necessary or appropriate by the Board pursuant to this Declaration, the Bylaws and the Articles of Incorporation of the Association.

Section 1.06. "Community-Wide Standard" shall mean the standard of conduct, maintenance or other activity generally prevailing within the Property. Such standard may be more specifically determined and set forth by the Control Committee (as such term is defined in Article 5.01).

Section 1.07. "Declarant" shall mean and refer to Avenmar Limited Partnership, a Maryland limited 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, but only to the extent that any of the rights, reservations, easements, interests, exemptions, privileges and powers of the Declarant are specifically assigned or transferred to such successors or assigns in a written, recorded document.

Section 1.08. "Development Plan" shall mean the Final Development Plan for Avenmar dated August 31, 1992, prepared by Norris-Gass & Ocker Engineering, Inc., of Leonardtown, Maryland, including all amendments thereto as may be made from time to time.

Section 1.09. "Eligible Mortgage Holder" shall mean a holder of a first mortgage on a Lot who has requested notice from the Association of amendments to the Association documents or other significant matters which would affect the interests of the mortgagee.

Section 1.10. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Property on which it is intended that a single family residential dwelling will be constructed.

Section 1.11. "Mortgagee" shall mean the holder of any recorded mortgage, or the party secured or beneficiary of any recorded deed of trust, encumbering one or more Lots. "Mortgage", as used herein, shall include deed of trust. "First Mortgage", as used herein, shall mean a mortgage with priority over other mortgages. As used in this Declaration, the term "mortgagee" shall mean any mortgagee and shall not be limited to institutional mortgagees. As used in this Declaration, the term "institutional mortgagee" or "institutional holder" shall include banks, trust companies, insurance companies, mortgage insurance companies, savings and loan associations, trusts, mutual savings banks, credit unions, pension funds, mortgage companies, Federal National Mortgage Association ("FNMA"), Federal Home Loan Mortgage Corporation ("FHLMC"), all corporations and any agency or

Corporation ("FHLMC"), all corporations and any agency or department of the United States Government or of any state or municipal government, or any other organization or entity which has a security interest in any Lot.

In the event any Mortgage is insured by the Federal Housing Administration ("FHA") or guaranteed by the Veterans Administration ("VA"), then as to such Mortgage, the term "Mortgagee" shall include the FHA or the VA as the circumstances may require.

Section 1.12. "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 contract buyers and those having an interest merely as security for the performance of an obligation.

Section 1.13. "Property" shall mean and refer to that certain real property described on Exhibit "A" hereto, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 1.14. "Recreational Facilities" shall mean and refer to that portion of the Common Area, shown on the subdivision plats of the Property recorded among the Land Records of St. Mary's County, Maryland, upon which certain recreational facilities may be constructed, including, but not limited to, the community center, tennis courts, manager's residence, pier, boat ramp, barn and paddock area, outlot storage area, swimming pool, equestrian/pedestrian trails, and parking spaces associated with same.

Section 1.15. "Supplementary Declaration" shall mean a supplement to this Declaration of Covenants, Conditions, and Restrictions which adds additional property to that covered by this Declaration or imposes additional restrictions and obligations on the Property to the provisions of this Declaration or otherwise amends, clarifies or supplements this Declaration.

ARTICLE II
PROPERTY RIGHTS

Section 2.01. Owner's Easements of Enjoyment. Every Owner shall have a 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 suspend the voting rights and right to use of the Common Area by an Owner: for any period during which any assessment against its Lot remains unpaid; for a period not to exceed sixty (60) days for any non-continuing infraction of the Association's published rules and regulations or this Declaration; and for the duration of any continuing infrac-

tion of the Association's published rules and regulations or this Declaration;

(b) 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 Owners. No such dedication or transfer shall be effective unless an instrument signed by two-thirds (2/3) of the Owners of each class of members agreeing to such dedication or transfer has been recorded;

(c) the right of the Association to limit the number of guests of Owners:

(d) the right of the Association to establish uniform rules and regulations pertaining to the use of the Common Area and the Recreational Facilities thereon;

(e) the right of the Association to provide for the exclusive use by Owner(s) and/or non-Owners of certain portions of the Common Area such as the pool, tennis courts, and barn and paddock area, as more specifically dealt with elsewhere herein;

(f) the rights of the Association, the Declarant, utility companies and other Owners with respect to the easements created by or to be created by this Declaration; and

(g) with regard to Private Roads (as defined in Section 7.07 hereof) the right of the Association to reserve to only Private Road Lot Owners a right and easement of enjoyment in and to such Private Roads and the right of the Association to impose an obligation to pay the maintenance of such areas only upon such Private Road Lot Owners.

Section 2.02. Delegation of Use. Any Owner may delegate, in accordance with the Bylaws and Rules and Regulations of the Association, his right of enjoyment to the Common Area and Recreational Facilities to the members of its family, its tenants, social invitees, or contract purchasers, who reside on the Property.

ARTICLE III
MEMBERSHIP AND VOTING RIGHTS

Section 3.01. Membership. Every Owner of a Lot shall be a member of the Association. One membership shall be appurtenant to and may not be separated from ownership of each Lot.

Section 3.02. Voting Rights. The Association shall have two (2) classes of voting membership;

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.

Any Owner who leases his Lot may, in the lease or other written instrument, assign the voting right appurtenant to that Lot to the lessee, provided that a copy of such instrument is furnished to the Association.

Class B. There shall initially be one hundred eighty-one (181) Class B memberships in the Association, all of which will be held by the Declarant. This number shall be decreased by one (1) membership for each Class A membership existing at any one time. The Class B membership shall cease and be converted to a Class A membership on the happening of any of the following events, whichever occurs earlier:

(i) thirty (30) days following the date on which the total authorized and outstanding votes of the Class A members equals ninety (90); or

(ii) ten (10) years from the date of recordation of this Declaration; provided, however, that if the Declarant is delayed in the improvement and development of the Property on account of a sewer, water or building permit moratorium or any other cause or event beyond the Declarant's control, then the aforesaid ten (10) year period shall be extended by a period of time equal to the length of the delays or two (2) years, whichever is less; or

(iii) upon the surrender of said Class B memberships by the then holders thereof for cancellation on the books of the Association.

Upon the lapse or surrender of the Class B memberships as provided for in this Article, the Declarant shall thereafter become a Class A member of the Association as to each and every Lot in which the Declarant then holds the interest otherwise required for such Class A membership.

ARTICLE IV
COVENANT FOR MAINTENANCE ASSESSMENTS

Section 4.01. Creation of the Lien and Personal Obligation of Assessments. 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, such assessments to be established and collected as hereinafter provided. The annual and special assessments, which shall include by definition interest, costs, and reasonable attorneys' fees incurred in

collecting assessments or enforcing this Declaration or the rules and regulations of the Association, shall be a charge on the Lot (including all improvements thereon) and shall be a continuing lien upon the Lot against which each such assessment is made, provided the requirements of the Maryland Contract Lien Act have been fulfilled. Each such assessment, together with interest, costs, and reasonable attorneys' fees, shall also be the personal obligation of the person who was the Owner of such Lot 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 4.02. Purpose of Assessments. The assessments levied by the Association shall be used to promote the recreation, health, safety, and welfare of the residents in the Property and for the improvement and maintenance of the Common Area (including any improvements situated thereon which may include, without limitation, the Recreational Facilities, any storm water management equipment or facilities such as pipes, basins, pumps, and other equipment or apparatus appurtenant to such facilities), the payment of real estate taxes, assessments and utility services for the Common Area, and management fees, administration expenses, funding of reserves, and all other costs and expenses incurred by the Association in the proper conduct of its activities, including, without limitation, charges accruing under any easement, cross-easement or reciprocal easement agreements. The assessments may also be used to pay the expenses of the maintenance, repair and replacement of any property serving or appurtenant to the Property which the Board of Directors of the Association elects to maintain whether or not such property is located within the Property.

Section 4.03. Annual Assessment. Assessments shall be established annually by the Board of Directors. Notwithstanding anything to the contrary contained herein, Declarant shall have no obligation to pay annual assessments on Lots owned by Declarant unless a dwelling has been completed thereon. However, notwithstanding any provision contained in this Declaration to the contrary, Declarant hereby covenants and agrees for the benefit of each Class A member to pay any and all normal operational expense deficits, exclusive of funding reserves, incurred by the Association during the Deficit Period but only to the extent that the annual and special assessments levied during the Deficit Period are insufficient to pay such expenses; provided, however, that at such time as the Declarant has paid in the aggregate what would have equalled one hundred percent (100%) of the assessments, exclusive of reserves, for its Lots had they been charged for such, then the Declarant shall not be obligated to pay any further assessments during that annual period. As used herein, the term "Deficit Period" shall mean that period of time commencing on the date of recordation of this Declaration and ending December 31, 1996.

The Board of Directors shall from time to time fix the annual assessments, both general and specific as defined in Section 4.06, at an amount sufficient to meet the anticipated Common Expenses of the Association. The Board of Directors shall determine the amount of the assessments annually, but may do so at more frequent intervals should circumstances so require. Annual assessments shall be payable in monthly installments unless, upon resolution of the Board of Directors, installments of annual assessments are decided to be levied and collected on a quarterly, semi-annual or annual basis.

There shall be a working capital fund for the initial operation of the Association. Such working capital fund shall be funded by a one-time assessment of $250.00 payable by the Declarant's grantee upon the initial settlement of each Lot.

The Board of Directors shall prepare a budget at least thirty (30) days before the beginning of each fiscal year (which shall be the calendar year unless the Board changes it). The budget shall include an amount sufficient to establish and maintain a reserve fund in accordance with a reserve fund budget separately prepared by the Board of Directors pursuant to Section 4.11. The Board of Directors shall cause a copy of the budget, and the amount of the assessment to be levied against each Lot for the following year, to be delivered to each Owner at least thirty (30) days prior to the commencement date of the new assessments. The budget and the assessments shall become effective unless a special meeting of the Association is duly held and at such special meeting the budget and the assessments are disapproved by a vote of at least a majority of each then existing class of the total Association membership.

Notwithstanding the foregoing, however, in the event the membership disapproves the budget or the Board of Directors fails for any reason to determine or adopt the budget for the succeeding year, then and until such time as a budget shall have been determined as provided herein, the budget in effect for the then current year shall continue for the succeeding year.

Section 4.04. Special Assessments. 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 operational deficit, and for the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, or for any other legitimate purpose, provided that any such assessment shall have the assent of fifty-one percent (51%) of the votes of the Owners of each class of members who are voting in person or by proxy at a meeting duly called for this purpose. Provided, however, if the special assessment relates to an item which is or could be the subject of a specific assessment, then such special assessment need only have the assent of fifty-one percent (51%) of the votes of the Owners who will have to pay such

special assessment and such assent may be evidenced by a written consent form and need not be the subject of any meeting required under Section 4.05 or otherwise herein.

Section 4.05. Notice and Quorum for any Action Authorized Under Sections 4.03 and 4.04. Written notice of any meeting required for the purpose of taking action authorized under Section 4.03 and 4.04 shall be mailed, postage prepaid, to all members at least seven (7) days, but not 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 ten (10) percent of all the 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. Such process may be repeated until a quorum is obtained. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 4.06. General and Specific Annual Assessments. There are hereby created general and specific annual assessments for Common Expenses as may be from time to time specifically authorized by the Board of Directors, to be commenced at the time and in the manner set forth in this Article IV. General assessments for Lots shall be allocated equally among all Lots within the Association and shall be for those expenses determined by the Board of Directors generally to be for the benefit of all Lots. Specific assessments shall be levied against Lots deemed by the Board of Directors to be benefitted by goods, services or rights provided to such Lots, which goods, services and rights are not equally provided to all Lots within the Association. Specific assessments shall include, but not be limited to, assessments for the Private Roads. Only those Owners who are assessed and are paying a specific assessment, as determined by the Board of Directors, shall be entitled to such good, service, right or portion of the Common Area that such specific assessment relates to. The imposition of specific assessments for Lots shall rest solely at the discretion of the Board of Directors. The Association may also include in the specific assessment against any Lot or Owner thereof the cost of any expenses incurred by the Association as a result of any activities directly related to or caused by such Lot or the Owner or occupants thereof, including, but not limited to, insurance or maintenance costs of the Association, as determined by the Board of Directors of the Association in its sole discretion. For example, without limiting the foregoing, if an Owner (or his lessee, guest or invitee) conducts a commercial activity within the Property (not otherwise prohibited) which results in increased insurance premiums for the Association because of the Association's increased exposure to liability as a result of that activity, the Association may charge the differential in such insurance premium against such Lot and the Owner thereof as a specific assessment. Annual assessments as used herein shall be deemed to include general and specific assessments for operations and reserves.

Section 4.07. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence on the first day of the month following the conveyance of the first Lot to the initial Class A purchaser thereof. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer for the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association with the status of assessments on the Lots shall be binding on the Association as of the date of its issuance.

Section 4.08. Effect of Non-Payment of Assessments: Remedies of the Association. Any assessment not paid within fifteen (15) days after the due date shall, at the option of the Board of Directors, bear interest from the due date until paid at the maximum rate permitted by law and/or be charged a late payment fee in a reasonable amount to be determined by the Board of Directors. Additionally, the entire balance of the unpaid annual assessments for the remainder of the fiscal year may, at the discretion of the Board of Directors, also become due, payable and collectible in the same manner as the delinquent portion of such annual assessment. The Association may bring an action at law against the Owner personally obligated to pay the same, and/or foreclose the lien against the Lot (and all improvements thereon). No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot. All costs related to the collection of a delinquency (including reasonable attorney fees) shall be the responsibility of the delinquent Owner and shall become a part of the assessment then owing.

Section 4.09. Subordination of the Lien to Mortgage. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage or first deed of trust. Sale or transfer of any Lot shall not affect the assessment lien. However, only the sale or transfer of any Lot pursuant to first mortgage or first deed of trust foreclosure, 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. No amendment to this Section shall affect the rights of the holder of any first mortgage on any Lot (or the indebtedness secured thereby) recorded prior to recordation of such amendment unless the holder thereof (or the indebtedness secured thereby) shall join in the execution of such amendment.

Section 4.10. Additional Default. Any recorded first mortgage secured on a Lot shall provide that any default by the mortgagor in the payment of any assessment levied pursuant to this Declaration, or any installment thereof, shall likewise be a default in such mortgage (or the indebtedness secured thereby); but failure to include such a provision in any such mortgage shall not

affect the validity or priority thereof and the protection extended to the holder of such mortgage (or the indebtedness secured thereby) by reason of Section 4.09 shall not be altered, modified or diminished by reason of such failure.

Section 4.11. Reserves for Replacements. The Association shall establish and maintain reserve funds for replacements of the Common Areas, Recreational Facilities and other purposes as determined by the Board, by the allocation and payment monthly to such reserve funds of an amount to be designated from time to time by the Board of Directors. Such reserve fund contribution shall be payable as part of the (i) general assessment, to the extent such reserve fund will be utilized to replace assets or other purposes which are determined by the Board of Directors to benefit substantially all Owners or Lots, and (ii) specific assessment, to the extent such reserve fund will be utilized to replace assets or other purposes which are determined by the Board of Directors to primarily benefit specific Owners or Lots. Such funds may be deposited in any banking institution, the accounts of which are insured by any State or by an agency of the United States of America or may, in the discretion of the Board of Directors, be invested in obligations of, or fully guaranteed as to principal by, the United States of America. The Association shall establish a reserve fund for the repair and replacement of any storm water management facilities which the Association intends or is required to maintain which benefit or serve the Property. The Association may establish such other reserves for such other purposes as the Board of Directors may from time to time consider to be necessary or appropriate. The proportional interest of any Owner in any such reserves shall be considered an appurtenance of his Lot and shall not be separately withdrawn, assigned or transferred or otherwise separated from the Lot to which it appertains and shall be deemed to be transferred with such Lot.

ARTICLE V
ARCHITECTURAL CONTROL

Section 5.01. Architectural Change Approval. No building, fence, wall, landscaping or other structure shall be commenced, erected or maintained upon the Property, nor shall any construction or exterior addition to or change or alteration therein be made (including change in color) until the plans and specifications showing the nature, kind, shape, height, materials, 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 and conformity with the design concept for the Property by a Control Committee composed of three (3) or more people who are representatives of, or appointed by, the Declarant, or the Board of Directors once the Declarant has assigned the Control Committee responsibility to the Association, ("Control Committee"). In the event the Control Committee, fails to approve or disapprove such design and location within sixty (60) days after said full and complete plans and specifications have

been submitted to it along with a completed application and the requisite fee, approval will not be required and this Article will be deemed to have been fully complied with. Design approval by the Control Committee shall in no way be construed as to pass judgment on the correctness of the location, structural design, conformance with local building codes, rules or regulations, safety, suitability of water flow or drainage, location of utilities, or other qualities of the item being reviewed. The Control Committee shall have the right to charge a reasonable fee for reviewing each application. Any exterior addition to or change or alteration made without application having first been made and approval obtained as provided above shall be deemed to be in violation of this covenant and the addition, change or alteration may be required to be restored to the original condition at the Owner's cost and expense. In any event, no such exterior addition to or change or alteration shall be made without the required approvals and permits therefor having first been obtained by the Owner from the applicable public authorities or agencies. Notwithstanding any provision of this Declaration to the contrary, the provisions of this Article V shall not be applicable to the Declarant or any part of the Property owned by the Declarant. A majority of the Control Committee may designate a representative to act for it. In the event of death, resignation, or inability to act, of any member of the Control Committee, the Declarant, or if the Association has been assigned the Control Committee function, then the Board of Directors, shall have full authority to designate a successor. Neither the members of the Control Committee, nor its designated representative, shall be entitled to any compensation for services performed pursuant to these Covenants, but the Association may charge fees for the work of the Control Committee. The Control Committee's approval or disapproval as required shall be in writing. A majority of the membership of the Control Committee shall constitute a quorum and all actions shall require only a majority vote. Any one member of the Control Committee shall have the absolute and conclusive authority to certify in writing for any purpose whatsoever that the Control Committee has duly approved or disapproved any action coming within the scope of the Control Committee's authority and such certification in writing shall be in all respects absolutely, irrevocably and conclusively binding upon the Control Committee and all members in interest. The Declarant may assign all rights, obligations, duties and responsibilities of the Control Committee to the Association at any time the Declarant shall elect, but the Declarant shall have no obligation to so assign such rights and duties to the Association. If the Declarant does assign the Control Committee function to the Association, the Declarant shall be removed and released from all obligations imposed on the Control Committee hereunder and the Board of Directors shall thereafter appoint the members of the Control Committee in accordance with the provisions hereof.

Section 5.02. Initiation and Completion of Approved Changes. Construction or alterations in accordance with plans and specifications approved by the Control Committee pursuant to the provisions of this Article shall be commenced within six (6) months

following the date upon which the same are approved by the Control Committee (whether by affirmative action or by forbearance from action as provided in Section 5.01), and shall be completed within fifteen (15) months following the date of commencement, or within such longer period as the Control Committee shall specify in its approval. In the event such construction is not completed, including the installation of landscaping, stabilization of all disturbed areas and removal of all construction trailers or offices and debris, within such fifteen (15) month period or such longer period as the Control Committee approves, then the Owner of such Lot shall pay a fee of $50.00 per day to the Association for each day after the applicable deadline that the construction is not complete. This $50.00 fee is to compensate the Association for the inconvenience to the other Owners of ongoing construction activity and for the costs to the Association created by such ongoing construction, such as excess garbage and debris on the Property, mud on streets, construction damage to the Property, etc. In the event construction is not commenced within the period aforesaid, then approval of the plans and specifications by the Control Committee shall be conclusively deemed to have lapsed and compliance with the provisions of this Article shall again be required. There shall be no deviations from plans and specifications approved by the Control Committee without prior consent in writing of the Control Committee. Approval of any particular plans and specifications or design shall not be construed as a waiver of the right of the Control Committee to disapprove such plans and specifications, or any elements or features thereof, in the event such plans and specifications are subsequently submitted for use in any other instance.

Section 5.03. Certificate of Compliance. Upon completion of any construction or alterations or other improvements or structures in accordance with plans and specifications approved by the Control Committee in accordance with the provisions of this Article, the Control Committee shall, at the request of the Owner thereof, issue a certificate of compliance which shall be prima facie evidence that such construction, alteration or other improvements referenced in such certificate have been approved by the Control Committee and such construction or installation is in full compliance with the provisions of this Article and with such other provisions and requirements of this Declaration as may be applicable.

Section 5.04. Control Committee Rules and Regulations; Appeal of Control Committee Decision. The Control Committee may from time to time adopt and promulgate such rules and regulations regarding the form and content of plans and specifications to be submitted for approval and may publish such statements of policy, standards, guidelines and/or establish such criteria relative to architectural styles or details, or other matters, as it may consider necessary or appropriate. No such rules, regulations, statements, criteria or the like shall be construed as a waiver of the provisions of this Article or any other provision or requirement of this Declaration. The decisions of the Control Committee shall be final, except that if and when the Control

Committee function has been assigned from the Declarant to the Association, then any member who is aggrieved by any action or forbearance from action by the Control Committee may appeal the decision of the Control Committee to the full Board of Directors and, upon the request of such member, shall be entitled to a hearing before the full Board of Directors. Two-thirds (2/3) of the entire Board of Directors, whether present at such meeting or not, shall be required to reverse the decision of the Control Committee.

Section 5.05. Landscaping Escrows. Upon application to the Control Committee for new home construction, an Owner shall post with Declarant (or if Declarant has turned over the Control Committee to the Association, then to the Association) the amount of Two Thousand Five Hundred Dollars ($2,500.00) as assurance that Owner will landscape the Lot in a manner reasonably satisfactory to Declarant (the "Landscaping Escrow"). Declarant shall place this amount in an interest-bearing account in a bank or savings and loan association in the St. Mary's County, Maryland area (unless Declarant's lender shall require the Landscape Escrow to be held elsewhere), and shall apply it in accordance with this Section 5.05. Accrued interest on this amount shall become part of the Landscaping Escrow. Prior to any construction upon the Lot, Owner shall submit to the Control Committee, for the Control Committee's reasonable approval, a landscaping plan in reasonable detail. All landscaping performed to the Lot must be in accordance with the landscaping plan approved by the Control Committee. Upon completion of the landscaping work in accordance with the approved landscaping plan and in a manner reasonably satisfactory to the Control Committee and adequate grass coverage has been obtained, the Control Committee shall refund to Owner the Landscaping Escrow. In the event that Owner, within a reasonable time after substantial completion of a home on the Lot, fails to landscape the Lot in accordance with the approved landscaping plan and achieve adequate grass coverage, all in a manner reasonably satisfactory to the Control Committee, the Control Committee shall have the right to enter upon the Lot and to perform or cause to be performed the necessary landscaping work to the Lot. The Control Committee may deduct the cost of such work from the Landscaping Escrow and the balance of such Landscaping Escrow, if any, shall thereafter be returned to Owner. The sum provided for in this Section 5.05 shall be in addition to, and not part of, the applicable Control Committee fee for approval.

ARTICLE VI
USE RESTRICTIONS

Section 6.01. The covenants, restrictions, conditions, reservations, assessments, liens and charges set forth herein are hereby declared to insure the best use and the most appropriate development and improvement of each Lot; to protect the Owners against such improper use of surrounding Lots as might depreciate the value of their Lots; to preserve, so far as practicable, the natural beauty of the Property; to guard against the erection thereon of poorly designed or proportioned structures, and

structures built of improper or unsuitable materials; to obtain harmonious color schemes; to insure the highest and best development and use of the Lots; to encourage and secure the erection and maintenance of attractive homes thereon, with appropriate locations thereof on Lots including the elevations thereof; to prevent haphazard and inharmonious improvement of Lots; to secure and maintain proper setbacks from streets and water ways, and adequate free spaces between structures; and in general to provide adequately for the erection and maintenance of high type and quality of improvement in and thereby to enhance the value of investment made by purchasers of Lots therein.

Section 6.02. Notwithstanding anything contained within this Declaration to the contrary, it shall be prohibited for any Owner to undertake (i) any construction, which term shall include, in addition to the actual erection of a dwelling and its appurtenances, any staking, clearing, excavation, grading or other site work, (ii) any landscaping, plantings or removal of plants, trees or shrubs, or (iii) any modification, change or alteration of a Lot or dwelling thereof, whether functional or decorative, unless and until the value, type and size thereof, materials to be used in construction, exterior color scheme, exterior lighting plans, specifications and details thereof, and Lot plans, showing the proposed location of the dwelling, garage, and driveways upon the Lot and final Lot grades and Lot landscaping plans, shall have been approved in writing by the Control Committee, and copies of said plans, specifications and details shall have been lodged permanently with said Control Committee, and the Landscaping Escrow delivered to Declarant. Generally, homes will be traditional in design. No log homes, deck homes or "A" frame homes will be allowed. There shall be no dirt or gravel driveways. Tar and chip driveways shall be the minimum standard acceptable as a type of pavement or cover for driveways. The Control Committee may approve building materials which in its sole discretion provide high quality aesthetic appeal and long-term value both in utility and appearance. Unless other guidelines are promulgated by the Control Committee, site plans submitted to the Control Committee shall have a scale of not less than 1 inch for each 50 feet. Floor plans and architectural plans shall have a scale of not less than 1/4 inch for each foot. Improvements as used herein is intended to mean the improvements of every kind and character which shall be placed upon a Lot. Plans may be disapproved for any reason including purely aesthetic reasons. All submissions to the Control Committee may have reasonable application fees to be paid by the applicant to the Association. Such application fees should be calculated according to the time and effort necessary for review, and may be different for different submissions. Such fees shall be determined by the Board of Directors.

Section 6.03. The Declarant expressly reserves unto said Control Committee the sole and exclusive right to approve grades and slopes on all Lots and to approve the grade at which any dwelling shall hereafter be erected, or placed thereon so that the

same shall conform to a general plan, subject only to compliance with the regulations of public authorities having control thereof.

Section 6.04. Except with the express written approval of the Control Committee, which shall be granted only in unusual circumstances, no structure shall be erected or placed on any Lot which does not have at least a two-car garage under the dwelling, or at least a two-car closed garage attached to the dwelling or connected by a breezeway or other permanent structure. The Control Committee shall have the sole discretion to determine acceptable structure and design of the garage and any connecting structure. Garage doors and the doors of any other storage room of the dwelling shall be maintained in a closed position whenever possible. Additionally, only those Lots described on Exhibit "B" attached hereto and made a part hereof shall be permitted to have front-loading garages (i.e., with garage doors facing the street). All Lots other than those described on Exhibit "B" shall not have front-loading garages unless a specific waiver due to unusual circumstances is granted by the Control Committee.

Section 6.05. Trees may be removed from a Lot where reasonably necessary for the construction of approved improvements such as driveways, paths, utility lines and structures, pools, tennis courts, and decks, but in order to preserve the scenic beauty of the land hereby conveyed, except for such designated purposes, no tree larger than four (4) inches in diameter (measured two feet above the ground) or more than fifteen (15) feet in height shall be removed from such land or destroyed without the written approval of the Control Committee, said permission not being required for removal of dead trees or deadfalls.

Section 6.06. No Lot shall be subdivided into smaller Lots and, except for any transfer or dedication to any municipality, public utility, or any other public body, no portion of any such Lot (other than the entire Lot) shall be transferred or conveyed, nor shall any portion of a Lot or dwelling other than the entire Lot or dwelling be leased or rented. Any lease agreement between an Owner and a lessee shall provide that the terms of the lease are subject in all respects to the provisions of this Declaration and the Articles of Incorporation, Bylaws and rules and regulations of the Avenmar Community Association, and that any failure by the lessee to comply with the terms of such documents shall be a default under the lease. All such leases shall be in writing and shall be for a term of not less than six (6) months and in no event may a transient tenant be accommodated in any dwelling. The Association shall have the right to terminate the lease upon default by the tenant in observing any of the provisions of this Declaration, Bylaws or rules or regulations of the Avenmar Community Association, or of any other document or instrument governing the dwellings and/or the Property and any lease agreement for a Lot or dwelling shall so provide. The Owner(s) of a leased Lot and/or dwelling shall be jointly and severally liable with his tenant(s) to pay for any claim for injury or damage to persons or property caused by any action or omission, including, without

limitation, the negligence of the tenant(s). Every lease shall be subordinate to any lien filed by the Avenmar Community Association, whether before or after such lease was entered into.

Section 6.07. Lots shall be used for residential purposes only, and no offensive trade or activity shall be carried on upon any Lot nor shall anything be done thereon which may be or become an annoyance or nuisance. Without limiting the generality of the foregoing, no speaker, horn, whistle, siren, bell, amplifier or other sound device, except such devices as may be used exclusively for security purposes, shall be located, installed or maintained upon the exterior of any dwelling or upon the exterior of any other improvements constructed upon any Lot. The use of any portion of a Lot or any part of any structure thereon as an office for the conduct of any professional business or political purpose or for an embassy, church, chancery, consulate or for any similar purposes shall be in general deemed offensive and therefore prohibited unless expressly permitted by written consent of the Control Committee and the requisite governmental approvals obtained.

Section 6.08. No lawn ornaments and no tent, trailer, or temporary structure, of any kind, may be erected or placed on or moved to any Lot without written approval of the Control Committee, except a contractor's shed or trailer, which is to be used only during construction of the permanent improvements upon the Property. Such contractor's shed or trailer shall be removed upon the completion of such permanent improvements.

Section 6.09. Unless approved by the Control Committee, no sign, poster, billboard or advertisement, including, but not limited to "for sale" or "for rent" signs of every character whatsoever, shall be displayed or placed upon any portion of the Property, including rights-of-way and roads within or serving the Property, except standard sized brokerage signs denoting a home or Lot is for sale usable only on the front lawn of a home may be used and except signs used by Declarant. Without limiting the generality of the foregoing, this signage restriction shall be applicable, if the Control Committee elects, to any public or private property located within St. Mary's County, Maryland, it being the intent of the Declarant that, if the Control Committee elects, no owner of a Lot shall permit directional or other signage in or with respect to the Property or its Lot, so as to avoid the unsightly visual clutter of real estate brokerage "For Sale" and "Bandit Directional" signs. This limitation shall in no event preclude the placing on a Lot of a sign of normal form and size stating solely the name of the owner of such Lot and/or the address of the Lot. In addition, the Declarant or the Control Committee may permit limited signage by builders of homes within the Property and may also permit limited signage by others for such purposes as the Declarant or the Control Committee deems appropriate, provided such signage is approved in writing in advance. Without limiting the generality of the foregoing, the Control Committee shall have the authority, subject to the approval of the Board of Directors,

to provide for a centralized location within the Properties for the listing of homes for sale or resale.

Section 6.10. No garage or outbuilding erected on a Lot shall at any time be used for human habitation, temporarily or permanently, nor shall any structure of a temporary character be used for human habitation.

Section 6.11. No main residential structure shall be permitted on any Lot, the habitable floor area (measured from the interior exposed surface of perimeter walls), of which, exclusive of basement levels, porches, patios, attics, and garage is less than the following:

TYPE OF HOME	SQUARE FOOTAGE
1-1/2 or 2 story home	2,200
1 story home	2,000

Section 6.12. No exterior lighting, emanating from a Lot, shall be directed outside the boundaries of the Lot without the prior written approval of the Control Committee.

Section 6.13. No vehicles without a current and valid registration, no inoperable vehicles and no truck (over 3/4 ton capacity), trailer, camper, van (exclusive of normal-sized passenger vans for family uses), horse trailer, recreation vehicle, boat, boat trailer, or any vehicle having commercial registration or displaying commercial information or similar equipment shall be stored or parked on any of the Lots nor parked on any of the streets within or appurtenant to the Property by Owners, lessees or other occupants of the Lots. Notwithstanding the above, such items may be (i) kept on a Lot if landscape screening is used as approved by the Control Committee, or (ii) stored within garages or approved outbuildings so long as the doors and sides of such structures are kept in a closed position; and such items cannot be seen by passersby or other Lot Owners. Except for bona fide emergencies, no repair or extraordinary maintenance of automobiles or other vehicles shall be carried out on any Lot or the streets within or appurtenant to the Property.

Section 6.14. All television or other antennae shall be located within the interior of a dwelling. Satellite disks and antennae or similar transmitting or receiving devices will not normally be approved within the Property, unless located on the Property with the consent of the Association, and unless used to pick up a signal which is then distributed to numerous dwellings on the Property and provided such device is appropriately screened.

Section 6.15. The use of noisy construction equipment and motorized lawn mowers, lawn tractors, grass trimmers, garden fillers and other motorized (including, but not limited to,

electric and gasoline-powered engines) lawn and garden maintenance equipment shall be subject to reasonable use prohibitions as may be promulgated by the Board.

Section 6.16. No tree, hedge or other landscape feature shall be planted or maintained in a location which obstructs sight-lines for vehicular traffic on public roads or on Private Roads. Without limiting the generality of the foregoing, no wire or other lawn edging, fencing or other treatment shall be placed or maintained on any Lot which would impede the Association's ability to perform its maintenance obligations as set forth in this Declaration or which would be inharmonious with the aesthetics of the community of which it is a part. For the purposes of the immediately preceding sentence, wire lawn edging shall be deemed inharmonious; provided, however, that if the Control Committee, upon appropriate application, shall approve such treatment, it shall be permitted on a Lot notwithstanding the provisions of this paragraph.

Section 6.17. Except for the temporary use of hoses and the like which are reasonably necessary in connection with normal lawn maintenance, no hose, water pipe, sewer pipe, gas pipe, drainage pipe, television cable or other similar transmission line shall be installed or maintained upon any Lot above the surface of the ground, unless such installation is expressly approved by the Control Committee.

Section 6.18. No play equipment, including, without limitation, basketball backboards, basketball hoops and other equipment associated with either adult or juvenile recreation, shall be attached in any manner to the exterior of any dwelling or otherwise installed on any Lot except if screened from view from the street and placed in such a manner as to not constitute a nuisance to adjoining Owners.

Section 6.19. No structure, planting or other material shall be placed or permitted to remain upon any Lot which may damage or interfere with any easement for the installation or maintenance of utilities, or which may unreasonably change, obstruct or retard direction or flow of any drainage channels.

Section 6.20. Vegetable gardens shall not be permitted on any Lot unless placed in the rear portion of such Lot in such a manner as to not constitute a nuisance to adjoining Owners.

Section 6.21. No lawn furniture shall be maintained in the front or side yards of any Lot except if shielded from view by landscaping or a wall approved by the Control Committee.

Section 6.22. Bed sheets, plastic sheets, newspapers, plastic storm windows or other similar window treatments shall not be hung or placed in or on any window on any dwelling located on any Lot.

Section 6.23. Children's play and similar equipment shall not be allowed to remain overnight within any front yard of any Lot.

Section 6.24. No play equipment such as metal or wooden swing sets, or children's climbing apparatus, or the like, shall be permitted on any Lot unless screened substantially from view by landscaping or a wall approved by the Control Committee.

Section 6.25. Except as may be authorized by the Control Committee, no animals or poultry of any kind shall be raised, bred, or kept on the Property. No more than a total of three (3) normal house pets, exclusive of horses and ponies, may be kept on a Lot. Horses and ponies shall not be permitted on any Lot without the prior written consent of the Control Committee, which consent shall be granted or denied based upon the size and configuration of the Lot in question as well as the feasibility of housing the horse or pony without detracting from other Lots within the Property. All pets shall be kept on a leash whenever such pets are not on the Lot of the pet's owner. The keeping of any animal or other pet shall be subject to rules and regulations adopted by the Control Committee, and shall be further subject to all state and local laws and ordinances. No pets or other animals shall be kept, bred, or maintained on a Lot for any commercial purpose.

Section 6.26. No fill, stumps, trash, grass clippings, or other refuse of any kind shall be allowed to accumulate on any Lot, except that composting may be permitted on a Lot subject to the approval of the Control Committee.

Section 6.27. Except for original construction authorized by Declarant or its designee, no fence or wall of any kind shall be erected, placed or maintained, or permitted to remain upon a Lot, unless and until the written consent of the Control Committee has been obtained.

Section 6.28. Oil development operations, refining, mining operations of any kind, or quarrying, shall not be permitted upon, or in, any of the Lots.

Section 6.29. All trash, garbage, and refuse stored outside any dwelling shall be stored in covered receptacles and be regularly removed from the Lots, and shall not be allowed to accumulate thereon. Trash and garbage containers shall not be permitted to remain in public view except on days of trash collection. No burning of any trash shall be permitted on any Lot. No clothesline shall be erected or maintained on any Lot unless appropriately screened from view of all adjoining Lots in the discretion of the Control Committee. All outside storage areas and machinery and equipment shall be prohibited upon any Lot, unless obscured from view of adjoining Lots and streets by an approved, appropriate landscape screen. Nothing herein shall be deemed to apply to the storage on any Lot by Declarant or its assignees of

building materials during, and for use in, the construction of the improvements on the Lots.

Section 6.30. No school or church of any kind shall be maintained or operated upon any portion of the Property.

Section 6.31. All tennis courts must be approved by the Control Committee.

Section 6.32. Swimming pools must be approved by the Control Committee. Only in-ground swimming pools may be approved; above ground pools are prohibited.

Section 6.33. Declarant hereby reserves for itself, its designees and the Association, blanket easements upon, across, over, and under the Property for ingress, egress, installation, replacing, repairing, and maintaining cable television systems, master television antenna systems, security, and similar systems, walkways, and all utilities, including, but not limited to, water, sewers, meter boxes, telephones, gas, cable TV and electricity.

