

Exhibit “B”

Declaration of Covenants, Conditions, Easements and Restrictions

DECLARATION OF COVENANTS, CONDITIONS AND
RESTRICTIONS

FOR

CAPITAL COURT HOMEOWNERS ASSOCIATION, INC.

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EXHIBITS

Exhibit A: Description of the Property Subject to this Declaration

**Declaration of Covenants, Conditions and Restrictions for
Capital Court Homeowners Association, Inc.**

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS (this "**Declaration**") is made effective the _____ day of _____, 2017 by **Capital Court TH MD, LLC**, a Virginia limited liability company (collectively, the "**Declarant**").

RECITALS:

WHEREAS, Declarant is the Owner of certain real property in the County of Prince George's, State of Maryland, which is more particularly described on the legal description attached hereto and made part hereof as Exhibit "A".

NOW, THEREFORE, Declarant hereby declares that all of the real property described on Exhibit "A" hereto shall be held, conveyed, hypothecated, encumbered, sold, leased, rented, used, occupied and improved subject to the covenants, conditions, restrictions and easements set forth below, which are for the purpose of protecting the value and desirability of, and which shall run with such real property and be binding on all parties having any right, title or interest in all or any portion of the real property described on Exhibit "A" hereto, and any other real property annexed within the jurisdiction of the Association in accordance with Article 2 hereof, their heirs, personal representatives, successors, transferees and assigns, and which shall inure to the benefit of each Member thereof.

ARTICLE 1
DEFINITIONS

In this Declaration, the following words have the meanings set forth below unless otherwise apparent from the context:

Section 1.1. Access Areas. "**Access Areas**" means and refers to any roadways, drive aisles, sidewalks and walkways now or in the future located on any Lot that are designated in a recorded instrument executed by the Declarant and the Owner of such Lot as being for use in common with other Owners, Residents, guests, employees, invitees, or similar parties within the Property.

Section 1.2. Act. "**Act**" means and refers to the Maryland Homeowners Association Act as amended from time to time.

Section 1.3. Annexable Property. "**Annexable Property**" has the meaning set forth in Section 2.2 of this Declaration.

Section 1.4. Articles of Incorporation. "**Articles of Incorporation**" means and refers to the Articles of Incorporation for the Association filed with the Maryland State Department of Assessments and Taxation, as the same may be amended from time to time.

Section 1.5. Assessment. “**Assessment**” means and refers to all General Assessments, Special Assessments, and all other fees and charges, including all installments thereof, as may be levied in accordance with this Declaration.

Section 1.6. Association. “**Association**” means Capital Court Homeowners Association, Inc., a Maryland non-stock corporation, its successors and assigns

Section 1.7. Beneficiary Lot. “**Beneficiary Lot**” means the Lot which receives the rights and benefits of any easement established in Sections 10.13 and 10.14 of this Declaration.

Section 1.8. Board of Directors. “**Board of Directors**” or “**Board**” means the Board of Directors of the Association, who are those persons appointed or elected in accordance with the Bylaws to exercise those powers and duties that are reserved to the Board of Directors pursuant to the Governing Documents.

Section 1.9. Bylaws. “**Bylaws**” means the Bylaws of the Association, as may be amended from time to time.

Section 1.10. Common Area. “**Common Area**” means all real property owned, leased or maintained by the Association (including the Community Facilities and all other Common Area improvements as well as any and all Access Areas) for the use and enjoyment of some or all of the Owners. Notwithstanding the foregoing, except for any Access Areas that may be designated within a Lot, in the event the Association maintains all or any portion of any Lots, such property shall not be considered Common Area.

Section 1.11. Common Expenses. “**Common Expenses**” means the common expenses of the Association applicable to the Lots, as further defined in Section 5.2 of this Declaration.

Section 1.12. Community Facilities. “**Community Facilities**” means any and all improvements and facilities located upon the Common Area for the use and enjoyment of some or all of the Owners including, without limitation, recreational facilities which are operated and maintained by the Association for the common use and enjoyment of the Owners such as a gazebo, tot lot, trails, walkways, stormwater management facilities, private streets, parking areas, sidewalks.

Section 1.13. County. “**County**” refers to Prince George’s County, Maryland and any agency, regulatory authority, or department of Prince George’s County, Maryland with jurisdiction over the Property.

Section 1.14. Declarant. “**Declarant**” means Capital Court TH MD, LLC, a Virginia limited liability company and its designated successors, transferees and assigns provided, however, that no successor, transferee or assign of Declarant shall have any of the rights or obligations of Declarant as set forth in this Declaration or other Governing Documents unless such rights or obligations are expressly set forth in a written instrument of succession, transfer or assignment.

Section 1.15. Declarant Control Period. “**Declarant Control Period**” means the period of time beginning with the date of recordation of this Declaration and ending the earliest of: (i) the date that Declarant (or its successors or assigns to whom such rights are expressly assigned

in writing) no longer owns any portion of the Property, (ii) the date that is twenty-five (25) years after the date this Declaration is recorded among the Land Records, or (iii) the date that Declarant, in its sole discretion, expressly terminates the Declarant Control Period by a written instrument recorded among the Land Records.

Section 1.16. Declaration of Annexation. “**Declaration of Annexation**” means any instrument and any amendment or supplement to such instrument, including, without limitation, any supplementary declaration of covenants, conditions and restrictions, recorded by Declarant or the Association in accordance with Article 2 of this Declaration, which expressly extends the provisions of this Declaration to any portion of the Annexable Property or any other property which has been or may be annexed within the jurisdiction of the Association pursuant to Article 2 below.

Section 1.17. Design Review Committee. “**Design Review Committee**” means the design review entity of the Association which may be established pursuant to Article 8 of this Declaration

Section 1.18. Development Plan. “**Development Plan**” means and refers collectively to the approved site plan(s) and subdivision plats for the Property, including all amendments, modifications and extensions thereof as may be made by Prince George’s County from time to time.

Section 1.19. Director. “**Director**” means a member of the Board of Directors appointed or elected in accordance with the Bylaws.

Section 1.20. Eligible Mortgagee. “**Eligible Mortgagee**” means a Mortgagee of a First Mortgage that has submitted a written request to the Association that the Association notify them of those matters set forth in Section 18.10 of this Declaration.

Section 1.21. First Mortgage. “**First Mortgage**” means a Mortgage with priority over all other Mortgages with respect to a Lot.

Section 1.22. General Assessment. “**General Assessment**” means assessments levied against the Lots to fund the Common Expenses pursuant to Article 5 of this Declaration.

Section 1.23. Governing Documents. “**Governing Documents**” means and refers to this Declaration, the Articles of Incorporation, the Bylaws, Declarations of Annexation, and rules and regulations of the Association, as any of the foregoing may be amended from time to time

Section 1.24. Land Records. “**Land Records**” means the land records of Prince George’s County, Maryland.

Section 1.25. Lawn and Garden Area. “**Lawn and Garden Area**” shall mean and refer to any portion of the front, side, and rear (if applicable) yard areas of any Lot that contains grass, shrubs, bushes, trees, or other planted material, but any portion of a Lot which is enclosed by a wall, fence, or other obstruction and which is not readily accessible to the Association, as determined by the Board of Directors in its sole discretion, shall not be considered a Lawn and Garden Area.

Section 1.26. Lot. "Lot" means and refers to any plot of land designated as a separate subdivided lot of record upon any recorded subdivision plat of the Property upon which the planned or actual improvements are primarily intended for use and occupancy as a residential dwelling unit, including without limitation townhouse dwelling units. The term Lot shall not include Common Area or outlots of property dedicated for public use. No Lot shall be counted twice in any situation where it may fall within more than one of the foregoing descriptions.

Section 1.27. Management Agent. "Management Agent" has the meaning set forth in Section 11.1 of this Declaration.

Section 1.28. Member. "Member" means and refers to a member of the Association as more particularly defined in Section 4.1 of this Declaration.

Section 1.29. Mortgage. "Mortgage" means a mortgage, deed of trust, a deed to secure debt, or any other form of security instrument affecting title to a Lot, provided that any such security instrument has been recorded among the Land Records or in such other place as is, under applicable law, required for such instrument to give constructive notice of the matters set forth therein.

Section 1.30. Mortgagee. "Mortgagee" means the holder of any recorded Mortgage, or the party secured by or the beneficiary of any recorded Mortgage, encumbering all or a portion of one or more of the Lots. As used in this Declaration, the term "Mortgagee" shall mean any mortgagee and shall not be limited to institutional mortgagees.

Section 1.31. Neighborhood. "Neighborhood" shall mean and refer to any group of Lots which are hereafter annexed within the jurisdiction of the Association by Declarant pursuant to Article 2 of this Declaration and which are designated by Declarant as constituting all or a portion of a specified Neighborhood of Lots in the Supplementary Declaration annexing such Lots. The term Neighborhood shall also mean and refer to any group of Lots designated as constituting all or a portion of a specified Neighborhood of Lots by Declarant or the Board of Directors based on such factors as are deemed appropriate by Declarant or the Board, including, without limitation, the location and proximity of such Lots, any special features or amenities within or serving such Lots, any special services provided to or requested by the Owners and/or residents and/or lessees of such Lots, and the input of interested Owners and/or residents and/or lessees within the Property.

Section 1.32. Neighborhood Assessments. "Neighborhood Assessments" shall mean and refer to assessments for those portions of the Common Expenses, if any, as may be levied against the Lots within a specified Neighborhood in accordance with Article 6 of this Declaration.

Section 1.33. Neighborhood Committee. "Neighborhood Committee" shall mean and refer to any committee comprised of the Owners and/or residents and/or lessees of Lots within a specified Neighborhood, as may be established by the Board of Directors in accordance with Article 16 of this Declaration.

Section 1.34. Neighborhood Common Area. "Neighborhood Common Area" shall mean and refer to any Common Area which is hereafter annexed within the jurisdiction of the Association by Declarant pursuant to Article 2 of this Declaration and/or Common Area

enhancements and amenities which are designated by Declarant as being for the primary or exclusive use and benefit of a specified Neighborhood in the Supplementary Declaration annexing such Common Area, enhancement or amenities. The term Neighborhood Common Area shall also mean and refer to any Common Area designated as being for the primary or exclusive use and benefit of a specified Neighborhood by Declarant or the Board of Directors based on such factors as are deemed appropriate by Declarant or the Board, including, without limitation, the location and proximity of such Neighborhood to the Common Area, any special features or amenities within the Common Area serving such Neighborhood, and the input of interested Owners within the Property.

Section 1.35. *Neighborhood Special Assessments.* “**Neighborhood Special Assessments**” shall mean and refer to any assessment levied by the Association against Lots within a specified Neighborhood in accordance with Section 6.2 of this Declaration.

Section 1.36. *Owner.* “**Owner**” means the record owner, whether one or more persons or entities, of fee simple title to any Lot, but excluding those having such interest merely as security for the performance of an obligation; provided, however, that the holder of a security interest in all or any portion of a Lot shall be an Owner to the extent that such holder acquires title in all or a portion of such Lot as a result of a foreclosure proceeding or by a deed in lieu of foreclosure.

Section 1.37. *Participating Builder.* “**Participating Builder**” shall mean and refer to a person or entity that acquires real property included or to be included within the jurisdiction of the Association for the purpose of constructing residential dwelling units for sale or lease to others.

Section 1.38. *Property.* “**Property**” means all the real property within the jurisdiction of the Association and subject to this Declaration that is described on Exhibit A including all improvements and appurtenances thereto, and any additional property and all improvements and appurtenances thereto that may be annexed within the jurisdiction of the Association and made subject to this Declaration pursuant to Section 2.2 of this Declaration.

Section 1.39. *Property Standards.* “**Property Standards**” means and refers to the standards of conduct, maintenance and other activities generally prevailing within the Property. Such standards may be more specifically determined and set forth from time to time by the Board of Directors or Declarant during the Declarant Control Period. Without limiting the generality of the foregoing, the Property Standards may set forth specific standards and intervals for required maintenance of Lots and to otherwise establish uniform standards for such maintenance.

Section 1.40. *Resident.* “**Resident**” means and refers to any resident of a Lot.

Section 1.41. *Review Entity.* “**Review Entity**” means one or more of the design review entities having jurisdiction at any particular time with respect to the matters set forth in Article 8 of this Declaration.

Section 1.42. *Servient Lot.* “**Servient Lot**” means and refers to the Lot which is burdened by any easement established in Sections 10.13 and 10.14 of this Declaration.

Section 1.43. *Special Assessment.* “Special Assessment” means any assessment that may be levied by the Board of Directors in accordance with Sections 5.6 and 5.7 of this Declaration.

Section 1.44. *Street Tree.* “Street Tree” means any tree planted within a Lot, or within any public or private street right-of-way adjacent to such Lot, by or at the direction of the Declarant that is within fifteen (15’) of the boundary between any such public or private street right-of-way and the front or, in the case of a corner Lot, side yard area of the Lot adjacent to such right-of-way.

ARTICLE 2

PROPERTY SUBJECT TO DECLARATION; DE-ANNEXATION

Section 2.1. *Property Subject to the Governing Documents.* All of the real property described on **Exhibit A** to this Declaration, including all improvements and appurtenances thereto, is hereby annexed within the jurisdiction of the Association and shall be held, conveyed, hypothecated, encumbered, sold, leased, rented, used, occupied and improved subject to this Declaration and the other Governing Documents, including, without limitation, each and every covenant, condition, easement, and restriction set forth or incorporated in this Declaration.

Section 2.2. *Annexation of Additional Property.*

(a) Any real property that is not included on **Exhibit A** to this Declaration but which is shown on or the subject of the Development Plan or located in the vicinity of the real property shown on or the subject of the Development Plan and any real property contiguous to or in the vicinity of the real property described on **Exhibit A** to this Declaration (collectively the “Annexable Property”), may be annexed within the jurisdiction of the Association by Declarant, thereby subjecting such property to the Governing Documents, without the consent of any Owner, Member, or any other party, until twenty-five (25) years after the recordation of this Declaration. The scheme of this Declaration and other Governing Documents shall not, however, be extended to include any Annexable Property unless and until the same is annexed within the jurisdiction of the Association by the recordation of a Declaration of Annexation as provided in this Section 2.2.

(b) The Association shall also have the right to annex any real property within its jurisdiction. Annexations by the Association shall require the consent of the owner of the property to be annexed, the consent of Members holding not less two-thirds (2/3) of the votes entitled to be cast by all of the Members, and the consent of Declarant during the Declarant Control Period.

(c) Any annexations made pursuant to this Section 2.2 or otherwise shall be made by recording a Declaration of Annexation among the Land Records, which Declaration of Annexation shall extend the scheme of this Declaration and other Governing Documents to such annexed property.

(d) Any Declaration of Annexation made pursuant to the provisions of this Article 2 or otherwise may contain such complementary or supplemental additions and modifications to the covenants, conditions, restrictions and easements set forth in this

Declaration or other Governing Documents as may be considered necessary or desirable by the maker of such Declaration of Annexation to reflect the different character or use, if any, of the annexed property, including, without limitation, a partial or complete waiver of all or any portion of such covenants, conditions, restrictions and/or easements with respect to the annexed property, or additional or modified covenants, conditions, restrictions and easements that are more or less restrictive than those set forth in this Declaration or other Governing Documents. Without limiting the generality of the foregoing, the provisions of this subsection (d) may apply to instruments recorded subsequent to this Declaration for any property described on Exhibit A or other property annexed within the jurisdiction of the Association pursuant to this Article 2.

(e) Nothing in this Declaration shall be construed to require Declarant, or any successor or assign of Declarant, to annex any portion of the Annexable Property.

Section 2.3. De-annexation. Declarant may de-annex any property annexed within the jurisdiction of the Association and the provisions of this Declaration and other Governing Documents for a period of twenty-five (25) years from the date of recordation of this Declaration, provided, however, that (a) Declarant is the Owner of such property at the time of de-annexation, or (b) if Declarant is not the Owner of such property, Declarant de-annexes such property with the written consent of the Owner thereof. Such de-annexation shall be made by recording a supplementary declaration among the Land Records withdrawing the effect of the covenants, conditions, restrictions and easements of this Declaration and other Governing Documents from the de-annexed property, and otherwise in accordance with this Section 2.3. Such de-annexed property may be utilized by Declarant, or any successor, assign or transferee of Declarant, for any lawful purpose or use. Any duly de-annexed property shall no longer be subject to the covenants, conditions, restrictions and easements of this Declaration and other Governing Documents except (i) any easements, rights, reservations, exemptions, powers or privileges that are expressly reserved to Declarant in the instrument effectuating such de-annexation.

ARTICLE 3 **PROPERTY RIGHTS**

Section 3.1. Owners' Easements for the Common Area. Every Owner shall have a right and easement of enjoyment in and to the Common Area, including, without limitation, an easement for the use and enjoyment of the Community Facilities, which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

(a) the right of the Association to charge reasonable and uniform admission and other fees for the use of the Common Area and Community Facilities;

(b) the right of the Association to suspend a Member's voting rights and the right to use any Common Area or Community Facilities; (i) for any period during which any properly imposed charge against such Member's Lot remains unpaid, and (ii) after notice and an opportunity for a hearing, for a period not to exceed sixty (60) days for any infraction of its published rules and regulations; provided, however, that the obligation of such Member to pay assessments shall continue unabated during such period of suspension of voting rights or right to utilize the Common Area or Community Facilities;

(c) the right of the Association, as more fully set forth in Article 14 of this Declaration, to impose reasonable fines for any infraction of the provisions of this Declaration or of the published rules and regulations provided, however, that any Member against whom a fine may be imposed shall have first been given the right to a hearing before the Board of Directors;

(d) the right of the Association to 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, sale or transfer shall be effective without the consent of the Declarant, until the expiration of the Declarant's Rights Period, two-thirds (2/3) of the total votes of the Members;

(e) the right of the Association to limit the number of guests utilizing the Common Area and Community Facilities;

(f) the right of the Association to establish uniform rules and regulations pertaining to the use of the Common Area and Community Facilities;

(g) the right of the Association to provide for the exclusive use by specified Members of certain designated parking spaces within the Common Area and Community Facilities;

(h) the right of the Association, the Declarant, utility companies and other Members with respect to the easements established by this Declaration;

(i) the right of the Association, in accordance with its Articles of Incorporation and Bylaws, and with the consent of the Declarant until the expiration of the Declarant Control Period, to borrow money for the purpose of improving the Common Area and Community Facilities in a manner designed to promote the enjoyment and welfare of the Members and in aid thereof to mortgage any of the Common Area and Community Facilities;

(j) the right of the Association to take such steps as are reasonably necessary to protect the property of the Association against mortgage default and foreclosures; provided, however, that the same are in conformity with the other provisions of this Declaration;

(k) the right of the Declarant, as more fully set forth in Section 10.1 of this Declaration, to grant easements, to utilize reserved rights and easements, and to otherwise utilize the Common Area and Community Facilities as it deems appropriate in connection with the development of the Property;

(l) the right of the Association, acting by and through its Board of Directors, to grant easements, licenses or other rights of use of the Common Area and Community Facilities to persons or entities that are not Members of the Association for such consideration and on such terms and conditions as the Board of Directors may from time to time consider appropriate or in the best interest of the Association or the Property;

(m) the right of the Association to be the lessee of any portion or all of the Common Area and Community Facilities and the right of the Association to enforce the terms of

the lease with respect to such Common Area and Community Facilities against such property and the Members and their guests, lessees and invitees; and

(n) the right of the Association, acting by and through its Board of Directors, to transfer or convey portions of the Common Area for purposes of adjusting the boundary lines of one or more Lots and/or the Common Area; provided, however, that such transfer or conveyance has been approved, as necessary, by applicable local governmental authorities or agencies, or is otherwise in conformance with applicable law, local zoning ordinances, governmental guidelines, or restrictions.

Section 3.2. *Limitations.* Any other provision of this Declaration to the contrary notwithstanding, the Association shall have no right to suspend the right of any Owner to use the Common Area or Community Facilities for necessary, ordinary and reasonable vehicular and pedestrian ingress and egress to and from such Owner's Lot or to suspend any easement over the Common Area or other portion of the Property for storm water drainage, electricity, water, sanitary sewer, natural gas, cable television or similar service, telephone service, telecommunications, internet or similar utilities and services to the Lots.

Section 3.3. *Common Area Parking.* The Members and their designees, shall have a perpetual, non-exclusive easement and right to the Common Area parking spaces for vehicular parking, subject to such parking rules and regulations as may from time to time be established by the Association. The Association shall be entitled to establish supplemental rules concerning parking and traffic control on any portion of the Common Area and Lots including, without limitation, providing for assigned parking within the Common Areas which allows the exclusive use of one or more common area parking spaces by one or more Members and/or the involuntary removal of any vehicle violating the provisions of this Declaration and/or such rules. Any such parking rules and regulations established by the Association shall require the written consent of Declarant during the Declarant Control Period.

Section 3.4. *Delegation of Use.* Any Owner may delegate, consistent with the Governing Documents and rules and regulations of the Association, such Owner's right of enjoyment to the Common Area and Community Facilities to such Owner's employees, agents, guests, tenants, invitees, or contract purchasers.

ARTICLE 4

MEMBERSHIP AND VOTING RIGHTS

Section 4.1. *Members of the Association.* Membership in the Association shall be as set forth in Article 7 of the Articles of Incorporation. Members' rights and obligations are more fully described in the Bylaws.

Section 4.2. *Membership Appurtenant to Lot Ownership.* Membership in the Association shall be appurtenant to and may not be separated from ownership of any Lot that otherwise allows for membership in the Association in accordance with this Article 4.

Section 4.3. *Voting Rights.* The voting rights of the Members shall be as set forth in Article 6 of the Articles of Incorporation and as more fully described in the Bylaws.

ARTICLE 5
COVENANT FOR ASSESSMENTS

Section 5.1. *Creation of Lien and Personal Obligation for Assessments; Priority of Lien.* Each Owner of a Lot by acceptance of a deed or other instrument conveying or transferring interest to such Lot, whether or not expressly stated in such instrument, shall be deemed to covenant and agree to pay all Assessments as may be levied against such Lot in accordance with this Declaration, including, without limitation, any and all General Assessments, Special Assessments, Neighborhood Assessments and/or Neighborhood Special Assessments that may from time to time be imposed on such Lot. Each Assessment, together with interest, administrative costs, costs of collection, late fees and reasonable attorneys' fees, shall be a charge and continuing lien on the Lot against which each such Assessment is made, provided the requirements of the Maryland Contract Lien Act, if applicable, have been fulfilled. Each Assessment, together with interest, costs, late fees and reasonable attorneys' fees shall also be the personal obligation of the Owner of the Lot at the time the Assessment fell due. The personal obligation for delinquent Assessments shall not pass to a delinquent Owner's successors in title unless expressly assumed by such successors; however, any lien established prior to the transfer of any Lot shall continue until paid and satisfied in full. No Owner shall be exempt from liability for Assessments by abandonment of such Owner's Lot, or by the abandonment of such Owner's right to the use and enjoyment of the Common Area, or by any other means. No Owner shall be entitled to any diminution, abatement or set-off of Assessments for any alleged failure of the Association to perform its duties or for any reduction in services or benefits by the Association.

(a) The lien of the assessments provided for herein shall be subordinate to the lien of any First Mortgage or deed of trust. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to a mortgage or deed of trust foreclosure shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer, except for liens or claims for a pro-rata share of such assessments resulting from a pro-rata reallocation of such assessments to all Lots, including the mortgaged Lot and except as otherwise provided in the Act. 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 5.2. *Common Expenses.* Unless otherwise expressly provided herein, the Common Expenses shall include all costs and expenses incurred by the Association in the proper conduct of its activities in accordance with this Declaration and shall include, but not be limited to:

(a) Charges for the maintenance and repair of the Common Area and Community Facilities;

(b) Charges for the maintenance and repair of any rights-of-way, median strips, entry strips, entrance features and improvements, including, without limitation, any landscaping situated thereon, that the Association is obligated to maintain pursuant to any easement or agreement, or at the direction of any governmental authority or agency. Without limiting the generality of the foregoing, such charges may include those related to landscaping of

areas within the public rights-of-way within or adjacent to the Property for which the Association is obligated to maintain;

(c) Charges for the maintenance and repair of any property or facilities serving or benefiting the Property that the Association is obligated to maintain, whether or not such property or facilities are owned by the Association or are located within the Property, including, without limitation, stormwater management facilities and any property or facilities which the Association is authorized or obligated to maintain pursuant to this Declaration;

(d) Real estate taxes, utility charges, management fees, insurance premiums, attorneys' fees and administrative expenses incurred by the Association;

(e) Reserves for repairs and other expenses of a non-recurring nature;

(f) Service contracts and employees' salaries;

(g) Charges accruing under any cross-easement, reciprocal easement or other easement agreements;

(h) Insurance premiums for liability and property insurance on the Common Area and Community Facilities situated thereon, for directors and officers liability insurance, and for such other insurance as the Association may obtain with respect to its officers and directors, management agent, or the Common Area, the Community Facilities and/or the Lots;

(i) Payment of indebtedness from the Association to Declarant in connection with the financing of costs related to the operation of the Common Area and Community Facilities or the funding of operating deficits of the Association;

(j) Payment of all other costs and expenses reasonably incurred by the Association in the proper conduct of its activities, for the administration and operation of the Association.

Section 5.3. General Assessment. The Board of Directors shall from time to time set the General Assessment at an amount sufficient to meet the Common Expenses. The Board of Directors shall determine the amount of the General Assessment before the beginning of each fiscal year in connection with the preparation of the Association's annual budget as provided in Section 5.5 below, and may do so at more frequent intervals should circumstances so require.

Section 5.4. Allocation of Common Expenses.

(a) As part of the annual assessments established pursuant to Section 5.3, all Owners shall be required to pay pro rata assessments at a uniform rate. In addition, (and as part of the annual assessments established pursuant to Section 5.3) the Board of Directors, may from time to time, in their sole discretion, establish or eliminate one or more additional tiers of annual assessments against any Lot(s). Such additional tier(s) of assessments may be in addition to any Neighborhood Assessments, may be assessed against Lot(s) regardless of the Neighborhood in which they are located and may be generally based upon costs incurred or anticipated by the

Association relating to the operation and maintenance of the Property which solely or primarily benefits the Lots to be charged the additional tier of assessments.

(b) In the event that the actions or activities of any Owner causes or results in increased expenses for the Association, the Board of Directors may assess such increase in expenses against the Owner and such Owner's Lot, after notice to such Owner and an opportunity for a hearing. For example, and for purposes of illustration only, the Board of Directors may assess the amount of any insurance deductible paid by the Association against any Owner and such Owner's Lot if the Association is required to pay such deductible as a result of the misuse or neglect of the Owner. Such assessment shall be a lien against the Owner's Lot and shall be payable and collectible in the same manner as any other assessments required to be paid to the Association; provided, however, that the Declarant shall not be subject to any assessment based on this Section 5.4(b).

Section 5.5. *Preparation and Approval of the Association's Annual Budget.* For each fiscal year of the Association, the Board of Directors shall prepare an annual budget as follows:

(a) **Association's Annual Budget.** The Board of Directors shall make a reasonable effort to prepare an annual budget at least thirty (30) days before the beginning of each fiscal year of the Association. The proposed annual budget shall contain, at a minimum, an estimate of the total amount of income the Association expects to receive for the coming fiscal year. The Association's annual budget shall include an amount to establish and maintain a reserve fund in accordance with Section 5.10 below. A majority of all members of the Board of Directors shall be required to adopt any annual budget and all annual budgets must be approved by Declarant during the Declarant Control Period. The Board of Directors shall thereafter send to each Member a copy of the approved annual budget for the Association, which sets forth the amount of the Assessments payable by each Member. The Association's annual budget shall constitute the basis for determining each Member's share of the Common Expenses. The annual budget and the Assessments established therein shall become effective as of the date specified by the Board of Directors, unless a special meeting of the Association is called and duly held in accordance with the Bylaws of the Association and at such special meeting the annual budget is disapproved by the vote of Members representing not less than two-thirds (2/3) of the votes entitled to be cast by the Members of all Lots within the Association.

(b) Amendments to the Association's Annual Budget.

(i) Except as provided in Sections 5.5(b)(ii) and 5.6 below, any expenditure that is deemed necessary by the Board of Directors and, if made, would result in an increase in the amount of total expenses for the current fiscal year of the Association in excess of fifteen percent (15%) of the budget previously adopted, shall be approved by an amendment to the annual budget adopted at a special meeting of the Association, upon not less than ten (10) days written notice to the Members, by the affirmative vote of Members representing at least two-thirds (2/3) of the votes entitled to be cast by those Members that are present, in person or by proxy, and voting at such meeting. All amendments to the annual budget must be approved by Declarant during the Declarant Control Period.

(ii) Notwithstanding Section 5.5(b)(i) above or any other provision of this Declaration, the amendments to the budget for the following expenditures shall only require the approval of a majority of the Board of Directors and Declarant during the Declarant Control Period: (A) expenditures for emergency repairs as determined by the Board of Directors, (B) expenditures of the Association required because of conditions that, if not corrected, could reasonably result in a threat to the health or safety of persons in the Property or the Community Facilities or a significant risk of damage to the Property or Community Facilities, (C) expenditures that result in an increase of total expenses for the current fiscal year of the Association in an amount that is less than fifteen percent (15%) of the budget previously adopted, or (D) expenditures required due to changes in applicable law.

(c) **General.** The failure or delay of the Board of Directors to prepare or adopt an annual budget for any fiscal year of the Association shall not constitute a waiver or release in any manner of a Member's obligation to pay Assessments as provided by this Declaration. In the absence of any annual budget, each Member shall continue to pay Assessments at the then existing rate applicable to such Member as established for the previous fiscal year until an annual budget for the current fiscal year is adopted. The Board of Directors may determine, at its discretion, to round Assessments to the nearest whole dollar amount. Installments of Assessments may be levied and collected on a monthly, quarterly, semi-annual or annual basis as determined from time to time by the Board of Directors. Any Member may prepay one or more installments of any Assessment without premium or penalty.

Section 5.6. *Special Assessments.*

(a) **General Special Assessments.** In addition to the General Assessments authorized by this Article, the Board of Directors may levy in any assessment year a Special Assessment or Special Assessments, applicable in that year only, for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction or extraordinary repair of capital improvements located upon or forming a part of the Common Area or other portions of the Property or Community Facilities primarily designed to benefit or serve the Association as a whole, including any fixtures or personal property related thereto, or for such other purposes as the Board of Directors may consider appropriate in its reasonable discretion; provided, however, that any such Special Assessment shall be approved by Declarant during the Declarant Control Period. Special Assessments may be rescinded or reduced by a vote of Owners holding at least a majority of the votes that are present in person or by proxy at a special meeting called for such purpose in accordance with the Governing Documents within sixty (60) days of the notice of the Special Assessment.

(b) **Individual Special Assessments.** The Association may also levy a Special Assessment against any Owner to reimburse the Association for costs incurred in bringing the Owner and/or such Owner's Lot into compliance with the Governing Documents or if the actions or activities of any Owner cause or result in increased expenses to the Association. Such Special Assessment may only be levied upon the affirmative vote of the Board of Directors, after notice and an opportunity for a hearing has been provided to the Owner. The Association may also levy a Special Assessment against any Owner to reimburse the Association for costs related to any services provided to an Owner by the Association that are in addition to those items covered by Common Expenses or as otherwise provided for in this Declaration, provided that the Owner and

the Board of Directors have agreed in writing to the provision of such additional services. Special Assessments levied under this Section 5.6(b) shall not be limited to a fiscal year, but may be imposed for such time period as the circumstances require.

Section 5.7. Common Area Exemption. No portion of the Common Area or Community Facilities shall be subject to any Assessments of any kind by the Association.

Section 5.8. Declarant and Participating Builder Exemption. Any provision hereof to the contrary notwithstanding, Lots owned by the Declarant and any Participating Builder shall not at any time be subject to any annual assessments, special assessments, fees or other charges levied by the Association, and the Declarant shall have no obligation whatsoever to pay any such annual assessments, special assessments, fees or other charges. Lots formerly owned by the Declarant or any Participating Builder shall cease to be exempt from such annual assessments, special assessments, fees and other charges commencing upon transfer or conveyance of any such Lot from the Declarant or any Participating Builder to any other Owner (excluding the transfer or conveyance of any such Lot to any successor Declarant).

Section 5.9. Date of Commencement of Assessments. Unless an earlier commencement date is established by the Board of Directors, the annual assessments provided for herein shall commence as to all Lots simultaneously with the conveyance of the first Lot to a Class A Member (other than the Declarant or a Participating Builder). The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall make reasonable efforts to fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. 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 5.10. Reserves.

(a) The Association shall establish and maintain a reasonable reserve fund for the repair and replacement of the Common Area and any Community Facilities situated thereon, in such amounts as are determined from time to time by the Board of Directors. Such reserve fund may also be established for the repair and replacement of any property, improvements or facilities otherwise required or intended to be maintained by the Association pursuant this Declaration, or to any easement, agreement or the direction of any governmental authority or agency. The reserve fund contribution shall be included as part of the Association's annual budget, and shall be payable as part of the General Assessments. The Association may establish such other reserve funds as the Board of Directors may from time to time consider necessary or desirable, including, without limitation, a general operating reserve.

(b) The proportional interest of an Owner in any reserve fund established under this Article 5 shall be considered an appurtenance of such Owner's Lot and shall not be separately withdrawn, assigned, transferred or otherwise separated from the Lot to which it appertains, and shall be deemed to be transferred with such Lot.

Section 5.11. Subordination of Lien. Subject to Maryland law, the lien of the assessments provided for herein shall be subordinate to the lien of any First Mortgage or deed of trust. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to a mortgage or deed of trust foreclosure shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer, except for liens or claims for a pro-rata share of such assessments resulting from a pro-rata reallocation of such assessments to all Lots, including the mortgaged Lot. 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 5.12. Reserve Fund Budget and Contribution. The Board of Directors shall cause to be prepared a reserve report, by an individual professionally qualified to prepare such a report (e.g. holding a Reserve Specialist® (RS®) designation as awarded by the Community Associations Institute (CAI) or similar qualifications), which shall take into account the number and nature of the replaceable assets of the Association, the expected life of each asset, and the expected repair or replacement cost of each asset. The Board of Directors shall set the required reserve fund contribution, if any, in an amount sufficient to meet the projected reserve needs of the Association, as shown on the reserve fund budget, with respect both to amount and timing by the imposition of annual assessments over the period of the budget. The reserve fund contribution shall be fixed by the Board of Directors and included within the budget and assessment, as provided in Section 5.3. Such reserve fund contribution shall be payable as part of the general assessment, applicable to all Lots (except as otherwise provided with respect to Lots owned by the Declarant in Section 5.8), to the extent such reserve fund will be utilized to replace assets which are determined by the Board of Directors to benefit substantially all Owners. Reserves may also be maintained for operating contingencies and insurance deductibles. A copy of the reserve fund budget shall be distributed to each Owner in the same manner as the operating budget.

Section 5.13. Special Actions. Any provision of the Articles of Incorporation, Declaration, Bylaws to the contrary notwithstanding, after the transition of the Board of Directors as required by Section 4.1 of the Bylaws, the Board of Directors shall not be authorized to take any "Special Actions" (as defined below) without the affirmative vote of Members entitled to cast not less than sixty-seven percent (67%) of the Members present, in person or by proxy, and voting at any meeting of the Association duly called for this purpose. As used herein, the term "Special Actions" shall mean any and all actions taken by or on behalf of the Association, including, without limitation, commencing or maintaining any litigation, arbitration or similar proceeding, which would reasonably require the expenditure of funds in excess of twenty thousand dollars (\$20,000.00) in the aggregate during any fiscal year of the Association; provided, however, that the term "Special Actions" shall not be deemed to include (i) routine assessment collection actions under Article 5 of the Declaration, (ii) routine actions required to enforce the architectural controls set forth in Article 8 of the Declaration, use restrictions set forth in Article 9 of the Declaration, or any rules and regulations of the Association adopted by the Board of Directors, or (iii) any expenditure made by the Association in accordance with any budget or budget amendment duly adopted in accordance with Article 5 or (iv) any special assessment duly adopted in accordance with Article 5. Each planned expenditure of more than twenty thousand dollars (\$20,000.00) shall require the prior approval of the Members in accordance with this Section. Any meeting of the

Association held to approve any Special Actions under this Section shall be subject to the notice and quorum requirements set forth in Article 5, Section 5.5 of this Declaration.