In addition to the easements described above, there is hereby specifically reserved for the installation and maintenance of utilities, including, but not limited to Cable TV and drainage facilities, a specific easement ten feet (10') in width extending along the front, rear and sides of each Lot. All Owners shall cooperate with the installation of all utilities in and through the Property, and agree to promptly execute such documents as Declarant shall deem necessary to effectuate the easements established herein.

Notwithstanding anything to the contrary contained in this Section, no sewers, electrical lines, water lines, or other utilities may be installed or relocated on said Property, except as may be approved by the Declarant or the Board of Directors. Should any entity furnishing a service covered by the general easement herein provided request a specific easement by separate recordable document, the Board of Directors shall have the right to grant such easement on said Property without conflicting with the terms hereof. The easements provided for in this Section shall in no way adversely affect any other recorded easements on the Property.

A mutual right and easement for utility services is hereby established for the benefit of all Owners, such that no Owner shall take any action which would in any way interfere with utility services being provided to other Owners within the Properties. If a Lot contains any utility pipes, ducts, conduits, wires or the like which are for the benefit, in whole or in part, of other Owners within the Property, then the Owner of such Lot shall promptly, at his expense, repair any damage to such utilities caused by the Owner, his guests and invitees. For all purposes herein, utilities shall include Cable TV.

In addition to and concurrent with any other easements within the Property, there is hereby reserved a specific easement thirty feet (30') in width extending along the Lot line of any Lot appurtenant to any public or Private Road within the Property. Such easement shall be for the installation and maintenance of fencing, plantings and landscaping, if any, by the Declarant or the Association, but there shall be no obligation to install such fencing, planting, or landscaping on the part of the Declarant or the Association.

Section 6.34. The Declarant, its agents, employees, and assigns and the Association, shall have an irrevocable right and an easement to enter the Lots for the purposes of exercising the rights and fulfilling the obligations established by this Declaration and any Supplementary Declarations recorded hereafter.

Section 6.35. None of the foregoing restrictions shall apply to Declarant. In addition, said restrictions shall not apply to Declarant's successors and assigns where Declarant expressly exempts such successors or assigns from such restrictions in the said assignment or transfer.

Section 6.36. Some or all of the Lots may be subject to a non-disturbance easement between the property lines of such Lots and the building restriction line located on such Lot(s) as shown on the subdivision plat(s) of the Property recorded among the Land Records of St. Mary's County, Maryland. No construction, clearing or grading or other such disturbance shall be permitted in such area. No Lot may be cleared, graded or otherwise disturbed in contravention of the limitations for clearing Lots within the Property as shown or described on the final plats and plans of the Property as recorded by Declarant and on file at the St. Mary's County Office of Planning and Zoning (collectively, the "Plat"); provided, however, in the event an Owner obtains governmental and Control Committee approval for such clearing and such clearing is contingent on mitigating or replacing trees or vegetation, then the Common Area may be utilized for plantings to fulfill such mitigation or replacement requirement, subject to the approval of the Control Committee.

Section 6.37. The approved mailbox standard as determined by the Declarant shall be the only type of mailbox and support used in the Property. This shall include, but not be limited to, color, location and installation method for the mailbox. Should a mailbox be knocked down or destroyed, it shall be the responsibility of the affected Owner(s) to immediately replace or repair such mailbox with the approved mailbox standard and no other; provided, however, should the approved mailbox standard no longer be manufactured, then such affected Owner(s) shall apply to the Control Committee for approval to replace the approved mailbox standard with a mailbox and support as closely resembling the approved mailbox standard as can be found. Should an Owner not comply with the provisions of this paragraph, the Association may, but shall be under no obligation to, replace such noncomplying Owner's mailbox

with the approved mailbox standard and charge all costs associated therewith to such Owner as a specific assessment.

Section 6.38. All fencing shall be approved in advance by the Control Committee. Generally, fences in front yards and/or extending beyond the rear corners of houses will only be permitted if fences are cedar split rail or black three rail estate fencing. Wooden privacy fences and traditional, silver chain link fences will not be approved by the Control Committee unless special circumstances justify the use of such fencing in the Control Committee's sole discretion. Green or black vinyl clad chain link fences will generally only be permitted in rear yards or where not visible from the street, subject to the Control Committee's approval as to location, height, and landscape screening, as deemed appropriate by the Control Committee.

Section 6.39. Everywhere a driveway connects with a public road, the Owner of the Lot which the driveway serves shall be responsible for installing the standard Declarant approved yardlight found throughout the Property. All costs for purchasing, installing and supplying electricity to such yardlight shall be the responsibility of the Lot Owner. The yardlight shall be hardwired to the electric supply of the Owner's house so that it cannot be turned on and off by a switch, but rather shall be on a photocell. The costs of repairs, lightbulbs and photocells for such yardlight shall be the responsibility of the Association, to be billed as a general assessment.

ARTICLE VII
COMMON AREA AND RECREATIONAL FACILITIES

Section 7.01. Use and Enjoyment. The Common Area may only be used by the Owners and their guests, lessees and invitees (and non-Owner boarders at the barn and paddock area and non-Owner members of the pool and tennis facility) for the purposes provided in this Declaration.

Section 7.02. Equestrian/Pedestrian Trail. The location of easements for equestrian/pedestrian trails for the free ingress, egress and movement of horses and pedestrians across, through and along the Property, including Common Areas and individual Lots, are shown and specifically located on the Plat. This language contained herein in Section 7.02 shall specifically control the use of such trail easements. No bicycles, motorcycles, or vehicles of any kind shall be on the trail. Such trails may not be disturbed or inhibited in any manner by the Owner of any Lot or his lessees, guests or invitees. Such equestrian/pedestrian trail easements are for the sole and exclusive use of Owners, and their Tenants, guests, and invitees and all non-Owner boarders at the barn and paddock area. Every Owner of a Lot over which the equestrian/pedestrian easement is located shall have a duty not to intentionally disturb the integrity of the equestrian/pedestrian trail across such Owner's Lot. This shall include, but not be limited

to, not intentionally blocking the trail with trees, fences, branches, limbs or other objects which would impede access. This duty not to intentionally obstruct, impede, or destroy the trail shall in no way make the Owner of such Lot a guarantor or warrantor of the safety of the trail, it being the intent that the obligation to keep the equestrian trails passable shall be the duty of the Association. All Owners whose Lots are encumbered by the trail easements shall be entitled to all rights and benefits of the Maryland Recreational Use Statute, Title 5, Natural Resources, Annotated Code of Maryland, Subtitle 11, Sections 5-1101 et. seq., as amended. Additionally, all users of the trail easements, by their use thereof, agree that they are using such trails at their own risk and agree to hold harmless and indemnify the Association and all Owners of Lots over which the trail easements pass, from any and all claims, damages, costs, including but not limited to attorneys fees, liabilities, expenses, and all causes of action growing out of or relating in any manner to such indemnitor's use of the trail easements.

Section 7.03. Barn and Paddock Area. The Recreational Facilities may include a barn and paddock area. The Board of Directors shall have full authority to either have the Association operate the barn and paddock area itself or to lease the barn and paddock area to a third party operator or manager at whatever fee and on whatever terms and conditions the Board shall determine. This shall include, but not be limited to, the right of the Board to lease the barn and paddock area:

(a) to a non-profit or for-profit third party;

(b) for any lease term;

(c) at whatever rental the Board desires including a nominal rental of $10.00 per year;

(d) to an operator who boards horses of people who are not Owners or Members of the Association; even to the exclusion of being able to board the horses of Owners; and

(e) on whatever other terms and conditions the Board determines.

The expenses for upkeep, repairs, maintenance and reserves of the barn and paddock area can either be charged to the Owners as a general or specific assessment or a combination thereof depending on how the barn and paddock area is eventually structured and operated, all at the discretion of the Board of Directors. This may include the payment of such assessments by Owners even if they do not board a horse at or use the barn and paddock area.

Section 7.04. Pier and Boat Ramp. The Recreational Facilities may also include a pier and boat ramp. The pier and boat ramp may be used by Owners for such purposes as loading and unloading boats, fishing, swimming and temporarily (less than 12

hours) tying up a boat, all subject to such rules and regulations as may be promulgated by the Board of Directors.

Section 7.05. Community Center, Pool and Tennis Courts. The community center, pool and tennis courts shall be used for such activities and purposes and subject to such rules, regulations and assessments and/or charges as the Board of Directors may decide. This may include selling memberships to non-Owners for the use of these Recreational Facilities on such terms and conditions as the Board of Directors may determine.

Section 7.06. Outlot Storage Area. The outlot storage area shall be utilized for the storage of registered and currently licensed boats, boat trailers, trailers, vans, campers, horse trailers, and other vehicles not allowed to be parked in driveways or elsewhere on the Property, all subject to such rules, regulations and charges as may be promulgated by the Board for such outlot storage area.

Section 7.07. Private Roads. Attached hereto and made a part hereof as Exhibit "C" is a list of those Lots which will be accessed by a Private Road (herein so called) situated on Common Area or in an easement across one or more Lots (the "Private Road Lots"). These Private Roads shall be maintained by the Association and the cost associated therewith, including reserves, shall be a specific assessment to all the Private Road Lots, with either the cost of maintaining all Private Roads in the Property shared equally by all Private Road Lot Owners, regardless of whether a house has been constructed thereon, or on such other allocated basis as determined by the Board. Provided, however, any damage done to a Private Road by an Owner, an Owner's agents or invitees, shall be the responsibility of such Owner to correct and repair and, if not properly repaired, the Association may levy a specific assessment against such Owner for the cost of such repair.

Snow removal from a Private Road shall not be the responsibility of the Association; but shall be the responsibility of the Private Road Lot Owners, regardless of whether a house has then been constructed on such Private Road Lot. Each Private Road Lot Owner shall bear the same pro rata share for the cost of snow removal as every other Owner on such Private Road regardless of the number of linear feet of such Owner's Lot on the Private Road and regardless whether such Lot is the first or last Lot on the Private Road. Notwithstanding anything to the contrary contained hereinabove, the Board of Directors may elect to do snow removal from Private Roads and charge the Private Road Lot Owners a specific assessment for such service.

Section 7.08. Manager's Residence. The house situated in the Common Area and owned by the Association may, at the discretion of the Board of Directors, be the residence for the Manager of the Association, subject to such rules and regulations as may be promulgated by the Board. Expenses for the upkeep and utilities of the Manager's Residence may be included in the General Assessment

if the Board determines. The Board also has the authority to lease the Manager's Residence to third parties who are not the Manager of the Association on such terms as the Board may decide. All revenues from such leasing to be the funds of the Association.

Section 7.09. Wetlands License Restrictions. In accordance with the requirements of Wetlands License No. 90-0854 issued by the Board of Public Works of the State of Maryland, Wetlands Administration, that part of the Recreational Facilities within the licensed area shall be subject to the following additional covenants, conditions and restrictions:

(a) The road over the licensed area shall be constructed of bank run gravel and blue stone type materials and shall not be paved over with concrete or asphalt;

(b) No mooring pile emplacement or mooring of boats shall be performed or permitted at the pier facility;

(c) No present or future dredging for boating access shall be sought or occur at this site.

Notwithstanding any language within this Declaration to the contrary, the above conditions (a), (b) and (c) imposed by Wetlands License No. 90-0854 cannot be changed or modified without the consent of the Board of Public Works, State of Maryland, Wetlands Administration, or its successor.

ARTICLE VIII
MAINTENANCE

Section 8.01. Owners' Rights and Responsibilities. Except as otherwise specifically provided in this Declaration, each Owner shall keep each Lot owned by him, and all improvements therein or thereon, in good order and repair and free of debris in a manner and with such frequency as is consistent with good property management and the Community-Wide Standard. In the event an Owner of any Lot in the Property shall fail to maintain the Lot and the improvements situated thereon in accordance with this Declaration or otherwise violates this Declaration or rules and regulations promulgated pursuant hereto, the Association or its agent shall have the right to enter upon said Lot to correct such violations and to repair, maintain and restore the Lot and the exterior of the buildings and any other improvements erected thereon. Whenever entry is not required in an emergency situation, the Association shall afford the Owner reasonable notice and an opportunity to cure the problem prior to entry. All costs related to such correction, repair or restoration (including repairs to Private Roads from the negligence of an Owner) shall be collectible from the Owner of such Lot in the same manner as assessments as provided in Article IV herein, and all rights to lien the Lot for such costs shall also be applicable.

Section 8.02. Association Maintenance. The Association shall maintain and keep in good order, or contract for such maintenance through leases or otherwise, the Common Areas (including, but not limited to any of the following which may exist from time to time, the pier, boat ramp, community center, pool, tennis courts, barn and paddock area, outlot storage area, manager's residence, community fencing, entrance monuments or markers, stone walls, equestrian/pedestrian trails, Private Roads even if by easement on Lots, and community signage), with such maintenance to be funded as herein provided. In addition, the Association may maintain and keep in good repair, rights-of-way and entry strips, whether owned as Common Area, part of a Lot or dedicated for public use, so long as the rights-of-way or entry strips are within or appurtenant to the Property. This may include, but not be limited to, maintenance, repair and replacement, subject to any insurance then in effect, of all landscaping and other flora, structures and improvements situated upon such areas.

ARTICLE IX
INSURANCE

Section 9.1. Required Coverage. To the extent reasonably available, the Board of Directors of the Association, or its duly authorized agent, may obtain, maintain and pay the premiums, as a Common Expense, upon a policy of property insurance covering all the Common Areas (except land, foundation, excavation and other items normally excluded from coverage) including fixtures and building service equipment, to the extent that they are a part of the Common Areas of the Association, as well as common personal property and supplies.

The insurance policy may afford protection against loss or damage by fire and other perils normally covered by the standard extended coverage endorsement, as well as all other perils which are customarily covered with respect to projects similar in construction, location and use, including all perils normally covered by the standard "All Risk" endorsement, where such is available. The policy may be in an amount equal to one hundred percent (100%) of the current replacement cost of the Common Areas (less a deductible deemed reasonable by the Board of Directors) and shall name the Association as the named insured.

Each hazard insurance policy should be written by a hazard insurance carrier which has a current rating by Best's Insurance Reports of B/VI or better (or its equivalent). Hazard insurance policies are also acceptable from any insurance carrier which has a financial rating by Best's Insurance Reports of Class V, provided it has a general policyholder's rating of at least "A". Each insurer must be specifically licensed or authorized by law to transact business within the State of Maryland. The policy contract should provide that no assessment may be made against the mortgagees, and that any assessment made against others may not

become a lien on the mortgaged premises superior to the first mortgage.

All policies of hazard insurance should contain or have attached the standard mortgagee clause commonly accepted by private institutions as mortgage investors in the area in which the mortgaged premises are located. The mortgagee clause should provide that all property insurance policies must provide an Agreed Amount and Inflation Guard Endorsement, if available, and a Construction Code Endorsement if the Common Areas in the Association are subject to a construction code provision which would become operative and require changes to undamaged portions of the building(s), thereby imposing significant costs in the event of partial destruction by an insured peril.

If any portion of the Common Area buildings are in a special flood hazard area, as defined by the Federal Emergency Management Agency, the Board of Directors of the Association, or its duly authorized agent, may obtain, maintain and pay, if reasonably available, as a Common Expense, the premiums upon a "master" or "blanket" policy of flood insurance on Common Area buildings. The policy may be in an amount deemed appropriate, but should not be less than the maximum coverage available under the National Flood Insurance Program for all buildings and other insurable property within any portion of the Common Areas located within a designated flood hazard area or one hundred percent (100%) of current replacement cost of all such buildings and other insurable property.

The Association may maintain, to the extent reasonably available, comprehensive general liability insurance coverage covering all of the Common Areas, public ways of the project, and other areas that are under its supervision (including, but not limited to, commercial spaces, if any, owned by the Association, whether or not they are leased to third parties). Coverage limits should be in amounts generally required by private institutional mortgage investors for projects similar in construction, location and use. However, such coverage should be for at least One Million Dollars ($1,000,000.00) for bodily injury and property damage arising out of a single occurrence. Coverage under this policy should include, without limitation, legal liability of the insured for property damage, bodily injuries and deaths of persons in connection with the operation and maintenance or use of the Common Areas, and legal liability arising out of lawsuits related to employment contracts in which the Association is a party. Such insurance policy should contain a "severability of interest" clause or endorsement which should preclude the insurer from denying the claim of an Owner because of negligent acts of the Association or other Owners. Such policies should provide that they may not be cancelled or substantially modified, by any party, without at least ten (10) days prior written notice to the Association.

At the option of the Board of Directors and to the extent reasonably available, blanket fidelity bonds may 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 should be covered by its own fidelity bond. Except for fidelity bonds that a management agent obtains for its personnel, all other bonds should name the Association as an obligee and should have their premiums paid as a Common Expense by the Association. The total amount of fidelity coverage required may be sufficient to cover the maximum funds that will be in the custody of the Association or management agent at any time, but should at least equal the sum of three (3) months' assessments on all Lots within the Property, plus the Association's reserve funds. The bonds should provide that they cannot be cancelled or substantially modified (including cancellation for non-payment of premium) without at least ten (10) days prior written notice to the Association.

Section 9.02. Repair and Reconstruction of Common Areas After Fire or Other Casualty. Except as hereinafter provided (and inconsistent herewith), in the event of damage to or destruction of any portion of the Common Areas covered by insurance payable to the Association as a result of fire or other casualty, the Board of Directors shall arrange for the prompt repair and restoration thereof, and the Board of Directors or the Insurance Trustee (as hereinafter defined), as the case may be, shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration, as provided below.

The Insurance Trustee may rely upon a certificate of the Board of Directors which certifies whether or not the damaged Property is to be reconstructed or repaired. The Board of Directors, upon request of the Insurance Trustee, shall deliver such certificate as soon as practicable.

Immediately after a casualty causing damage to the Common Areas for which the Association has insurance and the responsibility of maintenance, repair, and/or replacement, the Board of Directors shall obtain reliable and detailed estimates of the cost to place the damaged portions of the Common Areas in as good a condition as existed before the casualty. Such costs may include professional fees and premiums for such bonds as the Board of Directors desire.

In the event of reconstruction or repair (as estimated by the Board of Directors) which shall exceed Twenty-Five Thousand Dollars ($25,000.00), all proceeds of insurance shall be paid over to a trust company or bank having trust powers and authorized to engage in the trust business in the State of Maryland (hereinafter "Insurance Trustee"), selected by the Board of Directors, and shall

be paid out from time to time as the reconstruction and repair progresses in accordance with the provisions of an Insurance Trust Agreement and which contains, inter alia, the following provisions:

(a) the reconstruction or repair shall be in the charge of an architect or engineer, who may be an employee of the Association, and hereinafter called the "Architect";

(b) any restoration or repair of the project shall be performed substantially in accordance with the Declaration and the original plans and specifications, unless other action is approved by at least fifty-one percent (51%) of the Owners (other than the Declarant);

(c) each request for an advance of the proceeds of insurance shall be made to the Insurance Trustee and shall be accompanied by a certificate from the Architect and Board of Directors to the effect that (i) all work then completed has been performed in accordance with the plans and specifications; and (ii) the amount requested to be advanced is required to reimburse the Board of Directors for payments previously made by the Board of Directors or is due to the contractor responsible for the restoration or repair, or to subcontractors, materialmen, laborers, engineers, architects or to other persons responsible for services or materials in connection with such restoration or repair, or for fees or the like necessarily incurred in connection with the same; and (iii) when added to amounts previously advanced by the Insurance Trustee, the amount requested to be advanced does not unreasonably exceed the value of the work done and materials delivered to the date of such request;

(d) each request for an advance of the proceeds of insurance shall be accompanied by satisfactory waivers of liens covering that portion of the repair or reconstruction for which payment or reimbursement is being requested, together with appropriate evidence from a title insurance company or the like to the effect that there has not been filed with respect to the Common Areas, or any part thereof, any mechanics or other lien, or notice of intention to file the same, which has not been dismissed, bonded, or satisfied of record;

(e) the fees and expenses of the Insurance Trustee, as agreed upon by the Board of Directors and the Insurance Trustee, shall be paid by the Association as a Common Expense, and such fees and expenses may be deducted from any insurance proceeds in the hands of the Insurance Trustee, pro rata, as the reconstruction or repair progresses;

(f) such other provisions not inconsistent with the provisions hereof as the Board of Directors or the Insurance Trustee may reasonably require.

Upon completion of the reconstruction or repair and payment in full of all amounts due on account thereof, any proceeds of insurance then in the hands of the Insurance Trustee shall be paid to the Board of Directors.

ARTICLE X
MANAGEMENT

Section 10.01. Management Agent. The Board of Directors may employ for the Association a professional management agent or manager (the "Manager" or "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 10.02. Duration of Management Agreement. Any management agreement entered into by the Association shall provide, inter alia, that such agreement may be terminated (i) for cause by either party upon thirty (30) days written notice thereof to the other party or (ii) without cause upon ninety (90) days written notice, without a termination fee or penalty for such termination in either case. The term of any such management agreement shall not exceed one (1) year; provided, however, that the term of any such management agreement may be renewable by mutual agreement of the parties for successive one (1)-year periods.

ARTICLE XI
GENERAL PROVISIONS

Section 11.01. Limitation of Liability. The Association shall not be liable for any failure of any services or insurance to be obtained by the Association or paid for out of the Common Expense funds, or for injury or damage to person or property caused by the elements or resulting from water which may leak or flow from any portion of the Common Areas or Recreational Facilities, or from any wire, pipe, drain, conduit or the like. The Association shall not be liable to any member for loss or damage, by theft of otherwise, of articles which may be stored upon the Common Areas or Recreational Facilities. No diminution or abatement of assessments, as herein elsewhere provided for, shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the Common Areas or Recreational Facilities, or from any action taken by the Association to comply with any of the provisions of this Declaration or with any law or ordinance or with the order or directive of any municipal or other governmental authority.

Section 11.02. Enforcement. The Association, or any Owner, or any Mortgagee of any Lot shall have the right to enforce, by self-help, so long as the peace is not breached, or by any proceeding at law and/or in equity, all restrictions, conditions, covenants, reservations, easements, liens, charges or other

obligations or terms now or hereafter imposed by the provisions of this Declaration, or the Articles of Incorporation or Bylaws of the Association or rules and regulations promulgated by the Association or Board. Failure by the Association or by any Owner or by any mortgagee of any Lot to enforce any covenant or restrictions herein contained or any provision of the Bylaws or Articles of Incorporation of the Association or rules and regulations promulgated by the Association or Board shall in no event be deemed a waiver of the right to do so thereafter. There shall be and there is hereby created and declared to be a conclusive presumption that any violation or breach or attempted violation or breach of any of the within covenants or restrictions or any provision of the Bylaws or Articles of Incorporation or rules and regulations of the Association cannot be adequately remedied by action at law or exclusively by recovery of damages. If the Association, or any Owner or Mortgagee of any Lot, successfully executes a self-help remedy or brings an action to extinguish a violation or otherwise enforce the provisions of this Declaration or the Articles of Incorporation or Bylaws or rules and regulations of the Association, the costs of such action, including legal fees, shall become a binding, personal obligation of the Owner committing or responsible for such violation, and such costs, if incurred by the Association shall also become part of such violating Owner's assessment and be a lien upon the Lot of such Owner, collectible in the same manner as all other assessments.

Section 11.03. Fines. In addition to the means for enforcement provided elsewhere herein, the Association shall have the right to levy fines against an Owner or his guests, relatives, lessees or invitees, in the manner set forth herein, and such fines shall be collectible as any other assessment such that the Association shall have a lien against the Lot of such Owner as provided in this Declaration, the Bylaws and the Articles of Incorporation and such fine(s) shall also become the binding personal obligation of such Owner.

(a) The Board of Directors of the Control Committee, shall be charged with determining whether there is probable cause that any of the provisions of this Declaration, the Bylaws, Articles of Incorporation or the rules and regulations of the Association, regarding the use of the dwelling units, Lots, Common Area or other Association property, are being or have been violated. In the event that the Board of Directors or the Control Committee determines an instance of such probable cause it shall cause the Board of Directors to provide written notice to the person alleged to be in violation, and the Owner of the Lot which that person occupies or is visiting if such person is not the Owner, of the specific nature of the alleged violation and of the opportunity for a hearing before the Board of Directors upon a request made within five (5) days of the sending of the notice. The notice shall also specify, and it is hereby provided, that each recurrence of the alleged violation or each day during which it continues shall be deemed a separate offense, subject to a separate fine not to exceed Fifty Dollars ($50.00) for each offense. The

notice shall also specify, and it is hereby provided, that in lieu of requesting a hearing, the alleged violator or Owner may respond to the notice within five (5) days of its sending, acknowledging in writing that the violation occurred as alleged and promising that it will henceforth cease and will not recur, and that such acknowledgment and promise, and performance in accordance therewith, shall terminate the enforcement activity of the Association with regard to such violation.

(b) If a hearing is timely requested, the Board of Directors shall hold the same, and shall hear any and all defenses to the charges, including any witnesses that the alleged violator, Owner or the Board of Directors or Control Committee may produce. Any party at the hearing may be represented by counsel.

(c) Subsequent to any hearing, or if no hearing is timely requested and if no acknowledgment and promise is timely made, the Board of Directors shall determine whether there is sufficient evidence of a violation or violations as provided herein. If the Board of Directors determines that there is sufficient evidence, it may levy a fine for each violation in the amount provided herein.

(d) A fine pursuant to this Section 11.03 shall be assessed against the Lot which the violator occupied or was visiting at the time of the violation, whether or not the violator is an owner of that Lot, and shall be collectible in the same manner as any other assessment, including by the Association's lien rights as provided in this Declaration and the Bylaws. Nothing herein shall be construed to interfere with any right that an Owner may have to obtain from a violator occupying or visiting his Lot payment of the amount of any fine(s) assessed against that Lot.

(e) Nothing herein shall be construed as a prohibition of or limitation on the right of the Association to pursue any other means of enforcement of the provisions of this Declaration, the Bylaws, Articles of Incorporation or rules and regulations, including, but not limited to, legal action for damages or injunctive relief.

Section 11.04. 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 11.05. Duration and Amendment. Except where permanent easements or other permanent rights or interests are herein created, the covenants and restrictions of the 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. As long as the Class B membership exists, the Declarant may modify or amend this Declaration, the Bylaws or the Articles of Incorporation without the consent of any Owners. This Declaration

may be amended after the lapse of all Class B memberships by the vote of or an instrument signed by not less than fifty-one percent (51%) of the Lot Owners.

Section 11.06. Annexation. The Declarant shall have the right, for a period of four (4) years following the date of recordation of this Declaration, without the consent of the members of the Association, to annex and bring within the scheme of this Declaration additional land. The additions authorized shall be made by filing of record Supplementary Declarations of Covenants with respect to the additional land which shall extend the scheme of the covenants and restrictions of the Declaration to such land and thereby subject such land to the effect and operation of this Declaration. Said Supplementary Declarations may contain such complementary additions and modifications of the covenants and restrictions contained in this Declaration as may be necessary to reflect the different character, if any, of the added Lots and as are not inconsistent with the scheme of this Declaration. Except as otherwise hereinabove provided, annexations to the Property shall require the consent of two-thirds (2/3) of the Class A Members.

So long as there are any Class B members the Declarant may de-annex any undeveloped property from the Property for a period of four (4) years from the date of recordation of this Declaration. Such de-annexed property shall no longer be subject to the covenants and restrictions of this Declaration except for any easements, rights, reservations, exemptions, powers or privileges reserved to the Declarant pursuant to this Declaration which affect the de-annexed property. Such de-annexation shall be made by recording a Supplementary Declaration among the Land Records of St. Mary's County, Maryland, withdrawing the effect of the covenants and restrictions of this Declaration from the de-annexed property. Such de-annexed property may be utilized by the Declarant, or any successor, assign or transferee thereof, for any lawful purpose or use. Notwithstanding anything herein to the contrary, no de-annexation made pursuant to this Section 11.06 may be made which would interfere with or limit the right of ingress or egress of any Owner to and from such Owner's Lot or such Owner's right to use and enjoy any recreational or open space situated on the Common Area, or the use of the recreational facilities.

Section 11.07. Consents. Any other provision of this Declaration or the Bylaws or Articles of Incorporation of the Association to the contrary notwithstanding, neither the members, the Board of Directors nor the Association shall, by act or omission, take any of the following actions (the following shall not be applicable to Declarant who shall be able to take the following actions without anyone else's consent subject to the other provisions contained herein):

(a) abandon, partition, alienate, release, hypothecate, dedicate, subdivide, encumber, sell or transfer any of the Common Areas or Recreational Facilities directly or indirectly owned by

the Association unless at least fifty-one percent (51%) of the Lot Owners representing fifty-one percent (51%) of the votes in the Association have given their prior written approval; provided, however, that the granting of rights-of-way, easements and the like for public utilities or for other purposes consistent with the use of the Common Areas and Recreational Facilities by Members of the Association or leasing the barn and paddock area shall not be considered a transfer within the meaning of this Section; or

(b) abandon or terminate this Declaration unless Lot Owners representing ninety percent (90%) of the votes of the Association have given their prior written approval; or

(c) unless the prior written consent of the requisite number of Lot Owners as provided in Section 11.05 of this Declaration has been obtained, modify or amend any material provision of this Declaration, which establish, provide for, govern or regulate any of the following:

(i) voting rights;

(ii) assessments, assessment liens or subordination of such liens;

(iii) reserves for maintenance, repair and replacement of the Common Areas;

(iv) insurance of fidelity bonds;

(v) rights to use of the Common Areas by any Owner, except in accordance with Section 2.01(a);

(vi) responsibility for maintenance and repairs;

(vii) expansion or contraction of the Property subject to this Declaration or the addition, annexation or withdrawal of property to or from this Declaration, except in accordance with Section 11.06;

(viii) boundaries of any Lot;

(ix) a decision by the Association to establish self-management when professional management had been previously used;

(x) leasing of Lots;

(xi) restoration or repair of the Common Area or Recreational Facilities (after a hazard damage or partial condemnation) in a manner other than that specified in the documents.

An addition or amendment to the Declaration shall not be considered material if it is for the purpose of correcting technical errors, or for clarification only.

(d) substantially modify the method of determining and collecting assessments against an Owner or his Lot as provided in this Declaration, unless at least sixty-seven percent (67%) of the Owners (other than the Declarant) of the individual Lots in the Association have given their prior written approval; or

(e) waive or abandon any scheme of regulations, or enforcement thereof, pertaining to the architectural design or the exterior appearance of buildings or structures on the Lots, the exterior maintenance of buildings or structures on the Lots, the maintenance of the Common Areas, common fences and driveways, or the upkeep of lawns and plantings within the Property unless at least sixty-seven percent (67%) of the Owners (other than the Declarant) of the individual Lots in the Association have given their prior written approval; or

(f) use hazard insurance proceeds for losses to any Association Common Area for other than the repair; replacement or reconstruction of such Common Area or property, unless at least fifty-one percent (51%) of the Owners have given their prior written approval.

Section 11.08. Changes Required by Lenders. Notwithstanding any provision to the contrary contained in the Articles of Incorporation or Bylaws of the Association or this Declaration, the Declarant shall have and hereby reserves the right to make modifications, additions or deletions to the Declaration, the Articles of Incorporation and the Bylaws of the Association if such modifications, additions or deletions are required by VA, FHA, FHLMC or FNMA; provided, however, no such change or amendment made pursuant to this Section shall be in derogation of any rights of an Owner under state or St. Mary's County law. The Declarant further reserves the right to waive in writing any exemption, right or privilege granted or reserved to the Declarant by this Declaration or the Articles of Incorporation or the Bylaws of the Association.

Section 11.09. Successors of Declarant. Any and all rights, reservations, easements, interests, exemptions, privileges and powers of the Declarant hereunder, or any part of them, may be assigned and transferred (exclusively or non-exclusively) by the Declarant by an instrument, in writing, without notice to the Association.

Section 11.10. No Dedication to Public Use. Nothing herein contained shall be construed as a dedication to public use or as an acceptance for maintenance of any Common Areas or Recreational Facilities by any public or municipal agency, authority, or utility and no public or municipal agency, authority or utility shall have any responsibility or liability for the maintenance or operation of any of the Common Areas or Recreational Facilities.

Section 11.11. Declarant Reserved Rights. No amendment to this Declaration may remove, revoke, or modify any right, reservation or privilege of the Declarant without the prior written consent of the Declarant or any successors or assignees (pursuant to Section 11.09) of the Declarant.

Section 11.12. Taxes and Assessments. It is the intent of this Declaration that insomuch as the interests of each Owner to use and enjoy the Common Area is an interest in real property appurtenant to each Lot, the value of the interest of each Owner in such Common Area shall be included in the assessment for each such Lot and as a result, any assessment directly against such Common Area should be of a nominal nature reflecting that the full value of the same should be included in the several assessments of the various Lots.

Section 11.13. Captions and Gender. The captions contained in this Declaration are for convenience only and are not a part of this Declaration and are not intended in any way to limit or enlarge the terms and provisions of this Declaration. Whenever the context so requires, the male shall include all genders and the singular shall include the plural.

IN WITNESS WHEREOF, the undersigned, being the DECLARANT herein, has executed this instrument this 21 day of August, 1992.

AVENMAR LIMITED PARTNERSHIP,
a Maryland limited partnership

By: POTOMAC INVESTMENT ASSOCIATES
LIMITED PARTNERSHIP

By: _____
Donald S. Franyo
General Partner

TRUSTEES CONSENT

The undersigned, F. Michael Harris and Marie B. Daugherty, Trustees under the Deed of Trust dated January 4, 1990, and recorded in Liber 514, Folio 227, among the Land Records of St. Mary's County, Maryland, hereby consent to the within Declaration and agree that the lien and effect of said Deed of Trust shall be subordinate and subject to the lien, effect and operation of this Declaration and all Supplementary Declarations filed pursuant thereof, provided that in the event that the property subject to the Deed of Trust is purchased by the Beneficiaries at foreclosure or is acquired by the Beneficiaries by deed in lieu of foreclosure, then so long as said Beneficiaries own said property, then they shall not be obligated to pay any assessment acquired under Article IV of these Covenants.

WITNESS:

F. Michael Harris, Trustee

Marie B. Daugherty Trustee

* * *

STATE OF MARYLAND, COUNTY OF ST. MARY'S, to wit:

On this 18 day of September, 1992, before me, the undersigned officer, personally appeared Donald S. Franyo, who has been satisfactorily proven to be the person whose name is subscribed to this written instrument, who acknowledged himself to be a General Partner of Potomac Investment Associates Limited Partnership, a Maryland Limited Partnership, the General Partner of Avenmar Limited Partnership, a Maryland Limited Partnership, and that said Donald S. Franyo, being authorized so to do, executed the foregoing instrument for the purposes therein contained herein.

GIVEN under my hand and seal this 18 day of September 1992.

Patricia D. Morgan
Notary Public

My Commission Expires: 5-8-96

STATE OF MARYLAND,
COUNTY OF ST. MARY'S, to wit:

I HEREBY CERTIFY that on this 29th day of September, 1992 before me a Notary Public in and for the said State and County personally appeared F. MICHAEL HARRIS, as Trustee under the Deed of Trust dated January 4, 1990 and recorded in Liber 514, Folio 227 among the Land Records of St. Mary's County, Maryland and he acknowledged that he executed the foregoing Declaration of Covenants, Conditions, and Restrictions for the purposes contained therein.

WITNESS my hand and Notarial Seal.

Patricia A. Austin Barrett
Notary Public
My Commission Expires: 10/1/95

STATE OF MARYLAND,
COUNTY OF ST. MARY'S, to wit:

I HEREBY CERTIFY that on this _____ day of _____, 1992 before me a Notary Public in and for the said State and County personally appeared MARIE B. DAUGHERTY, as Trustee under the Deed of Trust dated January 4, 1990 and recorded in Liber 514, Folio 227 among the Land Records of St. Mary's County, Maryland and she acknowledged that she executed the foregoing Declaration of Covenants, Conditions, and Restrictions for the purposes contained therein.

WITNESS my hand and Notarial Seal.