Section 5.14. *Initial Capital Contribution.* The Declarant shall establish a working capital fund for the initial and ongoing operation of the Association. An initial working capital fund equal to three (3) months regular assessments (the "Initial Capital Contribution") shall be levied against each Owner upon purchase of a Lot from the Declarant or a Participating Builder. The Initial Capital Contribution shall not be deemed to constitute advance payment of regular assessments. The Declarant or Participating Builder will deliver the funds so collected to the Board of Directors, who shall maintain the funds in a segregated account for the use and benefit of the Association to provide the necessary working capital for the Association. Such funds may be used for certain prepaid items, initial equipment, supplies, organizational costs and other start-up costs, or for such other purposes related to the operation of the Association as the Board of Directors may determine.

Section 5.15. *Transfer Fee Contribution.* Upon conveyance of a Lot from an Owner other than the Declarant or a Participating Builder, the purchaser of the Lot shall be required to pay to the Association an initial transfer fee contribution equal to three (3) months regular assessments (the "Transfer Fee Contribution"). The Transfer Fee Contribution shall not be deemed to constitute advance payment on regular assessments. Such Transfer Fee Contribution shall be payable to the Association upon the settlement of the Lot, and shall be used by the Board of Directors exclusively for purposes which provide a direct benefit to the Association. This Section 5.15 does not apply to the sale or transfer of any Lot pursuant to a mortgage or deed of trust foreclosure or any proceeding in lieu thereof.

Section 5.16. *Declarant Loans* The Declarant shall have the right, in its sole discretion and from time to time, to advance loans to the Association (individually a "Declarant Loan" and collectively the "Declarant Loans"). Each Declarant Loan, if any are made, shall be on such terms and at such rates as are commercially reasonable and acceptable to the Board of Directors of the Association. Declarant Loans may be in addition to, or in lieu of, loans obtained by the Association from other parties. The Declarant Loans shall be evidenced by one or more promissory notes from the Association and shall be listed as "Declarant Loans" on all annual budgets and year-end statements of the Association. If Declarant Loans are made, such loans represent valid and binding debts of the Association, which must be repaid according to their terms from the Assessments collected by the Association.

ARTICLE 6

NEIGHBORHOOD ASSESSMENTS; COMMENCEMENT OF NEIGHBORHOOD ASSESSMENTS

Section 6.1. *Neighborhood Assessments.* Notwithstanding anything in this Article 6 to the contrary, Neighborhood Assessments shall not be used to fund any Special Actions. In addition to the Annual General Assessments provided for in Article 5 of this Declaration, and not in lieu thereof, each person, group of persons, corporation, partnership, trust or other legal entity, or any combination thereof, who becomes a fee simple owner of a Lot within any Neighborhood, 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, in advance, a

Neighborhood Assessment equal to one twelfth (1/12) of the Member's proportionate share of the sum required by the Association, as estimated by the Board of Directors, to meet its annual expenses of maintaining the Neighborhood Common Area appurtenant to such Neighborhood and performing any other services which primarily benefit the Lots within that Neighborhood, as determined by the Board of Directors, which may include, but not be limited to, the maintenance, repair and replacement of the private streets, parking areas and sidewalks, if any, and for performing such other maintenance and repairs upon the Neighborhood Common Area or other property within or appurtenant to such Neighborhood as the Association may from time to time elect to perform, including, but not necessarily limited to, the following:

(a) the cost of maintaining, replacing and repairing the Neighborhood Common Area or other property within or appurtenant to such Neighborhood (and any improvements situated thereon), in whole or in part, including, without limitation, snow removal, parking area striping, street lighting, sweeping, washing, landscaping (including, but not limited to, mowing, fertilizing, watering, mulching and repair or replacement of trees, bushes, shrubbery and other plants or plant-like material), specialty signing and the like; and

(b) the cost of funding a separate reserve to be established by the Association for the non-recurring repair and replacement of the Neighborhood Common Area or other property within or appurtenant to such Neighborhood (and any improvements situated thereon), in whole or in part.

(c) The Board of Directors shall determine the amount of the Neighborhood Assessments annually, but may do so at more frequent intervals should circumstances so require. Upon resolution of the Board of Directors, installments of annual Neighborhood Assessments may be levied and collected on a quarterly, semi-annual or annual basis rather than on the monthly basis hereinbefore provided for in Article 5 hereof. Any Member so obligated may prepay one (1) or more installments on any annual Neighborhood Assessment levied by the Association, without premium or penalty.

(d) The Board of Directors shall prepare, or cause the preparation of an annual budget for the Neighborhood Assessments for each Neighborhood. The budget shall be prepared and distributed to the Members within such Neighborhood and adopted by the Board of Directors of the Association in accordance with the provisions of Section 5.5 of this Declaration. The Board of Directors of the Association shall make a reasonable effort to fix the amount of the annual Neighborhood Assessments against each Lot within each Neighborhood within the Property for each assessment period at least thirty (30) days in advance of such date or period and shall, at that time, prepare a roster of the Lots and the annual Neighborhood Assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Lot Owner within such Neighborhood upon reasonable notice to the Board. Written notice of the annual Neighborhood Assessments shall thereupon be sent to the Members who own Lots within such Neighborhood. The omission by the Board of Directors, before the expiration of any assessment period, to fix the amount of the annual Neighborhood Assessments hereunder for that or the next period, or the disapproval of the budget by the Members pursuant to this Declaration, shall not be deemed a waiver or modification in any respect of the provisions of this Article or a release of any Member so obligated from the obligation to pay the annual Neighborhood Assessments, or any installment thereof, for that or any subsequent assessment period; but the

annual Neighborhood Assessments fixed for the preceding period shall continue until a new Neighborhood Assessment is established. No Owner of a Lot within a Neighborhood may exempt himself from liability for the Neighborhood Assessments applicable to such Neighborhood by abandonment of any Lot belonging to him within such Neighborhood by the abandonment of his right to the use and enjoyment of the property within such Neighborhood, including, but not limited to, the Neighborhood Common Area. All Neighborhood Assessments shall be collectible in the same manner as Annual General Assessments as provided for in Article 5 of this Declaration.

Section 6.2. *Neighborhood Special Assessments.* In addition to the regular annual Neighborhood Assessments authorized by this Article, the Association may levy, in any assessment year, a Neighborhood Special Assessment or Neighborhood Special Assessments, applicable to that year for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, extraordinary repair or replacement of a capital improvement located upon, or forming a part of, the Neighborhood Common Area within such Neighborhood or other property exclusively benefiting or serving the Lots within such Neighborhood, or for such other purposes as the Board of Directors may deem appropriate; provided that any such special Neighborhood Assessment shall be approved by the member(s) of the Board of Directors appointed to represent the Members within such Neighborhood. All Neighborhood Special Assessments shall be collectible in the same manner as Annual General Assessments as provided for in Article 5 of this Declaration.

Section 6.3. *Neighborhood Notice.* Neighborhood Notice. Written notice of any meeting called for the purpose of establishing a Neighborhood Special Assessment in accordance with Section 6.2 hereof shall be sent to all Members within the Neighborhood not less than thirty (30) days nor more than sixty (60) days in advance of such meeting.

Section 6.4. *Reserve for Repairs and Replacements of Neighborhood Common Area.* The Association shall establish and maintain separate reserve funds for repairs and replacements (in whole or in part) of the Neighborhood Common Area for each Neighborhood and of other property within or appurtenant to such Neighborhood (and any improvements situated thereon) by the allocation and payment periodically to such reserve funds of an amount to be designated from time to time by the Board of Directors to be collected from the Lot Owners within such Neighborhood. The reserve for repairs and replacements of the Neighborhood Common Area within any particular Neighborhood (and any improvements situated thereon) may be expended only for the purpose of effecting the repairs and replacement (in whole or in part) for such Neighborhood Common Area or other property within or appurtenant to such Neighborhood (and any improvements situated thereon) including, without limitation, the repair and replacement of any private streets, parking areas and sidewalks, if any, constructed thereon, and for operating contingencies of a non-recurring nature relating to such property and any improvements situated thereon. The Association may establish such other reserves for such other purposes associated with any Neighborhood as the Board of Directors may from time to time consider to be necessary or appropriate.

ARTICLE 7
REMEDIES OF ASSOCIATION FOR NON-PAYMENT OF ASSESSMENTS

Section 7.1. *Non-Payment of Assessments.* Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date until paid at a rate determined by the Board of Directors, up to the maximum rate of interest permitted under the laws of the State of Maryland. The Association may also charge a reasonable late fee against any Owner (and/or such Owner's Lot) who is more than fifteen (15) days delinquent in the payment of any assessment. Additionally, the entire balance of the unpaid annual assessments for the remainder of the fiscal year may be accelerated at the option of the Board of Directors and be declared 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) provided the provisions of the Maryland Contract Lien Act, if applicable, are substantially fulfilled. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area, the Community Facilities, or abandonment of such Owner's Lot. The Owner shall also be obligated to pay all attorneys' fees, court costs and administrative costs incurred in connection with the collection of assessments if not paid when due. This Section shall not be deemed to limit or waive, and shall be without prejudice to, any and all rights, remedies, or recourses as may be available to the Association for non-payment of assessments.

Section 7.2. *Assessment Certificate.* The Association shall, upon request of any Owner or other Member, or contract purchaser of a Lot, issue such requesting party a written certificate signed by an officer of the Association setting forth whether the Assessments applicable to such Owner or Member have been paid, and if not paid, the amount of the delinquent Assessments. A properly executed certificate of the Association regarding the status of Assessments on a Lot shall be binding on the Association as of the date of issuance. The Association may charge a reasonable fee for the issuance of each such certificate, in an amount not to exceed any maximum established by the Act.

Section 7.3. *Application of Past Due Assessments.* Except as may be otherwise required by applicable law, amounts collected for past due Assessments and related costs shall be applied in the following order:

- (a) To payment of reasonable attorneys' fees and other legal and collection costs.
- (b) To payment of any interest accrued on the delinquent Assessments;
- (c) To payment of late fees;
- (d) To payment of fines and delinquent Assessments;

ARTICLE 8
DESIGN REVIEW AND ARCHITECTURAL CONTROL

Section 8.1. *Architectural Approval.* No construction or development activities, including, without limitation, staking, clearing, landscaping, excavation, grading or other site

work, shall be commenced, erected or maintained on any Lot or other portion of the Property, no building, structure or other improvement of any kind, including, without limitation, fences, walls, mailboxes, swimming pools and decks, shall be commenced, erected or maintained within the Property, and no exterior addition, change or alteration of any nature to the Lots or other existing improvements within the Property, including, without limitation, changes in color, changes or additions to driveway or walkway surfaces and landscaping modifications, shall be commenced, erected or maintained (all of the foregoing are referred to herein, individually and collectively, as "**Improvements**") unless and until complete plans and specifications for such Improvements have been approved, in writing, in accordance with the applicable provisions of this Article.

Section 8.2. Review Entity. As used in this Declaration, the term "**Review Entity**" means one or more of the following entities having jurisdiction at any particular time with respect to the matters described in this Article 8:

(a) **Declarant**, with respect to all architectural review and approval authority under this Article 8 for all Lots, Common Area, and Community Facilities except to the extent any such rights and powers are assigned or terminated in accordance with Section 8.3 below. All rights and powers of Declarant under this Article 8 may be exercised on behalf of Declarant by such members, officers, directors, employees, agents, representatives, or other designees of Declarant as Declarant may designate from time to time.

(b) **The Design Review Committee**, but only upon the assignment of such rights and powers from Declarant or Board of Directors in accordance with Section 8.4. If a Design Review Committee is not appointed or duly constituted, the Board of Directors shall exercise all rights and powers that could be exercised by the Design Review Committee.

Section 8.3. Declarant as a Review Entity. As the developer of the Property, Declarant has a significant interest in ensuring that all Improvements are consistent with the Development Plan and that the Improvements do not have an adverse impact upon Declarant's ongoing ability to develop, market, sell, and/or lease all or any portion of the Property. Declarant shall be exclusively entitled to exercise all rights and powers of the Review Entity under this Declaration for all Lots, Common Area and Community Facilities, except to the extent such rights and powers are expressly assigned in writing by Declarant. Declarant may assign all or part of its rights and powers under this Article 8 to the Design Review Committee. Until termination of the Declarant Control Period, Declarant may, in its sole discretion, revoke any prior assignment of all or part of the rights and powers under this Article 8 that Declarant may have assigned to the Design Review Committee or other designee. Upon such time that Declarant may revoke any previously assigned rights and powers under this Article 8, Declarant shall automatically have the authority to exercise such rights and powers. Notwithstanding the foregoing, upon the termination of the Declarant Control Period, all rights and powers reserved to Declarant under this Article 8 not assigned to the Design Review Committee shall automatically terminate and shall be deemed assigned to, and thereafter exercised by, the Design Review Committee, or the Board of Directors if a Design Review Committee is not appointed.

Section 8.4. Design Review Committee as a Review Entity. The Design Review Committee shall exercise such rights and powers of the Review Entity as may from time to time be assigned to such Design Review Committee pursuant to Section 8.3 above. The Design Review

Committee shall consist of no more than three (3) members, who shall serve at the pleasure of and may be removed and replaced at the discretion of Declarant, during the Declarant Control Period, and by the Board of Directors thereafter. The members of the Design Review Committee need not be members of the Association and may, but need not, include architects, engineers and similar design professionals. Any compensation for members of the Design Review Committee, including architects or other design professionals, shall be established from time to time by the Board of Directors.

Section 8.5. *Application Submission and Approval.*

(a) Subject to Section 8.9 below, no Improvement of any kind shall be commenced, erected, maintained or modified within the Property until a design review application (“**Application**”) is submitted to and approved by the Review Entity. The Application shall include detailed plans showing the site layout, exterior elevations, exterior materials and colors, landscaping, drainage, lighting, irrigation, and other relevant features of the Improvements, as required by the Review Entity applicable to the applicant’s Lot. The Review Entity may also require the submission of such additional information as it deems necessary to consider any Application, including but not limited to, information from architects, engineers or other design professionals to be retained at the sole cost of the Owner submitting the Application. The Review Entity may consider, but shall not be restricted to consideration of, visual impact, compliance with the general intent of the Development Plan, and architectural merit. In many instances, decisions will be based solely on aesthetic considerations and each applicant acknowledges that determinations as to such matters may be highly subjective and opinions may vary as to the desirability and/or attractiveness of particular Improvements.

(b) The Review Entity shall, within thirty (30) calendar days after receipt of a complete Application, advise the applicant in writing of the Review Entity’s approval or disapproval of the Application. The Review Entity shall provide a reasonable explanation of the objectionable segments or features of any disapproved Application and suggestions for addressing such objections. If the Review Entity fails to advise the applicant by written notice within thirty (30) calendar days of receipt of a complete Application of either the approval or disapproval of the Application, the applicant shall give the Review Entity written notice of the Review Entity’s failure to respond. The applicant’s notice shall include a statement that unless the Review Entity responds within fifteen (15) calendar days of receipt of such applicant’s notice, approval of the Application shall be deemed granted. Upon such further failure of the Review Entity to grant a pre-approval or disapproval, the Review Entity’s approval shall be deemed to have been given. Notices from an applicant to the Review Entity under this Section 8.5 shall be deemed to have been given at the time the envelope containing such notice, properly addressed and postage prepaid, is delivered by the U.S. Postal Service by registered or certified mail, return receipt requested, or by any other delivery or courier service, such as Federal Express or UPS, which can provide tracking information regarding the delivery of such notice. Personal verified delivery by a reputable courier service of such written notice by any other means shall also be sufficient and shall be deemed to have been given at the time of delivery.

(c) The Review Entity’s approval of Applications is intended to provide an efficient mechanism for maintaining consistency in design matters and enhancing the overall aesthetics of the Property. Approval of an Application by the Review Entity shall in no way be

construed as to pass judgment on the correctness of the location, structural design, suitability of water flow or drainage, location of utilities, or other qualities of the item being reviewed. Neither the Review Entity, nor any of its members, officers, directors, employees, agents, or representatives, shall bear any responsibility for ensuring structural integrity, soundness or compliance with building codes and other governmental approvals or requirements, or that any improvements are located so as to avoid negative impacts on other Lots including, without limitation, impaired views. No representation is made by the Review Entity with respect to the quality, size, value or design of future improvements. Approval by the Review Entity shall not be construed as a representation or warranty of any type regarding the design or construction of any improvement and neither the Review Entity, nor any of its members, officers, directors, employees, agents, or representatives, shall be liable for (i) soil conditions, drainage or other site work problems, (ii) defects or errors in any plans or specifications submitted as part of an Application, (iii) any structural or other defects in improvements constructed according to an approved Application, or (iv) any injury, damages, or loss arising out of the design, quality or manner of construction of any approved improvements. Approvals by the Review Entity shall in no way be deemed to constitute a determination as to compliance with local zoning ordinances, governmental guidelines or restrictions, or be substituted in lieu of applicable governmental approvals and permits and no construction may commence until all such approvals and permits have been obtained.