Patricia A. Austin Barrett
Notary Public
My Commission Expires: 10/1/95

Deed Description for Tract One
Containing 200.6687 Acres of land, more or less
Third Election District, St. Mary's County, Maryland

Beginning at a point marked by an iron rod found at the northeasterly corner of that parcel of land now or formerly owned by T.A. Johnson as recorded in Liber J.M.M.8 Folio 463 among the land records of St. Mary's County, Maryland, said point being on the southerly right-of-way line of Maryland Route 243, a 40 foot right-of-way, thence, leaving the lands of Johnson and running with the right-of-way of Maryland Route 243,

1) N 84-18-21 E a distance of 183.19 feet to a point thence,

2) 340.38 feet along the arc of a curve to the right having a radius of 918.05 feet to a point, thence,

3) S 74-27-04 E a distance of 948.66 feet to a point marked by an iron rod set at the northwesterly corner of that parcel of land now or formerly owned by L.P. Klear, Jr. as recorded in Liber 235 Folio 30 among the aforesaid land records, thence, leaving the right-of-way line of Maryland Route 243 and running with the lands of Klear,

4) S 18-39-02 W a distance of 4.52 feet to a point, thence,

5) S 75-33-05 E a distance of 508.00 feet to a point, thence,

6) N 74-26-55 E a distance of 312.84 feet to a point, thence,

7) N 59-26-55 E a distance of 306.90 feet to a point, thence,

8) S 79-03-05 E a distance of 153.12 feet to a point, thence,

9) N 69-56-55 E a distance of 396.00 feet to a point, thence,

10) S 00-56-05 W a distance of 239.58 feet to a point, thence,

11) S 54-33-05 E a distance of 503.03 feet to a point marked by an iron rod set on the westerly shoreline of McIntosh Run, a tributary of Breton Bay, thence, leaving the lands of Klear and running with the shoreline of McIntosh Run,

12) S 49-32-20 W a distance of 24.25 feet to a point, thence,

13) S 45-06-15 W a distance of 92.04 feet to a point, thence,

14) S 31-35-59 W a distance of 117.15 feet to a point, thence,

15) S 19-31-55 W a distance of 79.75 feet to a point, thence,

16) S 05-38-10 W a distance of 78.79 feet to a point, thence,

17) S 14-20-51 E a distance of 110.15 feet to a point, thence,

18) S 42-58-42 E a distance of 193.03 feet to a point, thence,

19) S 76-42-21 E a distance of 99.73 feet to a point, thence,

20) N 73-22-18 E a distance of 51.26 feet to a point, thence,
21) N 51-16-10 E a distance of 173.01 feet to a point, thence,
22) N 86-31-36 E a distance of 188.60 feet to a point, thence,
23) S 72-19-00 E a distance of 133.44 feet to a point, thence,
24) S 19-39-11 E a distance of 102.44 feet to a point, thence,
25) S 27-37-34 W a distance of 65.45 feet to a point, thence,
26) S 48-03-18 W a distance of 114.52 feet to a point, thence,
27) N 82-02-47 W a distance of 51.51 feet to a point, thence,
28) N 59-09-10 W a distance of 175.15 feet to a point, thence,
29) S 75-49-37 W a distance of 82.23 feet to a point, thence,
30) S 44-23-09 W a distance of 63.85 feet to a point, thence,
31) S 04-32-22 E a distance of 127.20 feet to a point, thence,
32) S 38-27-45 E a distance of 158.24 feet to a point, thence,
33) S 58-12-14 E a distance of 119.93 feet to a point, thence,
34) S 71-15-32 E a distance of 104.68 feet to a point, thence,
35) S 89-44-09 E a distance of 382.48 feet to a point, thence,
36) S 72-16-50 E a distance of 177.63 feet to a point, thence,
37) S 65-04-32 E a distance of 225.72 feet to a point, thence,
38) S 51-02-04 E a distance of 141.38 feet to a point, thence,
39) S 08-05-07 W a distance of 16.67 feet to a point set at the northeasterly corner of that tract of land now or formerly owned by Hewins and Sons, Inc. as recorded in Liber C.B.G. 92 Folio 31
among the aforesaid land records, thence, leaving the shoreline of McIntosh Run and running with the lands of Hewins and Sons, Inc.,
40) S 81-51-13 W a distance of 161.96 feet to a point, thence,
41) S 79-46-13 W a distance of 1846.81 feet to a point, thence,
42) S 84-45-13 W a distance of 2663.97 feet to a point set on northerly outlines of Lot 22, Section 12B, Society Hill as recorded among the plat records of St. Mary's County, Maryland in plat book D.B.K. 9, Folio 41, thence, leaving the lands of Hewins and Sons, Inc. and running with the outline of Lot 22,

43) N 50-26-47 W a distance of 9.39 feet to a point marked by an iron rod set at the northeasterly corner of the parcel of land now or formerly owned by Lloyd Cusic as recorded in Liber 133, Folio 296 among the aforesaid land records, thence, leaving the outlines of Lot 22, Section 12B, Society Hill and running with the lands of Cusic,

44) N 76-12-05 W a distance of 238.26 feet to a point, thence,

45) S 86-47-55 W a distance of 629.45 feet to a point marked by an iron rod set on the easterly right-of-way line of the Bull Road, a 40 foot right-of-way, thence, leaving the lands of Cusic and running with the right-of-way of Bull Road,

46) N 38-17-54 W a distance of 264.84 feet to a point marked by an iron pipe found at the southwesterly corner of that parcel of land now or formerly owned by Kenny Wathen as recorded in Liber D.B.K. 154, Folio 269 among the aforesaid land records, thence, leaving the right-of-way line of Bull Road and running with the lands of Wathen,

47) N 31-20-35 E a distance of 329.43 feet to a point marked by a concrete monument found at the southeasterly corner of that parcel of land now or formerly owned by J.L. Bittner as recorded in Liber 48, Folio 322 among the aforesaid land records, thence, leaving the lands of Wathen and running with the lands of Bittner,

48) N 30-36-48 E a distance of 413.57 feet to a point, thence,

49) N 30-51-40 E a distance of 354.40 feet to a point, thence,

50) N 29-21-40 E a distance of 275.20 feet to a point, thence,

51) N 27-21-40 E a distance of 269.30 feet to a point marked by a cedar stob found, thence,

52) N 00-53-20 W a distance of 212.50 feet to a point marked by a cedar stob found on the southerly lines of the aforesaid T.A. Johnson property, thence, leaving the lands of Bittner and running with the lands of Johnson,

53) N 79-10-23 E a distance of 24.55 feet to a point marked by an iron rod found, thence,

54) N 05-22-46 E a distance of 619.92 feet to the point of beginning. Containing 200.6687 acres of land, more or less.

Subjects to any and all rights-or-ways and/or easements of record.

Deed Description for Tract Two, Parcel One
Containing 288.5024 Acres of land, more or less,
Third Election District, St. Mary's County, Maryland

Beginning at a point marked by an iron rod set on the northerly right-of-way line of Knight Road, a 40 foot right-of-way, said point also being the southeasterly corner of Lot A-1, Section 12A, Society Hill as recorded in Plat Book D.B.K. 8, Folio 105 among the plat records of St. Mary's County, Maryland, thence, leaving the right-of-way line of Knight Road and running with the easterly outline of Sections 12A, 12C, and 12D of Society Hill, said plats, being recorded in Plat Book D.B.K. 8, Folio 105, D.B.K. 10, Folio 70, 11 Folio 60 respectively,

1) N 37-23-13 E a distance of 1686.22 feet to a point marked by an iron pipe found, thence, running with the outlines of Section 12D, Society Hill,

2) N 50-43-54 W a distance of 166.87 feet to a point marked by a concrete monument found, thence,

3) N 26-31-45 E a distance of 656.99 feet to a point marked by a concrete monument found, thence, running with the northerly of Sections 12D, 12C, and 12B of Society Hill,

4) N 50-26-47 W a distance of 2213.18 feet to a point set on the southerly lines of that tract of land now or formerly owned by Hewins and Sons, Inc. as recorded in Liber 156, Folio 23 among the land records of St. Mary's County, Maryland, thence, leaving the outlines of Society Hill and running with the lands of Hewins and Sons, Inc.,

5) N 84-45-13 E a distance of 2663.97 feet to a point, thence,

6) N 79-46-13 E a distance of 1846.81 feet to a point, thence,

7) N 81-51-13 E a distance of 161.96 feet to a point set on the shoreline of McIntosh Run, a tributary of Breton Bay, thence, leaving the lands of Hewins and Sons, Inc., and running with the shoreline of McIntosh Run,

8) S 08-05-07 W a distance of 224.67 feet to a point, thence,

9) S 11-04-55 E a distance of 76.62 feet to a point, thence,

10) S 40-15-09 E a distance of 82.67 feet to a point, thence,

11) S 61-21-18 E a distance of 157.23 feet to a point, thence,

12) S 68-47-22 E a distance of 135.02 feet to a point, thence,

13) S 47-56-23 E a distance of 153.60 feet to a point, thence,

14) S 18-28-16 E a distance of 189.01 feet to a point, thence,

15) S 00-10-17 E a distance of 227.19 feet to a point, thence,

16) S 10-06-31 W a distance of 342.31 feet to a point, thence,

17) S 10-01-42 E a distance of 110.22 feet to a point, thence,

18) S 04-43-04 E a distance of 138.38 feet to a point, thence,
19) S 20-28-02 W a distance of 56.06 feet to a point, thence,
20) S 35-24-10 W a distance of 168.85 feet to a point, thence,
21) S 25-08-33 W a distance of 154.37 feet to a point where the mouth of McIntosh Run intersects with the head of Breton Bay, thence, running with the shoreline of Breton Bay,
22) N 27-05-28 W a distance of 26.28 feet to a point, thence,
23) N 09-34-32 E a distance of 93.57 feet to a point, thence,
24) N 01-17-53 W a distance of 165.61 feet to a point, thence,
25) N 72-01-04 W a distance of 71.95 feet to a point, thence,
26) N 52-52-57 W a distance of 126.57 feet to a point, thence,
27) S 56-59-06 W a distance of 150.94 feet to a point, thence,
28) N 80-36-52 W a distance of 96.38 feet to a point, thence,
29) N 65-05-56 W a distance of 147.02 feet to a point, thence,
30) N 43-05-03 W a distance of 80.72 feet to a point, thence,
31) N 13-29-36 W a distance of 125.02 feet to a point, thence,
32) N 16-10-38 E a distance of 183.29 feet to a point, thence,
33) N 71-37-59 E a distance of 38.96 feet to a point, thence,
34) N 03-14-54 W a distance of 295.36 feet to a point, thence,
35) N 39-17-27 E a distance of 168.41 feet to a point, thence,
36) N 68-09-41 E a distance of 76.79 feet to a point, thence,
37) S 80-28-17 E a distance of 77.16 feet to a point, thence,
38) S 44-34-02 E a distance of 140.60 feet to a point, thence,
39) N 19-09-03 E a distance of 80.03 feet to a point, thence,
40) N 48-35-33 W a distance of 216.63 feet to a point, thence,
41) S 76-49-27 W a distance of 112.76 feet to a point, thence,
42) S 66-21-01 W a distance of 181.92 feet to a point, thence,
43) S 30-19-48 W a distance of 241.68 feet to a point, thence,
44) S 11-38-29 W a distance of 122.17 feet to a point, thence,

45) S 01-27-25 W a distance of 162.15 feet to a point, thence,
46) S 01-01-52 E a distance of 254.60 feet to a point, thence,
47) S 38-45-13 E a distance of 269.19 feet to a point, thence,
48) S 73-52-40 E a distance of 105.54 feet to a point, thence,
49) S 69-46-11 E a distance of 236.65 feet to a point, thence,
50) S 45-40-19 E a distance of 46.68 feet to a point, thence,
51) S 13-46-14 E a distance of 145.33 feet to a point, thence,
52) S 24-25-20 E a distance of 234.14 feet to a point, thence,
53) S 12-21-05 E a distance of 68.47 feet to a point, thence,
54) S 83-40-52 W a distance of 186.96 feet to a point, thence,
55) N 81-15-39 W a distance of 136.80 feet to a point, thence,
56) N 75-36-40 W a distance of 112.58 feet to a point, thence,
57) N 66-30-42 W a distance of 128.24 feet to a point, thence,
58) N 44-08-40 W a distance of 155.79 feet to a point, thence,
59) N 59-07-57 W a distance of 90.72 feet to a point, thence,
60) S 33-42-13 W a distance of 25.11 feet to a point, thence,
61) S 48-15-25 E a distance of 101.12 feet to a point, thence,
62) S 12-51-05 E a distance of 134.37 feet to a point, thence,
63) S 08-44-16 W a distance of 142.40 feet to a point, thence,
64) S 33-25-44 W a distance of 148.90 feet to a point, thence,
65) S 00-59-26 W a distance of 210.65 feet to a point, thence,
66) S 17-25-17 E a distance of 115.04 feet to a point, thence,
67) S 09-56-33 W a distance of 66.18 feet to a point, thence,
68) S 05-59-41 E a distance of 80.81 feet to a point, thence,
69) S 07-12-54 W a distance of 48.34 feet to a point, thence,
70) S 17-31-45 E a distance of 154.47 feet to a point marked by an iron rod set at the northeasterly corner of that parcel of land now or formerly owned by Arthur L. Walters as recorded in Liber 276, Folio 121 among the aforesaid land records, thence, leaving the aforesaid land records, thence, leaving the shoreline

of Breton Bay and running with the lands of Walters,

71) S 46-45-00 W a distance of 513.52 feet to a point, thence,

72) S 81-16-00 W a distance of 506.40 feet to a point, thence,

73) S 04-21-00 E a distance of 50.00 feet to a point marked by an iron pipe found on the northerly lines of that parcel of land now or formerly owned by E.G. Bruff said point also being at the southeasterly corner of the 16 foot right-of-way running through the lands herein described, said right-of-way being further described with Liber 92, Folio 31 among the aforesaid land records, thence, leaving the lands of Walters and running with the lands of Bruff and the southerly side of the 16 foot right-of-way,

74) S 64-45-00 W a distance of 175.40 feet to a point, thence,

75) S 53-19-00 W a distance of 513.94 feet to a point, thence,

76) S 51-38-00 W a distance of 156.90 feet to a point, thence,

77) S 35-34-00 W a distance of 233.70 feet to a point, thence,

78) S 63-15-00 W a distance of 155.00 feet to a point, thence,

79) N 87-19-00 W a distance of 316.70 feet to a point, thence,

80) N 87-49-00 W a distance of 142.90 feet to a point, thence,

81) S 79-04-00 W a distance of 105.50 feet to a point, thence,

82) N 86-55-00 W a distance of 487.87 feet to a point marked by an iron pipe found on the northerly right-of-way line of the aforesaid Knight Road, thence, leaving the lands of E.G. Bruff and running with the northerly right-of-way line of Knight Road,

83) N 71-49-31 W a distance of 295.82 feet to a point, thence,

84) N 65-25-39 W a distance of 314.96 feet to a point, thence,

85) N 70-02-10 W a distance of 178.74 feet to the point of beginning.

Containing 290.4888 Acres of land, more or less.

Subject to any and all rights-of-way and/or easements of records.

Saving and excepting a parcel of land containing 1.9864 acres of land, more or less, being more particularly described as follows:

Beginning at point set within the lands of the Grantors herein, said point being S 79-29-48 W a distance of 569.99 feet from the northeasterly corner of that parcel of land now or formerly owned by Arthur L. Walters as recorded in Liber 276, Folio 121 among the aforesaid land records, thence, running

through the lands of the Grantors herein,

1) S 84-51-00 W a distance of 208.00 feet to a point, thence,
2) N 05-09-00 W a distance of 416.00 feet to a point, thence,
3) N 84-51-00 E a distance of 208.00 feet to a point, thence,
4) S 05-09-00 E a distance 416.00 to the point of beginning.

Together with a 20 foot right-of-way to Breton Bay as more particularly described in Liber D.B.K. 146, Folio 58 as recorded among the aforesaid land records.

Together with a right-of-way for ingress/egress over the existing gravel driveway leading from Knight Road to the property described above.

Said tract of land herein described containing 288.5024 acres of land, more or less.

Deed Description for Tract Two, Parcel Two
Containing 1.2485 Acres of land, more or less
Third Election District, St. Mary's County, Maryland

Beginning at a point marked by a concrete monument found at the northwesterly corner of that tract of land now or formerly owned by the Knight Family Limited Partnership as recorded in Liber 273, Folio 261 among the land records of St. Mary's County, Maryland, said point also being on the easterly outling of Section 8A, Society Hill as recorded in Plat Book D.B.K. 8, Folio 104 among the aforesaid land records, thence, leaving the lands of the Knight Family Limited Partnership and running with the outlines of Section 8A, Society Hill,

1) N 37-23-15 E a distance of 214.09 feet to a point marked by an iron rod set on the southerly right-of-way line of Knight Road, a 40 foot right-of-way; thence, leaving the outlines of Section 8A, Society Hill, and running with the right-of-way line of Knight Road,

2) S 70-02-10 E a distance of 189.68 feet to a point, thence,

3) S 65-25-39 E a distance of 312.62 feet to a point marked by an iron rod set on the northerly lines of the aforesaid Knight Family Limited Partnership property, thence, leaving the right-of-way of Knight Road and running with the lands of the Knight Family Limited Partnership,

4) N 87-37-00 W a distance of 593.10 feet to the point of beginning.

Containing 1.2485 acres of land, more or less.

Subject to any and all rights-of way and/or easements of records.

Deed Description for Tract Three
Containing 1.9864 Acres of land, more or less
Third Election District, St. Mary's County, Maryland

Beginning at point set within the lands of the Grantors herein, said point being S 79-29-48 W a distance of 569.99 feet from the northeasterly corner of that parcel of land now or formerly owned by Arthur L. Walters as recorded in Liber 276, Folio 121 among the aforesaid land records, thence, running through the lands of the Grantors herein,

1) S 84-51-00 W a distance of 208.00 feet to a point, thence,
2) N 05-09-00 W a distance of 416.00 feet to a point, thence,
3) N 84-51-00 E a distance of 208.00 feet to a point, thence,
4) S 05-09-00 E a distance of 416.00 to the point of beginning.

Together with a 20 foot right-of-way to Breton Bay as more particularly described in Liber D.B.K. 146, Folio 58 as recorded among the aforesaid land records.

Together with a right-of-way for ingress/egress over the existing gravel driveway leading from Knight Road to the property described above.

EXHIBIT "B"

Lot 3	Section One	Plat 2 of 5
Lot 7	Section One	Plat 3 of 5
Lot 8	Section One	Plat 3 of 5
Lot 9	Section One	Plat 3 of 5
Lot 18	Section One	Plat 4 of 5
Lot 20	Section One	Plat 4 of 5
Lot 24	Section One	Plat 3 of 5
Lot 31	Section One	Plat 3 of 5
Lot 32	Section One	Plat 3 of 5
Lot 34	Section One	Plat 3 of 5
Lot 35	Section One	Plat 3 of 5
Lot 36	Section One	Plat 2 of 5
Lot 45	Section Two	Plat 2 of 7
Lot 46	Section Two	Plat 2 of 7
Lot 49	Section Two	Plat 3 of 7
Lot 50	Section Two	Plat 2 of 7
Lot 51	Section Two	Plat 3 of 7
Lot 53	Section Two	Plat 3 of 7
Lot 58	Section Two	Plat 4 of 7
Lot 59	Section Two	Plat 4 of 7
Lot 60	Section Two	Plat 4 of 7
Lot 64	Section Two	Plat 4 of 7
Lot 65	Section Two	Plat 6 of 7
Lot 66	Section Two	Plat 6 of 7
Lot 71	Section Two	Plat 6 of 7
Lot 72	Section Two	Plat 6 of 7
Lot 87	Section Three	Plat 1 of 2
Lot 93	Section Three	Plat 2 of 2

EXHIBIT "C"

Lot 7	Section One	Plat 3 of 5
Lot 8	Section One	Plat 3 of 5
Lot 9	Section One	Plat 3 of 5
Lot 10	Section One	Plat 3 of 5
Lot 17	Section One	Plat 4 of 5
Lot 18	Section One	Plat 4 of 5
Lot 19	Section One	Plat 4 of 5
Lot 20	Section One	Plat 4 of 5
Lot 30	Section One	Plat 2 of 5
Lot 31	Section One	Plat 3 of 5
Lot 32	Section One	Plat 3 of 5
Lot 34	Section One	Plat 3 of 5
Lot 35	Section One	Plat 3 of 5
Lot 36	Section One	Plat 2 of 5
Lot 43	Section Two	Plat 2 of 7
Lot 45	Section Two	Plat 2 of 7
Lot 49	Section Two	Plat 3 of 7
Lot 50	Section Two	Plat 2 of 7
Lot 51	Section Two	Plat 3 of 7
Lot 52	Section Two	Plat 3 of 7
Lot 53	Section Two	Plat 3 of 7
Lot 54	Section Two	Plat 3 of 7
Lot 55	Section Two	Plat 4 of 7
Lot 56	Section Two	Plat 4 of 7
Lot 58	Section Two	Plat 4 of 7
Lot 59	Section Two	Plat 4 of 7
Lot 60	Section Two	Plat 4 of 7
Lot 61	Section Two	Plat 4 of 7
Lot 63	Section Two	Plat 4 of 7
Lot 64	Section Two	Plat 4 of 7
Lot 65	Section Two	Plat 6 of 7
Lot 66	Section Two	Plat 6 of 7
Lot 67	Section Two	Plat 4 of 7
Lot 70	Section Two	Plat 6 of 7
Lot 75	Section Two	Plat 5 of 7
Lot 76	Section Two	Plat 5 of 7
Lot 77	Section Two	Plat 5 of 7
Lot 78	Section Two	Plat 5 of 7
Lot 79	Section Two	Plat 3 of 7
Lot 80	Section Two	Plat 3 of 7
Lot 81	Section Two	Plat 3 of 7
Lot 84	Section Three	Plat 1 of 2
Lot 85	Section Three	Plat 1 of 2
Lot 86	Section Three	Plat 1 of 2
Lot 87	Section Three	Plat 1 of 2
Lot 88	Section Three	Plat 1 of 2
Lot 89	Section Three	Plat 1 of 2
Lot 90	Section Three	Plat 1 of 2
Lot 91	Section Three	Plat 2 of 2
Lot 92	Section Three	Plat 2 of 2
Lot 93	Section Three	Plat 2 of 2

BYLAWS

OF

AVENMAR COMMUNITY ASSOCIATION, INC.

ARTICLE I
Name and Location

The name of the corporation is AVENMAR COMMUNITY ASSOCIATION, INC., hereinafter referred to as the "Association". The principal office of the corporation shall be located at 806 West Diamond Avenue, Suite 301, Gaithersburg, Montgomery County, Maryland 20878, but meetings of members and Directors may be held at such places within the State of Maryland as may be designated by the Board of Directors.

ARTICLE II
Definitions

Section 1. "Association" shall mean and refer to AVENMAR COMMUNITY ASSOCIATION, INC., a non-stock, non-profit Maryland corporation, its successors and assigns.

Section 2. "Board" shall mean the Board of Directors of the Association.

Section 3. "Common Area" shall mean all personal and real property (including improvements thereto) owned by the Association for the common use and enjoyment of the Owners, or any portion of the Owners or in the case of the boat slips any one Owner.

Section 4. "Declarant" shall mean and refer to AVENMAR LIMITED PARTNERSHIP, a Maryland Limited 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, but only to the extent that any of the rights, reservations, easements, interests, exemptions, privileges and powers of the Declarant are specifically assigned or transferred to such successors or assigns in a written and recorded document.

Section 5. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the Property recorded among the Land Records for St. Mary's County, Maryland, including amendments and supplements thereto.

Section 6. "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" shall mean and refer to those persons entitled to membership as provided in the Declaration.

Section 8. "Mortgagee" shall mean the holder of any recorded mortgage, or the party secured or beneficiary of any recorded deed of trust, encumbering one or more of the Lots. "Mortgage", as used herein, shall include deed of trust. "First Mortgage", as used herein, shall mean a mortgage with priority over all other mortgages. As used in these Bylaws, the term "mortgagee" shall mean any mortgagee and shall not be limited to institutional mortgagees. As used in these Bylaws, the term "institutional mortgagee" or "institutional holder" shall include banks, trust companies, insurance companies, mortgage insurance companies, savings and loan associations, trusts, mutual savings banks, credit unions, pension funds, mortgage companies, Federal National Mortgage Association ("FNMA"), Federal Home Loan Mortgage Corporation ("FHLMC"), all corporations and any agency or department of the United States Government or of any state or municipal government, or any other organization or entity which has a security interest in any Lot. As used in these Bylaws, the term "holder" or "mortgagee" shall include the parties secured by any deed of trust or any beneficiary thereof, or any other organization or entity which has a security interest in any Lot.

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

Section 10. "Property" shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions and Restrictions, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 11. All other defined terms used in these Bylaws shall have the same meaning as ascribed to them in the Declaration of Covenants, Conditions and Restrictions for the Avenmar Community Association recorded among the land records of St. Mary's County, Maryland, as amended from time to time, unless a different meaning is clearly evident from the context used herein.

ARTICLE III
Meeting of Members

Section 1. Annual Meetings. The first annual meeting of the Members shall be held within twelve (12) months from the date of filing of the Articles of Incorporation of the Association, and each subsequent regular annual meeting of the Members shall be held each year thereafter on such reasonably similar date as may be selected by the Board of Directors.

Section 2. Special Meetings. Special meetings of the Members may be called at any time by the President or by the Board of Directors, or upon written request of the Members who are entitled to vote one-fourth (1/4) of all of the votes of the Class A membership.

Section 3. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least seven (7) days (but not more than sixty (60) days) before such meeting to each Member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, 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, until a quorum is obtained.

Section 5. Voting. At every meeting of the Members, each Class A Member shall have the right to cast one (1) vote for each Class A membership which he owns on each question, with each lot, other than those owned by Declarant, being one Class A membership. Each of the Class B Members shall have the right to cast one (1) vote for each Class B membership which he owns on each question. The vote of the Members representing fifty-one percent (51%) of the total of the votes of all of the memberships at the meeting, in person or by proxy, calculated as aforesaid, shall be necessary to decide any question brought before such meeting, unless the question is one upon which, by the express provision of law or of the Articles of Incorporation, or of the Declaration or of these Bylaws, 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 the co-owners 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 votes for such membership shall be cast on any particular question, then such vote shall not be counted for purposes of deciding that question. In the event any membership is owned by a corporation, then the vote for any such membership shall be cast by a person designated in a certificate signed by the President or any Vice President of such

corporation and attested by the Secretary or an Assistant Secretary of such corporation and filed with the Secretary of the Association, prior to or during the meeting. The vote for any membership which is owned by a trust or partnership may be exercised by any trustee or partner thereof, as the case may be, and, unless any objection or protest by any other such 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 Association to be more than sixty (60) days delinquent in any payment due the Association.

Section 6. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Lot. No proxy shall be valid after eleven (11) months from its date, unless otherwise provided in the 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. Any written proxy which conforms with the applicable laws of Maryland shall be satisfactory and approved as to form by the Board of Directors.

Section 7. Rights of Mortgagees. Any institutional mortgagee of any Lot who desires notice of the annual and special meetings of the Members shall notify the Secretary to that effect by Registered Mail - Return Receipt Requested. Any such notice shall contain the name and post office address of such institutional mortgagee and the name of the person to whom notice of the annual and special meetings of the Members should be addressed. The Secretary of the Association shall maintain a roster of all institutional mortgagees from whom such notices are received and it shall be the duty of the Secretary to mail or otherwise cause the delivery of a notice of each annual or special meeting of the Members to each such institutional mortgagee in the same manner, and subject to the same requirements and limitations as are otherwise provided in this Article for notice to the Members. Any such institutional mortgagee shall be entitled to designate a representative to attend any annual or special meeting of the Members and such representative may participate in the discussion at any such meeting and may, upon his request made to the Chairman in advance of the meeting, address the Members present at any such meeting. Such representative shall have no voting rights at any such meeting. Such representative shall be entitled to copies of the minutes of all meetings of the Members upon request made in writing to the Secretary.

ARTICLE IV
Board of Directors: Selection: Term of Office

Section 1. Number. The affairs of the Association shall be

managed by a Board of Directors initially consisting of three (3) natural persons who shall be designated by the Declarant and who shall hold office until the election of their successors at the first annual meeting of the Members of the Association. The names of the initial Directors are set forth in the Articles of Incorporation of the Association.

Commencing with the first annual meeting of the Association, the Board of Directors shall consist of an uneven number of not less than three (3) nor more than five (5) Members (which for purposes of elections to the Board of Directors shall include employees or agents of the Declarant) who shall be elected by the Members of the Association. Prior to the lapse of all of the Class B memberships as provided for in the Articles of Incorporation and the Declaration, the number of Directors shall be determined from time to time by a vote of the initial Directors named by the Declarant; thereafter the number of Directors shall be determined by a vote of the Members at the annual meeting of Members and the number of Directors may be changed by a vote of the Members at any subsequent annual or special meeting of the Members; provided, however, that (a) the limitations of this Section shall continue to apply; and (b) no such change shall operate to curtail or extend the term of any incumbent Director.

Notwithstanding anything to the contrary contained herein, the Declarant, and its successors and assigns, shall be reserved the right to elect or appoint a majority of the Directors until the lapse of the Class B memberships, as provided for in the Declaration and Articles of Incorporation. A majority of the Board of Directors (after lapse of the Class B memberships as provided for in the Articles of Incorporation and the Declaration) shall be Members of the Association.

Section 2. Term of Office. At the first annual meeting of the Members, the Members shall elect the Board of Directors and the term of office of the Director receiving the greatest number of votes shall be fixed for three (3) years. The term of office of the Director receiving the second greatest number of votes shall be fixed for two (2) years and the term of office of the other Director or Directors shall be fixed for 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. In the alternative, the membership may, by resolution duly made and adopted at the first annual meeting of Members, or at any subsequent annual meeting, resolve to fix the term for each Director elected at any such meeting at one (1) year. Directors shall hold office until their successors have been elected and hold their first regular meeting.

Section 3. Removal. After the first annual meeting of the Members, any Director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association. Prior

to the first annual meeting of the Members, any Director may be removed from the Board, with or without cause, by the Declarant. In the event of death, resignation or removal of a Director, his successor shall be selected by the remaining Members of the Board and shall serve for the unexpired term of his predecessor.

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

Section 5. Action Taken Without a Meeting. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Directors and such approval is filed with the minutes of the proceedings of the Board of Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

ARTICLE V
Nomination and Election of Directors

Section 1. Nomination. Nomination for election to the Board of Directors, commencing with the first annual meeting of Members, may be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee, if utilized, shall consist of a Chairman, who shall be a Member of the Board of Directors, and two or more Members of the Association (which may include Declarant's representatives). The Nominating Committee may be appointed by the Board of Directors prior to each annual meeting of the Members and such appointment shall be announced at each annual meeting. The Nominating Committee may make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among Members and non-members.

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

ARTICLE VI
Meetings of Directors

Section 1. Regular Meetings. Regular meetings of the Board of Directors 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 date named for such meeting.

Section 2. Special Meetings. Special meetings of the Board of Directors may be called by the President on three (3) days' notice of each Director, given personally or by mail, telephone or telegraph, which notice shall state the time, place 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 any two (2) of the Directors.

Section 3. Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

Section 4. Rights of Mortgagees. Any institutional mortgagee of any Lot who desires notice of the regular and special meetings of the Board of Directors shall notify the Secretary to that effect by Registered Mail - Return Receipt Requested. Any such notice shall contain the name and post office address of such institutional mortgagee and the name of the person to whom notice of the regular and special meetings of the Board of Directors should be addressed. The Secretary of the Association shall maintain a roster of all institutional mortgagees from whom such notices are received and it shall be the duty of the Secretary to mail or otherwise cause the delivery of a notice of each regular or special meeting of the Board of Directors to each such institutional mortgagee, in the same manner, and subject to the same requirements and limitations, as are otherwise provided in this Article for notice to the members of the Board of Directors. Any such institutional mortgagee shall be entitled to designate a representative to attend any regular or special meeting of the Board of Directors and such representatives may participate in the discussion at any such meeting and may, upon his request made to the Chairman in advance of the meeting, address the members of the Board of Directors present at any such meeting. Such representative shall be entitled to copies of the minutes of all meetings of the Board of Directors upon request made in writing to the Secretary.

Section 5. Fidelity Bonds. To the extent reasonably available and not an excessive cost, the Board of Directors may require that all officers, Directors and employees of the Association regularly handling or otherwise responsible for the funds of the Association shall furnish adequate fidelity bonds or equivalent insurance against acts of dishonesty. The premiums on such bonds or insurance shall be paid by the Association.

ARTICLE VII

Powers and Duties of the Board of Directors

Section 1. Powers. The Board of Directors shall have power to:

(a) adopt and publish rules governing the use of the Common Area and facilities, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;

(b) suspend the voting rights and right to use of the Common Area and recreational facilities, (and terminate an Owner's reservation, if any, of a boat slip) of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing for a period not to exceed sixty (60) days for a non-continuing infraction of published rules or for the duration of any continuing infraction of published rules;

(c) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration;

(d) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors;

(e) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties;

(f) borrow money for the purpose of (i) improving the Common Area in a manner designed to promote the enjoyment and welfare of the Members and in aid thereof to mortgage any of the Common Area, or (ii) for such other purposes deemed desirable by the Board of Directors; provided, however, that the consent of a majority of each class of the Members is obtained; and

(g) lease all or a portion of the equestrian center and related Common Area on any terms and conditions the Board of Directors deems appropriate.

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

(a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting, when such statement is requested in writing by one-fourth (1/4) of the Class A Members who are entitled to vote;

(b) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

(c) as more fully provided in the Declaration, to:

(1) fix the amount of the annual assessment against each Lot (including, without limitation, General Assessments and Specific Assessments as provided in the Declaration) at least thirty (30) days in advance of each annual assessment period;

(2) send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and

(3) foreclose the lien, in accordance with the Maryland Contract Lien Act, against any property for which assessments are not paid within a set number of days after the due date, as determined by the Board, or to bring an action at law against the Owner personally obligated to pay the same;

(d) issue, or cause an appropriate officer, employee or agent to issue, upon demand by any person, 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;

(e) procure and maintain adequate liability and hazard insurance on property owned by the Association, as determined in the Board's reasonable discretion;

(f) determine whether the officers and employees having fiscal responsibilities should be bonded, and if it is determined they should be, then to procure such insurance in the amounts and on terms as it may deem appropriate, subject to the limitations contained herein and in the Declaration;

(g) cause the Common Area to be maintained;

(h) otherwise perform or cause to be performed the functions and obligations of the Board and the Association as provided for in the Declaration and Articles of Incorporation and these Bylaws, including collection of assessments payable pursuant to any cross easement or other similar agreement and periodically employing an insurance consultant if the Board of Director deems it necessary to do so in order to analyze the insurance requirements of the Association.

Section 3. Management Agent. The Board of Directors may employ for the Association a management agent and/or manager, either on-site or off (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. Any management agreement entered into by the Association shall provide, inter alia, that such agreement may be terminated for cause by either party upon thirty (30) days' written notice thereof to the other party. The term of any such management agreement shall not exceed one year; provided, however, that the term of any such management agreement may be renewable by mutual agreement of the parties for successive one-year periods.

ARTICLE VIII
Officers and Their Duties

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

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members; provided that the initial Board of Directors shall elect the first group of officers at its first organizational meeting.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year or until his successor is duly elected and qualified, unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

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

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

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

Section 7. Multiple Offices. The offices of Secretary, Assistant Secretary, Treasurer, Assistant Treasurer, Vice President

and Assistant Vice President may be held by the same person, but in no event shall the same officer execute, acknowledge or verify any instrument in more than one capacity, if such instrument is required by law, the Declaration, the Articles of Incorporation or these Bylaws to be executed, acknowledged or verified by two (2) or more officers. No person shall simultaneously hold the office of President and any other office except in the case of special offices created pursuant to Section 4 of this Article.

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

President

(a) The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other similar written instruments and shall co-sign all checks and promissory notes of $2,000.00 or more.

Vice President

(b) The Vice President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required by him of the Board.

Secretary

(c) The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve or cause to be served notice of meetings of the Association together with their addresses, and shall perform such other duties as required by the Board.

Treasurer

(d) The Treasurer shall receive and deposit in appropriate bank accounts all moneys of the Association and shall disburse such funds as directed by resolution of the Board of Directors; may sign all checks and promissory notes of the Association under $2,000.00; shall co-sign all checks and promissory notes of $2,000.00 or more; keep proper books of account, cause an annual audit of the Association books to be made by an accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the Members.

ARTICLE IX

Liability and Indemnification of Officers and Directors

The Association shall indemnify every person who is or was an officer or Director of the Association and who was, is, or is threatened to be, made a named defendant or respondent in any threatened, pending or completed action, suit or proceeding by reason of service in that capacity, whether civil, criminal, administrative or investigative, if that person reasonably believed (a) in the case of conduct in that person's official capacity, that the conduct was in the interests of the Association; and (b) in all other cases that the conduct was at least not opposed to the interests of the Association; and (c) in the case of any criminal proceeding, had no reasonable cause to believe that the conduct was unlawful. The indemnification provided for in this Article, includes, but is not limited to, judgments, penalties, fines, settlements and reasonable expenses actually incurred in connection with any such threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative; provided, however, that if any such action, suit or proceeding was one by or in the right of the Association, indemnification shall be made only against reasonable expenses and shall not be made in respect of any proceeding in which the person otherwise entitled to indemnification pursuant to the provisions of this Article have been adjudged to be liable to the Association. A person who is or was an officer or Director of the Association is not indemnified under the provisions of this Article in respect of any completed action, suit or proceeding charging improper personal benefit to that person, whether or not involving action in that person's official capacity, in which the person was adjudged to be liable mainly on the basis that personal benefit was materially and improperly received. The provisions of this Article are intended to provide every person who is or was an officer or Director of the Association and who was, is or is threatened to be made a named defendant or respondent in any threatened, pending or completed action, suit or proceeding by reason of service in that capacity, with indemnification to the extent permitted in Section 2-418(b) of Title 2, Corporations and Associations Article, Annotated Code of Maryland, as from time to time amended or superseded. Any determination as to whether this indemnification is applicable shall be made in the manner provided in Section 2-418(e) of Title 2, Corporations and Associations Article, Annotated Code of Maryland, as from time to time amended or superseded. Reasonable expenses incurred by any person who is or was an officer or Director of the Association and who is a party to any threatened, pending or completed action, suit or proceeding by reason of service in that capacity, may be paid or reimbursed by the Association in advance of the final disposition of that proceeding, after a determination that the fact then known to those making the determination would not preclude indemnification under this Article, upon receipt by the Association of:

(a) a written affirmation by that person of that person's good faith belief that the standard of conduct necessary for indemnification by the Association as authorized in this Article has been met; and

(b) a written undertaking by or on behalf of that person to repay the amount if it shall ultimately be determined that the standard of conduct necessary for indemnification by the Association as authorized in this Article has not been met. The undertaking required by this subparagraph (b) shall be an unlimited general obligation of the person making it but need not be secured and may be accepted without reference to financial ability to make the repayment.