(d) Each applicant acknowledges that the composition of the Review Entity will change from time to time and that decisions regarding aesthetic matters and interpretation and application of the Development Plan applicable to the applicant's Lot may vary from time to time. In addition, each applicant acknowledges that it may not always be possible to identify objectionable features of proposed Improvements until the Improvements are completed, in which case it may be unreasonable to require changes to the Improvements previously approved; however, the Review Entity may refuse to approve similar Improvements in the future. Approval of Improvements for any particular applicant or Lot shall not be deemed a waiver of the right to withhold approval as to any similar Improvements subsequently submitted for approval.

(e) The Review Entity may from time to time, in its sole discretion, determine that certain item(s) shall not require approval by the Review Entity in accordance with this Section 8.5 and any such determination shall not act as a waiver of the Review Entity's right to require approval of Applications for the same items(s) or other items at any other time.

(f) The Review Entity may establish and charge reasonable fees for review of Applications hereunder.

(g) The Review Entity may from time to time, but shall not be required to, establish and amend design requirements in addition to, but consistent with, the Development Plan. Such requirements may contain general provisions applicable to all Lots, as well as specific provisions which vary from one Lot to another, depending upon the location, type of construction or use, and unique characteristics of the Lots. The Review Entity may also from time to time adopt and amend procedures and requirements for the submission of Applications which are otherwise consistent with this Article 8.

Section 8.6. *Appeal of Design Review Committee Decisions.* Any decisions made by the Design Review Committee may be appealed to the Board of Directors by the Owner whose Application or other request was subject of the Design Review Committee's decision. Upon written request, such Owner shall be entitled to a hearing before the Board of Directors. A vote of at least two-thirds (2/3) of all members of the Board of Directors shall be required to reverse or modify a decision of the Design Review Committee. Notwithstanding the foregoing, when acting as the Review Entity, the decisions of Declarant and the Board of Directors shall be final and shall not be subject to appeal.

Section 8.7. *Completion of Improvements.* All Applications shall include a construction schedule and all work shall be completed in accordance with the schedule as approved by the Review Entity, subject to delays for force majeure.

Section 8.8. *Approval of Initial Improvements.* No construction of the initial Improvements on any portion of the Property containing or intended to contain any residential dwelling unit by a Participating Builder may be commenced, erected or maintained until complete plans and specifications for such Improvements have been approved, in writing, by the Declarant. The Declarant shall have thirty (30) days from its actual receipt of all the material which it may reasonably request from the Participating Builder in which to approve or disapprove such plans and specifications. Failure to respond within this time frame shall be deemed automatic approval of the plans and specifications by the Declarant. The approval of the Declarant shall in no way be substituted in lieu of applicable governmental approvals and permits and no construction may commence until all such approvals and permits have been obtained. The Declarant's approval shall not be construed as a representation or warranty of any type regarding the design or construction of any Improvement built by any Participating Builder. The Declarant may disapprove any plans and specifications (or any elements or features thereof) for any reason, in its sole discretion, and approval of any plans and specifications (or any elements or features thereof) does not constitute a waiver of the right to disapprove the same or similar plans and specifications (or any elements or features thereof) subsequently submitted for any purpose. Any provision of this Declaration to the contrary notwithstanding, the approval of the Declarant under this Section shall be the only approval required pursuant to this Declaration with respect to the construction of the initial Improvements on any portion of the Property containing or intended to contain any residential dwelling unit by a Participating Builder; provided, however, that such approval shall also be subject to the applicable terms and conditions of any binding written agreement, if any, between the Declarant and any Participating Builder regarding the construction of such Improvements.

Section 8.9. *Declarant or Participating Builder Exemption.* Subject to Section 8.8, no Improvements installed, maintained or modified by Declarant or its affiliates or any Participating Builder shall be subject to approval by the Review Entity pursuant to this Article 8.

ARTICLE 9

USE RESTRICTIONS

Section 9.1. *Permitted Uses.*

(a) The Lots shall be used for residential purposes exclusively, and no building shall be erected, altered, placed or permitted to remain on any such Lot other than one used as a dwelling, except that the use of a dwelling unit for a "no-impact home based business", as defined in §11B-111.1 of the Act, as amended, shall be permitted, provided that: (i) before any dwelling unit may be used for a no-impact home based business the Owner and/or resident of such dwelling unit shall notify the Association, in writing, at least thirty (30) days prior to the opening of the no-impact home based business; (ii) in no event shall the Common Area be used by or in connection with any permitted no-impact home based business and (iii) the use is in compliance with local zoning ordinances, governmental guidelines or restrictions and has obtained all necessary governmental approvals. Nothing contained in this Article, or elsewhere in this Declaration, shall be construed to prohibit the Declarant or any Participating Builder from the use of any Lot or dwelling, or the improvements thereon, for promotional or display purposes, or as "model homes", a sales and/or construction office, or other lawful purpose.

(b) The use of any dwelling as a "family child care home" as defined in Section 11B-111.1 of the Act is prohibited. This prohibition, however shall not take effect until Owners, other than the Declarant, have 90% of the votes in the Association and such prohibition may not be enforced unless it is approved by a simple majority of the total eligible voters of the Association, not including the Declarant, under the voting procedures contained in the Bylaws. If the foregoing prohibition is made enforceable, it may be eliminated and family child care homes may be approved by a simple majority of the total eligible voters of the Association, under the voting procedures contained in the Bylaws. In the event that family child care homes are permitted they shall be subject to the following:

(i) before any dwelling may be used as a family child care home, the Member and/or resident of such dwelling shall notify the Association, in writing, at least thirty (30) days prior to the opening of the family child care home through the filing of an application for approval;

(ii) each family child care home must meet all of the necessary approvals under the law and the Board of Directors, or its designee, shall be provided at least annually with evidence to its satisfaction that any such dwelling continues to be in compliance with all of the necessary approvals under the law, including, without limitation, any local ordinances;

(iii) each "child care provider", as defined in §11B-111.1 of the Act, as amended, operating a family child care home within the Property shall pay, on a pro-rata basis (based on the total number of family child care homes operating within the Property) any increase in insurance costs incurred by the Association that is solely and directly attributable to the operation of family child care homes within the Property;

(iv) the Association may impose a reasonable fee, not to exceed Fifty Dollars (\$50.00) per year, or such other amount permitted by applicable law, on each family child care home for use of the Common Areas and Community Facilities;

(v) each child care provider operating a family child care home within the Property shall obtain the liability insurance described under Sections 19-106 and 19-202 of

the Maryland Insurance Article, as amended, or required by such other applicable law, in at least the minimum amount described under such law, and shall not operate unless such minimum liability insurance is in effect at all times.

Section 9.2. *Prohibited Uses and Nuisances.* Except for the activities of the Declarant or any Participating Builder during the construction and development of the Property, or except with the prior written approval of the Board of Directors or the Declarant, or as may be necessary in connection with reasonable and necessary repairs or maintenance to any dwelling or upon the Common Area or Community Facilities:

(a) No noxious or offensive trade or activity shall be carried out upon any Lot or any other part of the Property or Community Facilities, nor shall anything be done therein or thereon which may be or become an annoyance or nuisance to the neighborhood or other Owners. 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 within any Lot.

(b) Nothing shall be done or kept in any Lot or in the Common Area which will increase the rate of insurance for the Association applicable for residential use without the prior written consent of the Board of Directors. No Owners shall permit anything to be done or kept in his or her Lot or in any Common Areas which will result in the cancellation of insurance carried by the Association, or the contents thereof, or which would be in violation of any law. No waste will be committed in any Common Areas.

(c) No immoral, improper, offensive, or unlawful use shall be made of a Lot or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental agencies having jurisdiction thereof shall be observed, provided that the Association may, but shall have no obligation to, take enforcement action to cease any unlawful use of a Lot where such matter may be referred to the police or any governmental agency to address such unlawful use. All laws, orders, rules, regulations, or requirements of any governmental agency having jurisdiction thereof, relating to the maintenance and repair of any portion of the Common Areas or the Community Facilities, shall be complied with, by and at the sole expense of the Owner or the Board of Directors, whichever shall have the obligation to maintain or repair such portion of the Common Areas or Community Facilities.

(d) Nothing shall be done in any Lot or in, on, or to the Common Areas or Community Facilities which will impair the structural integrity of any Lot, or which would structurally change any building or improvements except as is otherwise provided herein.

(e) Except for uses permitted herein or which may not be prohibited pursuant to law, no industry, business, trade, occupation or profession of any kind, commercial, religious, educational, or otherwise, designed for profit, altruism, exploration, or otherwise, shall be conducted, maintained, or permitted on any part of a Lot.

(f) Except as specifically permitted by applicable federal governmental regulations, no exterior aerials or antennas of any type, including, but not limited to, satellite

dishes for reception or transmission, may be erected or maintained within the Property without the prior written approval of the Board of Directors, or its designated Design Review Committee, pursuant to Article 8 hereof; provided, however, that satellite dishes not in excess of one (1) meter in diameter are permitted. The Board of Directors may impose reasonable rules and regulations regarding the location and screening of any such satellite dish, subject to applicable federal governmental regulations. Aerials and antennas situated entirely within a dwelling, and not visible from the exterior, are permitted.

(g) No transient tenants, which shall mean a person or persons leasing a Lot for a period of time less than thirty (30) days, may be accommodated in any Lot, nor shall any dwelling be utilized for hotel purposes. Garages within Lots may only be rented or leased to the owner of a Lot, or to the tenant or lessee of a Lot. Except for garages within Lots, no portion of a Lot (other than the entire Lot) may be rented unless the prior written approval of the Board of Directors is obtained. Any lease agreement shall provide that the terms of the lease shall be subject in all respects to the provisions of Maryland law, The Declaration and Bylaws and that any failure of the lessee to comply with the terms of such provisions shall be a default under the lease, which default may be remedied by the Owner in accordance with the lease and by the Board of Directors, in accordance with Maryland law. All leases must be in writing.

(h) Portions of a Lot that are visible from the exterior of the Lot and the Lot (if any) appurtenant thereto must be kept in an orderly condition so as not to detract from the neat appearance of the Property. In this regard, no motorcycles or other motorized vehicles, bicycles or other equipment may be parked or stored on the patios, terraces, decks or balconies. The Board of Directors, in its sole discretion, may determine whether the portions of a Lot visible from the exterior of the Lot are orderly and in compliance with the Property Standards. If an Owner shall fail to keep the portions of the Owner's Lot that are visible from the exterior of such Lot appurtenant thereto orderly and in compliance with the Property Standards, the Board of Directors may have any objectionable items removed that are visible from the exterior of the Lot so as to restore their orderly appearance, without liability therefor, and charge the Owner for any costs incurred in connection with such removal.

(i) Except as otherwise expressly authorized by the Board of Directors, motorized vehicles may only be used on the roadways within or adjacent to the Association and no unlicensed vehicles are allowed within the Property. The Board of Directors may have any vehicle that violates the provisions of this Declaration and/or any provision of the rules or regulations adopted by the Board involuntarily removed and charge the Owner for any costs incurred in connection with such removal.

(j) If applicable, trash shall not be set out for collection prior to the night before the date of collection and the empty container shall be returned to the proper place of storage promptly after collection. Trash shall not be stored or placed upon patios, terraces, decks, balconies or porches. No garbage or trash containers shall be kept on the front or side yard of any Lot and garbage and trash containers kept maintained in the rear yard of any Lot shall be screened from public view at all times. 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 within any part of the Property. Firewood shall be neatly stacked in the rear yard areas of the Lots.

(k) The maintenance, keeping, boarding, or raising of animals, livestock, or poultry of any kind, regardless of number, shall be and is hereby prohibited within any Lot or upon the Common Areas except that this shall not prohibit the keeping of a reasonable number of dogs, cats, caged birds or other small domestic animals as pets provided (i) they are not kept, bred or maintained for commercial purposes; (ii) such domestic pets are not a source of annoyance or nuisance to the neighborhood or other Owners; (iii) such pets are maintained in strict conformance to all laws and ordinances. The Board of Directors shall have authority, after a hearing, to determine whether a particular pet is a nuisance or a source of annoyance 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 Lots or the Common Areas unless accompanied by a responsible person and unless they are carried, leashed, or otherwise contained. The person accompanying any pet is responsible for the removal and disposal of any solid waste deposited by the pet upon any portion of the Lots or the Common Areas. Any member who keeps or maintains any pet upon any portion of the Association shall indemnify and hold the Board of Directors and each of its members free and harmless from any loss, claim, or liability of any kind or character whatever arising by reason of keeping or maintaining such pet within the Property. Pets that are permitted to roam free or which are determined by the Board in its sole discretion to endanger the health and safety of any other Owner(s), make objectionable noise, or constitute a nuisance or inconvenience to any other Owner(s), shall be promptly removed upon request by the Board of Directors. The Board of Directors shall have the right to adopt such additional rules regarding pets as it may from time to time consider necessary or appropriate.

(l) No junk vehicle or other vehicle on which current registration plates are not displayed, shall be kept within any Lot or Common Areas, nor shall the repair or extraordinary maintenance of automobiles or other vehicles be carried out on any Lot or Common Areas, subject to reasonable rules as may be adopted or promulgated by the Board of Directors from time to time. The Board of Directors may have any vehicle that violates the provisions of this Declaration and/or any provision of the rules or regulations adopted by the Board involuntarily removed and charge the Owner for any costs incurred in connection with such removal.

(m) No commercial vehicles (including vans used for commercial purposes and vehicles displaying commercial signage), trucks (as defined by the Maryland Department of Motor Vehicles and/or by common usage and practice; provided, however that pickup trucks of three-quarter ($\frac{3}{4}$) tons of capacity or less and used solely for non-commercial purposes are permitted), trailers, recreational vehicles, house trailers, boats or other water apparatus, boat trailers, or the like shall be kept within any Lot or Common Areas. The Board of Directors may, in their sole discretion, provide and maintain a suitable area designated for the parking of such vehicles or the like. The Board of Directors may establish supplemental Rules regarding parking and traffic control within the Property, and may have any vehicle that violates the provisions of this Declaration and/or any provision of the rules or regulations adopted by the Board of Directors involuntarily removed and charge the Owner for any costs incurred in connection with such removal.

(n) No decorative lawn ornament, no structure of a temporary character, and no shed, trailer, tent, shack, barn, pen, kennel, run, stable, or other similar building shall be erected, used or maintained on any Lot at any time.

(o) Except for entrance signs, directional signs, signs for traffic control or safety, community "theme areas" and such sales and promotional sign or signs as may be maintained by or with the written consent of the Declarant or the Association, or except as expressly permitted pursuant to the Act, no signs or advertising devices of any character shall be erected, posted or displayed upon, in or about any Lot; provided, however, that one temporary real estate sign not exceeding six (6) square feet in area may be erected upon any Lot containing a dwelling placed upon the market for sale or rent. Any such temporary real estate sign shall be removed promptly following the sale or rental of such dwelling. The provisions and limitations of this subsection shall not apply to any institutional first mortgagee of any Lot who comes into possession of the 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 as a result of any proceeding, arrangement, assignment or deed in lieu of foreclosure.

(p) No water pipe, sewer pipe, gas pipe, drainage pipe, cable or other similar transmission line shall be installed or maintained within a Lot above the surface of the ground and no wire, cable or other similar transmission line may be attached to the exterior of any dwelling; provided, however, that such transmission lines, wires or cables providing utility services to any Lot (including, but not limited to, electricity, telephone, gas, water and cable television) shall be permitted. Except during periods of actual use, no hose shall be stored or placed in the front or side yard of any Lot unless screened from public view.

(q) 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 without the prior written approval of the Review Entity. If approved, such play equipment must be properly maintained at all times.

(r) No equipment or machinery (including, without limitation, equipment or machinery for use in connection with the maintenance of any dwelling) shall be stored in the front, rear or side yard of any Lot, however, such equipment or machinery may be stored in any portion of a Lot enclosed with a fence as authorized in this Declaration.

(s) No fence shall be constructed within any Lot unless approved by the Review Entity pursuant to Article 8, however, replacements of like kind shall be permitted without such approval being required.

(t) No garage or outbuilding properly 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. No garage may be altered, modified or changed in any manner which would inhibit or in any way limit its function as a parking area for vehicles without the prior written approval of the Review Entity pursuant to Article 8 of this Declaration. Notwithstanding the foregoing, any Lot owned by the Declarant or a Participating Builder upon which is situated a dwelling unit in which the garage has been modified to serve as living area shall be exempt from this paragraph and any grantee of the Declarant or a Participating Builder

and such grantee's successors and assigns, shall also be exempt until such time as the garage is restored or a garage is constructed on such Lot. Except when being used for entrance or exit, garage doors shall be maintained in a closed position at all times.

(u) No exterior lighting, emanating from a Lot, shall be directed outside the boundaries of the Lot.

(v) No Lot shall be 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 or a Participating Builder and, further, the provisions hereof shall not be construed to (i) 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 individual or entity for any purpose, or (ii) prohibit minor boundary line adjustments between adjoining Lot Owners if done in accordance with applicable zoning ordinances, governmental guidelines and restrictions. Further, the provisions of this subsection shall not be deemed to preclude any Owner from dedicating or conveying a portion of such Owner's Lot to any municipality, political subdivision, public utility or other public body or authority, or to the Association, to serve necessary public purposes.

(w) No tree, hedge or other landscape feature shall be planted or maintained in a location which obstructs sight-lines for vehicular traffic on public streets or on private streets and roadways. 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 obligations as set forth in this Declaration, or which would be inharmonious with the aesthetics of the Property.

(x) 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.

(y) Vegetable gardens shall be maintained only within the rear yard of any Lot, and shall be maintained in a neat and attractive manner.

(z) Lawn furniture shall be used and maintained in rear yards or decks only and shall be maintained in a neat and attractive manner.

(aa) No Member shall make any private, exclusive or proprietary use of any of the Common Area and no Member shall engage or direct any employee of the Association on any private business of the Member during the hours such employee is employed by the Association, nor shall any Member direct, supervise or in any manner attempt to assert control over any employee of the Association.

(bb) A solar collector system or other solar energy device may be installed on the roof or exterior walls of a dwelling unit subject to applicable Maryland law. The Board of Directors may impose reasonable rules and regulations regarding the location, installation and placement of solar collector systems or other solar energy devices, subject to applicable Maryland law.