Determination and authorization of payments under this Article shall be in the manner specified in Section 2-418(e) of Title 2, Corporations and Associations Article, Annotated Code of Maryland, as from time to time amended or superseded. The officers and Directors of the Association shall not be liable to the Association for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The officers and Directors of the Association shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association except to the extent that such officers or Directors may also be Class A Members of the Association, and the Association shall indemnify and forever hold each such officer and Director free and harmless against any and all liability to others on account of any such contract or commitment; except as aforesaid. The provisions of this Article do not limit the power of the Association to pay or reimburse expenses incurred by any person who is an officer or Director of the Association in connection with an appearance as a witness in any proceeding by reason of service in that capacity, or otherwise involving the Association, when that person has not been made a named defendant or respondent in the proceeding. Any right to indemnification provided for in this Article shall be in addition to, and not exclusive of, any other rights to which any person who is an officer or Director of the Association may be entitled by law, or otherwise. The Association may purchase and maintain insurance on behalf of any person who is or was an officer or Director of the Association against any liability asserted against and incurred by such person in any such capacity or arising out of such person's position, whether or not the Association would have the power to indemnify against such liability pursuant to the provisions of this Article, or otherwise. Any indemnification of, or advance of expenses to, any person in accordance with the provisions of this Article, if arising out of a proceeding by or in the right of the Association, shall be reported in writing to the Members of the Association with notice of the next annual meeting of Members of the Association.

The Directors shall exercise their powers and duties in good faith and with a view to the interests of the Association. A

contract or other transaction between the Association and any of its Directors, or between the Association and any corporation, firm or other entity in which any of its Directors is a director or has a material financial interest is not void or voidable solely because of the common directorship or interest, or because the Director is present at the meeting of the Board of Directors which authorizes, approves or ratifies the contract or transaction, or because the vote of the Director was counted for the authorization, approval or ratification of the contract or transaction, if any of the following conditions exist:

(a) the fact of the common directorship or interest is disclosed or known to the Board of Directors and the Board of Directors authorizes, approves or ratifies the contract or transaction by the affirmative vote of a majority of disinterested Directors, even if the disinterested Directors constitute less than a quorum; or

(b) the fact of the common directorship or interest is disclosed or known to the Members of the Association entitled to vote, and the contract or transaction is authorized, approved or ratified by a majority of the votes cast by the Members entitled to vote other than the votes appurtenant to memberships owned by the interested Director or corporation, firm or other entity; or

(c) the contract or transaction is fair and reasonable to the Association at the time it was authorized, approved or ratified.

Common or interested Directors or the votes which they are entitled to cast or which are entitled to be cast by an interested corporation, firm or other entity, may be counted in determining the presence of a quorum at a meeting of the Board of Directors or at a meeting of the Members, as the circumstances may require, at which the contract or transaction is authorized, approved or ratified. If a contract or transaction is not authorized, approved or ratified in the manner provided for in subparagraphs (a) or (b) of this Paragraph, the person asserting the validity of the contract or transaction bears the burden of proving that the contract or transaction was fair and reasonable to the Association at the time it was authorized, approved or ratified.

ARTICLE X
Committees

If and when the Declarant assigns the Control Committee's powers, rights, and duties to the Association, the Association shall appoint a Control Committee, as provided in the Declaration, and may appoint a Nominating Committee, as provided in these Bylaws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE XI
Insurance

Section 1. Insurance. In addition to the insurance coverage required to be maintained by the Declaration, the Board of Directors of the Association may obtain and maintain, to the extent reasonably available, the following:

(a) Workmen's compensation insurance for employees of the Association to the extent necessary to comply with any applicable law; and

(b) A "Legal Expense Indemnity Endorsement", or its equivalent, affording protection for the officers and Directors of the Association for expenses and fees incurred by any of them in defending any suit or settling any claim, judgment or cause of action to which any such officer or Director shall have been made a party by reason of his or her services as such; and

(c) Such other policies of insurance, including director and officer liability insurance and insurance for other risks of a similar or dissimilar nature and fidelity coverage as may be required by these Bylaws, as are or shall hereafter be considered appropriate by the Board of Directors.

Section 2. Limitations. Any insurance obtained pursuant to the requirements of this Article shall be subject to the following provisions unless unavailable or only available at a cost deemed excessive by the Board in their discretion:

(a) All policies shall be written or reinsured with a company or companies licensed to do business in the State of Maryland and holding a rating of "A+AA" or better in the current edition of Best's Insurance Guide.

(b) Exclusive authority to negotiate losses under said policies shall be vested in the Board of Directors of the Association, or its authorized representative.

(c) In no event shall the insurance coverage obtained and maintained pursuant to the requirements of this Article be brought into contribution with insurance purchased by the Owners of the Lots or their mortgagees, as herein permitted, and any "no other insurance" or similar clause in any policy obtained by the Association pursuant to the requirements of this Article shall exclude such policies from consideration.

(d) All policies shall provide that such policies may not be canceled or substantially modified (including cancellation for non-payment of premium) without at least thirty (30) days' prior written notice to any and all insureds named thereon, including any mortgagee of any Lot who requests such notice in writing.

(e) All policies shall contain a waiver of subrogation by the insurer as to any and all claims against the Association, the Board of Directors, the Members of the Association and their respective agents, employees or tenants, and of any defenses based upon co-insurance or invalidity arising from the acts of the insured.

ARTICLE XII
Books and Records/Fiscal Management

Section 1. Fiscal Year. The fiscal year of the Association shall begin on the first day of January every year, except for the first fiscal year of the Association which shall begin at the date of recordation of the Declaration among the Land Records for St. Mary's County, Maryland. The commencement date of the fiscal year herein established shall be subject to change by the Board of Directors should the practice of the Association subsequently dictate.

Section 2. Principal Office - Change of Same. The principal office of the Association shall be as set forth in Article II of the Articles of Incorporation of the Association. The Board of Directors, by appropriate resolution, shall have the authority to change the location of the principal office of the Association from time to time.

Section 3. Books and Accounts. Books and accounts of the Association shall be kept under the direction of the Treasurer in accordance with generally accepted accounting practices, consistently applied. The same shall include books with detailed accounts, in chronological order, of receipts and of the expenditures and other transactions of the Association and its administration and shall specify the maintenance and repair expenses of the Common Area and recreational facilities, services required or provided with respect to the same and any other expenses incurred by the Association. The amount of any assessment or portion of any assessment, required for payment of any capital expenditure or reserves of the Association shall be credited upon the books of the Association to the "Paid-in-Surplus" account as a capital contribution by the Members.

Section 4. Auditing. At the close of each fiscal year, the books and records of the Association may be audited by an independent Public Accountant whose report shall be prepared in accordance with generally accepted auditing standards, consistently applied. After the lapse of the Class B membership and based upon such report, the Association shall furnish the Members and any mortgagee requesting the same with an annual financial statement, including the income and disbursements of the Association, within one hundred fifty (150) days following the end of each fiscal year.

Section 5. Inspection of Books. The books and accounts of the Association, vouchers accrediting the entries made thereupon and all other records maintained by the Association shall be available for examination by the Members and their duly authorized agents or attorneys, and to the institutional holder of any first mortgage on any Lot and its duly authorized agents or attorneys, during normal business hours and for purposes reasonably related to their respective interests and after reasonable notice. The Declaration, the Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XIII
Assessments

As more fully provided in the Declaration, each Member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within fifteen (15) days after the due date, the Board of Directors shall have the power to charge a reasonable late fee charge and the assessment may bear interest from the date of delinquency at the maximum rate permitted by law and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs, late fee charges and reasonable attorneys' fees of 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 abandonment of his Lot.

ARTICLE XIV
Corporate Seal

The Association may have a seal in circular form having within its circumference the words: AVENMAR COMMUNITY ASSOCIATION, INC., a Maryland corporation.

ARTICLE XV
Amendments

These Bylaws may be amended, (i) upon the lapse of the Class B Membership at a regular or special meeting of the Members, by a vote of a majority of a quorum of Members present in person or by proxy, or (ii) as long as there is a Class B membership, by the Board of Directors without the consent of any Owner.

ARTICLE XVI

Interpretation/Miscellaneous

Section 1. Conflict. These Bylaws are subordinate and subject to all provisions of the Declaration and to the provisions of the Articles of Incorporation of the Association. All of the terms hereof, except where clearly repugnant to the context, shall have the same meaning as they are defined to have in the Declaration. In the event of any conflict between these Bylaws and the Declaration, the provisions of the Declaration shall control; and in the event of any conflict between these Bylaws and the Articles of Incorporation of the Association, the provisions of the Articles of Incorporation shall control.

Section 2. Notices. Unless another type of notice is herein specifically provided for, any and all notices called for in these Bylaws shall be given in writing.

Section 3. Severability. In the event any provision or provisions of these Bylaws 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 4. Waiver. No restriction, condition, obligation or provisions of these Bylaws shall be deemed to have been abrogated or waived by reason of any failure or failures to enforce the same.

Section 5. Captions. The captions contained in these Bylaws are for convenience only and are not a part of these Bylaws and are not intended in any way to limit or enlarge the terms and provisions of these Bylaws or to aid in the construction thereof.

Section 6. Gender, etc. Whenever in these Bylaws 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 of the Directors of AVENMAR COMMUNITY ASSOCIATION, INC., have hereunto set our hands this ____ day of _____, 199_.

WITNESS:

_____ _____

Donald S. Franyo
Director

_____ _____
N. Charles Barbot
Director

_____ _____
Linda M. Ellington
Director

CERTIFICATION

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting secretary of AVENMAR COMMUNITY ASSOCIATION, INC., a Maryland nonstock, nonprofit corporation, and,

THAT the foregoing Bylaws constitute the original Bylaws of said Association, as duly adopted at a meeting of the Board of Directors hereof, held on the _____ day of _____ 199_.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this _____ day of _____, 199_.

_____
Secretary

CORPORATE SEAL

STATE OF MARYLAND 173733

BOOK 002 PAGE 0412

DEPARTMENT OF ASSESSMENTS AND TAXATION

301 West Preston Street Baltimore, Maryland 21201

DATE: AUGUST 31, 1992

THIS IS TO ADVISE YOU THAT YOUR ARTICLES OF INCORPORATION FOR
AVENMAR COMMUNITY ASSOCIATION, INC.
WERE RECEIVED AND APPROVED FOR RECORD ON AUGUST 31, 1992 AT 9:40 AM.

FEE PAID: 82.00

JOSEPH V. STEWART
CHARTER SPECIALIST

ATS-031

BOOK 002 PAGE 0413

MARYLAND
STATE DEPARTMENT OF ASSESSMENTS AND TAXATION
301 W. PRESTON ST., BALTIMORE, MARYLAND 21201 / PHONE (410) 225-1340

THIS IS NOT A BILL

THE ARTICLES OF INCORPORATION
OF
AVENMAR COMMUNITY ASSOCIATION, INC.

YOUR ACCOUNT NUMBER WITH THIS OFFICE IS
D3494077

ACKNOWLEDGEMENT NUMBER
046C3060055

STATE DEPARTMENT OF ASSESSMENTS AND TAXATION OF MARYLAND

HAVE BEEN RECEIVED AND APPROVED BY THE STATE DEPARTMENT OF ASSESSMENTS AND TAXATION THIS 31ST DAY OF AUGUST, 1992, AT 9:40 A.M. AND WILL BE RECORDED.

FEE PAID	AMOUNT
XPEDITED FEE	30.00
RGANIZATION AND CAPITALIZATION FEE	20.00
ECORDING FEE	20.00
ERTIFIED COPY	12.00

IF COPIES OR CERTIFICATES WERE ORDERED THEY WILL BE FORTHCOMING

TOTAL→ $82.00

BOOK 002 PAGE 0414

ARTICLES OF INCORPORATION

OF 8-31-92 9400

AVENMAR COMMUNITY ASSOCIATION, INC.

In compliance with the requirements of Corporations and Associations, Title 2, Annotated Code of Maryland (1975), and any amendments thereto, the undersigned, Donald S. Franyo, whose post office address is 806 West Diamond Avenue, Suite 301, Gaithersburg, Maryland 20878, being at least eighteen (18) years of age, has this day, by execution of these Articles, voluntarily declared himself to be an incorporator for the purpose of forming a non-stock, non-profit corporation pursuant to the general laws of Maryland, and does hereby certify:

ARTICLE I
NAME OF CORPORATION

The name of the Corporation is AVENMAR COMMUNITY ASSOCIATION, INC., hereinafter called the "Association."

ARTICLE II
PRINCIPAL OFFICE

The post office address of the principal office of the Association is 806 West Diamond Avenue, Suite 301, Gaithersburg, Maryland 20878.

ARTICLE III
RESIDENT AGENT

The name of its resident agent is Donald S. Franyo whose post office address is 806 West Diamond Avenue, Suite 301, Gaithersburg, Maryland 20878.

ARTICLE IV
POWERS AND PURPOSES

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 Lots and Common Area within the Property described in the Declaration of Covenants, Conditions and Restrictions recorded or to be recorded among the Land Records of the County in which the said Declaration is recorded, including such additions thereto as may be hereafter brought within the jurisdiction of the Association, and to promote the health, safety and welfare of the Owners within the Property and any additions thereto as may hereafter be brought within the jurisdiction of this Association.

I.D. NO# D3494077
ACKN. NO. - C46C3060055
AVENMAR COMMUNITY ASSOCIATION, IN
C.

NO. OF CERTIFIED COPIES - 1

STATE OF MARYLAND

I hereby certify that this is a true and complete copy of the page document on file in this office. DATED: 9-9-92

STATE DEPARTMENT OF ASSESSMENTS AND TAXATION

BY: Geraldine C. Kelly

This stamp replaces our previous certification system. Effective: 10/84

For this purpose, the Association, shall have the power and authority to:

(a) Exercise all of the powers and privileges and perform all of the duties and obligations of the Association as set forth in the Declaration of Covenants, Conditions and Restrictions, hereinafter called the "Declaration", applicable to the Property and recorded or to be recorded among the Land Records of St. Mary's 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 and made a part hereof;

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

(d) Borrow money, and with the assent of the requisite number of each class of members (as provided in the Declaration or in the Bylaws of the Association) mortgage, pledge, deed in trust, or hypothecate any or all of the real or personal property owned by the Association 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 for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument has been signed by the requisite number of each class of members (as provided in the Declaration or in the Bylaws of the Association) agreeing to such dedication, sale or transfer;

(f) Participate in mergers and consolidations with other non-profit corporations organized for the same purposes or annex additional residential property and Common Area, provided that any such merger, consolidation or annexation shall have the assent of the requisite number of each class of members (as provided in the Declaration or in the Bylaws of the Association);

(g) 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.

ARTICLE V
NO CAPITAL STOCK

This Association is not authorized to issue any capital stock and shall not be operated for profit. The Association does not anticipate distributing dividends, gains or profits to its members. No member shall have any personal liability for the debts or obligations of the Association.

ARTICLE VI
MEMBERSHIP

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

Class A: All Owners shall be Class A members with the exception of the Declarant (as defined in the Declaration), and Class A members shall be entitled to one (1) vote for each Lot (as such term is defined in the Declaration) 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 by Class A members with respect to any one Lot.

Any Owner who leases his Lot may, in the lease or other written instrument, assign the voting right appurtenant to that Lot to the lessee, provided that a copy of such instrument is furnished to the Association.

Class B: There shall initially be one hundred eighty-one (181) Class B memberships in the Association, all of which will be held by the Declarant and any successor of Declarant who takes title for the purpose of development and sale and who is designated as such in a recorded document executed by Declarant. This number shall be decreased by one (1) membership for each Class A membership existing at any one time. The Class B member shall be entitled to one (1) vote for each Class B membership. The Class B membership shall cease and be converted to a Class A membership on the happening of either of the following events, whichever occurs earlier:

(i) thirty (30) days following the date on which the total authorized and outstanding votes of the Class A members equal(s) ninety (90); or

(ii) ten (10) years from the date of recordation of the Declaration; provided, however, that if the Declarant is delayed in the improvement and development of the Property on account of a sewer, water or building permit moratorium or any other cause or event beyond the Declarant's control, then the aforesaid ten (10) year period shall be extended by a period of time equal to the length of the delays or two (2) years, whichever is less; or

(iii) upon the surrender of said Class B memberships by the then holders thereof for cancellation on the books of the Association.

Upon the lapse or surrender of the Class B memberships as provided for in this Article, the Declarant shall thereafter become a Class A member of the Association as to each and every Lot in which the Declarant then holds the interest otherwise required for such Class A membership.

The members of the Association shall have no preemptive rights, as such members, to acquire any memberships of this Association that may at any time be issued by the Association except as may be specifically provided in these Articles of Incorporation or the Bylaws of the Association.

ARTICLE VII
VOTING RIGHTS

Every person or entity who is a record owner of a fee or undivided fee interest of any Lot, including contract sellers, shall be a member of the Association; provided that any such person or entity who or which holds such interest merely as security for the performance of an obligation shall not be a member. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association.

ARTICLE VIII
RIGHT OF ENJOYMENT

Every Owner shall have a right and easement of enjoyment in and to the Common Area as such may be limited or restricted in Article II of the Declaration or through rules and regulations promulgated by the Board. All such rights and easements of enjoyment in and to the Common Area shall be appurtenant to and shall pass with the title to every Lot.

ARTICLE IX
BOARD OF DIRECTORS

The affairs of this Association shall be managed by a Board consisting of three (3) directors. The names and addresses of the persons who are to initially act in the capacity of directors until the selection of their successors are:

Name	Address
Donald S. Franyo	Potomac Investment Associates 806 West Diamond Ave., #301 Gaithersburg, MD 20878
N. Charles Barbot	Potomac Investment Associates 806 West Diamond Ave., #301 Gaithersburg, MD 20878
Linda M. Ellington	Potomac Investment Associates 806 West Diamond Ave., #301 Gaithersburg, MD 20878

The number, qualifications, powers, duties and tenure of the office of the directors and the manner by which directors are to be chosen shall be as prescribed and set forth in the Bylaws of the Association. Officers of the Association shall be elected and shall serve as provided for in said Bylaws.

ARTICLE X
DISSOLUTION

The Association may be dissolved with the assent given in writing and signed by not less than the requisite number of each class of members, (as provided in the Declaration or Bylaws of the Association) and with the written approval of the St. Mary's County Office of Planning and Zoning, or its successors or assigns, which approval shall not be unreasonably withheld or delayed. 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 this ARTICLE X), shall be mailed to every member not less than ten (10) days nor more than sixty (60) days in advance of any action to be taken. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted to such similar purposes.

ARTICLE XI
DURATION

This Association shall exist perpetually.

ARTICLE XII
AMENDMENTS

Amendment of these Articles shall require the assent of sixty-six percent (66%) of the entire membership.

ARTICLE XIII
MISCELLANEOUS

Unless it is plainly evident from the context that a different meaning is intended, all terms used herein shall have the same meaning as they are defined to have in the Declaration.

IN WITNESS WHEREOF, Donald S. Franyo has signed, sealed and delivered these Articles of Incorporation as his own free act and deed on this 25 day of August, 1993.

WITNESS:

Linda M. Ellington

D. S. Franyo

* * *

STATE OF MARYLAND)
: to wit:
COUNTY OF MONTGOMERY)

On this 25th day of August, 1992, before me, a Notary Public in and for the above County and State, personally appeared Donald S. Franyo and acknowledged that he signed the foregoing Articles of Incorporation for the purposes therein stated.

WITNESS my hand and Notarial Seal.

Jean Fay Fellenz
Notary Public

My Commission Expires: 9-1-92

[NOTARIAL SEAL]

STATE OF MARYLAND

WILLIAM DONALD SCHAEFER
Governor

LLOYD W. JONES
Director

PAUL B. ANDERSON
Administrator

Department of Assessments and Taxation
CHARTER DIVISION
Room 809
301 West Preston Street
Baltimore, Maryland 21201

BOOK 002 PAGE 0420

DOCUMENT CODE 02 Amo BUSINESS CODE 04 COUNTY 65

#_____ ___ P.A. ___ Religious ___ Close ___ Stock ✓ Nonstock

Merging (Transferor) _____ Surviving (Transferee) _____

CODE	AMOUNT	FEE REMITTED
10	30	Expedited Fee
20	30	Organ. & Capitalization
61	20	Rec. Fee (Arts. of Inc.)
62		Rec. Fee (Amendment)
63		Rec. Fee (Merger or Consolidation)
64		Rec. Fee (Transfer)
65		Rec. Fee (Dissolution)
66		Rec. Fee (Revival)
52		Foreign Qualification
50		Cert. of Qual. or Reg.
51		Foreign Name Registration
13	12	___ Certified Copy 6 p
56		Penalty
54		For. Supplemental Cert.
53		Foreign Resolution
73		Certificate of Conveyance
76		Certificate of Merger/Transfer
75		Special Fee
80		For. Limited Partnership
83		Cert. Limited Partnership
84		Amendment to Limited Partnership
85		Termination of Limited Partnership
21		Recordation Tax
22		State Transfer Tax
23		Local Transfer Tax
31		_____ Corp. Good Standing
NA		Foreign Corp. Registration
87		_____ Limited Part. Good Standing
71		Financial
800		_____ Personal Property Reports and late filing penalties
70		Change of P.O., R.A. or R.A.A.
91		Amend/Cancellation, For. Limited Part.
		Other
		Other

TOTAL FEES 82

Name Change
(New Name) _____

___ Change of Name
___ Change of Principal Office
___ Change of Resident Agent
___ Change of Resident Agent Address
___ Resignation of Resident Agent
___ Designation of Resident Agent and Resident Agent's Address
___ Other Change _____

Code _____

ATTENTION: _____

MAIL TO ADDRESS: Bill McKissick Jr
Kennedy and Lacer
One Hundred Exploration
Suite 2030
Lexington Park Md
20653-
2003

✓ Check ___ Cash

NOTE:

___ Documents on ___ checks

APPROVED BY: JR

EXHIBIT "A"

§11B-105(b) THE VENDOR SHALL PROVIDE PURCHASER THE FOLLOWING INFORMATION IN WRITING. (REQUIRED DISCLOSURE STATEMENTS PROVIDED IN ALL CAPITAL LETTERS. ACTUAL INFORMATION DISCLOSED OR REFERENCE SOURCE IS PROVIDED IN UPPER AND LOWER CASE TYPE STYLE.)

NOTICE

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

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

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

The name and business address of the General Partner of Avenmar Limited Partnership is as follows:

Potomac Investment Associates Limited Partnership
808 West Diamond Avenue, Suite 301
Gaithersburg, Maryland 20878

The names and addresses of the principal officers of Potomac Investment Associates Limited Partnership are as follow:

Donald S. Franyo, General Partner
Anthony M. Natelli, General Partner
William C. Colona, General Partner
Dennis I. Meyer, General Partner
806 West Diamond Avenue, Suite 301
Gaithersburg, Maryland 20878

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

(See By-Laws, Article I and Articles of Incorporation, Article I, et. al.)

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

(See Articles of Incorporation, Paragraph 1 and Article III, et. al.)

(3) A DESCRIPTION OF:

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

See Plat (Sales Contract Exhibit "C").

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

There is no property owned by the Declarant contiguous to the development which is to be dedicated to public use.

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

The development will not be within or part of another development.

(5) IF THE DECLARANT HAS RESERVED IN THE DECLARATION THE RIGHT TO ANNEX ADDITIONAL PROPERTY TO THE DEVELOPMENT, A DESCRIPTION OF THE SIZE AND LOCATION OF THE ADDITIONAL PROPERTY AND THE APPROXIMATE NUMBER OF LOTS CURRENTLY PLANNED TO BE CONTAINED IN THE DEVELOPMENT, AS WELL AS ANY TIME LIMITS WITHIN WHICH THE DECLARANT MAY ANNEX SUCH PROPERTY.

No annexations anticipated. (See Declaration, Section 11.06, et. al.)

(6) A COPY OF:

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

(See Articles of Incorporation and Declaration. See Declaration, Section 11.02, et. al.)

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

(See Bylaws. See Declaration, Section 11.02, et. al.)

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

(See Declaration, Article VII, et. al.)

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

The estimated proposed annual budget for Fiscal Year 1993 is attached.

The current projected budget for Avenmar Community Association, based upon the development fully expanded in accordance with expansion rights contained in the Declaration, is attached.

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

The estimated mandatory fee to be paid by owners of Lots for Calendar Year 1993 is $1,200 per year; once the pool is completed, the estimated mandatory fee will be approximately $1,500 per year.

See Declaration, Sections 4.03 and 4.04, et. al.

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

The following is a brief description of the zoning and other land use requirements affecting the Development:

Chesapeake Bay Critical Area:
- RCA - Resource Conservative District
- LDA - Limited Development Area

Remainder of Site:
- RPD - Rural Preservation District

Minimum lot size is two acres.

(ii) A WRITTEN DISCLOSURE OF WHERE THE INFORMATION IS AVAILABLE FOR INSPECTION.

Additional information pertaining to zoning and other land use requirements affecting the Development may be found at the following location:

St. Mary's County Governmental Center, Office of Planning and Zoning, Leonardtown, Maryland.

(11) A STATEMENT REGARDING:

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

(See Declaration, Section 4.07, et. al.)

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

(See Declaration, Sections 4.03 and 4.07, et. al.)

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

(See Declaration, Section 4.08, et. al.)

(iv) WHETHER UNPAID FEES OR ASSESSMENTS ARE A PERSONAL OBLIGATION OF OWNERS OF LOTS;

(See Declaration, Section 4.08, et. al.)

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

(See Declaration, Section 4.08, et. al.)

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

(See Declaration, Section 4.08, et. al.)

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

(See Declaration, Section 4.08, et. al.)

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

(See Sales Contract Section 9(a) and Declaration, Section 4.03, et. al.)

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

(i) THE RIGHT TO CONDUCT CONSTRUCTION ACTIVITIES WITHIN A DEVELOPMENT;

(See Sales Contract Section 15(a) and Exhibit "B" - "To be Completed by Seller.") (See Declaration, Section 8.01, et. al.)

(ii) THE RIGHT TO PAY A REDUCED HOMEOWNERS ASSOCIATION FEE OR ASSESSMENT; AND

(See Declaration, Section 4.03, et. al.)

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

(See Declaration, Article V, et. al.)

IF YOU HAVE NOT RECEIVED ALL OF THE MHAA INFORMATION FIVE (5) CALENDAR DAYS OR MORE BEFORE ENTERING INTO THE CONTRACT, YOU HAVE FIVE (5) CALENDAR DAYS TO CANCEL THIS CONTRACT AFTER RECEIVING ALL THE MHAA INFORMATION. YOU MUST CANCEL THE CONTRACT IN WRITING, BUT YOU DO NOT HAVE TO STATE A REASON. THE SELLER MUST ALSO PROVIDE YOU WITH NOTICE OF ANY CHANGES IN MANDATORY FEES EXCEEDING 10% OF THE AMOUNT PREVIOUSLY STATED TO EXIST AND COPIES OF ANY OTHER SUBSTANTIAL AND MATERIAL AMENDMENT TO THE INFORMATION PROVIDED TO YOU. YOU HAVE THREE (3) CALENDAR DAYS TO CANCEL THIS CONTRACT AFTER RECEIVING NOTICE OF ANY CHANGES IN MANDATORY FEES, OR COPIES OF ANY OTHER SUBSTANTIAL OR MATERIAL AMENDMENT TO THE MHAA INFORMATION WHICH ADVERSELY AFFECTS YOU. IF YOU DO CANCEL THE CONTRACT, YOU WILL BE ENTITLED TO A REFUND OF ANY DEPOSIT YOU MADE ON ACCOUNT OF THE CONTRACT. HOWEVER, UNLESS YOU RETURN THE MHAA INFORMATION TO SELLER WHEN YOU CANCEL THE CONTRACT, SELLER MAY KEEP OUT OF YOUR DEPOSIT THE COST OF REPRODUCING THE MHAA INFORMATION, OR $100.00, WHICHEVER AMOUNT IS LESS.

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

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

(2) OCCUPANCY DENSITY;

(3) KIND, NUMBER OR USE OF VEHICLES;

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

(5) COMMERCIAL ACTIVITIES; OR

(6) OTHER MATTERS.

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

EXHIBIT "B"

AVENMAR

SELLER AND PURCHASER RESPONSIBILITIES

To be completed by Seller

1. Public and private roads graded, paved up to but not including individual driveways, aprons or entrances.

   Public and private roads include open-section drainage swales and all necessary sodding or seeding, guardrails, etc., within right-of-way. Private roads will be tar and chip surfaced.

   Certain lots will be "rough" graded per rough grading plan by Norris, Gass & Ocker Engineering, Inc. to be determined.

2. Sediment control construction, maintenance and stabilization measures for major development areas during the grading and paving of roads, including removal of sediment control measures.

3. No storm water management is required for the project. Storm drainage within the public roads is being provided by Seller.

4. Install standardized yardlights at intersections of public and private roads only.

5. Entrance features including special structures, landscaping and lighting features, if any, at the following major entry points to the Avenmar Subdivision:
   Avenmar Drive @ Bull Road;
   Bretmar Drive @ Knight Road;
   Common Drive @ Route 243.

To be completed by Purchaser

1. Paved or tar and chip driveways including individual driveways, aprons and culverts.

   Clearing, grading of lot, excavation, back-fill, rough and fine grading shall be the Purchaser's responsibility. However, should there be an excess of material, Seller may allow it to be disposed within the property if Seller needs fill, but at Purchaser's expense. Seller will dictate location.

   Driveways from public and private roads will be constructed at the locations as shown on a site plan to be approved by the Control Committee of the Avenmar Homeowners Association.

2. Sediment control construction, maintenance and stabilization measures for building sites during home-site preparation and construction, and removal and restabilization upon completion.

   Purchaser will be required to place silt fence adjacent to the right-of-way or limit of undisturbed areas on each lot in order to keep the roads and driveways free of mud and silt. A stone construction driveway entrance shall be required for each lot. Each Purchaser will be expected to keep the street that fronts its lot (and beyond if tracked there by Purchaser or Purchaser's contractor's trucks) clean at all times, either by sweeping or washing same.

3. Yard drains, swales and any necessary on-site structures related thereto on building lots, including the tie-in of such features to the systems installed by Seller as appropriate.

4. Install standardized yardlights in accordance with Seller specifications, at driveway intersections with public roads. Such yardlights to be hard-wired to Purchaser's electric supply so that they cannot be turned off.

5. Entrance features, if any, for each lot including special structures, landscaping, lighting features, special pavement treatments, etc. All to be approved by the Avenmar Control Committee.

6. Construct standardized cluster mailbox at intersections of public and private roads only.

7. Landscaping installation along all public and private roads, including streetscape trees and special feature trees and shrubs as applicable to Seller's landscaping plans, if any, including all major entry feature areas described in #5 above, and special feature areas in common areas of the subdivision.

8. Equestrian and pedestrian trails along public and private roads, lots and in common areas of the subdivision are to be constructed by the Seller, in accordance with Seller's over-all plan for the subdivision.

9. Recreational areas will be constructed and paid for by the Seller to the extent described in the development plan prepared by Norris, Gass & Ocker Engineering, Inc.

10. Engineering and architectural costs for those items listed herein "To be completed by Seller" shall be ordered, controlled and paid by the Seller.

11. Utilities:
A. Well - Seller is not responsible for, obtaining a well permit, drilling or casing a well on the individual home sites.

B. Septic - Seller has provided for an "on-site" septic area for each lot; said area is approved by the St. Mary's County Health Department. If, however, the Purchaser should decide on a different location, the Seller shall have no responsibility and/or liability in providing an alternate area.

C. Cable Television - Seller will work with the local cable TV company to bring the mainline cable into the subdivision. It is presently anticipated that cable will be provided, but Seller is not representing or warranting such service.

6. Construct standardized individ-ual mailbox in accordance with Seller specifications at driveway intersections with public roads.

7. Landscaping of individual home-sites provided, installed and paid for by Purchaser. Seller to require escrow by Purchaser upon submission of the Purchaser's Application for New Construction, in an amount of $2,500.

8. Any walkways, paths, etc. which are part of the lot site plan are to be constructed by the Purchaser.

9. Purchaser will not have responsibility for recreational areas, except as set out in the Association documents.

10. Engineering and architectural costs for those items listed herein "To be completed by Purchaser" shall be ordered, controlled and paid by the Purchaser.

Purchaser shall be responsible for the "final lot stakeout" of each lot.

11. Utilities:
A. Well - Purchaser will be responsible for obtaining a well permit, drilling and casing a well on each individual home site (see Note #2 below).

B. Septic - Purchaser will be required to use the approved septic area and shall be responsible for installation of the septic system. Should Purchaser decide on an alternate area, it shall incur any and all responsibility and liability related to said alternate area.

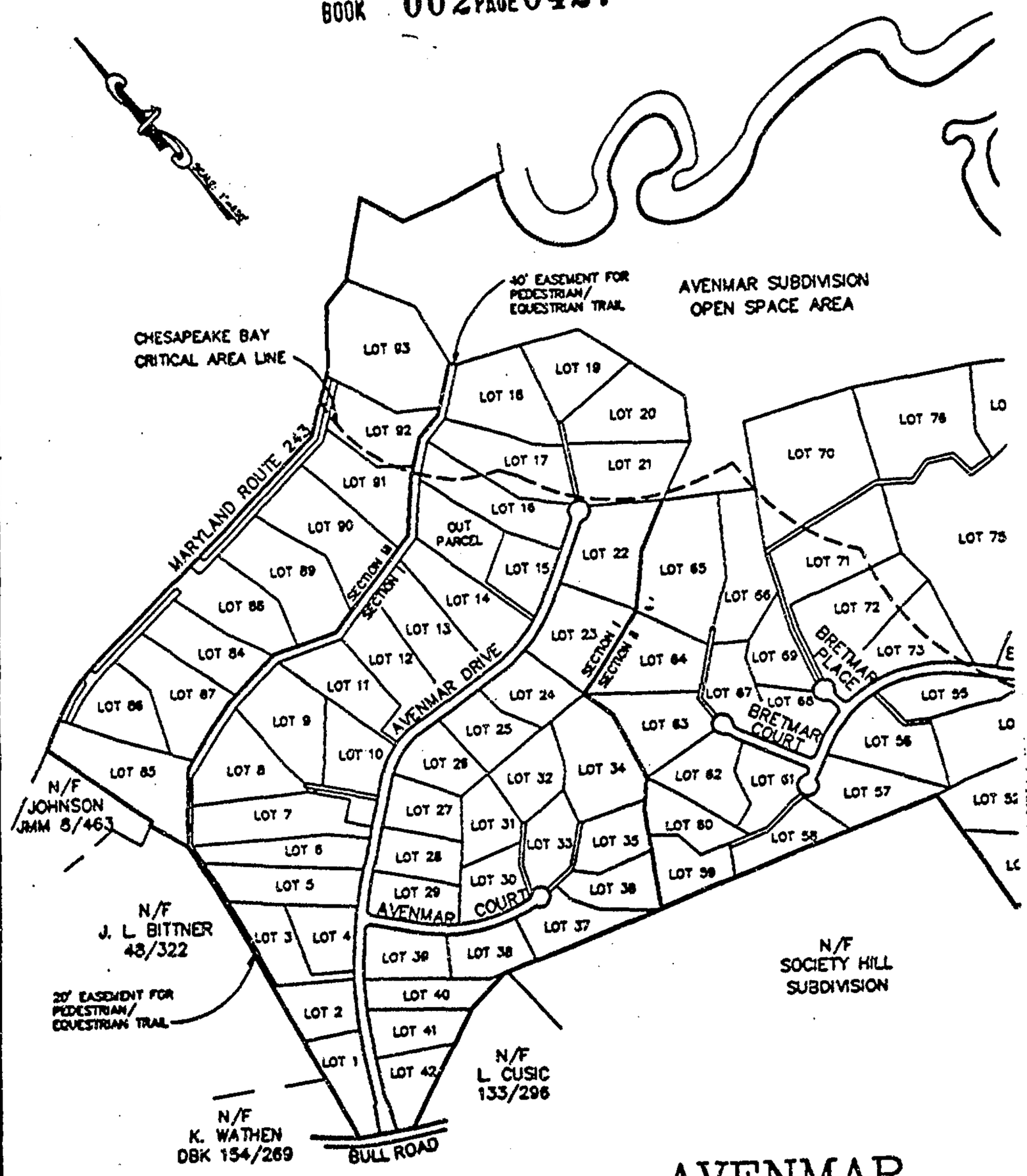
C. Cable Television - Purchaser will be responsible for working with cable company for installing "drop lines" from the main lines to the outside wall of the home. Purchaser will also be responsible for internal wiring of homes for cable TV hook-up. Individual lot servicing will be paid for by the Purchaser.

NOTES:

1. All site development and construction by Purchasers in the subdivision is subject to review and approval in advance by the Architectural Control Committee as provided by the Restrictions and Covenants recorded on the Avenmar property.

2. Seller has obtained a water appropriation permit from the State of Maryland Permit #SM90G009 (01) which should be referenced by the Purchaser when obtaining a well permit.

BOOK 002 PAGE 0427



AVENMAR
LEONARDTOWN, MARYLAND

BOOK 002 PAGE 0428

LAW OFFICES
KENNEY AND LACER
A PROFESSIONAL ASSOCIATION
ONE HUNDRED EXPLORATION
SUITE [illegible]
LEXINGTON PARK, MARYLAND [illegible]
301-[illegible]-[illegible]
TELECOPIER 301-[illegible]-[illegible]

JAMES A. KENNEY, III
ALFRED A. LACER

[illegible]
[illegible]
JOHN H. T. [illegible]
([illegible])

OFFICES IN:
LEONARDTOWN, MARYLAND

January 21, 1993

Clerk of the Circuit Court
St. Mary's County Courthouse
Leonardtown, Maryland

2:56PM01/21/93 MDMASC $25.00

Attention: Land Records

To Whom It May Concern:

Enclosed please find additional Disclosures to the previously recorded documents in the Homeowner's Association Depository for Avenmar Community Association, Inc. at Book 002, Page 393.