(cc) No drying or airing of any clothing or bedding shall be permitted outdoors and within any Lot other than within rear yards, and clothes-hanging devices such as lines, reels, poles, frames, etc., shall be stored out of sight when not in use. Outdoor clothes dryers or clotheslines shall not be maintained upon or within the Common Areas at any time, and no clothing, laundry or the like shall be hung from any part of any Common Areas or from or upon any patio, terrace, deck, balcony, or porch.

(dd) All draperies, shades, blinds and other window coverings hung, displayed or installed at or in the exterior windows of any Lot shall be made of materials and construction manufactured for purposes of serving as window coverings. Sheets, towels, bedspreads, aluminum foil, and other similar materials not, manufactured for purposes of serving as window coverings, as determined by the Board of Directors, shall not be hung, displayed or installed at or in the exterior windows of any Lot.

(ee) No clearing, cutting or harvesting of any Street Trees shall be permitted within the Lots, except as may be necessary in accordance with the preservation, maintenance, repair and/or replacement of such Street Trees in accordance with this Section. Each Owner shall be responsible for the preservation, maintenance, repair and replacement, at that Owner's sole cost and expense, of any Street Trees located within that Owner's Lot in a manner and with such frequency as is consistent with good property management, and which shall include, but not be limited to, pruning, watering and otherwise caring for such Street Trees. Diseased or dead Street Trees, Street Trees requiring removal for health or safety reasons, and Street Trees that have been substantially damaged by storms or other natural forces may be removed from a Lot by the Lot Owner, provided, however, that any such removed Street Tree shall be promptly replaced by the Lot Owner with an identical tree, unless the Association gives its prior written approval to such Owner to do otherwise. If any Owner shall fail to maintain the Street Trees located within that Owner's Lot in accordance with this Declaration, then the Association or its agent shall have the right to enter upon such Lot to inspect, maintain, repair and replace the Street Trees located therein, and/or to take such other corrective actions as may be deemed necessary or desirable by the Board of Directors, in its sole discretion. 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 inspection, maintenance, repair, replacement and/or corrective actions shall be collectible from the Owner of such Lot in the same manner as assessments as provided in Article 5 of this Declaration.

Section 9.3. *House Rules, Etc.* There shall be no violation of any reasonable rules for the use of the Common Area and Community Facilities or "house rules" or other community rules and regulations not inconsistent with the provisions of this Declaration which may from time to time be adopted by the Board of Directors of the Association and promulgated among the membership by the Board in writing, and the Board of Directors is hereby and elsewhere in this Declaration authorized to adopt such rules and regulations.

Section 9.4. *Exemptions.* None of the foregoing restrictions shall be applicable (i) to any portion of the Property owned by the Declarant or any Participating Builder or to the activities of the Declarant or any Participating Builder, and its officers, employees, agents and assigns, in their construction, development, marketing, leasing and sales activities within the Property and Community Facilities, nor to the use of the Common Areas and Community Facilities, and/or Lots

owned by the Declarant or any Participating Builder for display, marketing, promotion, sales, rental, leasing, or construction purposes, nor to the use of Lots as "models" or the use of any portion of the Property as a sales, rental or management office., or (ii) to the Association, its officers, employees and agents, in connection with the proper maintenance, repair, replacement and improvement of the Common Area, the Community Facilities or Access Areas.

ARTICLE 10

DECLARATION OF EASEMENTS AND RIGHTS

Section 10.1. *Declaration of Easements and Rights.* Except to the extent waived in writing by Declarant and subject to the provisions of Section 10.16 below, the easements and rights set forth in this Article 10 are hereby declared or reserved.

Section 10.2. *Development Easements.*

(a) There is hereby reserved unto Declarant and to such other parties as Declarant may specifically, and in writing, assign such rights, for the benefit of the Property and any property adjacent to or in the vicinity of the Property, and for the benefit of the Declarant and its agents, a non-exclusive, perpetual blanket easements upon, across and under the Property (provided such easement does not encroach upon any building within the Property or unreasonably interfere with the use and enjoyment of the Property), for (i) vehicular and pedestrian ingress and egress, (ii) curb cuts, slope, and grading easements, (iii) street lighting, architectural lighting, irrigation, and landscaping, (iv) the installation, replacement, repair and maintenance of all utilities, including, but not limited to, water, sewer, drainage, storm water detention and/or sediment control, electricity, gas, cable television, telephones, telecommunication wires and equipment, and internet, and further including the right to connect to and use any such utilities which may exist or be located upon the Property from time to time, (v) the placement of signs within the Common Area and Community Facilities, including, without limitation, signs relating to the Property and signs used for sales and marketing purposes, (vi) entry features, promotional and sales displays and other similar items within the Common Area and Community Facilities. By virtue of these blanket easements, it shall be expressly permissible to erect, install and maintain the necessary poles, pipes, lines, service boxes, and other equipment within the Property and Community Facilities, to affix and maintain electrical, telephone and telecommunications wires and conduits, sewer and water drainage lines on, above, or below any portion of the Property (subject to Sections 10.6 and 10.16 below), including any improvements constructed thereon, and to have construction vehicles, equipment and the like exercise the aforesaid right of ingress and egress over the Property. There is further reserved unto the Declarant the right to erect entry features, promotional and other similar items within the Property and Community Facilities provided they do not unreasonably interfere with the use, operation and enjoyment of the Property. There is further reserved unto the Declarant the right to grant specific easements, both temporary and permanent, to any person or entity, including all public authorities and utility companies, over any part of the Property in furtherance of the blanket easement created by this subsection. Declarant may grant such easements for the duration of the Declarant Control Period. Further, without limiting the generality of the foregoing, the Declarant reserves the right to unilaterally execute and record such additional easements and agreements as may be necessary in order to give effect to the foregoing easements and other rights, which additional easements and other agreements need not be consented to or

joined in by any party having an interest in the Property; provided, however, that if requested by the Declarant, any party having an interest in the Property shall promptly join in and execute such confirmatory easements and other agreements.

(b) There is hereby reserved unto the Declarant and to such other parties as Declarant may specifically, and in writing, assign such rights, for the benefit of the Property, and for the benefit of Declarant and its agents, a non-exclusive perpetual blanket easement upon, across and under the Property (provided such easement does not encroach upon any building within the Property or unreasonably interfere with the use and enjoyment of the Property) for the following purposes: (i) ingress and egress to and from any and all portions of the Property by trucks, construction equipment, construction personnel and the like; (ii) to construct, install, reconstruct, modify, and replace streets, roads, driveways, lanes, and sidewalks within the Property; (iii) to excavate, fill and coordinate the height, grade, slope and contour of the Property and Community Facilities and to add and remove soil from the Property and Community Facilities; and (iv) for the conduct of all other development, construction, renovation, marketing, sales, leasing and related activities as may be deemed necessary or desirable by Declarant or to comply with requirements imposed by the County, or any governmental or quasi-governmental agency or authority having regulatory jurisdiction over the Property, and/or to comply with applicable laws or regulations.

(c) A blanket easement is hereby reserved to Declarant and its agents to enter the Common Area and Community Facilities during the period of development of the Property, and to maintain such facilities and perform such operations as in the sole opinion of Declarant may be reasonably required, convenient or incidental to the development of the Property and to the construction and sale of residences, including, without limitation, a business office, sales/leasing office, storage area, construction yards, advertisement and other signs, displays and model units.

Section 10.3. *Other Development Easements.* An easement is hereby reserved to the Declarant or any Participating Builder to enter into the exterior portions of the Lots and the Common Area, for the purpose of carrying out any obligations it may have, or assume, with respect to the curing of any defects in workmanship or materials in the Property or the improvements thereon or to fulfill the requirements of the Development Plan. There is further reserved unto Declarant or any Participating Builder and their agents a non-exclusive easement over, across and through all of the Common Area for the purpose of access, the storage of building supplies and materials and equipment and, without any limitation, for any and all purposes reasonably related to the construction, development, rehabilitation, maintenance, and repair of the Property and Community Facilities.

Section 10.4. *Grading Easements.* Declarant reserves a blanket easement and right of access on, over and under the Property to establish, maintain, change and correct drainage of surface or subsurface water in order to maintain reasonable standards of health, safety and appearance, provided, however, that the Declarant shall have no obligation to exercise such right. Such right expressly includes the right to cut any trees, bushes or shrubbery, make any gradings of the soil, or to take any other similar action reasonably necessary, following which Declarant shall restore the affected property to its original condition as near as practicable. There is further reserved unto the Declarant the right to grant specific easements, both temporary and permanent,

to any person or entity including, without limitation, all public authorities and utility companies, over any part of the Property in furtherance of the blanket easement created by this subsection. The Declarant shall give reasonable notice of intent to take such action to all affected Owners, unless in the opinion of the Declarant an emergency exists that precludes such notice. Declarant may exercise the reserved rights under this Section 10.4 for the duration of the Declarant Control Period. Thereafter, all rights of Declarant under this Section 10.4 may be exercised by the Association.

Section 10.5. *Easements for Public Authorities and Utility Companies.* Declarant reserves the right to grant easements, both temporary and permanent, to all public authorities and utility companies over any part of the Property, subject to Section 10.16 below and provided such easement does not encroach upon any building within the Property or unreasonably interfere with the use and enjoyment of the Property. Declarant may grant such easements for the duration of the Declarant Control Period; thereafter, such easements may be granted by the Association.

Section 10.6. *Easements for Utility Systems.* The rights and duties with respect to storm water management facilities, sanitary sewer and water, down spouts, yard drains, electricity, gas, cable television, security and surveillance systems, telephone, telecommunications, internet, and similar utilities, and all pipes, wires, cables, conduits, transmission lines and other related facilities and equipment (individually and collectively, “Utility Systems”) shall be governed by the following:

(a) Each Owner is granted a non-exclusive easement to connect to and use any Utility Systems located in the Property that serve such Owner’s Lot, provided the location of and connection to such Utility Systems was otherwise approved by Declarant as part of the development of the Property. The easement under this subsection 10.6(a) shall also benefit the Association with respect to Utility Systems serving the Common Area.

(b) Each Lot is hereby subject to a non-exclusive perpetual easement and right of passage upon, across and under such Lot for the benefit of the Association and the Owners of all other Lots, for the installation, maintenance, repair, replacement, inspection, operation and use of all Utility Systems.

(c) Each Owner and the Association shall have the right, and are hereby granted a perpetual easement and right of passage to the extent necessary therefore, to enter upon or have a utility or repair company enter upon any portion of the Property in which the Utility Systems lie, to inspect, repair, replace and generally maintain the Utility Systems that serve the Lot of such Owner or the Common Area with respect to the Association. Such easement shall include, without limitation, the right to enter upon any portion of the Property, including private streets, for the installation, replacement, repair and maintenance of Utility Systems.

(d) The rights granted in subsection 10.6(c) above shall be only to the extent necessary to entitle the Association or the Owner serviced by the Utility Systems to the full and reasonable use and enjoyment of its property and provided further that anyone exercising said rights shall be responsible for reasonably restoring the surface of the easement area so used to its condition prior to such use.

(e) In the event of a dispute between Owners with respect to the repair or rebuilding of any Utility Systems, or with respect to the sharing of the cost thereof, upon written request of one of such Owners addressed to the Association, the matter may be submitted to the Board of Directors, who may, but shall not be required to, decide the dispute. Any decision of the Board of Directors made pursuant to this subsection shall be final and conclusive as to the parties.

(f) Each Lot is hereby subject to an easement and right of passage upon, under, and across such Lot for the drainage and discharge of water from any properly installed and functioning storm drain, downspout or yard drain situated on another Lot and approved by Declarant as part of the development of the Property, and the Owner of such Lot may not alter or obstruct such drainage or flow of water to the detriment of any Lot or the Common Area. The Association shall have an easement to enter any portion of the Property for the performance of its duties hereunder, including without limitation, fenced, or other similar areas of the Property.

(g) A mutual right and easement for the Utility Systems is hereby established for the benefit of all Owners such that no Owner shall take any action which would interfere with the Utility Systems being provided to other Owners within the Property. An Owner may temporarily interrupt utility service to other Lot(s) if necessary in connection with the development, maintenance or repair of such Owner's Lot, provided that the consent of all affected Owners is obtained, such consent not to be unreasonably withheld or delayed, but in all events with due regard to business hours and fire protection and security during any interruption of utility service. If a Lot contains any utility pipes, ducts, conduits, wires or other Utility Systems that are for the benefit, in whole or in part, of other Owners within the Property, then the Owner of such Lot shall promptly, at such Owner's expense, repair any damage to such Utility Systems caused by the Owner.

Section 10.7. Easements for Encroachments. Each Lot within the Property and all Common Areas are hereby declared to have an easement over all adjoining portions of the Property for the purpose of accommodating any encroachment due to engineering errors, errors in original construction, settlement or shifting of the building, roof overhangs, gutters, architectural or other appendages, draining of rainwater from roofs, or any other similar cause. There shall be valid easements for the maintenance of said encroachments so long as they shall exist, and the rights and obligations of Owners shall not be altered in any way by said encroachment, settlement or shifting; provided, however, that in no event shall a valid easement for encroachment be created in favor of an Owner or Owners if said encroachment occurred due to the willful misconduct of said Owner or Owners. In the event a structure on any Lot or Common Area is partially or totally destroyed and then repaired or rebuilt substantially to its original condition, the Owners of each Lot agree that minor encroachments over adjoining Lots or Common Areas shall be permitted and that there shall be valid easements for the maintenance of said encroachments so long as they shall exist. With respect to any step, patio, deck, downspout or yard drain or other similar structure that may benefit any Lot and is constructed by the Declarant and which may encroach upon any portion of the Common Area there is hereby reserved for the benefit of the Lot that such step, patio, deck, downspout, drain or other structure serves, a perpetual easement for the location, maintenance, repair and use of such structure or items within the Common Area, but only to the extent that the original construction thereof encroaches within the Common Area. The Owner of the Lot benefiting from such easement agrees to maintain such structure or item and to indemnify and hold

the Association harmless from any loss, liability or damage arising out of or resulting from the use, enjoyment and benefit of the easement granted hereby.

Section 10.8. *Common Area Easements Benefiting the Lots.* With respect to any improvement approved by Declarant as part of the development of the Property that may benefit any Lot and which may be located in whole or in part upon the Common Area, there is hereby reserved, for the benefit of such Lot, an easement for the location, maintenance, repair, replacement, and use of such improvement within the Common Area.

(a) The Property is hereby subject to a non-exclusive, perpetual easement and right of passage, for the benefit of the Owners for ordinary and reasonable pedestrian ingress and egress over, across and upon any sidewalk, trail, walkway, roadway or private street (or the replacement thereof) constructed within the Property by the Declarant that may reasonably be deemed to have been constructed or intended for pedestrian or vehicular use. The Property is hereby also subject to a non-exclusive, perpetual easement and right of passage, for the benefit of the Owners, for ordinary and reasonable vehicular ingress and egress over, across and upon any roadway or public street, or the replacement thereof, constructed within the Property by the Declarant that may reasonably be deemed to have been constructed or intended for vehicular use.

(b) There is hereby created for the benefit of each Lot, which is enclosed, in whole or in part, by any wooden, brick, stone or other similar fence and/or wall constructed by the Declarant, a perpetual easement to use any portion of the Common Area that may be located between such fence and/or wall and the record platted lot line for such Beneficiary Lot. Unless determined by the Declarant or Association otherwise, the obligation to maintain such portion of the Common Area shall be that of the Owner of the Beneficiary Lot, and the obligation to maintain such portion of the wooden, brick, stone, or other similar fencing as is located within the Common Area, and which encloses the Beneficiary Lot, in whole or in part, shall be that of the Association. The Owner of any Beneficiary Lot from the foregoing easement agrees to indemnify and hold the Association harmless from any loss, liability or damage arising out of or resulting from the use, enjoyment and benefit of the easement rights provided for herein.

Section 10.9. *Association's Right of Entry on Lots.* The Association, its agents and employees, shall have an irrevocable right and an easement to enter the exterior areas of the Lots, but only to the extent necessary to exercise the rights and fulfill the obligations established by this Declaration, the Development Plan, or other Governing Documents including, without limitation, for the purpose of inspecting, maintaining, repairing, and/or replacing Utility Systems, stormwater management areas and/or facilities or Street Trees, and to exercise of any other easements expressly provided for in this Article 10. The Association and its agents or employees shall not enter the interior of any structure situated on a Lot at any time without the prior consent of the Owner of such Lot, and shall restore any disturbed property to substantially the condition existing prior to the exercise of such easement and shall indemnify and hold harmless the Owner of the property burdened by the easement from any damage, loss or claims relating to the use of the easement, except that the Association shall not be required to indemnify, hold harmless, or otherwise reimburse any Owner for damage, loss, costs or claims in connection with the Association's inspection, maintenance, correction, or replacement of Street Trees pursuant to Section 9.2(ee) of this Declaration.

Section 10.10. Storm Water Management Easements.

(a) Each Owner is hereby granted a non-exclusive easement and right of use, in, through, on, over, under, across and within the Property for the drainage, discharge, and transmission of storm water runoff through and into any storm water management facilities approved by Declarant as part of the development of the Property that are intended to benefit the Lot of such Owner. Each Owner shall also have the right to connect to such storm water management facilities. The Association shall have the benefit of all easements and rights granted pursuant to this subsection with respect to Common Area.

(b) The Association is hereby granted a non-exclusive easement and right of passage on, through, over and across the Lots and the Common Area to maintain, repair and replace any storm water management area or facilities located therein for which it has maintenance responsibilities including, without limitation, ponds, basins, bio-retention or similar devices, recharge facilities, storm drainage pipes, infiltration trenches, inlets, oil grit separators, drainage areas and underground facilities.

(c) The rights granted under this Section 10.10 and otherwise in this Declaration shall not be deemed to allow any Owner or the Association to change drainage patterns within the Property unless otherwise approved in writing by Declarant during the Declarant Control Period and subject to all applicable laws and regulations.