Please record them in the Homeowner's Association Depository.

Sincerely,

KENNEY AND LACER, P.A.

Bill D. McKissick, Jr.

djn
Encs. as stated above

RETURN TO:
NAME: Kenney & Lacer (Atty.)
ADDRESS: _____

FIRST INFORMAL ORGANIZATIONAL RESOLUTION OF THE DIRECTORS
OF
AVENMAR COMMUNITY ASSOCIATION, INC.

Dated as of August 31, 1989

The undersigned, constituting all of the members of the Board of Directors of AVENMAR COMMUNITY ASSOCIATION, INC., a Maryland corporation (the "Corporation"), in accordance with Section 2-408(c) of the Corporations and Associations Article of the Annotated Code of Maryland, do hereby take the actions below set forth, and to evidence their waiver of any right to dissent from such actions, do hereby consent as follows:

RESOLVED, that the Articles of Incorporation of this Corporation filed with the State Department of Assessments and Taxation on or about August 31, 1992, filed herewith and incorporated by reference herein be and the same are hereby approved and accepted.

RESOLVED, that the By-Laws submitted and filed in the corporate record both with these resolutions be and the same hereby are adopted as and for the By-Laws of this Corporation, and that the Secretary be and he hereby is instructed to cause the same to be inserted in the Minute Book immediately following the copy of the Articles of Incorporation.

RESOLVED, that the following persons are hereby elected to be officers of this Corporation to serve until their respective successors are chosen and qualify:

NAME	OFFICE
Donald S. Franyo	President
N. Charles Barbot	Treasurer
Linda Ellington	Secretary

RESOLVED, that for the purpose of authorizing the Corporation to do business in any state, territory or dependency of the United States or any foreign country in which it is necessary or expedient for this Corporation to transact business, the proper officers of this Corporation are hereby authorized to appoint and substitute all necessary agents or attorneys for service of process, to designate and change the location of all necessary statutory offices, and under the corporate seal to make and file all necessary certificates, reports, powers of attorney and other instruments as may be required by the laws of such state, territory, dependency or country, to authorize the Corporation to transact business therein and whenever it is expedient for the Corporation to cease doing business therein and withdraw therefrom, to revoke any appointment or agent or attorney for service of process, and to file such certificates, reports, revocations of appointment, or surrender of authority of the Corporation to do business in any such state, territory, dependency or country.

RESOLVED, that this Corporation open a bank account with Maryland National Bank and that any officer of the Corporation is authorized to sign checks and negotiable instruments.

RESOLVED, that the Secretary of this Corporation is authorized and directed to deliver and certify to the bank a copy of these resolutions, together with a certificate setting forth the names and certifying signatures of the present officers of this Corporation, and certifying the signatures of persons other than officers of this Corporation who are authorized to sign as

above set forth, and the bank shall be free from all liability and fully protected on such certificates of the Secretary and shall be indemnified and saved harmless from any claims, demands, expenses, loss or damage resulting from or growing out of honoring the signature of any officer so certified, or refusing to honor any signature not so certified until the actual receipt by the Bank of a written notice purporting to be under the seal of this Corporation notifying the Bank of any change of such officers or other authorized signers.

RESOLVED, that any and all actions taken or contracts entered into heretofore by any officer of the Corporation, either as officer and/or Director, as well as any and all actions taken or contracts entered into by said persons as individuals, acting for the Corporation, be and the same are hereby ratified, approved and confirmed by the Corporation, and all such contracts adopted as though said individual had at such time full power and authority to act for the Corporation and in the same manner as if each and every act had been done pursuant to the specific authorization of the Corporation.

Witness our hands and seals this 25 day of September, 1992 as of the date first above written.

Donald S. Franyo

M. Charles Barbot

Linda M. Ellington

WM C:\INCORPOR.WP\INFOORG.HOA 091792 11:13

INFORMAL RESOLUTION
OF THE BOARD OF DIRECTORS
OF
AVENMAR COMMUNITY ASSOCIATION, INC.

The undersigned, constituting all of the members of the Board of Directors of Avenmar Community Association, Inc., a Maryland corporation (the "Corporation"), in accordance with Section 2-408(c) of the Corportions and Associations Article of the Annotated Code of Maryland, do hereby take the actions below set forth, and to evidence their waiver of any right to dissent from such actions, do hereby consent as follows:

WHEREAS, Section 4.03 of the Declaration of Covenants, Conditions, and Restrictions for the Avenmar Community Association, Inc., ("Declaration") requires that the Board of Directors prepare an annual budget for the Association, which shall include among other things a reserve fund budget;

WHEREAS, Section 4.03 of the Declaration requires the Board of Directors from time to time fix the annual assessments as defined in Section 4.06 of the Declaration, at an amount sufficient to meet the anticipated Common Expenses of the Association;

NOW THEREFORE BE IT:

RESOLVED, that the attached budget, having been reviewed by the Board of Directors, is hereby approved as the budget for the Avenmar Community Association for the calendar year 1993;

RESOLVED, that in order to promote the recreation, health, safety, and welfare of the residents of Avenmar and for the improvement and maintenance of the Common Area, that there be

levied, subject to Section 4.03 of the Declaration, an annual assessment on each lot in the subdivision, in the amount of One Thousand One Hundred Twenty Eight Dollars and Forty Six Cents ($1128.46), to be paid in monthly installments of Ninety Four Dollars and Four Cents ($94.04) on or before the first of each month;

This Informal Action of the Board of Directors may be executed in counterparts.

WITNESS the hands and seals of the Directors as of this 20th day of December, 1992.

Donald S. Franyo SEAL

N. Charles Barbot SEAL

Linda M. Ellington SEAL

AVENMAR COMMUNITY ASSOCIATION
1993 ANNUAL BUDGET

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	TOTAL
GENERAL OPERATING EXPENSES	
Management Fee	6,000.00
Groundskeeper/Caretaker	24,000.00
Payroll Taxes	2,040.00
Employee Benefits	480.00
Basic Insurance Policy	2,500.00
Directors & Officers Ins.	1,900.00
Workmen's Compensation	1,500.00
Umbrella Policy	2,000.00
Real Estate Taxes	3,000.00
Legal Fees	1,400.00
Audit & Tax Preparation	2,000.00
Vehicle	4,500.00
Vehicle Gas, Oil, Maint.	2,400.00
Miscellaneous	1,000.00
TOTAL GENERAL OPERATING	54,720.00
ADMINISTRATIVE EXPENSES	
Office Supplies & Postage	320.00
Telephone	300.00
Meeting Expense	500.00
Communications	750.00
Social/Recreational Prgms.	1,000.00
TOTAL ADMINISTRATIVE	2,870.00
GENERAL MAINTENANCE	
Community Fencing	500.00
Community Signage	500.00
Tree Service	2,000.00
TOTAL GENERAL MAINTENANCE	3,000.00
CONTRACT MAINTENANCE	
Trash Removal	4,000.00
Snow Removal	.00
Common Area Grounds Maint.	20,000.00
TOTAL CONTRACT MAINTENANCE	24,000.00
COMMUNITY FACILITY MAINTENANCE	
Swimming Pool Contract	.00
Swimming Pool R & M	.00
Swimming Pool Supplies	.00
Tennis Courts R & M	500.00
Tennis Courts Supplies	200.00
Pier & Boat Ramp R & M	500.00
Manager's Residence R & M	2,500.00
Barn Stable & Paddock R & M	1,000.00
Community Center R & M	1,200.00
Utilities	5,000.00
TOTAL COMMUNITY FACILITY	10,900.00
RESERVES	
Swimming Pool	.00
Tennis Courts	800.00
Pier & Boat Ramp	750.00
Community Center	2,500.00
Manager's Residence	1,800.00
Entrance Features	350.00
Barn/Fencing	1,000.00
TOTAL RESERVES	7,200.00
TOTAL GENERAL ASSESSMENT	102,690.00

Annual Lot Assessment = $1128.46 Monthly Lot Assessment = $94.04

M162/LME 11/24/92

AVENMAR COMMUNITY ASSOCIATION, INC.

RESOLUTION OF THE DECLARANT, AVENMAR LIMITED PARTNERSHIP, APPOINTING THE MEMBERS OF THE CONTROL COMMITTEE

WHEREAS, Avenmar Limited Partnership, the "Declarant", has recorded in the Land Records of St. Mary's County, Maryland at Liber E.W.A. 0713, page 257 and in the Homeowner's Association Depository at Liber E.W.A. 002, page 343 a Declaration of Covenants, Conditions, and Restrictions for the Avenmar Community Association, Inc., pertaining to the easements, restrictions, covenants and conditions applicable to the Avenmar Subdivision located in St. Mary's County, Maryland (the "Declaration");

WHEREAS, Section 5.01 of the Declaration provides that the Declarant shall appoint a Control Committee composed of three (3) or more people, who shall be responsible for the architectural control in the Avenmar Subdivision;

NOW THEREFORE, BE IT:

RESOLVED, that pursuant to Section 5.01 of the Declaration, the following individuals are hereby appointed as the members of the Control Committee to hold said office until their successors are appointed by Declarant or until they are removed by the Declarant, whichever comes first:

Donald S. Franyo
N. Charles Barbot
Linda M. Ellington

RESOLVED, that the aforementioned individuals are hereby granted, and shall exercise those powers and duties arising from

and subject to Article V of the Declaration.

Witness our hands this 20th day of December, 1992.

WITNESS

AVENMAR LIMITED PARTNERSHIP, a Maryland Limited Partnership
By: Potomac Investment Associates Limited Partnership, a Maryland Limited Partnership, General Partner

By: _____
Donald S. Franyo, General Partner

AVENMAR COMMUNITY ASSOCIATION, INC.

RESOLUTION OF THE CONTROL COMMITTEE
ADOPTING
ARCHITECTURAL GUIDELINES AND ARCHITECTURAL REVIEW PROCESS

The undersigned, constituting all of the members of the Control Committee of AVENMAR COMMUNITY ASSOCIATION, INC., as designated by the Declarant, Avenmar Limited Partnership, do hereby take the actions below set forth, and to evidence their waiver of any right to dissent from such actions, do hereby consent as follows:

WHEREAS, pursuant to Section 5.04 of the Declaration of Covenants, Conditions, and Restrictions for the Avenmar Community Association, Inc., the Control Committee has the authority to adopt rules and regulations concerning architectural standards and procedures for the review of all improvements, modifications or alterations to lots in the Avenmar subdivision;

NOW THEREFORE, BE IT:

RESOLVED, that the architectural regulations and standards, and procedures for review, contained in the attached document entitled "ARCHITECTURAL GUIDELINES AND ARCHITECTURAL REVIEW PROCESS", having been reviewed and accepted by the Control Committee, are hereby approved and accepted as guidelines which may be followed by the Control Committee, in its discretion, when reviewing improvements, alterations, and modifications to lots within the subdivision, until said guidelines may subsequently be amended or modified;

WITNESS the hands and seals of the members of the Control

BOOK 002 PAGE 0438

Committee as of this 20th day of December, 1992.

SEAL

SEAL

SEAL

AVENMAR

ON BRETON BAY

BOOK 002 PAGE 0439

ARCHITECTURAL GUIDELINES

AND

ARCHITECTURAL REVIEW PROCESS

User's Reference Manual

Copyright 1992 by the Avenmar Community Association, Inc.
806 W. Diamond Avenue, Suite 301
Gaithersburg, Maryland 20878

The material contained in this manual is for the exclusive use of the Avenmar Community Association, Inc. and Avenmar residents, for use within the community of Avenmar in Leonardtown, St. Mary's County, Maryland. Any application or use of this material for purposes or by any person or development outside of Avenmar is prohibited without the prior written consent of the Avenmar Community Association, Inc.

Printed in the United States of America.

ARCHITECTURAL GUIDELINES AND ARCHITECTURAL REVIEW PROCESS

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INTRODUCTION

All new construction and exterior modifications to a home or lot in Avenmar, including landscaping, must first be reviewed and approved in writing by the Control Committee (CC).

The Board of Directors of the Avenmar Community Association, Inc. (ACA) is pleased to provide you with this Architectural Guidelines Booklet for your use in preparing an application for architectural review by the CC. The purpose of this booklet is to serve as an adjunct to the Declaration of Protective Land Use Standards (the "Declaration") found in your homeowner's manual. It is not intended as a legally binding document but rather as a handy reference tool which will provide you with the information you need to understand the architectural review procedure, and to make the system work for you and for all your neighbors in the community. Ultimately, the goal of the architectural review standards and procedures is to preserve the unique traditional quality of Avenmar and to maintain the high aesthetic standards that make it a desirable place to live and ultimately preserves and enhances property values in the community.

The Board of Directors of the ACA welcomes any comments or suggestions you may have regarding this booklet.

DESIGN CRITERIA

General Principles

Avenmar is an estate home community set in a rural waterfront environment. The developer's goal is to create an enclave of residences characterized by first class detailing, materials and construction. In general, homes in Avenmar shall reflect designs which are cohesive, consistent and properly proportioned in keeping with traditional architectural styles. The CC will evaluate homes for their "overall design" rather than a sum of the component parts. Comments, suggestions, approvals and rejections may be based solely on the aesthetic judgement of the CC.

The CC is responsible for applying certain standards in making decisions regarding architectural improvements at Avenmar. The standards are generally defined under "Use Restrictions" in the Declaration and underlie the specific guidelines contained in the following sections of this booklet.

The guiding principles which direct the CC in making its decisions include:

- protecting owners against improper use of surrounding lots as might depreciate the value of their lots;
- guarding against the erection of poorly designed or proportioned structures or the use of unsuitable materials;
- obtaining harmonious color schemes;
- preventing haphazard and inharmonious improvement of Lots.

In all cases, the CC is concerned with the impact and the view from neighboring lots, roads and recreational areas. Furthermore, they are mindful of any improvements which serve to create a precedent in the community.

BOOK 002 PAGE 0443

All-Inclusive Submission Facilitates Review & Approval

In order to facilitate the CC's review and approval process, and in order to provide a quick and thorough response to requests for architectural additions or modifications, the CC urges owners to submit items for review in an all-inclusive manner. In other words, rather than submitting plans on an item-by-item basis as you progress through the improvements you plan to make to your home or lot, we request that, whenever possible, you devise your entire plan from the outset. The forethought will benefit you by saving time (and possibly money) in the early stages, and it will assist the CC by providing the entire picture of what you are planning to do.

As an example, when you submit a pool plan, the CC also requires that you provide the accompanying deck or patio plan, a complete landscape plan, with location and type and size of plant materials to be used, and the fencing plan and its specifications. Please note that if you have considered landscaping needs in connection with the planned improvement for your home and feel that no additional plantings are required, you should indicate such on your application. Landscape plans will be approved with a deadline date for implementation up to a maximum of one year.

The following "Considerations, Specifications and Guidelines" will assist you in making all-inclusive submittals. These Guidelines indicate, for example, what will or will not be approved for basketball hoops including materials, preferred location and suggested landscape screening. By following these Guidelines, you should find that the procedure for submitting applications for review to the CC is a very straightforward, simple process. The ACA has attempted to include the most common elements of new home construction and modifications requests in this booklet, although there may be some exterior changes desired by owners which have not been included. This does not preclude the necessity to apply for approval on such a structure or modification.

Important Reminders:

County Approvals

Many exterior projects require a review and permit from St. Mary's County in addition to CC approval, and the property owner is responsible for all such County approvals. St. Mary's County authorities should be contacted before commencement of work to be sure that any and all required permits have been obtained. County approval does not preclude the need for CC approval, nor does CC approval relieve the applicant of the responsibility to obtain county permits. In some cases, St. Mary's County may require written confirmation of the CC before issuing a permit.

When considering making a modification, do not rely on a modification your neighbors may have done to their property. It may not have been approved! Each application is processed individually, and you are responsible for getting CC and County approval for your modification.

Modifications by Prior Owners

Purchasers of a resale property could be notified that they are in violation of the covenants because of an existing unapproved architectural modification on their property. Current owners are responsible for any existing violations. Should owners find themselves in this situation, they should remove the unapproved modification themselves or, alternatively, if the previous owners did not seek approval, the new owners should submit an application explaining the matter and requesting approval. The buyer of a resale home is urged to protect himself from this occurrence by obtaining a resale certificate from the ACA prior to settlement which will state whether any fees are due or whether any covenant violations exist on the property so that these may be immediately resolved by the sellers.

GUIDELINES FOR NEW HOME CONSTRUCTION AT AVENMAR

The CC has developed the following guidelines relative to new construction at Avenmar. These guidelines are intended to assist you as you complete the application form and prepare your plans for submittal. Ideally, these guidelines should be fully reviewed and understood by the owner/builder at the early stages of the architectural design process so that the initial concept plans are formulated in conformance with the guidelines. For the convenience of the CC and more expeditious processing of the application, it is strongly suggested that the builder prepare a sample color board showing all of the selected exterior finishes for the new home. For assistance in this regard, our consulting architect has prepared a board showing a number of exterior color/finish schemes which the CC would find acceptable.

SITE PLAN

A site plan, with a scale of not less than 1" = 50 ft. with maximum two foot contour intervals, must be submitted which includes all detailed information as listed in the Application for New Construction. In general, site plans must show existing vs. new topography; areas of vegetation to be saved vs. areas to be disturbed; and location of all proposed lot improvements. Driveway aprons from the public road to the end of the right of way must be asphalt. From there on, driveways must be paved or tar and chip. In making its evaluation, the CC will consider all aspects of the site plan, with an emphasis on tree save areas and the maintenance of proper setbacks from streets and water ways.

All homes should be sited within the building envelope indicated on the plats provided by Norris, Gass & Ocker Engineering, Inc. Similarly, all homes should be sited with an orientation towards the road leading to it, i.e. the main entrance should be in the front of the lot and not in the rear. Prior to the commencement of construction, the builder will be required to delineate, on site with brightly colored tape, the tree save areas as well as the location of the house and driveway for the inspection and written approval by a member of the CC.

FOUNDATIONS AND CHIMNEYS

Homes in Avenmar must be constructed on continuous, permanent foundations. Basements, crawl space and slab on grade construction will be permitted. Exposed pier or pile foundations will not be allowed. Any exposed foundation must be treated with a veneer of brick, stone or siding which matches the house. Other finish systems, such as imprinted concrete painted to match the other veneer on the house, may be considered for rear and side foundations only. No plain concrete block, painted or unpainted, will be permitted.

Window wells shall be constructed of masonry and shall be screened with landscaping.

All chimneys visible from the front or sides of a home must be treated with a veneer of brick or stone and must be built on foundations. Prefabricated fireplaces resting on cantilevered floor structures will not be permitted.

ROOFS

The CC is primarily concerned with two characteristics of the roof -- the pitch and the material. Roof pitches that are considered to be appropriate for the architectural style proposed will be evaluated with the overall design submission. Generally, it is felt that roof pitches below 7:12 will not be permitted for the primary roof pitch. Additionally, no "lean to" or shed-type roofs will be permitted regardless of the pitch.

Cedar shake, cedar shingles, slate and synthetic slate are acceptable roofing materials. Certain architectural (dimensional) shingles which possess a Class A rating and a 25-year or better warranty will generally be acceptable to the CC. The roof colors should be subtle and should complement the brick, stone, siding and/or trim colors. A sample panel of the roof should be provided on the color board.

BOOK 002 PAGE 0445

ROOFS (cont'd.)

Skylights must be a flat profile type and may not be visible from the front of the house, even if they are on the side roof line. Designs for cupolas, weather vanes, widows walks or other roof structures must be shown on the elevation plans. Gutters, downspouts and drainage methods should be clearly indicated on the elevation drawings.

Roof penetrations for venting plumbing fixtures or roof cavities shall not be visible from the front or sides of the house. (See Mechanical Systems guidelines.)

EXTERIOR MASONRY

The permitted masonry materials are brick and stone. Concrete block will not be allowed. A sample of the brick or stone and mortar for any home must be submitted with the application for new construction. Although homes which have a combination of veneer materials will be considered, the Committee will not permit homes which have masonry only on the front with siding on the other sides. A sample of the masonry and mortar combination should be provided on the color board.

SIDING AND OTHER EXTERIOR SURFACING MATERIALS

Wood is the preferred siding material for homes at Avenmar, although certain vinyl siding may be permitted if the quality and color are found acceptable in the judgment of the CC. If cedar wood siding is used, it must be a minimum grade of B with a tight knot. Individual boards shall be used as opposed to sheet products. In addition to horizontal siding, wood shingles or shakes may be permitted if deemed appropriate to the architectural style and design of the home. Board and batten siding will not be permitted.

Vinyl siding will be permitted if the color and level of detailing are such as to connote a quality, high end product in the judgment of the CC. The CC will not permit materials which create a "plastic house" look. Only subtle, traditional colors in harmony with the natural wooded surroundings shall be considered. Overly bright or "contemporary" siding colors will not be permitted. Wood corner boards, fascia, cornice, door and window trim are preferred with vinyl siding. When wood detail is not used, the selected vinyl siding shall have a complete trim package available with the product. Brick mould will be the minimum permitted trim around windows which are to be treated with shutters and 4" wood surrounds are the minimum trim permitted around windows without shutters.

The synthetic stucco material which has gained popularity in recent years will be permitted if the quality, color and finish of the material meets the approval of the CC and if the design of the house will, in the opinion of the CC, be enhanced by the application of such material.

Soffits may be vinyl, aluminum or wood. All fascias, soffits, freezeboards, mouldings and trim shall be painted to complement the other exterior finishes of the home.

WINDOWS AND EXTERIOR DOORS

Window and exterior door types and arrangements will be evaluated for compatibility with the overall architectural design of the house. In general, very large, unbroken areas of glass will not be permitted on the fronts of homes.

The CC prefers that muntins (sometimes called "mullions" or grilles") be used in the windows which are visible from the street. However, if the overall style of a house and its windows overshadows any need to further emphasize a desired traditional character, the CC may not require that they be installed.

BOOK 002 PAGE 0446

WINDOWS AND EXTERIOR DOORS (cont'd.)

This guideline may not apply to certain very traditional home styles, such as some Georgian colonials, whose design historically calls out for the use of muntins and would be fundamental to the architectural integrity of the home. The color of the muntins should be coordinated with the exterior trim color and the brick mould and wood window surround specifications.

The CC advises that entrance doors be constructed of either metal or wood with appropriate trim details to break up an overly heavy, solid appearance.

EXTERIOR PAINTS AND STAINS

The CC is looking for subtle, traditional colors to be used for all exterior features including, but not limited to, the siding, trim, shutters, doors, railings and porches. In combination, the colors should create a pleasing complement with the roof and the brick or other exterior surfacing material. The sample color board prepared by our architect clearly illustrates the desired look.

EXTERIOR MECHANICAL SYSTEMS

Compressors, pumps and any other mechanical equipment and electrical service entrance equipment required by a home (and outbuildings, pools, etc. as applicable) must be located within reasonable limits, so that it is not readily visible from the street. These elements shall be shown on the drawings submitted to the CC. Landscaping, fencing or an acceptable screen wall shall be used to soften the visual effects of such equipment from the view of others.

Metal flues, stacks, plumbing vents or chimneys from fireplaces, wood stoves or mechanical equipment will not be permitted to be exposed on the front or side roofs of homes. Any such vents or pipes shall be confined to the rear roof and must be painted to blend with the roof color. Similarly, exhaust and dryer vents extending from the house sides must be painted match the brickwork or siding. No such exhaust vents shall be permitted from the front side of the house.

If outdoor oil/propane tanks are used with the mechanical system, they should be buried underground or, if above ground, they should be fully screened with evergreen landscaping.

Wells or trenching associated with ground source heat pump shall be shown on the site plan.

LANDSCAPING AND EXTERIOR LIGHTING PLAN

As indicated on the application form, a full detailed landscape and exterior lighting plan having a scale of not less than 1" = 50 feet shall be submitted along with the plans for new construction. The landscape plan should indicate all plant material types, sizes, quantities and locations. Similarly, all exterior lighting should be shown on the landscape plan. Cut sheets which show the light fixture design, color and lamp wattage should be submitted with the lighting plan. (See also the Guidelines for Modifications - Exterior Lighting.)

GUIDELINES FOR MODIFICATIONS TO HOMES AT AVENMAR

CONSIDERATIONS, SPECIFICATIONS AND APPLICATION GUIDELINES

ADDITIONS, MAJOR (e.g.: Rooms, Screened Porches, Sunrooms) and OUTBUILDINGS

General Considerations

Major additions and outbuildings can have a significant impact on the appearance of the original building and on neighboring property, and the CC will be sensitive to this fact in making its decisions regarding the addition.

The owner may submit concept drawings or preliminary plans for CC review and comment before more detailed plans are made. Any preliminary comments are not to be interpreted as final approval by the CC.

Specifications

The design of the addition or outbuilding must be compatible in scale, massing, roof pitch, character, materials and color with the original house. The location of the addition should be planned to minimize the effect on neighboring properties as it relates to their privacy and views, and located to minimize the removal of trees and other vegetation. The CC will likely require additional landscape screening of adequate size at the time of planting to visually soften the view of the addition from the neighbors, street or golf course. Changes in grade or drainage resulting from the addition must not adversely affect adjacent property.

Application

Your application should include:

- A site plan and/or record plat (scale not less than 1" = 50 ft.) showing the location of the proposed addition or outbuilding, the existing building and the setbacks from all property lines;
- Detailed construction elevation drawings for all views (scale not less than 1/4" = 1 ft.);
- Drawings or photographs of the existing building and site conditions before the proposed changes;
- Samples of colors and materials, if different from the existing building;
- Catalog cut sheets of exterior lighting specifications;
- Landscape plan (scale not less than 1" = 50 ft.) showing all plant species, quantities and sizes at time of planting. Alternatively, proposed planting may be shown on site plan if the plan is not overly complex;
- Perspective drawings or scale models (not required, but may be helpful).

AWNINGS

General Considerations

Window awnings can be a desirable addition to a home for purposes of blocking sun rays which can fade or damage home interiors and keeping indoor temperatures down in the summer. Because of the potential benefits offered by their use, the awnings may be allowed under certain circumstances where deemed appropriate by the CC.

Specifications

Window or patio awnings will be allowed only on rear or side elevations where they will not be visible from the street or obstruct views from neighboring properties. No front window awnings will be permitted, even if their view is hidden from the street or other properties.

The selected awning color should be a neutral tone which matches or blends with the brick, stone, siding or trim color of the house and which is not overly bold or decorative.

The awning fabric should be a heavy cotton or canvas-type material. No plastic or vinyl awnings will be permitted.

Because of their potential for becoming soiled and worn-looking, awnings must be kept clean and in excellent repair at all times. Owners should carefully consider the additional maintenance required in keeping the awnings looking fresh before making application to the CC.

Application

Your application should include:

- Elevation drawings which indicate all areas to be covered by the awning(s);
- Catalog sheets which clearly illustrate the style and dimensions of the awning(s);
- A sample of the awning material (minimum 12" square or larger if necessary), along with the awning manufacturer's name and color name or number.

BASKETBALL BACKBOARDS

General Considerations

The siting of a basketball backboard involves the concerns of visibility and noise. The best siting provides enough room for a small half-court basketball play area, and locates the backboard so as to not be visible from the road, neighbors or recreational areas. The best siting also minimizes the amount of noise to adjacent neighbors.

Specifications

Location: In all cases, backboards will be located at least 20' from the nearest property line and 50' from the closest residence.

Specific locations are listed below in order of preference.

1. rear yard
2. side of driveway
3. centered on garage (limited to homes with side-loading garages)

Materials: In all cases where basketball equipment is to be associated with the driveway at the side of the house, the CC has determined that clear plexiglas type backboards offer the least intrusion aesthetically and will require that this type backboard rather than opaque surfaces be used for basketball backboards when placed at the driveway on the side of a house location.

Materials for Pole and Backboard on Free Standing Unit (in order of preference):

1. Plexiglass elliptical backboard, with black or dark green painted pole.
2. Wood elliptical backboard and wood or metal post, painted black or dark green.

Materials for Backboard Attached to House or Garage (in order of preference):

1. Plexiglas elliptical backboard.
2. Wood elliptical backboard painted to match the color of the surface on which it is attached, either the roofing, brick or wood siding.

No brightly colored backboard tape should be used. Black or dark green are preferred.

Screening: It may be unavoidable that the location of the backboard be within direct view of road traffic and neighbors. In this case, fast growing trees such as White Pine and Leyland Cypress are recommended to provide screening. They are commonly available, grow vigorously, and can be pruned to meet space requirements. 8-10 ft. height plants are recommended for most situations; 5-6 ft. height plants should be the minimum size considered. Trees should be planted approximately 6' apart on center.

Application

Your application should include:

- Site plan showing the location of the basketball backboard, pole and court area and the related landscape screening;
- Elevation drawings or catalog clippings showing the specifications of the backboard and pole, including colors;

DECKS/PATIOS

General Considerations

The CC expects to receive many requests for the addition or revision of a deck or patio. Because of the extended "living space" which a deck or patio provides and the opportunity to better enjoy the outdoor views at Avenmar, the CC understands the desire of owners to add or modify their deck. However, because a deck has a very definite impact on the appearance of a house and may possibly affect the privacy of adjacent owners, the CC will take particular care in its review of a deck plan to be certain that its design is consistent with the existing house and it will not significantly interfere with the right of enjoyment of adjacent residents.

Specifications

Decks will only be allowed on the rear or side of homes and never in the front. Decks should not extend beyond the owners building restriction line. New decks or modifications to existing decks must provide continuity in detailing, such as materials, color, post locations, railing design and trim.

Decks must be constructed with pressure-treated, rot-resistant wood and, in many cases, may be left to weather naturally. Painted or stained wood decks should be in a neutral color which blends well with the brick and trim color of the house. Column supports for above ground decks must be finished with the same level of quality and detail as the deck itself. In some cases, decks have been constructed with non-wood materials such as brick with brick and wrought iron details. Such a structure can have a major impact on a home; it will be viewed much like a room addition and may be subject to certain setback limitations.

Plantings should be provided to visually soften the appearance of at post foundations and the underside of a deck where appropriate. The CC will require additional landscaping around the deck in instances where the deck is visible from the neighbors, the road or recreational areas.

Any deck appurtenances such as arbors, pergolas and trellises must be submitted as part of a complete deck application package.

Application

Your application should include:

- A site plan, plat or house location survey showing the location of the deck or patio relative to the house and the property lines;
- Construction elevations plans including details of railings, built-in benches, barbeque or cooking areas, etc. Drawing should indicate relationship of the deck to the existing house;
- Paint or stain color samples where applicable.

DRIVEWAYS/PARKING PADS/WALKWAYS

General Considerations

It is not anticipated that many requests for driveway revisions, either in design or material, will be made since these issues should be carefully considered during the original new home construction review and approval process. The impact of an enlarged or modified driveway on neighboring properties will be carefully considered. New or revised walkway plans must also be submitted to the CC for review and approval.

Specifications

Enlarging or modifying a driveway and/or walkway may be done only where it and its use will not adversely affect adjacent property, natural areas or drainage and where it will not negatively impact the appearance of the streetscape.

Enlarging driveways, and adding parking pads or walkways must be done with the same material as the existing driveway or walkway. Should the driveway cause disturbance of any existing vegetation, the owner will be required to re-plant landscaping and may be requested to plant additional landscaping if needed to soften the impact and view of the driveway from neighboring properties.

Application

Your application should include:

- A site plan, plat or house location survey showing the location of the existing house and driveway or parking pad and proposed changes showing dimensions and distances from property lines;
- A description of the driveway or parking pad material; and
- A grading plan if the existing grading is changed.

General Considerations

Fencing can sometimes be an architectural plus when of a certain design and used in the right place and with abundant, well-designed landscaping, or conversely it can, when not controlled, become an intrusion on the open character of the community from both an aesthetic and a physical standpoint.

Specifications

The general philosophy of the CC is to retain the open feeling of the Avenmar community by regulating the placement and style of fencing. the Committees will review all fence requests received on a case-by-case basis.

The following fence materials will be considered:

1. 3-rail "estate style" fencing painted black, identical to that used for the Avenmar community center areas;
2. 3-board split rail fence of high quality, natural non-rotting cedar wood, treated for termite control, and left to weather naturally;
3. Vinyl-coated black or dark green chain link fencing if screened entirely with evergreen landscaping from the view of the street, neighbors and community areas.
4. Wooden privacy fencing.

Generally, fences in front yards and/or extending beyond the rear corners of houses will only be permitted if fences are cedar split rail or black three rail estate fencing. The green or black vinyl clad chain link fences will generally only be permitted in rear yards or where not visible from the street, subject to the CC's approval as to location, height, and landscape screening, as deemed appropriate. The wooden privacy fencing is discouraged except for the limited use as a surround for swimming pool areas and, if approved, must be heavily screened with landscaping.

Application

Your application should include:

- A site plan, plat or house location survey showing the home, other improvements, exact fence location including distance from home and property lines;
- Detailed description of proposed fence including a catalog sheet (with exact height from ground level indicated), photograph or drawing; and
- Landscape plan showing all new plant material to be installed as needed for softening or screening the appearance of the fence.

LANDSCAPING AND TREE REMOVAL

General Considerations

Plans for additions or modifications to existing landscaping and/or the removal of existing trees which are larger than four inches in diameter (measured two feet above the ground) or more than fifteen (15) feet in height must be submitted to the CC for approval. Approval of the removal of trees will be granted only where such removal is reasonably necessary for the construction of driveways, paths, or other approved lot improvements. In many cases, landscaping is required as an adjunct and a condition for approval for other modifications such as the addition of a deck or fence and, as noted in other sections of this booklet, is required as part of the application for such items.

Specifications

Landscape modifications or additions should be integrated in a way which is harmonious with the existing landscaping on the lot and the adjacent lots. On lots where water views are a consideration, the CC will carefully review planned landscaping to be sure that it will not impede the neighbor's views. Front yard landscaping will be carefully considered for its effect on the overall streetscape. Generally, landscaping serves to visually soften or provide a finished look to a lot and should not be planted in such a way as to create a fenced-in appearance.

Planting of flowers by the owner is acceptable without making application to the CC, if the flowers are tasteful and blend well with the existing landscaping. While it is difficult to imagine any flowers being in poor taste, one example of flowers the CC would prohibit are the giant sunflowers which grow several feet from the ground.

Planters on steps and walkways are acceptable without making application to the Modifications Committee, provided they are planted in a tasteful manner in keeping with the community.

Tree removal is a very serious issue which should only be undertaken when necessary for aesthetic, grading or safety reasons. Like landscape modifications, tree removal may be necessary in order to accomplish another modification. If this is the case, an indication of the tree(s) to be removed and reason for removal must be included in the modifications application. Owners are asked to carefully plan modifications so as to eliminate or minimize the need to remove any trees. In most cases, the owner will be asked to offset any tree loss, whether associated with another modification or not, with new plantings.

Stockpiling of materials such as mulch, compost or firewood will only be permitted in rear yards and must be properly screened from the view of others and must be shown on the plan for approval.

Application

Your application should include:

- A site plan, plat or house location survey showing the location of the proposed plant material (or tree to be removed), existing plant material, existing buildings and other improvements, and property lines;
- A schedule of plant material indicating species, height at the time of planting, caliper where appropriate and quantities;
- A detailed description and location of any structural elements such as retaining walls (addressed in a separate section).

LIGHTING - EXTERIOR

General Considerations

Typical site lighting may include lighting fixtures of the following types, subject to the specifications set forth in the paragraphs which follow:

- Building-mounted lights at entries to homes
- Post-mounted lights
- Garden and path lights
- Building-mounted security flood lights
- Flush up or accent lighting
- Driveway entry lighting (for lots where driveway connects with a public road) as specified by the Declarant.

Consistent with its daytime character, Avenmar should be viewed as a quiet, natural nighttime setting without intense, overly decorative lighting. Fixtures should be of high quality, traditional in design, compatible with the house. Whether building-mounted or freestanding, lighting fixtures should be properly located and directed downward, diffused, or shielded to avoid causing glare when viewed from adjacent properties or from the street. No exterior lighting, emanating from a Lot, shall be directed outside the boundaries of the Lot without the prior written approval of the CC.

Specifications

- Lamps should be an incandescent type of 100 watts or less for most applications. High wattage commercial/industrial type fixtures are unacceptable.
- Unobtrusive building-mounted fixtures are preferred when possible.
- When building-mounted light is inadequate for proper illumination, high-quality, post-mounted fixtures of 8 ft. or less in height are preferred.
- Low-level landscape lighting should be used sparingly, if at all, and for walkways and garden areas only, and these fixtures should be spaced long distances apart from each other to avoid any kind of a commercial effect, which would create an "airport runway" feel.
- Security flood lights should be used only when necessary and for limited time periods, such as when tripped by a security system breach or turned on manually when noises are heard, etc. However, when the rear lot line of a residence adjoins wooded areas or other similar situation, and the rear lot line does not adjoin a current or future residential lot or street, flood lights may be used for security purposes to illuminate the rear yard. Flood lights should always be within attractive fixtures and not of the bare bulb and socket variety.
- All conduit and wiring should be buried and out-of-sight.
- Sodium vapor quartz and other non-incandescent varieties of lamps are presently unacceptable.
- Flush-up and accent lighting for building facades must be of low intensity to create a subtle, warm impression. The lights must not be obtrusive either as visible fixtures nor provide any glare. Such lighting should be totally or partially buried in the ground.

Application

Your application should include:

- Site plan, plat or house location survey showing buildings and property lines and showing existing and proposed lighting; and
- Catalog sheets of fixtures including photographs or drawings, description and lamping data.
- Landscape plan when lighting is integrated and/or softened with plants.

PAINTING/STAINING/COLOR CHANGES - EXTERIOR

General Considerations

All exterior color (or material) changes on a home or other approved structure in Avenmar must be submitted in writing to the CC for approval. Generally, the CC is agreeable to colors that create a subtle, traditional effect which is harmonious with the house and complementary to the surrounding homes in the community.

No request for approval is needed to re-paint any exterior elements in the existing approved color(s) already on the house.

Specifications

Selected colors (or materials) must be harmonious with the other colors (or materials) used on the structure, e.g., roofing, trim and brick, and must be harmonious with the color scheme used in the neighborhood. For your reference, the CC's consulting architect has prepared a board showing a number of exterior color/finish schemes which the CC would find acceptable.

Application

Your application should include:

- Sample color chips (minimum 2" square in size) of proposed new colors and existing paint colors to be retained; and
- A written description or, preferably, an illustration showing all surfaces to be painted or stained.

PLAY EQUIPMENT

General Considerations

For many property owners, children's play equipment including swing sets, jungle gyms, sand boxes and similar type equipment are desirable additions to a homesite whether for children or grandchildren. Respect for neighbors and the aesthetic quality of the Avenmar Community must, however, be given due consideration. Such equipment may be placed on lots if screened from view from the street and placed in such a manner so as not to constitute a nuisance to adjoining homeowners.

Specifications

The CC prefers that play equipment be constructed predominantly of wood and left to weather naturally.

Play equipment will only be permitted in the rear yard where it will not be visible from the street.

Screening of the equipment should be accomplished by evergreens to insure year-round protection. Consideration should be taken to insure screening from visibility by cars driving either way on the street(s) adjacent to the home. Screening plant material should be of a height great enough to conceal the play equipment, if not at the time of planting, then within no longer than 24 months from the date of planting by reasonable estimations of plant growth given type of evergreen and soil and climatic conditions prevalent at Avenmar.

The subject of basketball equipment is addressed in a previous section of this booklet.

All homeowners desiring to install any children's play equipment, including basketball equipment and screening, must make application and be granted formal approval prior to installation.

Application

Your application should include:

- A detailed drawing or catalog sheet which shows the play equipment including dimensions and color; and
- A plan showing the location of the play equipment, the existing home, all other lot improvements and distance from property lines.
- Landscape plan showing evergreen plantings to be installed for the purpose of screening or softening the view of the play equipment. Plans must indicate plant species, quantities, types and sizes.

RETAINING WALLS

General Considerations

Retaining walls should be as unobtrusive as possible and should be installed only where structurally necessary such as for purposes of diminishing erosion or creating a more level lawn or garden area. Retaining walls to be installed at the time of original construction must be applied for as part of the new construction application package. Retaining walls should be built only to the minimum height needed to serve their function.

Specifications

Retaining walls must be constructed of stone, brick or high-quality square, non-rotting wood timbers. Concrete walls or walls constructed of rounded landscape timbers will not be approved both for aesthetic and structural reasons.

The ends of all walls must be gradually tapered down to the ground rather than abruptly ending.

In some cases, safety codes may require a railing atop the retaining wall. Should a railing be required, the design specifications including dimensions, material and color must be included as part of the application. Alternatively, the owner may want to consider stepping the wall in a terracing effect in order to keep the wall height below the maximum allowable height for which a rail is not required.

Plantings should be added to screen areas where the retaining wall will be visible either from the street and/or neighboring homeowners.

Application

Your application should include:

- Site plan, plat or house location survey showing the location of the retaining wall, any existing or planned buildings and the relationship to property lines;
- A sectional drawing showing the construction details; and
- A description of the materials; and
- Landscape plan showing additional plant material to be used to soften the apperance of the retaining wall(s).

SCREEN DOORS/WINDOWS AND STORM DOORS/WINDOWS

General Considerations

Should an owner/builder decide to install screen/storm doors and windows, he should specify a design and color which does not alter the apperance of the door or window behind it or detract in any way from the traditional theme of the home and community.

Specifications

Screen/storm doors and windows should allow a full or nearly-full view of the existing door or window behind it and should be a color which matches the existing door or trim color, whichever will create the most unobtrusive appearance. Generally, only straight line framing with little or no ornamentation will be considered and permitted.

Application

Your application should include:

- Detailed drawing or catalog sheet which shows the new screen/storm doors and windows including dimensions and color; and
- Depiction of the existing door with dimensions and frame color noted.

SWIMMING POOLS AND TENNIS COURTS

General Considerations

Swimming pools and/or tennis courts can greatly enhance the enjoyment and liveability of a home while also providing excellent exercise benefits to the owner. However, because of the possible intrusion on adjacent properties, swimming pool and/or tennis court plans will be very carefully reviewed and considered in terms of any possible disturbance to others.

A swimming pool and/or tennis court the associated decking and fencing must be planned and designed in conformance with the character of the Avenmar community.

Concept or preliminary plans may be submitted for review and comment before full working construction drawings are undertaken.

Specifications

Outdoor swimming pools and/or tennis courts must be approved by the CC and will be permitted only in situations where a clear demonstration is made that the pool and/or tennis court will not interfere with the quiet enjoyment of any adjacent lot. Swimming pools may only be located in rear yards. Only in-ground swimming pools may be approved; above ground pools are prohibited.

The CC must also review requests for hot tubs and spas and will again seek assurance that the hot tub or spa will not interfere with the quiet enjoyment of the adjacent neighbors. If not in-ground, the hot tub or spa must be architecturally treated with decking and the base must be enclosed to hide the tub from view.

Swimming pool and hot tub equipment must be located to avoid interference with neighbors and must be enclosed architecturally or screened from view with evergreen landscaping. Structures to be used to enclose equipment must also be softened with landscaping where visible from other properties.

The MC does not need to approve indoor swimming pools unless they are part of a home addition in which case the owner should refer to the "Major Additions" section of this booklet in preparing the application.

Application

Your application should include:

- A site/grading plan showing the proposed tennis court and/or swimming pool or hot tub, pool equipment, decking, fencing, other lot improvements and property lines;
- Fence plan (See Fencing Guidelines);
- Landscape plan (See Additional Landscaping and Tree Removal Guidelines) and Exterior Lighting Plan (See Exterior Lighting Guidelines).

REMOVAL OF EXISTING STRUCTURES

General Considerations

The removal of any building, major addition, fence, wall, major landscaping or other natural or structural element which changes the exterior appearance of the property must be approved in writing by the CC.

Removal of minor, less substantial additions such as basketball backboards or play equipment will not require CC approval as long as the area is restored.

Materials must be properly disposed of outside of the boundaries of any properties of the Avenmar subdivision.

Application

Your application should consist of a clear written description or other depiction (drawing or photograph) of what is to be removed.

STANDARDS FOR MAINTENANCE OF LOT IMPROVEMENTS

Each Owner shall keep his lot and and all improvements therein or thereon, in good order and repair and free of debris. All new construction and modifications shall be maintained in a condition which is substantially similar to the original condition at the time of CC approval. Such maintenance includes, but is not limited to:

- Repainting, restaining or renovating, on a periodic basis as needed, exterior surfaces which through damage and/or normal wear and tear, appear substantially different from what was originally approved by the CC.
- Replacement or repair of exterior damage or deterioration of exterior housing materials, such as siding, trim, roofing, doors, shutters, gutters, downspouts, flues, window or screens.
- Replacement or repair of exterior damage or deterioration to fences, retaining or screening walls, decks, recreational structures, lighting fixtures, etc.

(For additional information, refer to the Declaration, Article VIII.)

APPLICATION PROCEDURES

1. New Construction and Modifications Application Forms are attached. You may also pick up an application form at the Avenmar Community Center, or by contacting the developer:
   Potomac Investment Associates
   806 W. Diamond Avenue, Suite 301
   Gaithersburg, Maryland 20878
   (301) 670-4020

2. Read this booklet - The Architectural Guidelines and Architectural Review Process.

3. Develop your plan. (Consider the impact on your neighbors.)

4. Submit the completed application and all required plans, as clearly and thoroughly as possible.

5. Enclose the application fee made payable to: AVENMAR COMMUNITY ASSOCIATION. The fee schedule follows.

6. Your application will be processed by the CC on a first-come first-served basis.

7. A staff member of the Avenmar Community Association will review your application to determine if the information provided is sufficient for the CC to be able to review it. If not, you will be asked to provide additional information. Your request will be included on the agenda for the next regular meeting of the CC.

8. The staff member will then provide to each member of the CC a copy of your application prior to the meeting so that they will have a chance to visit your property to best understand your plans.

9. Your request will then be reviewed by the CC at their next regularly scheduled meeting. You may attend the meeting by notifying the Avenmar Community Association staff that you wish to make a presentation.

10. The CC will provide you with their written response (approval or disapproval) through regular mail within sixty (60) days after the full and complete application, plans, specifications and fees have been submitted.

11. If/when the CC function has been assigned from the Declarant to the Association, should you or any of your neighbors feel you have been aggrieved by an action of the CC, you may appeal the decision of the CC to the full Board of Directors.

CONTROL COMMITTEE

FEE SCHEDULE

November, 1992

Group A	Flower Beds A Few Trees	- 0 -
Group B	Light Fixtures Home Color Change Vegetable Garden Storm Door	$ 20.00
Group C	Basketball Backboard Play Equipment Fencing Deck Driveway Extension Driveway Redesign Landscaping Plans	$ 30.00
Group D	Major Home Additions Complete Swimming Pool and/or Tennis Court Plans (to include fencing and landscaping)	$ 75.00

AVENMAR

APPLICATION FOR MODIFICATION
TO THE AVENMAR CONTROL COMMITTEE
FOR LOT _____

NOTE: Refer to Avenmar Community Association, Inc. Declaration of Covenants, Conditions, and Restrictions, Article V (Architectural Control) and Modification Guidelines prior to completing this application.

Name of Lot Owner: _____

Avenmar Address: _____

Telephone: ( ) _____

Modification Requested: _____

Estimated Starting Date: _____ Estimated Completion Date: _____

Refer to the Guidelines covering your particular modification to determine the necessary plans, specifications and details which must accompany this application.

Additional comments, if any, important to the Avenmar Control Committee's review and understanding of the proposed modification:

_____

_____

This submission made by:

_____ _____
Signature Date

For Control Committee Use Only:

Fee $_____ Check No._____ Check Date:_____

Action of New Construction Committee after review of above plans:

Approved _____ Disapproved _____

Modifications and/or Additional Information Requested:

_____

_____

_____

For the Avenmar Control Committee:

_____ _____
Signature Date

AVENMAR ON BRETON BAY

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APPLICATION FOR NEW CONSTRUCTION
TO THE AVENNMAR CONTROL COMMITTEE
FOR LOT _____

NOTE: Refer to Avenmar Community Association, Inc. Declaration of Covenants, Conditions, and Restrictions, Article V (Architectural Control) and New Construction Guidelines prior to completing this application.

New Avenmar Address: _____

Primary Address? (Circle One) Yes No

Name of Lot Owner: _____

Current Address: _____

Telephone: ( ) _____

Name of Builder/Contractor: _____

Address: _____

Telephone: ( ) _____

Name of Architect/Designer: _____

Address: _____

Telephone: ( ) _____

If owner is a builder, indicate if dwelling is to be:

_____Spec or _____Custom

Anticipated Construction Time: _____ months

The following plans, specifications and details must accompany this application:

(1) Site plan, with a scale of not less than 1" = 50 feet and 2 foot contour intervals, showing the following:
- Existing and finished grade
- Limits of clearing
- Specimen trees to be saved (4" caliper or larger measured 2 ft. above the ground or more than 15 ft. in height)
- Building envelope
- Sewage easement
- Sewage recovery area and septic tank location
- Well location
- Location of new dwelling
- Building corner elevation
- Front, rear and side yard setbacks to property lines
- Garage and parking areas
- Retaining walls
- Developer specified mailbox standard and yard light location
- HVAC equipment
- Swimming pool, tennis court, fencing and any other lot improvements.
- Outbuildings
- Decks and/or patios;
- Driveway and walkways with material indications;
- Exterior lighting scheme over entire lot and on each exterior building elevation, and depictions of fixtures;
- Adjacent site development/improvements within 50 feet of property lines.

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(2) Exterior elevation drawings and interior floor plans having a scale of not less than 1/4" = 1 foot. All exterior elevations to be marked with type and color of construction and finish materials. Exterior elevations should also be submitted for any additional lot improvements. Exterior elevation drawings should show overall building height and the relationship of the ground floor to grade. Drawings should be detailed sufficiently to indicate finished appearance of all doors, windows, shutters, etc.

(3) Full detailed landscape plan having a scale of not less than 1" = 50 feet. Plans should indicate all plant material types, sizes and locations and should also include lighting, irrigation systems and water features.

(4) Square Footages: Basement _____ sq. ft.
First Floor _____ sq. ft.
Second Floor _____ sq. ft.
Attic _____ sq. ft.
TOTAL _____ sq. ft.

(5) Roof Details: Material _____
Manufacturer _____
Style Name or Number _____
Color Name or Number _____
Weight _____
(Please include a roof material sample and give local addresses where roof has been used, if available.)

(6) Masonry Details: Manufacturer _____
Style Name or Number _____
Color Name or Number _____
Mortar Color _____
(Please include a masonry sample with selected mortar and give local addresses where identical selection has been used, if available. Provide detail on special shapes or sills, if applicable.)

(7) Siding Details: Material _____
Manufacturer _____
Style Name or Number _____
Color Name or Number _____
(Please include siding sample and give local addresses where siding has been used, if available.)

(8) Shutter Details: Paint Color or Number _____

(9) Exterior Trim Details: Paint/Stain Color or Number _____

(10) Window Manufacturer: _____

Additional comments, if any, important to the Avenmar Control Committee's review and understanding of the construction, site and landscape plans:

_____

_____

_____

This submission made by:

_____ _____
Signature Date

Avenmar - Application for New Construction, page three

For Control Committee Use Only:
Fee $_____ Check No._____ Check Date:_____

Action of New Construction Committee after review of above plans:
Approved _____ Disapproved _____

Modifications and/or Additional Information Requested:

_____

_____

_____

Other Comments:

_____

_____

_____

For the Avenmar Control Committee:

_____ _____
Signature Date

ARTICLE XVI
Interpretation/Miscellaneous

Section 1. Conflict. These Bylaws are subordinate and subject to all provisions of the Declaration and to the provisions of the Articles of Incorporation of the Association. All of the terms hereof, except where clearly repugnant to the context, shall have the same meaning as they are defined to have in the Declaration. In the event of any conflict between these Bylaws and the Declaration, the provisions of the Declaration shall control; and in the event of any conflict between these Bylaws and the Articles of Incorporation of the Association, the provisions of the Articles of Incorporation shall control.

Section 2. Notices. Unless another type of notice is herein specifically provided for, any and all notices called for in these Bylaws shall be given in writing.

Section 3. Severability. In the event any provision or provisions of these Bylaws 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 4. Waiver. No restriction, condition, obligation or provisions of these Bylaws shall be deemed to have been abrogated or waived by reason of any failure or failures to enforce the same.

Section 5. Captions. The captions contained in these Bylaws are for convenience only and are not a part of these Bylaws and are not intended in any way to limit or enlarge the terms and provisions of these Bylaws or to aid in the construction thereof.

Section 6. Gender, etc. Whenever in these Bylaws 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 of the Directors of AVENMAR COMMUNITY ASSOCIATION, INC., have hereunto set our hands this 19th day of January, 1993.

WITNESS:

Bruce Myers

Donald S. Franyo
Director

NOTE: This document is the signature page that was omitted with the previously recorded BYLAWS in Book 2 page 410&411.

Louise Major

N. Charles Barbot
N. Charles Barbot
Director

Louise Major

Linda M. Ellington
Linda M. Ellington
Director

CERTIFICATION

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting secretary of AVENMAR COMMUNITY ASSOCIATION, INC., a Maryland nonstock, nonprofit corporation, and,

THAT the foregoing Bylaws constitute the original Bylaws of said Association, as duly adopted at a meeting of the Board of Directors hereof, held on the 25th day of September 1992.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this 19th day of January, 1993.

Linda M. Ellington
Secretary

CORPORATE SEAL

LIBER0 748 PAGE243

BOOK 002 PAGE 0469

SIXTH AMENDMENT TO
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
OF
CHESTNUT RIDGE COMMUNITY ASSOCIATION, INC.
(FORMERLY CHESTNUT RIDGE-SECTION 1 HOMEOWNERS' ASSOCIATION, INC.)

This SIXTH AMENDMENT is made this 27th day of January, 1993, by DELMARVA PROPERTIES, INC.

4:27PM02/01/93A HOMASC $25.00

WHEREAS, DELMARVA PROPERTIES, INC., as the Declarant, on June 1, 1990 recorded the Declaration of Covenants, Conditions and Restrictions of Chestnut Ridge-Section 1 Homeowners' Association, Inc., (the "Declaration") among the land records of St. Mary's County at Liber M.R.B. 539, Page 001; and the Declarant filed said Declaration on the same date in the St. Mary's County Homeowners' Association depository at Liber M.R.B. 002, Page 01;

4:27PM02/01/93A C.& R. $32.00

WHEREAS, the Declarant, on November 26, 1990, filed the "First Amendment of Declaration of Covenants, Conditions and Restrictions for Chestnut Ridge Community Association, Inc. (formerly Chestnut Ridge-Section 1 Homeowners' Association, Inc.) Annexing Section Two of the Subdivision" whereby the Declarant amended the Declaration to reflect the fact that **Chestnut Ridge-Section 1 Homeowners' Association, Inc.** had filed Articles of Amendment changing its name to **Chestnut Ridge Community Association, Inc.** and the Declarant amended the Declaration so as to subject Section 2 to the effect of said Declaration. Said Second Amendment is recorded among the Land Records of St. Mary's County at Liber M.R.B. 569, Page 274 and is filed in the St. Mary's County Homeowners' Association Depository at Liber M.R.B. 002, Page 96;

4:27PM02/01/93A SURCHG $2.00

WHEREAS, the Declarant filed the Third Amendment to Declaration of Covenants, Conditions and Restrictions of Chestnut Ridge Community Association, Inc., dated August 28, 1991, whereby the Declarant amended the Declaration so as to subject Section 3 of the Chestnut Ridge subdivision to the effect of said Declaration. Said Third Amendment is recorded among the Land Records of St. Mary's County at Liber E.W.A. 632, Page 383 and is filed in the St. Mary's County Homeowners' Association Depository as Liber E.W.A. 002, Page 184;

WHEREAS, the Declarant filed the Fifth Amendment to the Declaration of Covenants, Conditions and Restrictions of Chestnut Ridge Community Association, Inc., dated April 10, 1992, whereby the Declarant amended the Declaration so as to subject Section 4 of the Chestnut Ridge Subdivision to the effect of said Declaration. Said Fifth Amendment is recorded among the land records of St. Mary's County, at Liber EWA 674, Page 048 and is filed in the St. Mary's County Homeowner's Association Depository at Liber EWA 002, page 190;

RETURN TO:
NAME: Kenney & Lacer (Valley)
ADDRESS:

Declarant the unilateral right, privilege and option to annex that property subject to the Declaration and the jurisdiction of the Corporation all or any portion of the real property located within those boundaries shown by a Boundary Survey dated February 14, 1990 and prepared by John E. Sirine & Associates, Ltd., said Boundary Survey recorded among the plat records of St. Mary's County at Plat Liber M.R.B. 33, folio 11;

WHEREAS, the Declarant wishes to annex that property known as Section 5 of the Chestnut Ridge subdivision, which is an area of land contained within the aforesaid boundary survey;

NOW THEREFORE, DELMARVA PROPERTIES, INC., hereby amends the Declaration as follows;

1. The Declarant, Delmarva Properties, Inc., pursuant to Article II, § 2 of the Declaration hereby annexes and subjects to the legal operation and effect of the Declaration and the jurisdiction of the Association that real property described as follows:

That real property located in the Third Election District of St. Mary's County, Maryland, which is shown on a Plat entitled "Subdivision of Chestnut Ridge, Section Five" recorded in Plat Liber E.W.A. No. 36, Folio 122, among the Plat Records of St. Mary's County, Maryland, said property being more particularly described by metes and bounds description on Schedule A, attached hereto and incorporated herein.

Said parcel of land being a portion of the real property located within those boundaries shown by a Boundary Survey dated February 14, 1990 and prepared by John E. Sirine & Associates, Ltd., said Boundary Survey recorded among the plat records of St. Mary's County at Plat Liber M.R.B. 33, folio 11;

2. Except as expressly amended herein, all covenants, conditions and restrictions of the Declaration, and amendments thereto are to remain in full force and effect;

IN WITNESS WHEREOF, the party below has executed this Sixth Amendment the date first above written.

ATTEST:

John Paul Causey JR
Secretary

DELMARVA PROPERTIES, INC.

By: (SEAL)
Robert F. Brake
President

BOOK 002 PAGE 0471
LIBER 0748 PAGE 245

STATE OF VIRGINIA,
COUNTY OF King William, to wit:

I HEREBY CERTIFY that on this 27th day of January, 1993, before me, the subscriber, a notary public in and for the jurisdiction aforesaid, personally appeared ROBERT F. BRAKE, who is known to me (or satisfactorily proven) to be the person who signed the within instrument and said person made oath in due form of law that said person is the President of Delmarva Properties, Inc., and that, as such, said person is duly authorized to execute the within instrument for the purposes therein contained, and said person acknowledged that said person executed the same as the act and deed of said Delmarva Properties, Inc.

AS WITNESS my hand and Notarial Seal.

Deborah K. Cobb
Notary Public
My Commission expires: 2/28/94

BDM C:\CORPORAT\INCORP\HOASSOC\ANNEX4
011493 15:34

SCHEDULE A

CHESTNUT RIDGE - SECTION FIVE

DESCRIPTION

Beginning at a point in the western right-of-way of Chestnut Ridge Drive, said point being the southeast corner of Lot 93, Section Four, Subdivision of Chestnut Ridge; thence S88°-10'-17"E, 50.00' (Radial) to a point on a curve in the eastern right-of-way of Chestnut Ridge Drive; thence north along said right-of-way along the arc of a curve to the left, having a radius of 925.00', a length of 141.93' to a pin on the curve, said point being the southwest corner of Lot 112, Section Four, Subdivision of Chestnut Ridge; thence along the line of the Subdivision of Chestnut Ridge, Section Four, the following two courses and distances: N75°-27'-31"E, 275.88' (non-radial) to a pin; thence S14°-32'-29"E, 310.00' to a pin in the northern line of property now or formerly Delmarva Properties, Inc.; thence along said line S75°-27'-31"W, 371.29' to a point in the eastern right-of-way of Chestnut Ridge Drive; thence south along said right-of-way S08°-27'-31"W, 23.33' to a point at the point of curvature; thence continuing south along said right-of-way along the arc of a curve to the left, having a radius of 375.00', a length of 40.98' to a point on the curve; thence turning and running along the southern line of property now or formerly Delmarva Properties, Inc., N75°-27'-31"E, 1026.23' (non-radial) to a point; thence along the western line of property now or formerly Delmarva Properties, Inc., S22°-25'-39"W, 102.43' to a point; thence S16°-41'55"E, 306.03' to a point; thence S77°-39'12"E, 156.27' to a point; thence S13°-41'-41"E, 569.23' to a 6" marked holly, said point being a boundary corner between two properties now or formerly Delmarva Properties, Inc.; thence along western line of property now or formerly Delmarva Properties, Inc., S10°-37'-59"W, 454.83' to a point; thence N66°-58'-02"W, 125.25' to a point; thence S11°-54'-55"W, 335.09' to a point; thence S07°-11'-49E, 107.02' to a point on the northeast corner of Lot 124, Section One-A, Subdivision of Chestnut Ridge; thence along the northern line of the Subdivision of Chestnut Ridge, Section One-A, N67°-09'-48"W, 871.69' to a point; thence N80°-54'-15"W, 985.23' to a point in the eastern line of the Subdivison of Chestnut Ridge, Section Four; thence turning and running along said line N19°-36'-11"E, 203.41' to a pin; thence N15°-01'-58"E, 740.00' to a pin; thence N07°-11'-00"E, 299.38' to a pin at the southwest corner of Lot 93, Section Four, Subdivision of Chestnut Ridge; thence along the southern line of said Lot N75°-27'-31"E, 394.70' (non-radial) to the point of beginning.

Said parcel of land containing 58.498 acres, more or less.

CHESTNUT RIDGE COMMUNITY ASSOCIATION, INC.
(FORMERLY CHESTNUT RIDGE-SECTION 1 HOMEOWNERS' ASSOCIATION, INC.)
FOURTH AMENDMENT TO
DISCLOSURES PURSUANT TO THE
MARYLAND HOMEOWNERS ASSOCIATION ACT

January 27, 1993

(1) The name and principal address of the vendor/declarant and the names and addresses of the principal officers of the corporation are:

Delmarva Properties, Inc.
Box 1700
West Point, Virginia 23181
(804) 843-5300

~~4:27PM02/01/93A--HCHASE--425.00~~

President: Robert F. Brake
P.O. Box 1700
14th and Lee St.
West Point, Virginia 23181

Secretary: John Paul Causey, Jr.
P.O. Box 1700
14th and Lee St.
West Point, Virginia 23181

Treasurer: Andrew J. Kohut
P.O. Box 1700
14th and Lee St.
West Point, Virginia 23181

(2) The name of the Homeowners Association is: **Chestnut Ridge Community Association, Inc.**, formerly known as Chestnut Ridge-Section-1 Homeowners' Association, Inc. (a Maryland Corporation). The resident agent of the Homeowners Association is **James A. Kenney, III**, One Hundred Exploration, Suite 2030, Lexington Park, Maryland 20653.

(3) The development is located in the Second and Third Election district of St. Mary's County, containing approximately 260.58 acres more or less, and is more specifically described in the Declaration and Amendments thereto, copies of which are attached. There are currently 112 lots in the subdivision. The Developer does not plan to annex any additional property into the Development.

(4) The only property to be dedicated to public use consists of that property upon which the roads of the subdivision will be located, said roads to be dedicated to St. Mary's County.

(5) It is currently not anticipated that the development will become a part of another subdivision.

(6) With the Sixth Amendment to the Declaration of Covenants, Conditions, and Restrictions of Chestnut Ridge Community Association, Inc., the Developer has annexed into the Development all the property which it currently intends to annex.

(7) After annexation, it is currently anticipated that the homeowners association will own a wooded strip of land which will contain approximately twenty-eight (28) acres of green-space. Said wooded strip of land is identified as "Open Space" or Parcel "A" on the following Plats prepared by John G. Sirine and Associates, Ltd: Subdivision of Chestnut Ridge, Section Five, recorded among the Plat Records of St. Mary's County at Liber EWA 36, Page 122; Chestnut Ridge, Section Four, recorded among the Plat Records of St. Mary's County at Liber EWA 35, page 120; Chestnut Ridge, Section Three, recorded among the Plat Records of St. Mary's County at Liber MRB 35, Page 5; Chestnut Ridge, Section Two recorded among the Plat Records of St. Mary's County at Liber MRB 33, Page 118.

(8) A copy of the following documents are attached or are recorded elsewhere within the Homeowner's Association Depository for St. Mary's County:

(i) The articles of incorporation, the declaration, and all recorded covenants and restrictions of the primary development and of other related developments to the extent reasonably available, to which the purchaser shall become obligated on becoming an owner of the lot.

(ii) The bylaws and rules of the primary development and of other related developments to the extent reasonably available, to which the purchaser shall become obligated on becoming an owner of the lot.

NOTE THAT THESE DOCUMENTS IMPOSE OBLIGATIONS WHICH ARE ENFORCEABLE AGAINST THE OWNER AND TENANT.

(9) There is no estimated proposed annual budget for the homeowners association for the current fiscal year due to the fact that it is anticipated that the homeowners' association will not incur any expenses, other than administrative expenses, (which will be paid by the Declarant) until the Class B membership ceases as set forth in the Declaration. Due to the fact that there are no common area improvements, no reserves have been set aside for their replacement. The budget for the homeowners association based upon the development fully expended in accordance with expansion rights contained in the declaration is not anticipated to exceed $3,000.00 per year, said sum to pay for the maintenance of the common areas and administrative expenses of the homeowners association.

(10) The anticipated mandatory fee for assessments to be paid by owners of lots within the development for the use, maintenance, and operation of common areas and other purposes related to the

homeowners association will be $50.00 per lot, per year, unless otherwise determined pursuant to the terms of the attached Bylaws, Articles, and/or Declaration, as amended. The declarant/vendor will not be obligated to pay said fees in whole or in part.

(11) Information concerning zoning and other land use requirements affecting the development can be found at the St. Mary's County Office of Planning and Zoning, located in Leonardtown, and various affiliated county and state agencies, including: the Department of Public Works; the Health Department; the State Highway Administration, etc.

(12) Pro-rated assessments for the current year will be required at the time of closing. The mechanism for the determination, assessment, collection, and consequences of nonpayment of assessments or fees is set forth in the Articles, Declaration and Bylaws of the homeowners association.

(13) No funds are to be collected at settlement for contribution to the homeowners association other than prorated fees or assessments.

(14) Any special rights or exemptions reserved by or for the benefit of the declarant or the vendor are contained in Articles, Declaration and Bylaws of the Association.

HCT B:\ANNEX4
012993 12:08

LBER 002 PAGE 476

Chestnut Ridge Community Association, Inc.
Amendment to Disclosures to the Requirements for the Homeowners Association Depository Pursuant to § 11B-112 the Homeowner's Association Act

September 30, 1993 3:30PM10/15/930 HCMASC $5.00

Pursuant to a meeting held on August 18, 1993, the declarant, Delmarva Properties, Inc., officially turned over the governing of the Chestnut Ridge Community to the Chestnut Ridge Community Association, Inc., a Maryland Corporation. At the August 18, meeting the following were appointed as the Board of Directors of the Association.

1.	President	Dale P. Abell 109 Chestnut Ridge Drive Leonardtown, MD 20650 (301) 475-8640
2.	Vice President	Randy Short 62 Prince Pine Street Leonardtown, MD 20650 (301) 465-1655
3.	Treasurer	Keith Shukraft 209 Gum Spring Drive Leonardtown, MD 20650 (301) 475-8826
4.	Secretary	Suzanne Einoboden 117 Chestnut Ridge Drive Leonardtown, MD 20650 (301) 475-2510
5.	Member-at-Large	Richard Shin 200 Gum Spring Drive Leonardtown, MD 20650 (301) 475-9080

All communications regarding the Association shall be made to:

Dale P. Abell
Post Office Box 758
Chestnut Ridge Drive
Leonardtown, MD 20650
(301) 475-8640

The above address constitutes the principle office of the Association.

Chestnut Ridge Community Association, Inc.

By Dale P. Abell 10/7/93
Dale P. Abell, President Date

RETURN TO:
NAME: PATTY
ADDRESS: FOX & KENNEY & LACER

LIBER 002 PAGE 77

CHESTNUT HILLS HOMEOWNERS' ASSOCIATION, INC.
DISCLOSURES PURSUANT TO THE
MARYLAND HOMEOWNERS ASSOCIATION ACT
FOR
CHESTNUT HILLS SUBDIVISION

November 28, 1993

4:13PM11/30/93E HOMASC $50.00

(1) The name and principal address of the vendor/declarant and the names and addresses of the principal officers of the corporation are:

Delmarva Properties, Inc.
Box 1700
West Point, Virginia 23181
(804) 843-5300

President: Robert F. Brake
P.O. Box 1700
14th and Lee St.
West Point, Virginia 23181

Vice-Pres. David Clay
P.O. Box 1700
14th and Lee St.
West Point, Virginia 23181

Secretary: John Paul Causey
P.O. Box 1700
14th and Lee St.
West Point, Virginia 23181

Treasurer: Andrew Kohut
P.O. Box 1700
14th and Lee St.
West Point, Virginia 23181

(2) The name of the Homeowners Association is: **Chestnut Hills Homeowners' Association, Inc.** (a Maryland Non-Stock, Non-Profit Corporation). The name and address of the resident agent of the Homeowners Association is **Bill D. McKissick, Jr., One Hundred Exploration, Suite 2030, Lexington Park, Maryland 20653.**

(3) Section One of the development is located in the Second and Third Election districts of St. Mary's County, currently contains approximately 105.86 acres more or less, and is more specifically described in the Declaration, a copy of which is attached. There are currently 21 lots in the subdivision. The minimum number of lots currently planned which may be contained in the subdivision after annexation is 110. The maximum number of

(9) There is no estimated proposed annual budget for the homeowners association for the current fiscal year due to the fact that it is anticipated that the homeowners' association will not incur any expenses, other than administrative expenses, (which will be paid by the Declarant). Due to the fact that there are currently no common area improvements, no reserves have been set aside for their replacement. The budget for the homeowners association based upon the development fully expended in accordance with expansion rights contained in the declaration is currently anticipated to exceed $3,000.00 per year, said sum to pay for the maintenance of the common areas and administrative expenses of the homeowners association.

(10) The anticipated mandatory fee for assessments to be paid by owners of lots within the development for the use, maintenance, and operation of common areas and other purposes related to the homeowners association will be $195.00 per lot, per year, unless otherwise determined pursuant to the terms of the Bylaws, Articles, and/or Declaration. The declarant/vendor will not be obligated to pay said fees in whole or in part. The assessments are to be paid on a semi-annual basis.

(11) Information concerning zoning and other land use requirements affecting the development can be found at the St. Mary's County Office of Planning and Zoning, located in Leonardtown, and various affiliated county and state agencies, including: the Department of Public Works; the Health Department; the State Highway Administration, etc.

(12) Pro-rated assessments for the current year will be required at the time of closing. The mechanism for the determination, assessment, collection, and consequences of nonpayment of assessments or fees is set forth in the Articles, Declaration and Bylaws of the homeowners association.

(13) No funds are to be collected at settlement for contribution to the homeowners association other than prorated fees or assessments.

(14) Any special rights or exemptions reserved by or for the benefit of the declarant or the vendor are contained in Articles, Declaration and Bylaws of the Association.

INFORMAL ORGANIZATIONAL ACTION
OF THE BOARD OF DIRECTORS
OF
CHESTNUT HILLS HOMEOWNERS' ASSOCIATION, INC.

November 24, 1993

The undersigned, constituting all of the members of the Board of Directors of CHESTNUT HILLS HOMEOWNERS' ASSOCIATION, INC., a Maryland corporation (the "Corporation"), in accordance with Section 2-408(c) of the Corportions and Associations Article of the Annotated Code of Maryland, do hereby take the actions below set forth, and to evidence their waiver of any right to dissent from such actions, do hereby consent as follows:

RESOLVED, that the Articles of Incorporation of this Corporation filed with the State Department of Assessments and Taxation on or about November 17, 1993 and filed herewith and incorporated by reference herein be and the same are hereby approved and accepted.

RESOLVED, that the By-Laws submitted and filed in the corporate record book with these resolutions be and the same hereby are adopted as and for the By-Laws of this Corporation, and that the Secretary be and hereby is instructed to cause the same to be inserted in the Minute Book immediately following the copy of the Articles of Incorporation.

RESOLVED, that the following person is hereby elected to be the officers of this Corporation to serve until his respective successors are chosen and qualify:

NAME	OFFICE
Robert F. Brake	President
David Clay	Treasurer
David Painter	Secretary

RESOLVED, that for the purpose of authorizing the Corporation to do business in any state, territory or dependency of the United States or any foreign country in which it is necessary or expedient for this Corporation to transact business, the proper officers of this Corporation are hereby authorized to appoint and substitute all necessary agents or attorneys for service of process, to designate and change the location of all necessary statutory offices, and under the corporate seal to make and file all necessary certificates, reports, powers of attorney and other instruments as may be required by the laws of such state, territory, dependency or country, to authorize the Corporation to transact business therein and whenever it is expedient for the Corporation to cease doing business therein and withdraw therefrom, to revoke any appointment or agent or attorney for service of process, and to file such certificates, reports, revocations of appointment, or surrender of authority of the Corporation to do business in any such state, territory, dependency or country.

RESOLVED, that this Corporation open a bank account with Citizens and Farmer Bank and that any officer of the Corporation is authorized to sign checks and negotiable instruments.

RESOLVED, that the Secretary of this Corporation is authorized and directed to deliver and certify to the bank a copy of these resolutions, together with a certificate setting forth the names and certifying signatures of the present officers of this corporation, and certifying the signatures of persons other than officers of this Corporation who are authorized to sign as above set forth, and the bank shall be free from all liability and fully protected on such certificates of the Secretary and shall be indemnified and saved harmless from any claims, demands, expenses, loss or damage resulting from or growing out of honoring the signature of any officer so certified, or refusing to honor any signature not so certified until the actual receipt by the Bank of a written notice

purporting to be under the seal of this Corporation and purportedly signed by the President or Secretary of this Corporation notifying the Bank of any change of such officers or other authorized signers.

RESOLVED, that any and all actions taken or contracts entered into heretofore by an officer and/or director for the Corporation, either as officer and/or director, as well as any and all actions taken or contracts entered into by said persons as individuals, acting for the Corporation, be and the same are hereby ratified, approved and confirmed by the Corporation, and all such contracts adopted as though said individual had at such time full power and authority to act for the Corporation and in the same manner as if each and every act had been done pursuant to the specific authorization of the Corporation.