Section 10.11. Association Easements for the Common Area. In addition to the specific easements and rights of use set forth in this Declaration, the Board of Directors shall have the right to grant other easements, rights-of-way, licenses and similar interests over any part of the Common Area for any lawful purpose which the Board determines, in its sole discretion, to be in the best interests of the Association. Any such easements, rights-of-way, licenses and similar interests shall require the written consent of Declarant during the Declarant Control Period.

Section 10.12. Access Area Easement. Each Owner and tenant of a Lot and their respective employees, agents, household members, guests, and invitees shall have an easement across, over and through the Access Areas within the Property for reasonable access to and from such Lot.

Section 10.13. Additional Easements

(a) Each Lot shall be subject to a non-exclusive easement and right of passage for the benefit of any adjacent Beneficiary Lot to the extent reasonably necessary to permit the Owner of the Beneficiary Lot access to the exterior of Servient Lot for purposes of inspecting, maintaining, repairing, replacing and otherwise caring for the exterior of the Beneficiary Lot; provided, however, that the Owner of the Beneficiary Lot shall take reasonable steps to minimize any damage to the Servient Lot and that the Owner of the Beneficiary Lot shall restore as nearly as possible to its original condition any damage or alteration to the Servient Lot as a result of the exercise of this easement. The exercise of its rights hereunder by the Owner of the Beneficiary Lot shall be at reasonable times and shall not unreasonably interfere with the Owner of the Servient Lot's use and enjoyment of its adjacent Lot. The Owner of the Beneficiary Lot shall indemnify and save harmless the Owner of the Servient Lot from any loss or damage that such

Owner may sustain, including reasonable attorneys' fees, as a result of entry by the Owner of the Beneficiary Lot on the Servient Lot.

Section 10.14. Owners' Cooperation. With respect to Declarant's reserved rights to grant easements or enter into agreements pursuant to this Article 10, Declarant may unilaterally execute and record such additional easements and agreements in accordance with such reserved rights without the consent or joinder of any Owner or other party having an interest in the Property, provided, however, that if requested by Declarant, any Owner or other party having an interest in the Property shall promptly join in and execute such easements and other agreements.

Section 10.15. Declarant's Reserved Rights with Respect to the Common Area. For the duration of the Declarant Control Period, Declarant reserves the right to modify or alter the size, number, type and location of the Common Area and Community Facilities as well as Lots owned by Declarant, as well as the improvements thereon, as it deems necessary or desirable in conjunction with the development of the Property. Without limiting the generality of the foregoing, Declarant reserves the right to resubdivide all or a portion of the Property; to convey Common Area; to modify the Community Facilities; to modify the Development Plan; to construct improvements on the Common Area; and to take whatever other action with respect to the Common Area and Lots owned by Declarant as Declarant may deem necessary or desirable.

ARTICLE 11

MAINTENANCE

Section 11.1. Owners' Maintenance. Except as otherwise specifically provided in this Declaration, the Owner of each Lot shall keep the Lot, 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 Property Standards, including any part of the Lot that is located within public utility easement areas. In the event an Owner of any Lot shall fail to maintain said Lot and such improvements, the Association or its agent shall have the right to enter upon said Lot to repair, maintain and restore the Lot and such improvements. The Association shall also have the right to enter the exterior portions of the Lots to correct drainage. Whenever entry is not required in an emergency situation, the Association shall afford the Owner reasonable notice and opportunity to cure the problem prior to entry. All costs related to such correction, repair or restoration shall be collectible from the Owner of such Lot in the same manner as assessments as provided in Article 5 herein.

Section 11.2. Association Maintenance.

(a) The Association shall maintain, repair and replace the Common Area and Community Facilities, and shall keep the Common Area and Community Facilities in good order at all times. This obligation shall include, without limitation, (i) the maintenance, repair and, as necessary, replacement of any private roads, alleys, pathways, sidewalks, trails and walkways that are constructed or installed by, or on behalf of, the Declarant within the Common Area, provided that the Association shall not be obligated to maintain, repair or replace any pathway, sidewalk, trail or walkway leader, or portion thereof, within any Lot (the maintenance, repair and replacement of any such pathway, sidewalk, trail or walkway leader shall be the obligation of the Lot Owner), and (ii) the removal of accumulated snow and ice from all private

roads, alleys, pathways, sidewalks, trails, walkways, or portions thereof, required to be maintained by the Association pursuant to this Section. The Association shall be obligated for the maintenance, repair and replacement of the private roads and alleys, including, snow and ice removal, upon the installation and construction of such private roads and alleys by the Declarant for use by the residents. Further, the Association shall maintain, repair and replace (i) any rights-of-way, median strips, entry strips, signage, and entrance features or improvements that are situated within or that are appurtenant to and serve the Property, including, without limitation, any landscaping and other flora and improvements situated thereon, and (ii) any other real and personal property, facilities and equipment as the Association is obligated or elects to maintain pursuant to this Declaration, or any lease, easement or agreement, or the direction of any governmental authority or agency. The expenses of all such maintenance, repair and replacement shall be a Common Expense of the Association, including, but not limited to, reserves for the maintenance, repair and replacement of any such property or improvements. The Association shall also maintain any portion of any Lot that it is obligated or elects to maintain pursuant to this Declaration, any easement or other agreement.

(b) The Association shall also have the right to enter any Lot without the consent of the Owners and/or occupants thereof, to conduct any emergency repairs to such Lot as are necessary for the maintenance and protection of the Common Area, any Lot and the Lawn and Garden Areas. The costs of such repairs shall be collectible from the Owner of such Lot in the same manner as assessments as provided in Article 5 herein.

(c) The Association shall be responsible for the maintenance, repair and replacement of any storm water management area or facilities situated within the Common Area that have received final inspection from any governmental authority or agency, including, without limitation, drainage pipes, infiltration trenches, ponds, basins, swales, berms, out-flow control devices, drainage areas, filters, inlets, oil/grit separators and underground facilities, if any. The Association shall also be responsible for the maintenance, repair and replacement of any storm water management area or facilities, including, without limitation, drainage pipes, infiltration trenches, ponds, basins, swales, berms, out-flow control devices, drainage areas, filters, inlets, oil/grit separators and underground facilities, if any, which serve and/or benefit the Property whether or not located within the Common Area (and including any such areas or facilities located upon a Lot) if the Association is responsible therefor pursuant to any easement, agreement or the direction of any governmental authority or agency. Such responsibility may be in the form of contributing the Association's share of the maintenance costs of any storm water management area, facility or equipment pursuant to an easement or agreement which shall be a Common Expense of the Association. The Board of Directors may enter into any such easements and/or other agreements as the Board may deem necessary or desirable for purposes of allocating and/or sharing the costs associated with the maintenance of any storm water management areas, facilities and/or equipment which serve and/or benefit the Property. The Association shall not refuse to accept the conveyance of any such storm water management area, facilities or equipment from the Declarant.

Section 11.3. *Lawn and Garden Area Maintenance.*

(a) The Board of Directors may elect, in its sole discretion, to have the Association assume such maintenance responsibilities with respect to all or any portion of the

Lawn and Garden Area located within any Lot, group of Lots or all of the Lots, as the Board may deem necessary or appropriate, including, without limitation, responsibility for mowing, fertilizing, trimming, pruning and/or otherwise maintaining all or any portion of the grass, shrubs, bushes, trees and other planted materials, and any replacements thereof, as may be located within the Lawn and Garden Area. Maintenance of the Lawn and Garden Area by the Association shall be with such frequency and in conformity with such standards as may be established by the Board of Directors from time to time. In the event that the Board of Directors elects to assume such maintenance responsibilities, all costs of such maintenance shall be assessed only against the Owners of Lots that contain Lawn and Garden Area maintained by the Association; provided, however, that an Owner that elects, as provided below in this Section, to maintain a Lawn and Garden Area that would otherwise be maintained by the Association shall not be entitled to any reimbursement from the Association or reduction in the assessments levied against such Owner's Lot.

(b) Any Owner may request that the Association refrain from performing all or any part of the Lawn and Garden Area maintenance described above. Such a request must be made to the Association at least thirty (30) days prior to the date the Owner desires the Association to refrain from such maintenance. The Association shall not unreasonably withhold approval of such request, provided the Owner has demonstrated to the satisfaction of the Association his or her intention to maintain the Lawn and Garden Area, as applicable, in a manner acceptable to the Association. In the event an Owner elects to maintain the Lawn and Garden Area situated on his or her Lot pursuant to the terms hereof, such Owner shall not be entitled to any reimbursement from the Association or reduction in the assessments levied against such Lot.

(c) If the Board of Directors elects not to maintain the Lawn and Garden Area within any Lot, and in the event that the Owner of such Lot shall fail to maintain the Lawn and Garden Area within such Owner's Lot in a manner consistent with good property management and the Community-Wide Standard, the Association or its agent shall have the right to enter upon said Lot to repair, maintain and restore the Lawn and Garden Area therein. 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 repair, maintenance or restoration shall be collectible from the Owner of such Lot in the same manner as assessments as provided in Article 5 hereof.

Section 11.4. *Additional Maintenance Responsibilities.* The Association or Declarant may, by adoption of one or more rules and regulations or through the recordation of any Declaration of Annexation, increase, decrease, change or clarify the Association's maintenance responsibilities with respect to all or any portion of the Property including, without limitation, to reflect the terms of any contract or other agreement or because the level and quality of service then being provided is not consistent with the Property Standards, in the opinion of Declarant or the Board of Directors, as the case may be. In such event, increased or decreased costs of such maintenance shall be assessed only against those Owners receiving the services.

Section 11.5. *Limitation of Association Liability.* The Association shall not be liable for any damage to any Lots, improvements thereon, or personal property therein which may result in connection with any maintenance or other activities performed by or on behalf of the

Association pursuant to this Declaration or the other Governing Documents or that originates from or is related to the Common Area or Community Facilities, except to the extent required under the provisions of Section 10.15 of this Declaration and/or to the extent due to the gross negligence or willful misconduct of the Association.

ARTICLE 12 **MANAGEMENT**

Section 12.1. *Management Agent.* The Association may employ one or more management agents or managers ("**Management Agent**") at a rate of compensation determined in the discretion of the Board of Directors. The Management Agent shall perform such duties and services as the Board of Directors shall from time to time authorize in writing, including, but not limited to, the following:

- (a) Establishing and providing for the collection of the Assessments and the enforcement of liens therefore in a manner consistent with applicable law and this Declaration;
- (b) Designating, hiring and dismissing such personnel as may be required for the good working order, maintenance and efficient operation of the Association and Common Area; and
- (c) Providing such other services for the Association as may be consistent with applicable law and this Declaration.

Section 12.2. *Duration of Management Agreement.* Any management agreement entered into by the Association shall provide, among other things, that such agreement may be terminated for cause by either party upon thirty (30) days' written notice thereof to the other party, and without cause, upon ninety (90) days written notice. The term of any such management agreement shall not exceed two (2) years, provided, however, that the term of any such management agreement may be renewable by mutual agreement of the parties for successive periods not in excess of two (2)-years.

ARTICLE 13 **LEASING AND TRANSFERS**

Section 13.1. *Notice to Tenants.* All leases shall (i) contain provisions advising the tenant of his or her obligation to comply with all provisions of this Declaration, the Bylaws and the rules and regulations of the Association, and (ii) provide that the Association shall have the right to terminate the lease upon default by the tenant in observing any of the provisions of this Declaration, the Bylaws or rules and regulations of the Association, or of any other document, agreement or instrument governing the Lots and/or the Property, provided however, that the tenant and Owner are given not less than forty-eight (48) hours prior written notice of any such default and twenty-four (24) hours within which to cure any such default prior to the Association taking any action to terminate a lease. The Owner(s) of a leased Lot shall notify the Association in writing of the Owners' current address. The Owner(s) of a leased Lot shall be jointly and severally liable with his tenant(s) to the Association to pay 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

Association, whether before or after such lease was entered into. Prior to the sale, conveyance or transfer of any Lot to any person, the Owner shall notify the Board of Directors in writing of the name and address of the person to whom the proposed sale, conveyance or transfer is to be made and provide to it such other information as the Board of Directors may reasonably require. Failure to comply with the provisions of this Article 13 shall not void, prohibit or otherwise invalidate the sale, conveyance or transfer of any Lot nor may it have any effect upon any mortgage or deed of trust thereon.

ARTICLE 14

ENFORCEMENT; REMEDIES

Section 14.1. *Enforcement.* The Governing Documents shall apply to all Owners and other Members, and the Residents, employees, agents, guests, tenants, and invitees of any Lot and their respective representatives, employees, agents, and contractors. Declarant, the Association, any Owner, and any Member shall have the right to enforce, 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 the Governing Documents and any rule or regulation promulgated by the Association pursuant to its authority as provided in the Governing Documents. Failure by Declarant, the Association, any Owner or Member to enforce any covenant or restriction of the Governing Documents or rules and regulations of the Association 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 provision of the Governing Documents or rules and regulations of the Association cannot be adequately remedied exclusively by action at law or by recovery of damages. Failure to comply with any of the terms of the Governing Documents, or rules and regulations of the Association shall be grounds for relief, including without limitation an action to recover any sums due for money damages, injunctive relief, foreclosure of the lien for payment of all Assessments pursuant to Article 7, any other relief provided for in the Governing Documents and any other relief afforded by a court of competent jurisdiction, all of which relief may be sought by the Association, the Board of Directors, the Management Agent, Declarant or, if appropriate, by any aggrieved Owner or Member and shall not constitute an election of remedies. If the Association, Declarant, any Owner or Member successfully brings an action to extinguish a violation or otherwise enforce the provisions of the Governing Documents or rules and regulations of the Association, the prevailing party shall be entitled to recover the reasonable costs of such action, including legal fees costs of such action, which shall become a binding, personal obligation of the Owner or Member committing or responsible for such violation, and such costs shall also be collectible in the same manner as any other Assessment under the Governing Documents.

Section 14.2. *Arbitration.*

(a) Notwithstanding any provision of this Declaration, the Bylaws, or Articles of Incorporation to the contrary, if, after good faith efforts to negotiate a satisfactory solution have failed, any dispute that cannot be resolved between (i) the Declarant (including any of the Declarant's employees, agents, or contractors) and (ii) the Association and/or any Owner or Owners, will be submitted to arbitration in accordance with this Section, unless an alternative dispute resolution procedure is agreed to by the parties to the dispute. As used in this Section, the term "dispute" includes any controversy or claim, including, without limitation, any claim

based on contract, tort, or statute, arising out of or relating to (1) the rights or obligations of such parties under this Declaration, the Bylaws, Articles of Incorporation, or any rules promulgated by the Board of Directors or (2) the design, construction, or warranty of the Common Area. Upon the request of a party to a dispute, the issue shall be referred to the nearest office of Judicial Arbitration & Mediation Services, Inc. ("JAMS"), or its successor, for resolution by final and binding arbitration before a retired judge or justice from the JAMS panel.

(b) Either party may commence the arbitration process called for in this Section by filing a written demand for arbitration with JAMS, with a copy to the other party. The arbitration shall be conducted at a location determined by the arbitrator in the Washington, D.C. metropolitan area and will be administered in accordance with the provisions of JAMS' Comprehensive Arbitration Rules and Procedures in effect at the time of filing of the demand for arbitration, or such other rules and procedures that are agreed to by all parties. The parties covenant that they will participate in the arbitration in good faith and that they will share equally in the fees and expenses of the arbitrator.

(c) The arbitrator shall determine which is the prevailing party and shall include in the award payment by the non-prevailing party of the prevailing party's reasonable attorneys' fees and expenses. The provisions of this Section and any judgment rendered by the arbitrator may be enforced by any court of competent jurisdiction, and the party seeking enforcement shall be entitled to an award of all costs, fees and expenses, including attorneys' fees, to be paid by the party against whom enforcement is ordered.

EVERY OWNER, MORTGAGEE, AND ALL OTHER PARTIES WITH AN INTEREST IN ANY PORTION OF THE PROPERTY COVENANT AND AGREE TO HAVE ALL DISPUTES DECIDED BY NEUTRAL ARBITRATION IN ACCORDANCE WITH THIS SECTION AND RELINQUISH ANY RIGHTS THAT MAY BE AVAILABLE TO HAVE SUCH MATTERS LITIGATED IN A COURT OR BY JURY TRIAL, INCLUDING JUDICIAL RIGHTS TO DISCOVERY AND APPEAL. THE REFUSAL BY A PARTY TO SUBMIT TO ARBITRATION IN ACCORDANCE WITH THIS SECTION MAY RESULT IN THE PARTY BEING COMPELLED TO ARBITRATE UNDER FEDERAL OR STATE LAW.

Section 14.3. Fines. In addition to the means for enforcement provided elsewhere herein, the Association shall have the right to levy fines against an Owner or Residents, employees, agents, guests, tenants, and invitees of any Lot, in the manner set forth herein, and such fines shall be collectible in the same manner as any other assessment such that the Association shall have a lien against the Lot of such Owner as provided in this Declaration and such fine(s) shall also become the binding personal obligation of such Owner.

(a) The Board of Directors shall be charged with determining whether there is probable cause that any of the provisions of the Governing Documents are being or have been violated. In the event that the Board of Directors determines an instance of such probable cause, the Board shall 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 a reasonable amount established by the Board for each offense. The amount of the fine shall be based upon the costs and inconvenience caused to the Association and shall not be a penalty. 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 the violation 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 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 14.3(d) 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; provided, that a fine levied against an Owner of a Lot shall only constitute a lien against the Lot to the extent that the Lot has a separate real estate tax assessment identification number. Nothing herein shall be construed to interfere with any right that an Owner may have to obtain from a violator occupying or visiting such Owner's Lot payment of the amount of any fine(s) assessed against that Lot. Notwithstanding the foregoing, no fines shall be assessed against the Declarant or any Lot owned by the Declarant.

Section 14.4. Towing. The Association shall be entitled to involuntarily remove any vehicle violating the provisions of this Declaration.

Section 14.5. No Limitation. 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.

ARTICLE 15

INSURANCE

Section 15.1. Required Coverage.