RESOLVED, in accordance with Article XI, Section 5 of the Declaration of Covenants, Conditions and Restrictions for Chestnut Hills ("Declaration"), there is hereby created an Architectural Review Committee consisting of the following persons:

David Painter
Eric Rowland
TOM REINEKEN

RESOLVED, pursuant to Article XI, Section 5 of the Declaration, the Board hereby delegates its powers set forth in Article XI, Sections 1, 2 and 3 of the Declaration to the Architectural Review Committee, expressly reserving unto itself those powers set forth in Section 4 of the aforesaid Article and the right to hear appeals from the decisions of the Architectural Review Committee as set forth in Section 5 of the aforesaid Article.

RESOLVED, pursuant to Article XI, Section 4 of the Declaration, the architectural regulations and standards contained in the attached document entitled CHESTNUT HILLS DESIGN AND CONSTRUCTION STANDARDS, having been reviewed and accepted by the Board, are hereby approved and accepted as guidelines which may be followed by the Board and/or Architectural Review Committee, in its discretion, when reviewing improvements, alterations, and modifications to lots within the subdivision;

RESOLVED, that the annual assessment for each Lot in the subdivision for the calendar year 1994 shall be One Hundred Ninety-Five Dollars ($195.00);

RESOLVED, pursuant to Article XII, Section 2 of the Declaration that the entire annual regular assessment, currently set at One Hundred Ninety-Five Dollars ($195.00), shall be collected on a semi-annual basis, in advance from the Owners; and

RESOLVED, that initial purchasers of lots in the subdivision pay at the time of closing an amount equal to the pro-rated semi annual assessment.

This Informal Action of the Board of Directors may be executed in counterparts.

WITNESS the hands and seals of the Directors as of the day and year above written.

SEAL
Robert F. Brake

SEAL
David Clay

SEAL
David Painter

ARTICLES OF INCORPORATION
OF
CHESTNUT HILLS HOMEOWNERS' ASSOCIATION, INC.
(A Non-Stock, Non-Profit Corporation)

THIS IS TO CERTIFY:

That, I, the subscriber, Bill D. McKissick, Jr., whose address is One Hundred Exploration, Suite 2030, Lexington Park, Maryland 20653, being at least twenty-one (21) years of age, do hereby declare myself as incorporator with the intention of forming a corporation under and by virtue of the General Laws of the State of Maryland, and for such purposes do hereby make, execute and adopt the following Articles of Incorporation.

ARTICLE I
NAME

The name of the Corporation is **CHESTNUT HILLS HOMEOWNERS' ASSOCIATION, INC.**, hereinafter called the "Association".

ARTICLE II
PRINCIPAL OFFICE

The principal office of the Association is located at One Hundred Exploration, Suite 2030, Lexington Park, Maryland 20653.

ARTICLE III
RESIDENT AGENT

The name and post office address of the Resident Agent of the Association in the State of Maryland shall be: Bill D. McKissick, Jr., One Hundred Exploration, Suite 2030, Lexington Park, Maryland 20653.

ARTICLE IV
PURPOSE AND POWERS OF THE ASSOCIATION

This Association does not contemplate pecuniary gain, the purposes for which it is formed are to provide for maintenance, preservation and architectural control of the residence, Lots and Common Area within the certain tract of real property located in the Second Election District, St. Mary's County, Maryland, being more specifically described below, and any property annexed or added thereto pursuant to the terms of the Declaration of Covenants, Conditions and Restrictions for Chestnut Hills:

BEGINNING at a point in the eastern right-of-way line of Redmond Way (formerly Redmond Road), said point being the northwest corner of property now or formerly

George C. Norris and Clara R. Norris, and being 1,627.27' along the eastern right-of-way lines of both Redmond Way (formerly Redmond Road) and Redmond Road from the southern right-of-way line of Maryland State Route No. 5; thence north along the eastern right-of-way line of Redmond Way (formerly Redmond Road), N 15°12'26"W, 93.81' to a point; thence N20°30'56"W, 120.73' to a point of curvature; thence along the arc of a curve to the left, having a radius of 415.00', a length of 147.22' to a point of tangency, said point being more or less on the eastern right-of-way line of Redmond Road; thence N40°50'28"W, 321.10' to a point of curvature; thence along the arc of a curve to the right, having a radius of 375.00', a length of 114.45' to a point to tangency; thence N23°21'18"W, 281.11' to a point of curvature; thence along the arc of a curve to the right, having a radius of 250.00', a length of 121.53' to a point of tangency; thence N04°29'48"E, 38.21' to a point in the southern line of Lot 43, subdivision of "Belvidere Woodland", dated October 1953, by W. L. Bowman and recorded in the land records of St. Mary's County, Maryland, in Liber CBG 3, at Folio 44; thence along the southern line of "Belvidere Woodland" the following courses S82°15'17"E, 302.52' to an old pipe; thence S80°21'05"E, 56.20' to an old pipe; thence S68°11'51"E, 62.55' to an old pipe; thence S64°36'04"E, 42.18' to a point; thence S59°19'43"E, 939.73' to a point, said point being the southeast corner of Lot 29, Belvidere Woodland; thence along the eastern line of Lot 29, Belvidere Woodland, N30°40'17"E, 300.16' to a point on the southern right-of-way line of Maryland State Route No. 5; thence along the southern right-of-way line of Maryland State Route No. 5, S59°23'41"E, 30.00' to a point, being the northwest corner of Lot 28, Belvidere Woodland; thence along the western line of Lot 28, Belvidere Woodland, S30°40'17"W, 300.20' to a point, being the southwest corner of Lot 28; thence along the southern line of Belvidere Woodland, S59°19'43"E, 2,964.86' to a point; thence S78°01'25"W, 1,734.16' (N.R.) to a point on a curve; thence along the arc of a curve to the right, having a radius of 655.03', a length of 216.54' to a point of tangency; thence S24°37'05"W, 121.09' to a point; thence along the arc of a curve to the right, having a radius of 25.00', a length of 41.46', to a point of tangency; thence S60°22'12"E, 400.29' to a point of curvature; thence along the arc of a curve to the right, having a radius of 975.00', a length of 106.34' to a point of compound curvature; thence along the arc of a curve to the right, having a radius of 25.00', a length of 42.22', to a point of tangency; thence S42°37'48", 242.81' to a point of curvature; thence along the arc of a curve to the left, having a radius of 2,522.50', a length of 259.94' to a point; thence N56°40'54"W, 259.78' (N.R.) to a point; thence S37°15'31"W, 439.49' to a point; thence N61°11'18"W, 274.88' to a point; thence N33°12'20"W, 50.00' (radial) to a point on a curve, thence along the arc of a curve to the left, having a radius of 688.04', a length of 161.30' to a point of tangency; thence N43°21'43"E, 79.93' to a point; thence N38°05'23"W, 656.56' to a point in the southern line of property now or formerly Robert M. Price and Cecelia A. Price; thence along the southern line of Robert M. Price and Cecelia A. Price, N71°08'36"E, 398.16' to an old cedar stob; thence along the eastern line of Robert M. Price and Cecelia A. Price, N33°16'06"W, 723.41' to an old pipe, in the eastern line of property now or formerly John L. Boarman and Ivory M. Boarman; thence along the eastern line of property of John L. Boarman and Ivory M. Boarman and property now or formerly William J. Trent and Jo Imogene Trent, N33°23'28"W, 645.49' to an old pipe; thence along the eastern line of property now or formerly George C. Norris and Clara R. Norris, N33°11'27"W, 519.50' to the point of beginning. Said parcel of land containing 105.838 acres, more or less.

BEING a portion of that tract or parcel of land conveyed to the Declarant by Deed dated October 10, 1985 and recorded among the Land Records of St. Mary's County, Maryland at Liber M.R.B. 239, Folio 21;

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 for this purpose to:

(A) Exercise all of the powers and privileges and to perform all the duties and obligations of the Association as set forth in that certain Declaration of Covenants, Conditions and Restrictions, hereinafter called the "Declaration," applicable to the property and recorded or to be recorded in the Land Records of St. Mary's County, Maryland, and as the same may be amended from time to time as herein 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 expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the property of the Association;

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

(D) Borrow money, and with the assent of two-thirds (2/3) of each class of members, mortgage, pledge, deed in trust, 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 for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument has been signed by two-thirds (2/3) of each class of members, agreeing to such dedication, sale or transfer.

(F) Participate in mergers and consolidations with other non-profit corporations organized for the same purposes; or annex additional residential property and common area, provided that any such merger, consolidation or annexation shall have the assent of two-thirds (2/3) of each class of members;

(G) Have to exercise any and all powers, rights, and privileges which a corporation organized under the Non-Stock Corporation Law of the State of Maryland may now or hereafter have or exercise.

(H) In the event an owner of any property shall fail to maintain the premises and the Improvements situated thereon in a manner satisfactory to the Board of Directors of the Association, after two-thirds (2/3) vote of the Board of Directors, shall have the right, through its agents or employees, to enter upon said parcel and to repair, maintain, and restore the property and the exterior of the buildings and any other improvements erected thereon. The cost of such exterior maintenance shall be added to and become a part of the assessment to which such property is subject.

ARTICLE V
MEMBERSHIP

Every person or entity who is a record owner of a fee or undivided fee interest in any Lot which is subject by covenants of record to assessment by the Association, including Contract purchasers, shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association. The Association shall not be authorized to issue capital stock.

ARTICLE VI
VOTING RIGHTS

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

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 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.

CLASS B. The Class B member(s) shall be the Declarant (as defined in the Declaration), 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:

(A) 120 days after 75% of the Lots have been conveyed to a Purchaser; or

(B) On the tenth anniversary date of the date of the Declaration; or

(C) At such time as may be before the events specified in (A) and (B) above, the Declarant, in its sole discretion so determines.

ARTICLE VII
BOARD OF DIRECTORS

The affairs of this Association shall be managed by a Board of not less than three (3) nor more than nine (9) Directors, who need not be members of the Association. The number of Directors may be changed by Amendment of the By-Laws of the Association. The number of Directors consisting of the original Board of Directors shall be three (3) and the names and addresses of the persons who are to serve as the initial Directors are as follows:

1. Robert F. Brake
2. David Clay
3. David Painter

At the first meeting of the Membership after Class B ceases and is converted to Class A, the members shall elect five (5) Directors in the following manner: two (2) Directors for a term of one (1) year; two (2) Directors for a term of two (2) years; and one (1) Director for a term of three (3) years. 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. The Directors shall hold office until their successors have been elected and hold their first meeting.

ARTICLE VIII
DISSOLUTION

The Association may be dissolved upon the recommendation of the Board of Directors and the affirmative vote of not less than two-thirds (2/3) of each class of members present at a special meeting of the membership called for the express purpose of dissolving the Association. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for the purposes similar to those for which this Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and as signed to any non-profit corporation, association, trust or other organization to be devoted to such similar purposes.

ARTICLE IX
DURATION

The Corporation shall exist perpetually.

ARTICLE X
AMENDMENTS

This Association reserves the right to amend, alter or repeal any provision contained in these Articles in the manner now or hereafter prescribed by statute for the amendment of Articles of Incorporation, but only with the assent of seventy-five percent (75%) of the votes

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entitled to be cast by the entire membership, provided, however, that so long as the Declarant is a Class B and/or Class A Member, the Declarant shall have the right and option, in its sole and absolute discretion, to unilaterally amend these Articles without the vote of the Class A Membership, if required by the VA, FHA, FNMA, FHLMC or any other governmental or quasi-governmental agency.

ARTICLE XI
FHA/VA APPROVAL

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, as appropriate; Annexation of additional properties, mergers and consolidations, mortgaging of Common Area, dedication of Common Area, dissolution and amendment of these Articles, if the VA and or FHA so requires.

Dated this 16th day of November, 1993.

Bill D. McKissick, Jr.

STATE OF MARYLAND
COUNTY OF ST. MARY'S, to wit:

I HEREBY CERTIFY, that on this 16th day of November, 1993, before me, a Notary Public of the State and County aforesaid, personally appeared Bill D. McKissick, Jr., known to me or satisfactorily proven to me to be the person whose name appears in the within document and he acknowledged the foregoing Articles of Incorporation to be his act.

WITNESS my hand and Notarial Seal.

Shirley M. Hardman
Notary Public
My Commission expires: 4/1/97

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BY-LAWS

OF

CHESTNUT HILLS HOMEOWNERS' ASSOCIATION, INC.

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BYLAWS
OF
CHESTNUT HILLS HOMEOWNERS' ASSOCIATION, INC.

I. Name and Location

1. **Name.** The name of the corporation is "CHESTNUT HILLS HOMEOWNERS' ASSOCIATION, INC.", hereinafter referred to as the "Association".

2. **Principal Office.** The post office address of the principal office of the Association shall be One Hundred Exploration, Suite 2030, Lexington Park, St. Mary's County, Maryland 20653, but meetings of Members and directors may be held at such places as may be designated by the Board.

II. Definitions:

Except as otherwise set forth herein, the definition of any term contained herein shall be as set forth in the Declaration of Covenants, Conditions and Restrictions of the Association.

III. Meetings of Members

1. **Annual Meetings.** The initial meeting of the Members shall be held within one year from the date of incorporation of the Association, and each subsequent regular annual meeting of the Members shall be held in the same month of each year thereafter, at a date, time and place within St. Mary's County, Maryland selected by the Board.

2. **Special Meetings.** Special meetings of the Members may be called at any time by the President, by the Board of Directors, or upon written request of the Owners of at least one-fourth (1/4) of the Lots.

3. **Notice of Meetings.** Written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing a copy of the notice, postage prepaid, not less than fifteen (15) nor more than sixty (60) days before the meeting, to each Member, addressed to the Member's address last appearing on the books of the Association, or supplied by the Member to the Association for the purpose of notice. The notice shall specify the place, day and hour of the meeting. In the case of a special meeting, the notice shall state the purpose of the meeting. In lieu of mailing a copy of the notice as prescribed above, the Secretary or person authorized to call the meeting may provide the requisite notice by causing a copy of the notice to be hand delivered to the improvements on the Lot owned by any Member entitled to such notice.

4. **Waiver of Notice.** Waiver of notice of a meeting of the Members shall be deemed the equivalent of proper notice. Any Member may, in writing, waive notice of any meeting of the Members, either before or after such meeting. Attendance at a meeting by a Member, whether in person or by proxy, shall be deemed a waiver by such Member of notice of the time, date, and place thereof, unless such Member specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting shall also be deemed waiver of notice of all business transacted thereat unless objection to the calling or convening of the meeting of which proper notice was not given is raised before the business is put to a vote.

5. **Quorum.** Except as otherwise provided in the Articles or these Bylaws, the presence at a meeting of Members or proxies entitled to cast two-tenth's (2/10ths) of the votes of each class of the Membership shall constitute a quorum for any action. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have the power to adjourn the meeting from time to time, without notice

other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

6. **Roster of Membership.** The Board shall maintain a current roster of the names and addresses of each Member to which written notice of meetings of the Members of the Association shall be delivered or mailed. Each Member shall furnish the Board with his name and current mailing address.

7. **Proxies.** At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Except with regard to proxies given by or to Class B Members, every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Lot, by a written notice of revocation received by the Secretary, by the death of the Member, or by the passage of one hundred eighty (180) days after the date of making as stated thereon, whichever occurs first.

8. **Conduct of Meeting.** The President or, in his absence, the Treasurer, shall preside over all meetings of the Members and shall count all votes taken thereat. The Secretary or, in his absence, such person as shall be designated by the President, shall keep the minutes of the meeting and record in a Minute Book all resolutions adopted by the meeting as well as a record of all transactions occurring thereat.

9. **Voting.** At every meeting of the Members, each Class A Member, either in person or in proxy, shall have the right to cast one (1) vote for each Class A Membership of which he appears the owner on the books of the Association. At such meetings, the Class B Members shall have the right to cast three (3) votes for each Class B membership of which it appears the owner on the books of the Association. The vote of the Members representing fifty-one percent (51%) of the total of the votes of the membership present at the meeting, in person or by proxy, calculated as aforesaid, shall be necessary to decide any question brought before such meeting, unless the question is one upon which, by the express provision of a law, the Articles, the Declaration, or these Bylaws, a different vote is required, in which case such express provision shall govern and control. Where the ownership of a membership is in two or more persons and in the event of a dispute as to who can vote with respect to that membership, the person who shall be entitled to cast the vote of the Members for that Lot shall be the person named in a certificate signed by all of the owners of the membership and filed with the Secretary. 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 Lot shall be cast on any particular question, then such vote shall not be counted for purposes of deciding that question. In the event any membership is owned by a corporation, then the vote for any such membership shall be cast by a person designated in a certificate signed by the President or any Vice President of such corporation and attested by the Secretary or any Assistant Secretary of such corporation and filed with the Secretary of the Association. Any such certificate shall remain valid until revoked or superseded in writing. The vote for any membership which is owned by a trust or partnership may be exercised by any trustee or partner thereof, as the case may be and unless any objection or protest by any other such trustee or partner is noted at such meeting, the president at such meeting shall have no duty to inquire as to the authority of the person casting such vote or votes.

10. **Suspension of Voting Privileges.** No Class A member shall be eligible to vote, either in person or by proxy, or to be elected to the Board, who is shown on the books or management accounts of the Association to be more than sixty (60) days delinquent in any payment due to the Association.

11. **Requisite Approvals.** Wherever the approval or disapproval of the Members is required by law, the Articles, the Declaration, or these Bylaws, such approval or disapproval shall be made by the requisite number of the persons who would be entitled to vote at a meeting of the Members. Whenever in the Articles, the Declaration, or these Bylaws, any action is required to be taken by a specified fraction or percentage of each class of the Members of the Association, then votes with respect to such action shall be required to be taken by separate votes of the classes and such action can only be authorized by affirmative votes by the specified fraction or percentage of the votes of the then outstanding Class A Members of the Association and the specified fraction or percentage of the votes of the then outstanding Class B Members of the Association. Whenever in these Bylaws

any action is required to be taken by a specified fraction or percentage of both classes of the then Members of the Association or a specified fraction or percentage of the then Members of the Association, then such action shall be required to be taken by a specified percentage of the votes of the then outstanding cumulative membership of the Association.

12. **Votes by Mail.** Action may be taken by the Members upon a stated proposal or for the election of directors without a meeting upon a vote of the Members by U.S. mail, private mail, couriers and/or telecopier in accordance with such reasonable procedures therefor as the Board shall prescribe and under its supervision.

13. **Informal Action.** Any action required or permitted to be taken at a meeting of the Members also may be taken without a meeting if a unanimous written consent which sets forth the action is signed by each voting Member and filed with the Association Minute Book.

14. **Actions by Class B Voting.** In those instances in which an action may be taken solely by affirmative vote of the Class B Membership, without the vote of the Class A Membership, then the Class B Membership may hold such meetings and take such actions without notifying, and without the vote of the Class A Membership, provided, however, that the Class B Membership shall only take those actions which it is entitled to take without the vote of the Class A Membership.

15. **Rights of Mortgagees.** Any institutional mortgagee of any Lot who desires notice of the annual and special meetings of the Members shall notify the Secretary to that effect by Registered Mail - Return Receipt Requested. Any such notice shall contain the name and post office address of such institutional mortgagee and the name of the person to whom notice of the annual and special meetings of the Members should be addressed. The Secretary shall maintain a roster of all institutional mortgagees from whom such notices are received and it shall be the duty of the Secretary to mail or otherwise cause the delivery of a notice of each annual or special meeting of the members to each such institutional mortgagee, in the same manner, and subject to the same requirements and limitations as are otherwise provided in this article for notice to the Members. Any such institutional mortgagee shall be entitled to designate a representative to attend any annual or special meeting of the members and such representative may participate in the discussion at any such meeting and may, upon his request made to the presider in advance of the meeting, address the Members present at any such meeting. Such representative shall have no voting rights at any such meeting. Such representative shall, for a reasonable charge, be entitled to copies of the minutes of all meetings of the Members upon request made in writing to the Secretary.

IV. Board of Directors

1. **Number.** Until the first meeting of the Association after the Class B Membership shall cease and become converted to Class A Membership, the initial Board shall be comprised of three persons designated by the Declarant. The Declarant's designees need not be residents of the Property or Members of the Association, and the Declarant shall have the right, in its sole and absolute discretion to replace such designees as may be so selected and designated by it, with or without cause, and to select and designate their successors if vacancies occur for any reason during this period.

From and after the time of the first meeting of the Association which occurs after such time as the Class B Membership shall cease and become converted to Class A membership, the affairs of the Association shall be managed and governed by a Board of Directors composed of five (5) natural persons, all of whom shall not need to be Members of the Association.

2. ***Term of Office.*** From and after the time of the first meeting of the Association which occurs after such time as the Class B Membership shall cease and become converted to Class A Membership, the term of office of each director shall be for two years and until the next meeting of the Board after his successor is elected and qualified; provided, however, that at such first meeting after such time as the Class B Membership shall cease

and be converted to Class A Membership, a new election for all positions on the Board shall be held and those nominees receiving the three highest vote totals shall be elected to two year terms of office and those receiving the next two highest vote totals shall be elected to one year terms of office. Annual elections shall thereafter be held for only those directorships as for which terms shall expire in the year of the election.

3. **Nomination.** Nomination of directors for election to the Board after such time as the Class B Membership shall cease and shall be converted to the Class A Membership shall initially be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board, and two or more other persons. The Nominating Committee shall be appointed by the President of the Association prior to each annual meeting of the Members, to serve until the close of the annual meeting. The Nominating Committee shall make as many nominations for election to the Board as it shall, in its discretion determine, but not less than the number of vacancies that are to be filled.

4. **Election.** Except as otherwise provided herein or by the Articles, election to the Board shall be by secret written ballot at the annual meeting of the Members of the Association. At the election each Member or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Articles. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

5. **Removal.** From and after such time as the Class B Membership shall cease and become converted to Class A Membership, any director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association. In the event of death, resignation or removal, pursuant to these Bylaws, of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

6. **Compensation.** No director shall receive compensation for any service he may render to the Association, as such. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

7. **Regular Meetings.** Regular meetings of the Board shall be held periodically, at such place and hour as may be fixed from time to time by resolution of the Board, without the necessity of further notice. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

8. **Special Meetings.** Special meetings of the Board shall be held when called by the President of the Association, or by any three directors, after not less than three (3) days' notice to each director given personally or by mail, telephone, or telegraph.

9. **Waiver of Notice.** The transactions of any meeting of the Board, however called and notice or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if (a) a quorum is present, and (b) either before or after the meeting each of the directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting shall also be deemed to have been given to any director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

10. **Quorum.** A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

11. **Action without Meeting.** Any action of the Board required or permitted to be taken at any

meeting may be taken without a meeting if a unanimous written consent which sets forth the action is signed by each director and filed with the Board's minutes of its proceedings.

12. **Powers of the Board.** The Board shall have all the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by law, by the Declaration, by the Articles, or these Bylaws directed to be exercised and done by the Members. The powers and duties of the Board shall include, but shall not be limited (subject at all times to the provisions of the Declaration, the Articles, and the other provisions of these Bylaws) to the following:

A. provide for the care, upkeep, control and surveillance of the Common Areas, community facilities and services, and all other property of the Association, in a manner consistent with law and the provisions of these Bylaws, the Articles and the Declaration; and

B. make assessments against Owners to defray the costs and expenses of the Association, establish the means and methods of collecting such assessments from the Owners, and establish the periods of the installment payments of the annual assessment for common expenses (unless otherwise determined by the Board, the annual assessments against each Owner for his proportionate share of the expenses of the Association shall be payable in equal monthly installments, each such installment to be due and payable in advance on the first day of each calendar month); and

C. collect the assessments against the Owners, depositing the proceeds thereof in a depository which it shall approve, and use the proceeds to carry out the administration of the Association and its powers and duties hereunder; and

D. adopt, publish and enforce Rules and Regulations governing (i) use of the Common Areas, including any improvement and amenities located thereon; (ii) reasonable interpretation and construction of the provisions of the Declaration, the Articles, and these Bylaws; and (iii) such other matters as are specified as the subjects for such Rules and Regulations in the Declaration, the Articles or these Bylaws; and

E. suspend the voting rights, and the right of use of any recreational facilities located on any Common Areas during any period in which the Member is in default in the payment of any assessment levied by the Association; these rights may also be suspended for a period not to exceed sixty (60) days for any infraction of published Rules and Regulations; and

F. designate, hire and dismiss the personnel necessary for the maintenance, operation, repair and replacement of the Common Areas, and providing services for the Association, and, where appropriate, provide for the compensation of such personnel and for the purchase of equipment, supplies and material to be used by such personnel in the performance of their duties, which supplies and equipment shall be the property of the Association; and

G. open depository accounts on behalf of the Association and designate signatories required therefor; and

H. make contracts and guarantees, incur liabilities and borrow money and sell, mortgage, lease, pledge, exchange, convey, transfer, grant easements, rights-of-way, licenses, and other rights of use in, and otherwise dispose of, all or any part of the Common Areas and community facilities; and

I. repair, restore or reconstruct all or any part of the Common Areas and community facilities after any casualty losses in a manner consistent with law and the provisions of these Bylaws, the Articles, and the Declaration; and

J. make any addition, alterations or improvements to the Common Areas; provided, however, that if any such addition, alteration or improvements shall require an expense of Association funds in excess of Seven Thousand Five Hundred Dollars ($5,000.00), such addition, alteration or improvement shall only be authorized if approved by the affirmative vote of a majority of each class of the Members; and

K. enforce by legal means the provisions of the Declaration, the Articles, these Bylaws and the Rules and Regulations adopted by it, and bring any proceedings which may be instituted on behalf of the Association; and

L. as provided in the Declaration, employ a Management Agent, independent contractors, or other employees or contractors as it may deem necessary, and to prescribe their duties; and

M. cause all officers or employees having fiscal responsibilities to be bonded, as required by the Declaration and as it may deem appropriate; and

N. purchase such policies of insurance as required by the Declaration or as may from time to time be considered appropriate by the Board including, without limitation, casualty insurance, public liability insurance, workmen's compensation insurance to the extent necessary to comply with any applicable law, so-called "legal expense indemnity insurance" affording protection for the officers and directors of the Association for expenses and fees incurred by any of them in defending any suit or settling any claim or cause of action to which any such officer or director shall have been made a party by reason of his or her service as such, fidelity coverage and the like; and

O. purchase Lots and to lease, mortgage or convey the same, subject to the provisions of these Bylaws, the Articles and the Declaration; and

P. enter into agreements whereby the Association acquires leaseholds, memberships and other possessory or use interests in real or personal property for the purpose of promoting the enjoyment, recreation or welfare of the Members and to declare expenses incurred in connection therewith to be common expenses of the Association; and

Q. declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and

R. exercise any and all rights of the Association to approve the plans and specifications for any construction or architectural change upon the Property and the Lots thereof or to create an architectural review committee and appoint the members of said committee, and delegate to the committee the rights, duties and powers as set forth in these Bylaws, the Declaration, and the Articles; and.

S. hear appeals from decisions of the architectural review committee; and

T. exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the Members by other provisions of these Bylaws, the Articles, the Declaration, or applicable law.

13. **Duties of the Board.** It shall be the duty of the Board to:

A. keep a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such a statement is requested in writing by the holders of one-fourth (1/4) of the votes of the membership; and

B. supervise all officers, agents and employees of the Association, and to see that their duties are properly performed; and

C. as more fully provided in the Declaration to:

(1) fix the amount of the annual maintenance assessment against each Lot not later than December 1st of the preceding year; and

(2) send written notice of each annual maintenance assessment to every Owner subject thereto not later than December 1st of the preceding year and of each special assessment, at least thirty (30) days in advance of its due date; and

(3) foreclose the lien against a Lot if the Owner thereof has not paid the assessment thereon within such time as the Board may determine, and/or bring an action at law against the Owner or other person personally obligated to pay the same; and

(4) issue, or cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. (If the certificate states that an assessment has been paid, the certificate shall be conclusive evidence of payment with respect to any person relying on the certificate); and

(5) keep books with detailed accounts in chronological order of the receipts and expenditures affecting the Common Areas and the administration of the Association specifying the maintenance and repair expenses of the Common Areas and any other common expenses incurred. All books and records shall be kept in accordance with good and accepted accounting practices, and the same shall be audited at least once a year by an outside auditor employed by the Board who shall not be a resident of the Property, or an Owner of a Lot therein. The cost of such audit shall be a common expense of the Association.

14. **Rights of Mortgagees.** Any institutional mortgagee of any Lot who desires notice of the regular and special meetings of the Board shall notify the Secretary to that effect by Registered Mail - Return Receipt Requested. Any such notice shall contain the name and post office address of such institutional mortgagee and the name of the person to whom notice of the regular and special meetings of the Board should be addressed. The Secretary of the Association shall maintain a roster of all institutional mortgagees from whom such notices are received and it shall be the duty of the Secretary to mail or otherwise cause the delivery of a notice of each regular or special meeting of the Board to each such institutional mortgagee, in the same manner, and subject to the same requirements and limitations, as are otherwise provided in this article for notice to the members of the Board. Any such institutional mortgagee shall be entitled to designate a representative to attend any regular or special meeting of the Board and such representative may participate in the discussion at any such meeting and may, upon his request made to the Chairman in advance of the meeting, address the members of the Board present at any such meeting. Such representative shall, for a reasonable fee, be entitled to copies of the minutes of all meetings of the Board upon request made in writing to the Secretary.

V. Officers and Their Duties

1. **Designation.** Until the Class B Membership ceases and is converted into Class A Membership the principal officers of the Association shall be a President, a Secretary and a Treasurer, all of whom shall be elected by the Board. After the lapse of the Class B Membership, the principal officers shall be a President, a Vice-President, a Secretary and a Treasurer. Prior to the lapse of all of the Class B memberships as provided in the Articles, the officers of the Association need not be Members of the Association. Thereafter, except for the President and the Vice President, the officers of the Association need not be Members of the Association.

2. **Election of Officers.** The election of officers shall take place at the first meeting of the Board and thereafter at the first meeting of the Board following each annual meeting of the Members.

3. **Term.** The officers of this Association herein specified shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise be disqualified to serve.

4. **Special Appointments.** The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine, but for no longer than one year without reappointment.

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

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

7. **Multiple Offices.** The President and the Treasurer shall not be the same person. The offices of Vice-President, Secretary and the Treasurer may be the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to the provisions of these By-Laws. In no event shall the same officer execute, acknowledge or verify any instrument in more than one capacity if such instrument is required by law, the Declaration, the Articles of Incorporation or these By-Laws to be executed, acknowledged or verified by two or more officers.

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

A. **President.** The President shall preside at all meetings of the Members and of the Board and see that orders and resolutions of the Board are carried out. The President shall have authority to sign all leases, mortgages, deeds, contracts, notes, and other written instruments and shall have all the general powers and duties which are usually vested in the office of President of a corporation.

B. **Vice-President.** The Vice President shall act in the place and stead of the President in the event of the President's absence or inability or refusal to act, and shall have such other duties as may be delegated to him from time to time by the Board or the President.

C. **Secretary.** The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association, together with their addresses; and perform such other duties as required by the Board.

D. **Treasurer.** The Treasurer shall receive and deposit in appropriate depository accounts all monies of the Association and disburse these funds as directed by resolution of the Board; keep proper books of account; and prepare an annual budget and a statement of income and expenditures to be presented to the Members at their regular annual meeting, and deliver a copy of each to the Members requesting the same, with the cost of said copying to be paid by the Member requesting the same.

9. **Agreements, Contracts, Deeds, Checks, etc.** All agreements, contracts, checks and other instruments of the Association requiring an expenditure or imposing an obligation on the Board shall be executed

by any officer of the Association and/or by such other person or persons as may be designated by the Board.

10. **Compensation of Officers.** No officer shall receive any compensation from the Association for acting as such, but may, in the discretion of the Board, be reimbursed for expenditures incurred on behalf of the Association.

VI. Committees.

1. **Generally.** The Board shall appoint such committees as deemed appropriate in carrying out the purposes of the Association.

2. **Nominating Committee.** The Board shall appoint a nominating committee at least thirty days before any meeting at which the directors are to be elected by the Class A Members of the Corporation. The nominating committee shall actively seek out responsible, interested individuals as candidates for the Board of Directors.

3. **Architectural Review Committee.** The Board, in its discretion, may appoint an architectural review committee, which, if created, shall have the powers and duties as set forth in the Declaration.

VII. Fines: Due Process

1. **Fines.** In addition to any other remedies available to the Board, the Board shall have the express power to impose a fine of not more than $50.00 for each initial violation or $25.00 for each repeated violation by an Owner or a tenant, guest, or member of the family of an Owner, of the Declaration, or the Rules or Regulations adopted by the Board or any committee appointed by the Board. Fines for violations by a member of an Owner's family or his tenants or guests shall be imposed on such Owner; and, for the purposes of this section, each day any such violation continues shall be deemed to be a separate violation. Any fine imposed by the Board for a violation of the Declaration or the Rules and Regulations shall be a lien levied against the Owner's Lot as of the day of the imposition of the fine, and may be foreclosed in the manner provided for the foreclosure of liens for assessments. Any such lien for the payment of a fine shall be subject to the provisions of the Declaration as if such lien were a lien for a regular assessment.

2. **Hearing Procedure.** The Board shall not impose a fine, suspend voting, or infringe upon any other rights of a Member or other resident of the Property for violations of the Declaration or the Rules and Regulations unless and until the following procedure is followed:

A. **Demand.** Written demand to cease and desist from an alleged violation shall be provided to the alleged violator specifying:

(1) the alleged violation;

(2) the action required to abate the violation; and

(3) a time period, not less than ten (10) days, during which the violation may be abated without further sanction, if such violation is a continuing one, or a statement that any further violation of the same rule may result in the imposition of a sanction after notice and hearing if the violation is not continuing.

B. **Notice.** At any time within twelve (12) months of such demand, if the violation continues past the period allowed in the demand for abatement without penalty or if the same rule is subsequently violated, the Board or its delegate shall provide the violator by hand-delivered notice or first class mail with written notice of a hearing to be held by the Board in executive session. The notice shall contain:

(1) the nature of the alleged violation;

(2) the time and place of the hearing, which time shall not be less than ten (10) days from the giving of the notice;

(3) an invitation to attend the hearing and produce any statement, evidence, and witness on his behalf; and

(4) the proposed sanction to be imposed.

C. **Hearing.** The hearing shall be held by the Board pursuant to this notice. The alleged violator shall have the right to be present at this hearing and to present evidence. The hearing shall be held in executing session and shall afford the alleged violator a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of notice and the invitation to be heard shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, director, or agent who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed.

D. **Corrective Action by the Association.** Notwithstanding the other provisions of this Section, actions by the Declarant, the Board, the Association, or any of the Association's officers, agents, employees, or managers pursuant to rights reserved, granted, or established in the Declaration, including, without limitation, the right to cure any condition which may increase the possibility of fire or other hazard and to abate any violation of any provision of the Declaration or any of the duly adopted Rules and Regulations of the Association shall not be deemed to be an infringement upon any rights of a Member.

3. **Injunctive Relief.** In addition to any other remedies set forth herein, the Board may seek equitable or injunctive relief in the appropriate court of law or equity, in order to enforce the provisions of any rules or regulations applicable to the association.

VIII. Bank Accounts; Loans

1. **Bank Accounts.** Such officers or agents of the Association as from time to time shall be designated by the Board shall have authority to deposit any funds of the Association in such depositories, banks or trust companies as shall from time to time designated by the Board and such officers or agents as from time to time shall be authorized by the Board may withdraw any or all of the funds of the Association so deposited in any such depositories, bank or trust company, upon checks, drafts or other instruments or orders for the payment of money, drawn against the account or in the name or behalf of this Association, and made or signed by such officers or agents; and each bank or trust company with which funds of the Association are so deposited is authorized to accept, honor, cash and pay, without limit as to amount, all checks, drafts or other instruments or orders for the payment of money, when drawn, made or signed by officers or agents so designated by the Board until written notice of the revocation of the authority of such officers or agents by the Board shall have been received by such depository, bank or trust company. There shall from time to time be certified to the banks or trust companies in which funds of the Association are deposited, the signature of the officers or agents of the Association so authorized to draw against the same. In the event that the Board shall fail to designate the persons by whom checks, drafts and other instruments or orders for the payment of money shall be signed, as hereinabove provided in this section, all of such checks, drafts and other instruments or orders for the payment of money shall be signed by the President and countersigned by the Secretary or Treasurer of the Association.

2. **Loans.** Such officers or agents of the Association as from time to time shall be designated by the Board shall have authority to effect loans, advances or other forms of credit at any time or times for the Association

from such banks, trust companies, institutions, corporations, firms or persons as the Board shall from time to time designate, and as security for the repayment of such loans, advances, or other forms of credit to assign, transfer, endorse and deliver, either originally or in addition or substitution, any or all stocks, bonds, rights and interest of any kind in or to stocks or bonds, certificates of such rights or interests, deposits, accounts, documents covering merchandise, bills and accounts receivable and other commercial paper and evidences of debt at any time held by the Association for such loans, advances or other forms of credit to make, execute and deliver one or more notes, acceptances or written obligations of the Association on such terms, and with such provisions as to the security or sale or disposition thereof as such officers or agents shall deem proper; and also to sell to, or discount or rediscount with, such banks, trust companies, institutions, corporations, firms or persons any and all commercial paper, bills receivable, acceptances and other instruments and evidences of debt at any time held by the Association, and to that end to endorse, transfer and deliver the same. There shall from time to time be certified to each bank, trust company, institution, corporation, firm or person so designated the signatures of the officers or agents so authorized; and each such bank, trust company, institution, corporation, firm or person is authorized to reply upon such certification until written notice of the revocation by the Board of the authority of such officers or agents shall be delivered to such bank, trust company, institution, corporation, firm or person.

IX. Corporate Seal

The Association shall have a seal in circular form having within its circumference the words: **CHESTNUT HILLS HOMEOWNERS' ASSOCIATION, INC.**- Corporate Seal - Maryland 1993.

X. Books and Records

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by an Member. The Declaration, the Articles, the Bylaws, and any other Rules or Regulations of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost. Books and records kept by or on behalf of the Association may be withheld from public inspection to the extent that they concern:

A. Personnel records;

B. An individual's medical records;

C. Records relating to business transactions that are currently in negotiation; or

D. Correspondence from or to legal counsel.

XI. Assessments

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made upon compliance by the Association with the applicable law related to the establishment and enforcement of such liens. 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 determined by the Board of Directors, but not less than ten (10) percent per annum, and the Association may bring an action at law against the owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs, and reasonable attorney's fees or any such action shall be added to the amount of the assessment. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

XII. Amendments

1. **Amendment.** These Bylaws may be amended by an affirmative vote of at least two-thirds (2/3) of the members of the Board of the Association.

2. **Amendments by the Declarant.** Notwithstanding, and in addition to, any other provisions of these Bylaws, the Declarant shall have the right, to be exercised in its sole discretion without the consent of any other person, at any time and from time to time while it owns any Class B membership, if so required by the FNMA, the FHLMC, the VA, the FHA or any other governmental or quasi-governmental agency, to amend, modify or add to the provisions of these Bylaws and the other documents and instruments relating to the Association or the Property as need therefor be made. Such right also is reserved to comply with the requirements of any lender or title insurance company, provided such amendments, modifications or additions made pursuant to the requirements of any lender or title company do not adversely or materially affect the interest in the Property of the Owners or mortgagees of any Lots.

3. **Special Agency Approval.** As long as there is a Class B membership, annexation of additional properties, dedication of common Area, and amendment of these Bylaws will require prior approval of the Federal Housing Administration or the Veterans Administration, or any other applicable governmental authority or agency if so required by such agency.

XIII. Miscellaneous

1. **Fiscal Year.** The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation and end on December 31st of that year.

2. **Invalidity.** The invalidity of any part of these Bylaws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these Bylaws.

3. **Captions.** The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these Bylaws, or the intent of any provisions thereof.

4. **Gender and Number.** The use of the masculine gender in these Bylaws shall be deemed to include the feminine gender and the use of the singular shall be deemed to include the plural, whenever the context so requires.

5. **Conflict.** These Bylaws are subordinate and subject to all provisions of the Declaration and to the provisions of the Articles. In the event of any conflict between these Bylaws and the Declaration, the provisions of the Declaration shall control; and in the event of any conflict between these Bylaws and the Articles, the provisions of the Articles shall control.

IN WITNESS WHEREOF, WE, being all of the Directors of **CHESTNUT HILLS HOMEOWNERS' ASSOCIATION, INC.**, have hereunto set our hands and seals this 29 day of NOVEMBER, 1993.

_____ SEAL

_____ SEAL

_____ SEAL

CERTIFICATION

I, the undersigned, do hereby certify:

THAT, I am the duly elected and acting Secretary of CHESTNUT HILLS HOMEOWNERS' ASSOCIATION, INC., a Maryland non-stock, not for profit, membership corporation; and

THAT, the foregoing By-Laws constitute the original By-Laws of said Association as duly adopted at a meeting of the Board of Directors thereof, held on the 24 day of NOVEMBER, 1993.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this 24 day of NOVEMBER, 1993.

Secretary

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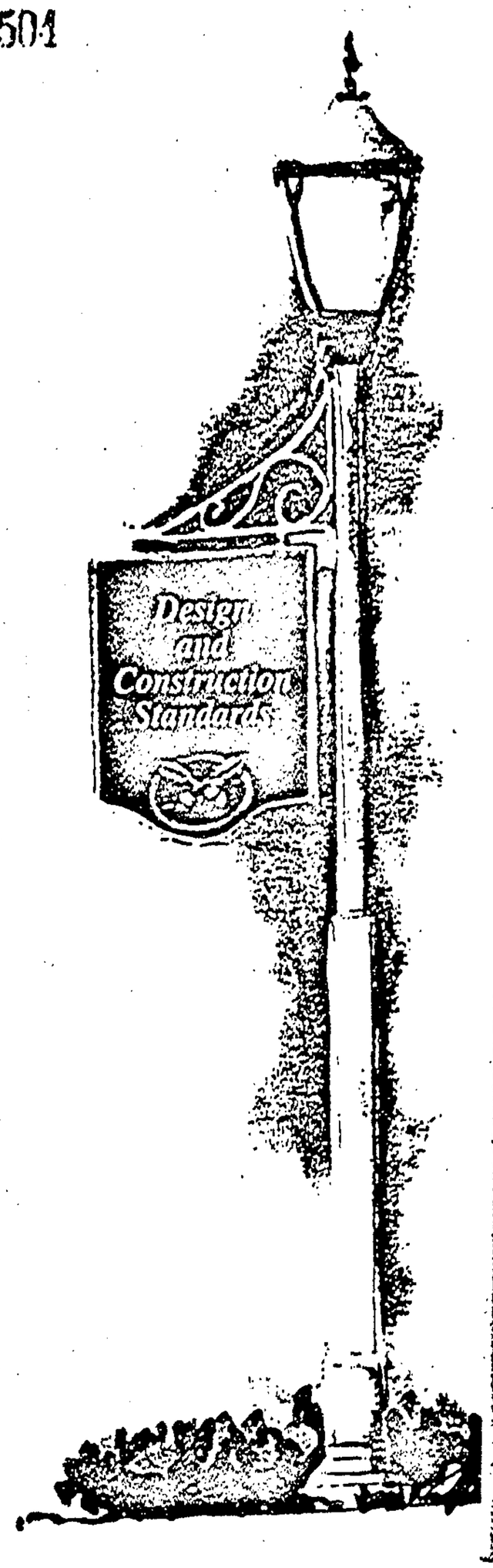
Chestnut Hills



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PROPERTIES INCORPORATED
West Point, Virginia

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1.00 PURPOSE AND INTENT

The following design and construction standards are established for the enhancement of property values for Chestnut Hills through the controlled development of harmonious architectural styles, aesthetically pleasing home sites, and consistently high quality maintenance of all community areas, common areas and private property within and throughout Chestnut Hills.

These Residential Development Criteria are supplementary to the Covenants and Restrictions which are of Record. The criteria are intended to complement the Covenants and should a conflict arise the Covenants shall prevail.

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2.00 MASTER PLAN CONCEPT

Chestnut Hills has been carefully master planned in order to achieve the following objectives and features:

(a) Establish a road network which will minimize traffic movement through the neighborhood and enhance the exclusive nature of the community.

(b) Design a road layout which follows the natural topography of the land and enhances the natural settings for the homes.

(c) Capitalize on the natural topography, and vegetative features of the site in order to provide the most "comfortable" home sites.

(d) Preserve a buffer along the road frontage to provide for internal circulation, enjoyment of the environment and a consistent street frontage.

(e) Provide Homeowners Association-controlled access to substantial open land.

(f) Appoint an Architectural Review Board to strictly enforce the architectural and site development restrictions.

3.00 DEFINITIONS

(a) **Association** - shall mean and refer to Chestnut Hills Homeowners Association, Inc., a Maryland-stock corporation, its successors and assigns.

(b) **Board of Directors** - of the Association, initially appointed by the Developer (the "Declarant") during the Declarant Control Period and then, after the expiration of the Control Period elected by the members of the Association as provided in the Association's By-Laws.

(c) **Builder** - an individual or organization, properly licensed by the State of Maryland as a general contractor, constructing an individual house or houses at Chestnut Hills. The Architectural Board retains the right to accept or reject each Builder.

(d) **Community Areas** - all real property owned or to be owned by the Association, for the common use and enjoyment of all owners.

(e) **Common Property** - shall mean and refer to all that parcels and tracts of land within the Property designated on the recorded plats as the "Open Space".

(f) **Covenants and Restrictions (General Property Covenants)** shall mean and refer to the covenants and restrictions set out in the attached document which will be recorded in the Clerk's Office of the Circuit Court of St. Mary's County, Maryland, and may be incorporated by reference to the book and page of recording in the land records of said Clerk's Office.

(g) **Developer/Owner** - Delmarva Properties, Inc., the organization which is subdividing land, building roads, utility lines and establishing the development criteria for Chestnut Hills.

(h) **Chestnut Hills** - defined as that certain real property shown on plat of "Subdivision of Chestnut Hills, 2nd and 3rd Election Districts, St. Mary's County, Maryland," as described by the above referenced Covenants and Restrictions, and any additions which are annexed thereto.

(i) **Chestnut Hills Architectural Board (AB)**- shall mean and refer to a committee of not less than three individuals designated by the Declarant. At such time as fifty percent (50%) of all lots with Chestnut Hills have been improved, the Board of Directors of the Association shall have the right to appoint a maximum of two (2) additional members. At no time shall the AB have fewer than three (3) or more than five (5) members. At such time that 100 percent of the lots are sold, the Board of Directors of the Association shall appoint all members. This committee shall have the authority necessary

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to promulgate rules pursuant to which submissions will be made to it, to establish design criteria upon which its decisions shall be based and to otherwise carry out the purposes and functions attributed to it by General Property Covenants.

(j) **Lot Owner/Homeowner** - Record owner, whether one or more persons or entities, of a fee simple title to any Lot, including the Declarant, but excluding those having such interest merely as security for the payment of a debt or the performance of any obligation.

(k) **Lot** (building lot or building lots)- any Lot depicted on any subdivision plat approved by the County of St. Mary's, Maryland, and recorded in the Clerk's Office which effects a subdivision of any land within Chestnut Hills, including any lot upon which a single family detached residence can be constructed. The definition of "Lot" does not include any area depicted as community area, easements, etc.

(l) **Improved Lot** - a lot upon which a residence has been substantially completed. A residence shall be deemed to be substantially completed upon the earlier to occur of (i) issuance of a temporary or final certificate of occupancy or (ii) twelve (12) months from the date that a building permit for the residence is issued.

(m) **Property** and **Properties** shall mean and refer to all of Chestnut Hills except the Community Area or Common Property.

(n) **Forest Conservation Areas** - designated as Forest Retention Areas on the recordation plat in accordance with the 1991 Forest Conservation Act. These retention areas are protected through the County of St. Mary's Zoning Ordinance, Section 44.

4.00 ARCHITECTURAL BOARD

4.01 Membership:
The Initial Chestnut Hills Architectural Board consisting of three individuals will be appointed by the Developer. The members of the Board may be replaced by the Developer

4.02 Procedures:
The Chestnut Hills Architectural Board is empowered to administer and enforce the architectural style and site development restrictions included herein. All construction on individual lots and Common Areas to be included in the residential community shall be reviewed by the Board. Homeowners and Builders desiring to construct any improvement in Chestnut Hills shall submit two (2) copies of each set of plans to the Secretary of the Architectural Board. Members of the Architectural Board may meet formally or informally to discuss compliance of the submissions with the restrictions contained herein. Two weeks will be allowed for the review of site and construction plans. On or before the end of the two week period the Architectural Board may:

(a) approve the plans in writing;

(b) deny approval of the plans in writing;

(c) approve the plans in writing subject to certain conditions or suggested changes;

(d) give written notice of a one week extension of time to review the plans.

In the event the Board does not respond to a Builder or Homeowner in writing at the end of the review period including any extension if applicable, the plans shall be deemed to be approved. When revisions are required, amended plans should be resubmitted within two weeks for final approval prior to the commencement of site clearing or any construction activity.

4.03. Authority to Waive Requirements:
The Architectural Board has the sole authority to waive the requirements set forth herein, but may do so only when the intent and quality required of the design elements at Chestnut Hills are satisfied. Waiver of specific requirements shall be consistent with the recorded Covenants and Restrictions.

4.04. Alterations and Additions:
Subsequent to review and approval of construction by the Architectural Board, no structure shall be altered, modified or expanded without the written approval of the Architectural Board.

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5.00 SUBMISSION REQUIREMENTS

5.01. Local Code and Ordinance Compliance:
No architectural or site restriction contained herein alleviates a builder or homeowner from compliance with local, state and federal regulations for development or construction. In the event of conflict between these restrictions and governmental regulations, the more restrictive shall apply.

5.02. Schematic Design Submission:
Two (2) copies of the following information shall be submitted to the Secretary of the Architectural Board for consideration *[See Architectural Board Checklist, p. 21]*:

(a) Architectural Design: Builders or individuals who wish to construct in Chestnut Hills shall submit a description of the architectural design via drawings that illustrate the style proposed. [Although no specific architectural styles are expressly prohibited, the AB reserves the right to reject highly stylized houses with overstated eclectic design elements, houses with overly mixed styles, houses with insufficient stylistic theme or treatment or houses not in keeping with the neighborhood *(See Article 6.03)*.]

(b) Architectural Plans: Floor plans and elevations of all sides, at a scale of 1/8"=1'0", or greater [note final plan requirement at 1/4"=1.0'].

(c) Site Plan: A schematic site plan at a scale of 1"=50', or greater, including at a minimum existing grades (contour lines), all property set-back lines, building location, all hardscape elements (driveway, parking areas, sidewalks, terraces, steps, walls, fences, swimming pools, tennis courts, outbuildings, trash enclosures, etc.), and landscape elements (trees, shrub and flower masses, lawn areas, etc.)

- foundation
- siding
- trim
- doors and windows
- roofing
- exterior light fixtures.

or any other materials or products which may affect the exterior appearance of the residence or its site.

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6.00 ARCHITECTURAL REQUIREMENTS

6.01. Housing Type:
Only single-family residences are permitted in Chestnut Hills. A single-family residence is defined as a free standing structure on a permanent foundation, with no more than one kitchen. As an accessory use, a separate guest house may be constructed on the same property.

6.02. Floor Area:
The minimum finished floor area of a single story residence shall be 1,800 square feet of heated living space, 2,000 square feet for a 2-story house, or as may be established by the Architectural Board for any specific site.

6.03. Context:
All residences are required to be of a design which is in keeping with the community.

6.04. Massing:
Houses shall not be more than 2-stories in height above a crawl space or basement, except that a house with a sloped roof may include partial third floor living areas under the roof. Exterior walls, planes, and masses shall be of a residential scale with sufficient openings for light, view and air consistent with the residential scale of the community. The Architectural Board reserves the right to require that large planes be broken up with additional windows, or offsets to maintain an appropriate scale.

6.05. Roofs:

(a) Pitch: The minimum roof pitch permitted shall be 6' in 12' for one-story houses and 7.5' in 12' for two-story houses except that flat roofs or lesser pitches will be considered only when they are part of an outstanding architectural design. As departures from the norm, they will be reviewed in the context of the total design of the house, its relationship to surrounding houses, and to its site.

(b) Penetrations: Roof ventilations, etc may require dormer treatment depending on orientation of house and exposure to public views. Roof ventilations and other penetrations must be painted to match the roof.

6.06. Fenestration:
Consideration should be given to the overall exterior balance of the house in the type (double-hung sash, casement, etc.) and placement of windows. The AB reserves the right to establish minimum window sizes based solely on aesthetic considerations, over and above building code requirements for egress. Window design shall be consistent with the architectural character of the house.

6.06.1. Architectural Detailing:
Exterior architectural detail including trim and siding shall

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comply with the architectural context referenced in Article 6.03. A basic design may be inappropriate if consideration is not given to such details as trim around windows and doors, at the eaves or gables of roofs, or porch columns, railings or steps. Such consideration does not imply that very elaborate decorative elements are encouraged; however, a builder and homeowner should discuss this issue with the Architectural Board in conjunction with the schematic design approval. *[See Article 5.02.]*

6.07. Materials:
The following materials are recommended, and must be used as appropriate to the architectural style previously approved:

(a) Foundations constructed of brick, stone, stucco or other material acceptable to the AB.

(b) Chimneys. Brick, stone and stucco chimneys shall match foundation materials, and chimney foundations should be at ground level. Wood frame chimneys are permitted on free-standing fireplaces. All chimneys shall project at least 3-feet above the highest point of the roof within 10 feet of the roof peak.

(c) Exterior walls: constructed of mill finish cypress, cedar or redwood siding, stone masonry, brick, stucco, vinyl or approved simulated material.

1. Vinyl Siding Policy: Vinyl siding may be used on the exterior walls subject to the following:

a. Requests for vinyl siding must be accompanied by manufacturer's product specification sheet, physical samples of product, style and color desired, and details and samples of proposed trim pieces and locations.

b. Installation shall meet or exceed the standards set forth in the Handbook of Vinyl Siding Institute, or as directed by the AB.

(d) Exterior trim: made of wood, brick, stone or approved material as described above.

(e) Windows: pre-finished window screens, storm windows, window or doors shall be finished in a color that complements the house colors, and must be approved by the AB.

(f) Roof: finished with a minimum of 340# dimensional composition shingles, cedar shingles or shakes, slate, approved imitation slate, concrete shingles, Hendricks tile, tile or in some cases, metal. Any other roof material must be specifically approved by the AB. All exposed flashing shall be pre-finished metal, or copper.

(g) Porches, railings, steps: unfinished salt treated materials shall not be used except as provided for under 6.08; front steps shall have closed risers.

(h) Paint or stain: of a complimentary color must be applied to all homes. Rough-sawn siding shall be finished with either an oil based or latex solid color stain. Natural wood color siding and semi-transparent stains are generally discouraged. If the Architectural Board approves a semi-transparent stain, the Builder must adhere to the manufacturer's procedures and specifications for installation and application of the stain. Smooth siding shall be finished with an oil or latex based exterior house paint. Colors of houses adjacent to or across the street from one another should be differentiated; however, exceptions may be approved in certain circumstances by the Architectural Board. The color palette for homes will not be limited; however, extremely bright, offensive, or "jarring" colors will not be allowed. All exterior colors must be reviewed and approved by the Architectural Board. In the event that unauthorized painting occurs, the Architectural Board has the authority to require the repainting of a house. This will ensure the color coordination of the community and protect the investment of all Homeowners.

6.08. Wood Decks and Steps:
Wood decks, rails and steps within the rear yard may be constructed of unfinished salt pressure treated wood material. No other unfinished salt pressure treated wood may be used in any location.

6.09. Continuity of Elevations:
No elevation (front, side, rear) of any residence shall be of substantially inferior appearance than any other elevation of the residence. Since most houses will be viewed from more than one side, this requires Builders and Homeowners to give as much attention to the design of the rear and sides of houses as is traditionally given the front.

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7.00 LOT DEVELOPMENT REQUIREMENTS

7.01. Zoning and Required Conditions:
All site development shall comply with the current version of the Zoning Ordinance of the County ofSt. Mary's Maryland. Requirements outlined herein which are more restrictive shall apply for Chestnut Hills.

7.02. Limits of Clearing:
Except for areas specifically approved for construction or as otherwise permitted by this Section, no existing vegetation shall be removed from any site in Chestnut Hills. General clearing for construction of houses shall extend no farther than 20 feet outside the actual house footprint. General clearing for driveways and walks shall extend no farther than five feet beyond either side of the pavement. An exception may be granted upon review and approval of the AB.

7.03. Common Areas:
No wholesale clearing, grading, tree removal, or construction activity can take place in common areas without the prior written consent of the Architectural Board.

7.04. Stake Out Review:
Prior to beginning any clearing on construction activity, the Builder or Homeowner must stake and identify the following on the site:

- house corners
- limits of clearing and grading
- driveway location

A member of the Architectural Board or other person as directed, will then review the staking and flagging for compliance with the site plan that has been previously approved by the Architectural Board.

7.05. Erosion and Sedimentation:
Builders and Homeowners are required to comply with applicable governmental regulations and code requirements. Silt runoff and mud from vehicular traffic will be contained on the lot. Erosion control devices shall be installed prior to construction. This includes but is not limited to silt fences and stone construction entrances. The builder/homeowner shall maintain all erosion control devices until construction has been completed and planting installed. Any mud or silt runoff shall be immediately removed by the builder/homeowner.

The Developer shall have the right, and hereby reserves an easement for itself and the Association, to enter any Lot whether improved or unimproved, for the purpose of performing necessary grading, landscaping or construction and maintaining erosion prevention devices.

7.09. Storage of Construction Materials:
Only usable construction materials may be stored on a construction site. They must be neatly stacked or placed in a way that they are not visible from adjacent building lots. Discarded construction materials, refuse and debris must be disposed of daily. Storage or placement of materials within any public right of way or easement is not permitted at any time.

7.10. Temporary Facilities:
Dumpsters or trash containment areas are required on all construction sites for the containment of debris. Open fires are not permitted. Portable toilets are required on all construction sites.

7.11. Protection of Existing Vegetation:
Beyond the general clearing limits specified by 7.05, clearing of existing vegetation for landscaping and view shall meet the following requirements:

- Within required front yard, existing groundcover, shrubs and trees up to 4-inches in diameter may be removed and replaced with the Homeowner's landscaping which shall include some combination of grass, groundcover vegetation or mulch, shrubs, and trees. Except for drive access, no pavement shall be permitted in this area. The AB may permit removal of larger trees on a case by case basis when requested.

- From front setback line to rear property line, only selective clearing is permitted beyond that approved for structures or other approved site improvements. Clearing for rear yard play areas will be permitted within building setback lines. Plans for selective clearing must be approved by the AB.

- No clearing is permitted within eight (8) feet of side property lines, except for corner side yards which may be treated as front yards.

- No clearing is permitted within twenty (20) feet of rear property lines that abut other lots.

7.12. Grading and Drainage:
In general, alteration of existing topography will be permitted only as required to create positive drainage away from the house. Grading and drainage construction within the site shall not be constructed so as to visually detract from other residences. Subsurface drainage may be required where necessary, to resolve unusual surface or subsurface drainage conditions.

7.13. Driveways and Parking Areas:

Layout: Driveways shall be located to provide access to the house and garage, and provide on-site parking for a minimum of three cars. In general, driveways with more than

one entrance from the street will not be approved. Driveways and parking shall be laid out in an efficient and aesthetically pleasing manner. Driveways, parking areas and walks required for access to the house shall not come closer than ten (10) feet to any side property line, nor 35 feet from any rear property line. Minimum radii at entrances and from drives to parking areas for maneuvering space shall be 10 feet.

Construction: Recommended surface materials that will be considered are brown crusher run stone, asphalt, concrete, interlocking concrete pavers or patterned concrete in a similar design, brick, brick pavers or exposed aggregate concrete.

7.14. Walks and Terraces:
Walkways and terraces must be constructed of materials of compatible quality to the architectural materials in the house. The recommended construction materials are brick masonry, precast concrete paving units, stone and flagstone or slate set in a cement mortar bed. Any walkway or terrace constructed of any other material, if allowed, must provide for appropriate edging to maintain its structural integrity. A ceremonial walkway must be provided from the driveway to the front door.

7.15. Accessory Buildings:
Including detached guest houses, garages, workshops, storage sheds, greenhouses, service and refuse facilities, the following shall apply:

Siting: Any accessory structures located on a building lot must be designed and located as an integral part of the house and its site plan. These structures should be massed with the house and incorporate appropriate landscaping, walkways and fencing as well as be of the same architectural style, finished materials and a compatible color. These requirements also apply to ***dog houses, gazebos, playhouses and deck railings.***

Such accessory buildings shall not create a breech of privacy between neighboring houses, nor shall they create a visual nuisance to neighboring houses.

No accessory building may be constructed farther forward on the site than the front plane of the house or extend beyond the minimum setback requirements established for the house.

The AB reserves the right to restrict placement of accessory buildings on lots in such a manner as to protect normal viewing angles from adjacent lots.

Permitted Sizes: Sizes and types of accessory buildings are limited as follows:

- Guest Suite - 750 square feet
- Garage (max. 2-car) - 750 square feet
- Play Houses - 36 square feet, 6' maximum height
- Dog Houses - 20 square feet, 4' maximum height
- Play Equipment - 10' maximum height
- Other Structures (workshop, storage, greenhouse) - 150 square feet

Service Area. A single service area which incorporates heating and air conditioning equipment, electrical meter and trash areas should be provided, appropriately located and properly screened.

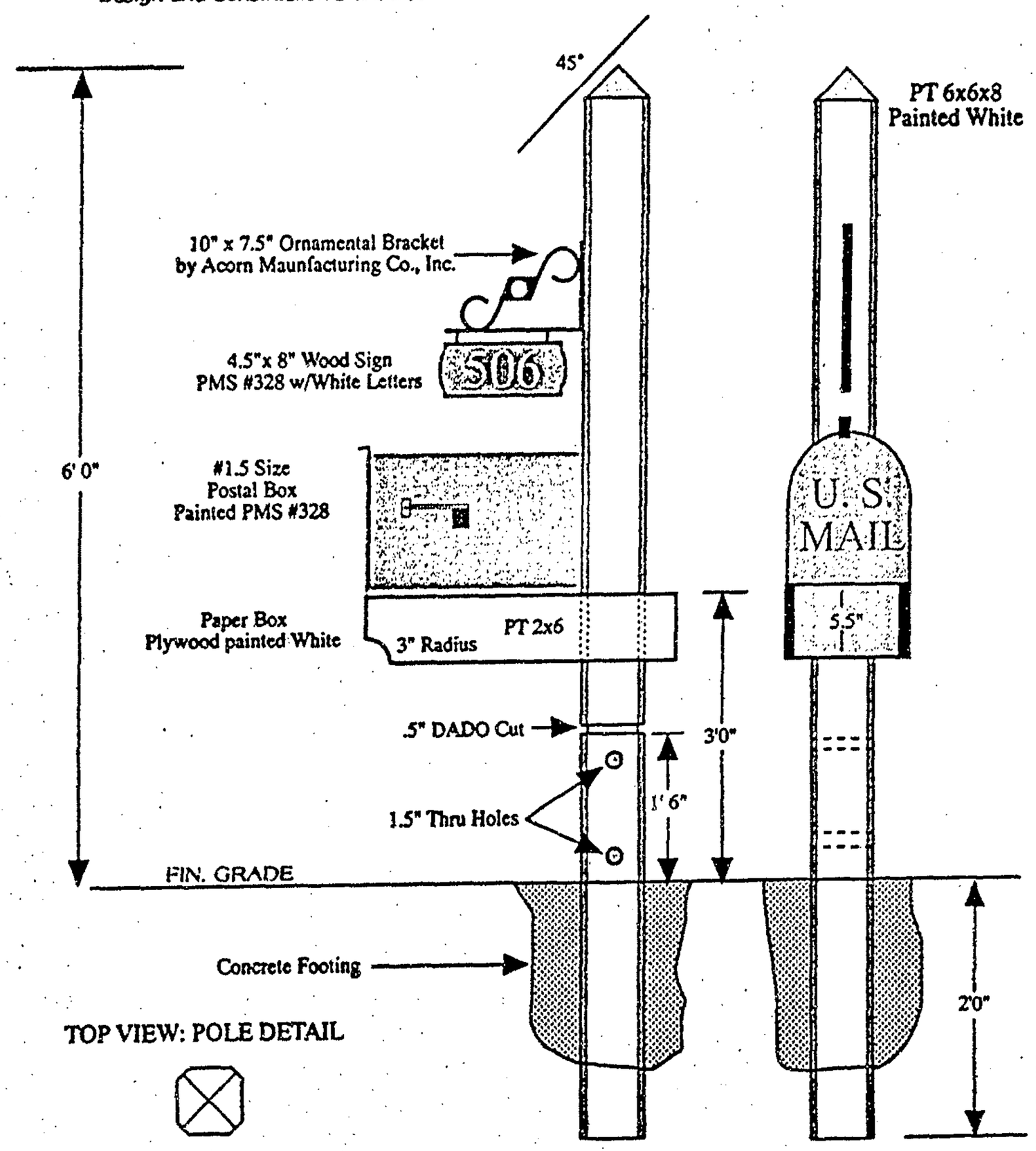
7.16. Fencing:
Fencing for dogs and children should be designed as an integral part of the house. "Accent" fencing as part of an overall landscape plan may be used in the front yard only with the prior approval of the Architectural Board. Fencing of back yard areas for dog runs should not come off the front corners of the house, but extend as nearly as possible straight back from the back corners of the house. Chain link fencing will not be approved other than for dog runs or tennis courts, in which case they shall be constructed with dark green or black vinyl coating of posts and fabric, and shall not be visible from public areas. Fencing for a front or side yard along a street must be of a compatible style, material and color to the house and its trim.

7.17. Mailboxes/Paper Boxes:
Combined mailbox and paperbox design must conform to the configuration shown. Routed house numbers (2" high "Times Roman" typeface) only are allowed in the location shown. Box must be painted per the specifications in Diagram 7.1, available by contacting the Engineering Department of Delmarva Properties, Inc., at (804) 843-5300, or as hereby included. Apply primer coat before painting. Mailbox size shall be U.P. Postal size #1 1/2 installed according to U.S. Postal specifications.

Mailboxes shall be located within five (5) feet of the driveway toward the center of the front property line and within three (3) feet of the road pavement.

7.18. Lighting:
Site lighting shall generally be limited to indirect or "absolute cutoff" type lighting, meaning all lamps or light sources within a fixture shall be shielded from ordinary field of view. The only exception to this is that exterior post lamps, low intensity landscape lights and floodlights mounted on the house are permitted. Such ornamental fixtures shall be compatible in style, materials and placement with the architecture of the residence.

7.19. Lawns and Planting:
In general, the selection of plant material must be compli-



TOP VIEW: POLE DETAIL

Nov 1, 1993
Revised:
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Diagram 7.1

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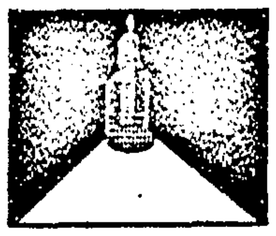
mentary to or in the same vernacular as the design theme established for each residence.

7.20. Satellite Dishes and Antennas:
Satellite dishes are not allowed under any circumstances. Roof antennas are acceptable with specific approval. If approved, they may not exceed eight (8) feet in height above the highest point of the roof. It is suggested that the homeowner first try to install the antenna within the confines of the attic area.



"absolute cut-off" light fixture

7.21. Wood Decks and Steps:
As limited under Article 6.08, site structures above ground shall be constructed primarily of wood, including the following acceptable materials: .40 CCA pressure-treated southern yellow pine (unfinished, clear finish, or stained), redwood, cedar or cypress (clear or stain finish). Above ground structures may be constructed on masonry foundations or on pressure treated wood posts. Creosote treated wood products are not permitted.

7.22. Utilities:
All electric, telephone, cable and other utility services shall be placed underground.

Individual homeowners shall be required to provide their own septic systems and well in accordance with local and State health requirements, particularly with regard to the requirements of St. Mary's County Health Department.

7.23. Construction Signs:
Only one construction sign per site is allowed for identification of the architect(s), general contractor, subcontractors and suppliers. This sign should be approximately 18" x 24" and shall not exceed 3.00 square feet in total area. This sign should be displayed on a 4 x 4 post or below the lot identification sign and shall be removed after substantial completion of the house. The building permit may be displayed on either the sign post or the lot identification sign post, or as directed by local ordinance(s). Special exceptions may be permitted for architectural renderings. Additional sign area will be allowed for renderings of the proposed dwelling which are incorporated into the construction sign.

No other temporary signage is allowed except for sales signs and the lot identification sign provided by the developer.

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8.00 ADDITIONS AND MODIFICATIONS TO EXISTING STRUCTURES

8.01. Applicability:
All additions and exterior modifications to homes must be approved by the Architectural Board. This includes any construction, demolition, or refinishing. This does not include maintenance work or repainting with the same colors. Reference should be made to Article 5.00 for submission requirements.

8.02. Change in Use:
No proposed addition or modification shall change the permitted use of the property from single family detached residential as defined.

8.03. Size:
The size of any addition is not limited except as limited by siting considerations outlined by Article 7.00 and this Article.

8.04. Architectural Style and Massing:
The style of any addition or modification shall match that of the house. Massing of the addition shall be similar in the size and use of shapes as that of the house, in proportion to other elements of the house so as not to overpower the existing design. Roof styles and slopes shall be similar to the existing house.

8.05. Site Considerations:
No addition shall extend beyond the minimum setback requirements established for the house in Article 7.00. The siting of additions shall not create a breech of privacy between the neighboring houses. Where unavoidable, the AB may require special screening. New windows or access created by the addition or modifications shall not create a breach of privacy between neighboring houses.

8.06. Existing Vegetation:
Except for in areas previously approved as the "Limit of Clearing", no existing vegetation shall be removed from any site in Chestnut Hills. General clearing for construction of additions shall extend no farther than 20 feet outside the actual footprint. Beyond the general clearing limits approved by the AB, clearing of existing vegetation for additional landscape and view shall meet the requirements of the Forest Conservation Act designated on ther recordation plat.

8.07 Grading:
Alteration of existing topography will be permitted only as required to create positive drainage away from the house.

8.08. Material Selection:
Openings shall be required in additions, including windows and doors, in a similar fashion and extent as in the original house. Windows and doors in additions shall be of matching

material and style as those in the main structure. Exceptions may be granted by the AB for sun rooms or other sun affected rooms to allow glazed windows. Architectural elements such as corner and rake boards, soffits, eaves, window and door trim, and shutters shall match the style of the same elements on the house. All exterior finish materials and colors shall match the house. Matching colors on dissimilar materials is not acceptable.

8.09. Decks and Porches:
The space beneath any structure constructed on piers higher than two (2) feet above grade but less than one story above grade shall be enclosed with lattice or other screening materials, or screened with shrubs. Decks constructed at or below the first floor level of a house may be constructed entirely or unfinished treated lumber as specified by Article 7.21. Decks or balconies constructed above the first floor level shall be finished to match the house.

8.10 Covered Decks or Porches:
Covered decks, open porches, stoops, and screened porches shall all be constructed from deck level up of finished materials to match the house. Substructure and decking may be of unfinished salt treated wood. Greenhouse additions shall be constructed of finished wood framing or of a prefinished metal consistent with the house exterior color scheme.

8.11 Awnings or Sun Screens:
Awnings or other sun screen devices must be consistent with the architectural character of the house.

9.00 MAINTENANCE REQUIREMENTS

9.01 Purpose:
The maintenance requirements for Chestnut Hills are established for the perpetual preservation and enhancement of neighborhood property values.

9.02 Homeowner's Responsibility:
Each Homeowner is responsible for maintaining the lot and all improvements to the highest standards in accordance with specifications and guidelines as may be adopted and amended from time to time.

Site maintenance responsibility for each homeowner shall extend to the property lines of the lot. This responsibility will extend to the edge of the Right of Way along public streets or the edge of the designated buffer for the purpose of maintaining lawns and landscaping.

The Association may designate Community Areas within the property for maintenance by the Association.

9.03 Association Responsibility:
The Chestnut Hills Homeowners Association will be responsible for maintenance of the Community Area parcels. "Community Area" is land or improvements which have been so designated for common use or maintenance by the Association.

Association maintenance responsibility includes, but is not limited to, the following areas and improvements:

- All property and improvements on the Community Area.
- Easements and improvements for access to and from the Community Area.
- Common Area Lighting.
- Street trees planted within the right-of-way of public roadways.
- Improvements at the main entrance including signage, landscape, irrigation and lighting.
- Street pavers or special treatments installed within public roadways not maintained by Maryland Department of Transportation.

9.04 Violations & Enforcement: Violations of the general maintenance requirements or specifications are enforceable as provided for in the Declarations of Covenants and Restrictions applicable to Chestnut Hills. Notification procedures and rights to cure are the same as for violations of architectural design criteria.

LIBER 002 PAGE 524

Chestnut Hills
Construction Standards and Guidelines

Block No. ____ Lot No. ____ Owner _____
Date_____

ARCHITECTURAL BOARD CHECKLIST

Comments	Approve	Deny	Date of Action	
				Schematic Design
				Design Theme
	☐	☐		Narrative
	☐	☐		Photographs or Architectural Drawings
				Architectural Plans
	☐	☐		Floor plans 1/8"=1' or greater
	☐	☐		Elevations (all sides) 1/8"=1' or greater
				Site Plan
	☐	☐		Walk and Driveway Layout 1"=20' or greater
	☐	☐		Site Layout and Existing Contour Lines 1"=20' or greater
	☐	☐		Proposed Completion Schedule
				Final Design
	☐	☐		***Construction Schedule and Budget***
				Architectural Design
	☐	☐		Conformance To Selected Style
	☐	☐		Continuity of Elevations
	☐	☐		Floor Plans 1/4"=1'0"
	☐	☐		Front Elevation 1/4"=1'0"
	☐	☐		Rear Elevation 1/4"=1'0"
	☐	☐		Left Side Elevation 1/4"=1'0"
	☐	☐		Right Side Elevation 1/4"=1'0"
	☐	☐		ExteriorDetails
	☐	☐		Architectural Materials
	☐	☐		Roof
	☐	☐		Siding
	☐	☐		Trim
	☐	☐		Foundation
	☐	☐		Doors and Windows
	☐	☐		Exterior Light Fixtures
				Site Design
	☐	☐		Layout 1"=20'
	☐	☐		Grading 1'=20' (one foot contour interval)
	☐	☐		Lawns and Planting 1"=20'
	☐	☐		Site Details
	☐	☐		Site Materials
	☐	☐		Walks
	☐	☐		Drive Surface
	☐	☐		Drive Edging
	☐	☐		Fencing
	☐	☐		Lighting
	☐	☐		Retaining Walls
	☐	☐		Rear Decks and Terraces
	☐	☐		Mailbox
	☐	☐		Trash Enclosure
	☐	☐		Other Site Structures
				Stake-Out Review and Compliance

Nov 1, 1993
Revised:
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2.