(a) The Board of Directors of the Association, or its duly authorized agent, shall be required to obtain, maintain and pay the premiums, as a Common Expense, upon a

policy of hazard insurance covering the Common Area and any property required to be insured by the Association pursuant to any easement or lease agreement (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 Area of the Association or such other property which the Association may insure, as well as common personal property and supplies.

(b) The hazard insurance policy shall afford, as a minimum, protection against loss or damage by fire and all 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, and shall name the Association as a named insured. The insurance should cover one hundred percent (100%) of the current replacement cost (less a reasonable deductible) of the insured property. Coverage need not include land, foundations, excavations or other items that are usually excluded from insurance coverage. Unless a higher maximum amount is required pursuant to the law of the State of Maryland, the maximum deductible amount for coverage of the Common Area is the lesser of Ten Thousand Dollars (\$10,000.00) or one percent (1%) of the policy face amount. The funds to cover this deductible amount should be included in the Association's operating reserve account.

(c) Each hazard insurance policy must be written by a hazard insurance carrier which has a current rating by the Best's Key Rating Guide of B/III or better (or its equivalent). Each insurer must be specifically licensed or authorized by law to transact business within the State of Maryland. The policy contract shall provide that no assessment may be made against the mortgagee, and that any assessment made against others may not become a lien on the mortgaged Lot superior to the First Mortgage.

(d) The hazard insurance policy must provide that the insurance carrier shall notify the Association and each mortgagee named in the mortgagee clause in writing at least ten (10) days before it cancels or substantially changes the Association's coverage. In addition, each Eligible Mortgagee shall receive timely written notice of any lapse, material modification or cancellation of any insurance policy covering the Common Area.

(e) All policies of hazard insurance must contain or have attached the standard mortgagee clause commonly acceded by private institutions as mortgage investors in the area in which the mortgaged premises are located. The following endorsements are also required: (i) an Inflation Guard Endorsement (if reasonably available); (ii) a Construction Code Endorsement if the Common Area is subject to a construction code provision which would become operative and require changes to undamaged portions of any structures, even when only part of a structure is destroyed by an insured hazard or peril, and (iii) a Steam Boiler and Machinery Coverage Endorsement if any structure within the Common Area has central heating or cooling, which should provide for the insurer's minimum liability per accident per location to be at least equal to the lesser of Two Million Dollars (\$2,000,000.00) or the insurable value of the structure(s) housing the boiler or machinery.

(f) If the Common Area is located in a Special Flood Hazard Area designated as A, AE, AH, AO, A1-30, A-99, V, VE, or V1-30 on a Flood Insurance Rate Map, the

Association must maintain a "master" or "blanket" policy of flood insurance on the Common Area. The amount of flood insurance shall be at least equal to the lesser of one hundred percent (100%) of the insurable value of all structures and improvements situated in such Special Flood Hazard Area or the maximum coverage available under the applicable National Flood Insurance Administration program. Unless a higher deductible amount is required under the laws of the State of Maryland, the maximum deductible amount for flood insurance policies shall be the lesser of Five Thousand Dollars (\$5,000.00) or one percent (1%) of the policy's face amount. The funds to cover this deductible amount should be included in the Association's operating reserve account.

(g) The Association shall obtain and maintain a comprehensive general liability policy of insurance covering the Community Facilities and all of the Common Area, public ways and any other areas that are under the Association's supervision. The policy should provide coverage for bodily injury (including death) and property damage that results from the operation, maintenance or use of the Common Area and Community Facilities and any legal liability that results from law suits related to employment contracts in which the Association is a party. Supplemental coverage to protect against additional risks should also be obtained, if required by a mortgagee. Such insurance policy shall contain a "severability of interest" endorsement which shall preclude the insurer from denying the claim of an Owner because of negligent acts of the Association or other Owners. Liability coverage shall be at least One Million Dollars (\$1,000,000.00) per occurrence, for bodily injury and property damage, unless higher amounts of coverage are required by a mortgagee. The liability policy must provide that the insurance carrier shall notify the Association in writing at least ten (10) days before it cancels or substantially modifies the Association's coverage.

Section 15.2. Fidelity Coverage. Blanket fidelity insurance shall be maintained by the Board of Directors 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 in accordance with Section 11B-111.6 of the Act. Where the Board of Directors has delegated some or all of the responsibility for the handling of funds to a management agent, such management agent shall be covered by its own fidelity insurance policy which must provide the same coverage as fidelity insurance maintained by the Board of Directors. Except for fidelity insurance that a management agent obtains for its personnel, all other fidelity insurance policies should name the Association as the insured and should have their premiums paid as a Common Expense by the Association. Fidelity insurance obtained by a management agent shall name the Association as an additional insured. The total amount of fidelity coverage required should be sufficient to cover the maximum funds (including reserve funds) that will be in the custody of the Association or management agent at any time while the fidelity insurance policy is in force, and should at least equal the sum of three (3) months aggregate assessments on all Lots within the Association, plus any reserves. Fidelity insurance policies should contain waivers by the insurers of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees", or similar terms or expressions. The fidelity insurance policies should provide that they cannot be canceled or materially modified (including cancellation for non-payment of premium) without at least ten (10) days prior written notice to the Association.

Section 15.3. *Repair and Reconstruction of Common Area After Fire or Other Casualty.* In the event of damage to or destruction of any portion of the Common Area 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 shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration, as appropriate. Promptly after a casualty causing damage or destruction of any portion of the Common Area for which the Association has 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 Area in as good a condition as existed prior to the casualty. Such costs may include, without limitation, professional fees and premiums for such bonds as the Board of Directors may desire.

Section 15.4. *Additional Insurance.* The Board shall obtain such other insurance policies as may be required by law or as the Board shall deem appropriate in its reasonable business judgment.

Section 15.5. *Lot Insurance.* By virtue of taking title to a Lot, each Owner of a Lot covenants and agrees that they shall carry blanket all risk casualty insurance on the dwelling and all structures located upon their Lot. At a minimum, such coverage shall provide coverage against loss or damage by fire or other hazards in an amount sufficient to cover the full replacement cost of any repair or reconstruction work in the event of damage or destruction from any insured hazard. The Board of Directors of the Association, or its duly authorized agent, shall have the authority to obtain insurance for all or any of improvements on the Lots, unless the Owners thereof have supplied proof of adequate coverage to the Board of Directors' satisfaction. The Board of Directors and the Association shall incur no liability to any Owner or Mortgagee in the event that the Board of Directors or the Association shall elect not to exercise their authority to obtain such insurance. In the event the Board of Directors obtains insurance for any Lot pursuant to this Section, the cost thereof shall be assessed against the Lot benefiting from such insurance and shall be collectible in the same manner as any other assessment under Article 5 of this Declaration. Each Owner of a Lot further covenants and agrees that in the event of a partial loss or damage and destruction resulting in less than total destruction to the dwelling and other structures constructed on the Lot, the Owner shall proceed promptly to repair or to reconstruct the dwelling and other damaged structures in a manner consistent with the original construction. Each Owner of a Lot covenants and agrees that in the event that such dwelling is totally destroyed, the Owner shall proceed promptly to repair or to reconstruct the dwelling in a manner consistent with the original construction, unless approval to do otherwise is obtained from the Board of Directors.

ARTICLE 16

NEIGHBORHOOD COMMITTEES

Section 16.1. *Function.* Owners within the Property may serve on Neighborhood Committees, which may be established in accordance with this Article and any resolution adopted by the Board of Directors. Neighborhood Committees shall serve in an advisory capacity with respect to issues and matters that relate to or are of particular concern to the Owners or lessees of the Neighborhoods represented by such Neighborhood Committees.

Section 16.2. *Neighborhood Committee Membership.* Each Neighborhood Committee shall consist of individuals who shall be designated by the Board of Directors from among the Owners and lessees of Lots within the Neighborhood represented by such Neighborhood Committee and who shall serve at the pleasure of the Board of Directors.

Section 16.3. *Neighborhood Committee Operations.* Each Neighborhood Committee shall be responsible for establishing the rules and procedures applicable to its activities, provided that such rules and procedures shall require the approval of the Board of Directors and provided further that the right of all Owners and/or residents and/or lessees of Lots within the Neighborhood served by any Neighborhood Committee to meaningful participation in the Neighborhood Committee shall not be abridged. Neighborhood Committees shall provide all Owners and/or Residents and/or lessees within their Neighborhood and the Board of Directors with reasonable prior notice of all Neighborhood Committee meetings and all such meetings shall be open to all Owners and their guests in accordance with the Bylaws. Each Neighborhood Committee shall designate one of its members as spokesperson for purposes of all meetings of the Board of Directors and other Association committee meetings attended by the Neighborhood Committee. The designated spokesperson shall be the only member of the Neighborhood Committee entitled to express the committee's views at any such meeting.

Section 16.4. *Neighborhood Committee Authority.* Neighborhood Committees shall generally be provided with a reasonable prior opportunity to comment, either in person or in writing, on proposed actions by the Board of Directors and all other Association committees that relate to the Neighborhood served by such Neighborhood Committee. Neighborhood Committees shall serve as an advisory committee to the Board of Directors with respect to issues and matters of particular concern to the Owners and/or residents and/or lessees of the Neighborhood represented by such Neighborhood Committee, including, but not limited to, the amount of Neighborhood Assessments and the manner of the maintenance and repair of Neighborhood Common Area within the Neighborhood. The recommendations of a Neighborhood Committee shall not be binding on the Board of Directors; provided, however, that the Board of Directors shall make a reasonable effort to implement such recommendations unless to do so would not be in the best interests of the Association as determined by the Board of Directors, in its sole discretion.

Section 16.5. *Further Neighborhood Committee Provisions.* The Board of Directors may adopt Administrative Resolutions further defining the authority of Neighborhood Committees, as well as Administrative Resolutions establishing further rules and procedures to be followed by the Neighborhood Committees in connection with the exercise of such authority.

ARTICLE 17

PARTY WALLS AND FENCES

The rights and duties of the Owners of Lots with respect to party walls and party fences constructed as a part of the original construction on the Property shall be governed by the following:

Section 17.1. *General Rules of Law to Apply.* Each wall or fence which is constructed as a part of the original construction on the Property and any part of which is placed on the dividing line between separate Lots, shall constitute a party wall or party fence, as applicable, and

with respect to such wall or fence, each of the adjoining Owners shall assume the burdens, and be subject to an easement for that portion of the wall or fence on his or her Lot, and be entitled to the benefits of these restrictive covenants and, to the extent not inconsistent herewith, the general rules of law regarding party walls and fences and of liability for property damage due to negligence or willful acts or omissions, shall apply thereto.

Section 17.2. *Sharing of Repair and Maintenance and Destruction by Fire or Other Casualty.* If any such party wall or fence is damaged or destroyed by fire or other casualty or by some cause other than the act of one of the adjoining Owners, his or her agents, or family (including ordinary wear and tear and deterioration from lapse of time), then, in such event, both such adjoining Owners shall proceed at their joint expense forthwith to rebuild or repair the same to as good condition as formerly.

Section 17.3. *Repairs of Damage Caused by One Owner.* If any such party wall or fence is damaged or destroyed through the act of one adjoining Owner or any of his or her agents or guests or members of his or her family so as to deprive the other adjoining Owner of the full use and enjoyment of such wall or fence, then the Owner responsible for such damage shall forthwith proceed to rebuild and repair the same to as good condition as formerly, without cost to the adjoining Owner.

Section 17.4. *Damage by Exposure.* If any party wall is damaged by reason of exposure to the elements caused by the negligence or intentional acts of the Owner or occupant(s) of a Lot sharing the use of such party wall, the Owner of such Lot shall be responsible to promptly repair such party wall at such Owner's sole expense.

Section 17.5. *Encroachments.* If any portion of a party wall or fence shall encroach upon any adjoining Lot, or upon the Common Area by reason of reconstruction, settlement or shifting of any building, or otherwise, a valid easement for the encroachment and for the maintenance of the same as long as the wall or fence shall exist.

Section 17.6. *Right to Contribution Runs with Land.* The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

ARTICLE 18

GENERAL PROVISIONS

Section 18.1. *Common Area Responsibility.* The Association shall be responsible for the exclusive management and control of the Common Area the Community Facilities, and any property, real or personal, for which the Association is delegated responsibility pursuant to the Governing Documents, easement, lease, or agreement, and all improvements thereon, including, without limitation, furnishings and equipment related thereto, private drainage facilities, and common landscaped areas. Without limiting the generality of the foregoing, property in addition to the Common Area that the Association may assume responsibility for operating and maintaining may include any Access Areas within any Lot, if agreed to by the Board of Directors and the Owner of such Lot. The Association shall keep the Common Area, Community Facilities and any

other property for which it has maintenance responsibilities in good, clean, attractive, and sanitary condition, order, and repair, pursuant to the terms and conditions hereof.

Section 18.2. *Security and Safety; Limitation of Liability.*

(a) Neither the Association, Declarant, any affiliate of Declarant, nor any of their respective successors or assigns, shall in any way be considered bailees, insurers or guarantors of security within the Property, nor shall any of them be held liable for any loss or damage by reason of failure to provide adequate security or any ineffectiveness of security measures undertaken. No representation or warranty is made or implied that any fire protection system, burglar alarm system or other surveillance system or measures, including, without limitation, any mechanism or system for limiting access to the Property, cannot be compromised or circumvented, nor that any such systems or security measures undertaken will in all cases prevent loss or provide the detection or protection for which the system or security measures were designed or intended. Nothing in this Section shall be deemed in any way to obligate the Association, Declarant, any affiliate of Declarant, nor any of their respective successors or assigns, to provide for or insure the general safety of any persons or property within any portion of the Property or the Community Facilities or to provide any fire protection system, burglar alarm system or other surveillance system, security access system, or similar measures with respect to any portion of the Property or Community Facilities.

(b) Each Owner acknowledges, understands and covenants to use reasonable efforts to inform its tenants, and employees, occupants, guests, agents, and invitees of its Lot that the Association, Declarant, any affiliate of Declarant, and their respective successors and assigns, are not insurers and that each person using or present within the Property or Community Facilities assumes all risks of personal injury and loss or damage to property, by theft or otherwise, including loss or damage to Lots or personal property, whether such personal property is maintained within a Lot, the Community Facilities or the Common Area.

(c) The Association shall not be liable for any failure of any services to be obtained or provided by the Association or paid for by Assessments, 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 Area, or from any pipe, drain, conduit or the like. No diminution or abatement of Assessments shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the Common Area, or from any action taken by the Association.

(d) The Association hereby assumes all liability, responsibility and duty for the care, operation and maintenance of the Common Areas and Community Facilities and the Association on its own behalf, and on behalf of its successors and assigns, shall indemnify and hold harmless Declarant and its members, shareholders, directors, officers, managers, agents and employees, affiliates, successors and assigns and any other person or entity to whom such indemnified parties may have liability in indemnity or otherwise from any loss, liability or damage (including attorneys' fees and court costs) arising out of or resulting from the failure of the Association to care for, maintain or properly operate the Common Areas and Community Facilities.

(e) Each Owner by taking title to a Lot acknowledges and agrees that the use of the Common Area and Community Facilities, including without limitation services, and equipment or premises, involves risk of injury to persons and each Owner and their family members, guests, and tenants assumes full responsibility for such risks. Each Lot Owner and their family members, guests, and tenants hereby releases and holds harmless Declarant, and its members, shareholders, directors, officers, managers, agents and employees, affiliates, successors and assigns and any other person or entity to whom such released parties may have liability in indemnity or otherwise from all liability for any loss or damage, and forever gives up any claim or demands therefore, on account of injury to their person or property, including injury leading to death, whether caused by the active or passive negligence of the Declarant or otherwise, to the fullest extent permitted by law, while such person is in, upon, or about the Common Areas or using any Community Facilities, services, or equipment.

Section 18.3. *Personal Property and Real Property for Common Use.* The Association may acquire, lease, hold, and dispose of tangible and intangible personal property and real property, subject to the requirements of this Declaration. The Board of Directors, acting on behalf of the Association, shall accept any real or personal property, leasehold, or other property interests within the Property conveyed to it by Declarant.

Section 18.4. *Implied Rights.* The Association may exercise any right or privilege granted to it expressly by the Governing Documents or any lease, easement or other agreement or document affecting the Association, and every other right or privilege reasonably to be implied from the existence of any right or privilege granted to the Association under the Governing Documents or reasonably necessary to effectuate any such right or privilege.

Section 18.5. *Severability.* Invalidation of any one of the covenants, restrictions or other provisions of this Declaration by judgment or court order shall in no way affect any other provisions, which shall remain in full force and effect.

Section 18.6. *Duration and Amendments.* All covenants, conditions and restrictions set forth in this Declaration shall run with and bind the land and shall be perpetual unless expressly stated otherwise in this Declaration. Except as provided in this Declaration, including, without limitation, Section 18.7 below, this Declaration may be amended by an instrument signed by, or the affirmative vote of (i) Members representing two-thirds (2/3) of the votes entitled to be cast by all Members, and (ii) by Declarant during the Declarant Control Period. Agreement of the required majority of Owners and Declarant (if applicable) to such amendment of this Declaration shall be evidenced by their execution of the amendment, or ratification thereof, and shall become effective only when a copy of the amendment is recorded in the Land Records, together with a certification, signed by the principal officer of the Association, that the requisite majority of the Owners and Declarant (if applicable) signed the amendment or ratification thereof.

Section 18.7. *Changes and Modifications by Declarant.*

(a) Notwithstanding Section 18.6 above but subject to Section 18.10 below, Declarant shall have the right, during the Declarant Control Period, without the consent of any Owner, Member, or any other party, to modify, amend or change any of the provisions of this Declaration or other Governing Documents as Declarant may reasonably deem necessary or

desirable (i) to correct errors or omissions herein; (ii) to bring any provision of this Declaration into compliance with any applicable governmental statute, rule, regulation, or judicial determination which is in conflict therewith; (iii) to conform to changes in the Development Plan; (iv) to enable any reputable title insurance company to issue title insurance coverage with respect to any portion of the Property; (v) to enable any institutional or governmental lender, purchaser, insurer or guarantor of mortgage loans to make, purchase, insure or guarantee such mortgage loans; (vi) to satisfy the requirements of any governmental or quasi-governmental agency; (vii) to assign any of Declarant's rights under this Declaration; and (viii) to update any Exhibits to this Declaration. Declarant also has the right, without the consent of any Owner, Member, or any other party, to record Declarations of Annexation and instruments of de-annexation pursuant to Article 2 of this Declaration and to assign any of Declarant's rights pursuant to Section 18.12 below. Notwithstanding the foregoing, the principal officer of the Association may also unilaterally execute and record a corrective amendment or supplement to the Governing Documents to correct any (i) mathematical mistake, (ii) inconsistency or scrivener's error; or (iii) to clarify any ambiguity in the Declaration with respect to an objectively verifiable fact upon the vote of at least two-thirds (2/3) of the members of the Board of Directors.

(b) Notwithstanding Section 18.6 above but subject to Section 18.10 below, Declarant shall have the right, during the Declarant Control Period, without the consent of any Owner, Member, or any other party, to enter into any and all zoning approvals, preliminary plans, site plans, plats, public works agreements, dedication deeds and agreements, development agreements, applications, permits, easements, licenses, and amendments to any of the foregoing, and any other instruments as Declarant may from time to time be deemed necessary or desirable in connection with the development of the Property.

(c) Notwithstanding any provision of the Governing Documents but subject to Sections 18.7(d) and 18.10 below, there is hereby reserved unto Declarant an irrevocable power of attorney, coupled with an interest, for the purpose of executing, acknowledging and delivering on behalf of all Owners, contract purchasers of any portion of the Property, Mortgagees, other lienholders, and any other parties having any legal or equitable interest in any portion of the Property (collectively "**Interested Parties**" and individually an "**Interested Party**"), any and all instruments contemplated in Sections 18.7(a) and (b) above. Each Interested Party shall be deemed to have consented to all such instruments and shall be deemed to have granted unto Declarant an irrevocable power of attorney, coupled with an interest, to effectuate, execute, acknowledge and deliver any such instruments. Further, each Interested Party shall be deemed to have agreed and covenanted to execute such further assurances and instruments, if any, as may be required by Declarant and its successors or assigns, to properly accomplish such purposes. The power of attorney provided for in this Section is expressly declared and acknowledged to be coupled with an interest and the same shall run with the title to all Lots and shall be binding upon the heirs, personal representatives, successors, transferees and assigns of all Interested Parties. Further, such power of attorney shall not be affected by the death or disability of any principal and is intended to deliver all right, title and interest of the principal in and to the power of attorney.

(d) Notwithstanding the above provisions of this Section 18.7, any amendment or instrument entered into by Declarant as contemplated by this Section 18.7 that

would have a material adverse effect on the use and operation of any Lot for its intended purpose shall require the written consent of the Owner of such Lot.

Section 18.8. *Casualty Losses.* In the event of substantial damage or destruction to any of the Common Area, the Association shall give prompt written notice of such damage or destruction to each Eligible Mortgagee. No provision of the Governing Documents shall entitle any Owner to any priority over the holder of any First Mortgage of record on such Owner's Lot with respect to the distribution to such Owner of any insurance proceeds paid or payable on account of any damage or destruction of any of the Common Area.

Section 18.9. *Condemnation or Eminent Domain.* In the event any part of the Common Area is made the subject matter of any condemnation or eminent domain proceeding, or is otherwise sought to be acquired by any condemning authority, the Association shall give prompt written notice of any such proceeding or proposed acquisition to each Eligible Mortgagee. No provision of the Governing Documents shall entitle any Owner to any priority over the holder of any First Mortgage of record on such Owner's Lot with respect to the distribution to such Owner of the proceeds of any condemnation or settlement relating to a taking of any of the Common Area.

Section 18.10. *Notice to Eligible Mortgagees; Deemed Consent.*

(a) The Association shall give prompt written notice to each Eligible Mortgagee of (and each Owner hereby consents to, and authorizes such notice):

(i) Any condemnation loss or any casualty loss which affects a material portion of the Common Area;

(ii) Any delinquency in the payment of Assessments or charges owed by an Owner whose Lot is subject to a First Mortgage or security interest held, insured, or guaranteed, by such Eligible Mortgagee which remains uncured for a period of sixty (60) days;

(iii) Any lapse, cancellation, or material modification of any insurance policy or fidelity insurance maintained by the Association; or

(iv) Any other significant matters related to the Association that would affect the interest of the Eligible Mortgagee.

(b) To be entitled to receive notice of the matters set forth in this Section, the Eligible Mortgagee must send a written request to the Association, stating both its name and address and the unit designation or address of the Lot on which it has (or insures or guarantees) the Mortgage.

(c) With the exception of any amendment or action that may alter the priority of the lien of a Mortgage, materially impair or affect a Lot as collateral or the right of any Mortgagee to foreclose on a Lot, any Eligible Mortgagee that is notified of any other matter for which it is entitled to notice under this Section 18.10 or otherwise (such notice to be delivered by certified or registered mail, return receipt requested), and that fails to respond within sixty (60) days of receipt of such notice shall be deemed to have consented, if applicable, to the matter of

which the Eligible Mortgagee was provided notice. In addition, to the extent the Association seeks the consent of any other Mortgagee for any such matter, notice of such matter shall be delivered by certified or registered mail, return receipt requested to the address supplied by such Mortgagee or if no address is supplied, to the address of the Mortgagee filed in the Land Records or with the local tax assessor's office, and if such Mortgagee fails to respond within sixty (60) days of receipt of such notice, such Mortgagee shall be deemed to have consented, if applicable, to the matter of which the Mortgagee was provided notice. Any notice requesting the consent of any Eligible Mortgagee or other Mortgagee shall contain a conspicuous statement that such Mortgagee's consent shall be deemed to have been given if the Mortgagee fails to respond within the time period set forth in this Section. Nothing in this Section shall be deemed to require that the Association provide notices or requests to Mortgagees other than Eligible Mortgagees unless expressly required by the Governing Documents.

(d) Written notice of any default by an Owner under the Governing Documents shall be provided simultaneously to any Eligible Mortgagee of the subject Lot. Such notice shall provide the Eligible Mortgagee with the right to cure such default (a) within a period of thirty (30) days after the notice is given for defaults in failing to pay assessments or other charges in accordance with the Governing Documents, or (b) within a period of sixty (60) days after the notice is given for non-monetary defaults or such longer period as may be reasonably necessary under the circumstances provided that a cure is commenced within such sixty (60)-day period and is diligently being pursued to completion (each a "Cure Period"). In order to allow the Eligible Mortgagee to cure such default, neither the Association nor any Owner shall exercise any remedies with respect to a default during the applicable Cure Period except to the extent that the default affects health or safety or materially interferes with the use of any Lot or Common Area for its intended purpose.

Section 18.11. Taxes and Assessments. It is the intent of this Declaration that inasmuch as the interests of each Owner to use and enjoy the Common Area, , Community Facilities and any other property to which such Owner may have a right of use and enjoyment, are interests in real property appurtenant to each Lot, the value of the interest of each Owner in such Common Area or other property shall be included in the tax assessment for each such Lot. As a result, any tax assessment directly against such Common Area or other property for which the Association is responsible for the payment of real estate taxes shall be of a nominal nature reflecting that the full value of the same should be included in the several tax assessments of the various Lots. Notwithstanding the foregoing, any property taxes assessed against any Common Area and Community Facilities shall be a Common Expense.

Section 18.12. Rights of the Maryland-National Capital Park and Planning Commission ("Commission" herein). 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 without the prior written consent of the Commission, which consent shall not be unreasonably withheld or delayed:

(a) make any annexations or additions other than as provided for pursuant to Section 2.2 of Article 2 of this Declaration; or

(b) abandon, partition, dedicate, subdivide, encumber, sell or transfer any of the Common Area 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 Area and Community Facilities by the Members of the Association shall not be considered a transfer within the meaning of this Section; or

(c) abandon or terminate the Declaration; or

(d) modify or amend any material or substantive provision of this Declaration, or the Bylaws or the Articles of Incorporation of the Association; or

(e) merge or consolidate the Association with any other entity or sell, lease, exchange or otherwise transfer all or substantially all of the assets of the Association to any other entity; or

(f) substantially modify the method of determining and collecting Assessments as provided in this Declaration.

The Commission shall have the right to bring action for any legal or equitable relief necessary to enforce the rights and powers granted to the Commission hereunder.

Section 18.13. *Successors of Declarant.* Any and all rights, reservations, easements, interests, exemptions, privileges and powers of Declarant under this Declaration or other Governing Documents, or any part of them, may be expressly assigned and transferred, exclusively or non-exclusively, by Declarant by an instrument in writing without notice to the Association.

Section 18.14. *No Dedication to Public Use.* Nothing in this Declaration shall be construed as (i) a dedication of any portion of the Property to the general public or for any public use, or (ii) an acceptance for maintenance of any Common Area 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 Area.

Section 18.15. *Declarant Reserved Rights; Declarant Consent.* No supplement or amendment to the Governing Documents may remove, revoke, or modify any right, reservation or privilege of Declarant without the prior written consent of Declarant or any successors or assignees of Declarant pursuant to Section 18.12 of this Declaration. Whenever the consent of Declarant is required under the Governing Documents, such consent may be given or withheld in the sole discretion of Declarant and any affirmative consent shall be in writing.

Section 18.16. *Limitation on Opposition to Development.* During the Declarant Control Period, the Association may not use its financial resources, directly or indirectly, to defray the costs of opposing any development activities which are reasonably consistent with the general intention of the Development Plan, as the same may be amended from time to time.

Section 18.17. *Conveyance of Common Area by Declarant.* Declarant or its affiliates may convey unimproved or improved real property to the Association to be held as Common Area and may construct improvements on any Common Area. The consent of the Association shall not be required for such conveyance or construction. Declarant or its affiliates shall have the right to

permit the Association and its members to enjoy and utilize property that has not been conveyed to the Association but which is intended to be conveyed to the Association as Common Area. The Association shall have the right to maintain such property and levy Assessments for maintenance costs, notwithstanding that such property has not yet been conveyed to the Association.

Section 18.18. Notices.

(a) Except as specifically provided otherwise in the Act or the Governing Documents, all notices, demands, bills, statements or other communications under the Governing Documents shall be in writing and shall be deemed to have been duly given if delivered personally or by fax, e-mail or other form of electronic transmission (subject to Section 18.21(b) below), or by private carrier, overnight courier, or sent by United States mail, postage prepaid. However, a notice to an Owner of a default under the Governing Documents, a hearing by the Association for an alleged default by the Owner, or a lien for Assessments shall be sent to the Owner by certified United States mail, return receipt requested, postage prepaid. If mailed, a notice shall be deemed to be given when deposited in the United States Mail addressed to the Member's address shown in the Association records. However, all notices of a change of address shall be deemed to have been given when received. If a Lot is owned by more than one Member, each such Member who so designates an address in writing to the Secretary shall be entitled to receive all notices hereunder; otherwise, the Member receiving the notice shall have the responsibility for notifying the other Members comprising the Owners of the Lot.

(b) Notices of meetings may be given by a form of electronic transmission in accordance with the specific requirements and restrictions outlined in Section 11B-113.1 of the Act, as such provision may be amended from time to time. A party that consents to electronic notice may require that notice also be sent by another means as a condition to its consent to electronic notice.

(c) Unless sent by electronic transmission pursuant to Section 18.21(b) above, notices shall be addressed as follows:

(i) Notices to Declarant shall be sent to such address as Declarant may provide to the Association from time to time.

(ii) Notices to the Association and/or the Board of Directors shall be sent c/o the Management Agent for the Association.

(iii) Notices to an Owner or Member shall be sent to the Lot address for such Owner or Member or such other address as the Owner or Member may provide to the Association.

(iv) Notices to Eligible Mortgagees shall be sent to the address provided to the Association in accordance with Section 18.10 above.

Section 18.19. Non-Merger. Notwithstanding that any Lots or other portion of the Property may now or in the future be owned by the same person or entity, the easements and rights granted under this Declaration shall not be deemed extinguished by merger or otherwise.

Section 18.20. *Perpetuities.* If any of the covenants, restrictions, or other provisions of this Declaration shall be unlawfully void, or voidable for violation of the rule against perpetuities, then such provision shall continue only until twenty-one (21) years after the death of the last survivor of the now living descendants of Elizabeth II, Queen of England.

Section 18.21. *Recitals.* The recitals to this Declaration are incorporated into and made a substantive part of this Declaration.

Section 18.22. *Exhibits.* All Exhibits attached to this Declaration are made a part of this Declaration and are incorporated into this Declaration by reference.

Section 18.23. *Captions and Gender.* The captions contained in this Declaration are for convenience only and are not a part of this Declaration nor 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, and vice versa.

Section 18.24. *Conflict.* In the event of any conflict between this Declaration and/or the Articles of Incorporation or the Bylaws, the provisions of this Declaration shall control.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused these presents to be duly executed with the intention of making this Declaration a sealed instrument, this 16 day of October, 2017.

WITNESS/ATTEST:

DECLARANT:

CAPITAL COURT TH MD, LLC

By: Capital Court MD, LLC its Manager

By: CCMD, LLC its Manager

Cynthia G. Shank
Cynthia G. Shank
 [Print Name]

By: [Signature]
 Title: Raymond Gottlieb, Manager

* * *

STATE OF Virginia

*

COUNTY OF Virginia Beach

*

to wit:

*

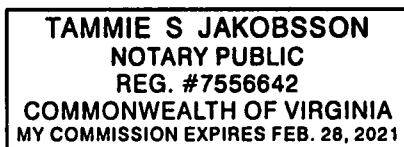
I HEREBY CERTIFY that on the 16 day of October, 2017, before the subscriber, a Notary Public in and for the above jurisdiction, personally appeared Raymond Gottlieb known to me (or satisfactorily proven) to be the manager of Capital Court TH MD, LLC, a Virginia limited liability company and that such person, being authorized to do so, executed the foregoing instrument for the purposes therein contained.

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

Tammie S. Jakobsson
 Notary Public

My Commission Expires: 2/28/2021

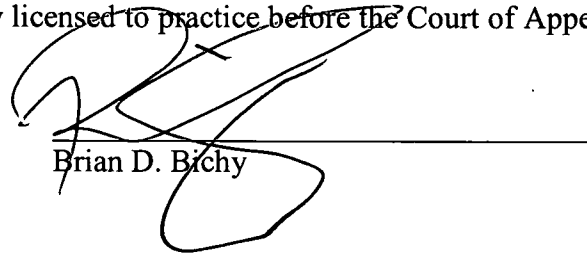
[NOTARIAL SEAL]



* * *

ATTORNEY'S CERTIFICATION

I HEREBY CERTIFY that the foregoing instrument was prepared by or under the supervision of the undersigned, an attorney duly licensed to practice before the Court of Appeals of Maryland.


Brian D. Bichy

Return to:

Brian Bichy

Linowes and Blocher LLP

7200 Wisconsin Ave. Ste. 800

Bethesda, MD 20814

EXHIBIT A

**CAPITAL COURT
KENT (NO. 13) ASSESSMENT DISTRICT
PRINCE GEORGE'S COUNTY MARYLAND**

Being all of the property known as Ownership Parcel B-1 as shown on the subdivision plat entitled "METROPOLITAN BAPTIST CHURCH, PARCEL B (OWNERSHIP PARCELS B-1 & B-2)" recorded among the Land Records of Prince George's County on March 27, 2017 at Plat Book SJH 247, Plat No. 29.

In addition to the rights of the Declarant to modify and amend the foregoing Declaration of Covenants, Conditions and Restrictions as set forth therein, the Declarant reserves the right to amend unilaterally the foregoing Declaration of Covenants, Conditions and Restrictions as may be necessary (i) to correct the legal description set forth on and/or attached as part of this Exhibit "A", (ii) to confirm the lien, operation and effect of the foregoing Declaration of Covenants, Conditions and Restrictions with respect to any lots or parcels that are re-subdivided or subjected to a condominium regime, and (iii) to confirm the lien, operation and effect of the foregoing Declaration of Covenants, Conditions and Restrictions with respect to Lots as they are created.

****L&B 6374297v4/13206.0005**

**AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS AND
RESTRICTIONS FOR CAPITAL COURT HOMEOWNERS ASSOCIATION, INC.**

THIS AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR CAPITAL COURT HOMEOWNERS ASSOCIATION, INC. (this "Amendment") is made on this 5th day of November, 2018, by **CAPITAL COURT TH MD, LLC**, a Virginia limited liability company (referred to herein as the "Declarant").

RECITALS

A. The Declarant recorded the Declaration of Covenants, Conditions and Restrictions among the Land Records of Prince George's County, Maryland (the "**Land Records**") on October 20, 2017 in Book 40139 at page 149 et seq. (the "**Declaration**").

B. Subsequent to the recording of the Declaration, the Declarant subdivided the project into record lots and parcels as shown on the subdivision plats entitled "Capital Court" recorded among the Land Records on December 19, 2017 in Plat Book SJH 248 at Plat Nos. 75-82, as corrected by plats of correction entitled "Plat of Correction Capital Court" recorded among the Land Records on February 2, 2018 in Plat Book SJH 248 at Plat No. 99 and SJH 249 at Plat Nos. 01-04 (collectively the "**Subdivision Plat**").

C. The Declarant wishes to amend and restate the real property described in Exhibit "A" to the Declaration consistent with the lots and parcels created and shown on the Subdivision Plat.

D. Capital Court Apartments MD, LLC, a Virginia limited liability company ("**CC Apartments**") has acquired fee simple title to the real property known as Parcel 1 as shown on the Subdivision Plat to be developed as residential apartments, by Deed dated March 28, 2017 recorded among the Land Records on March 30, 2017 at Book SJH 39334, at page 22 as supplemented by the Deed of Boundary Adjustment dated April 13, 2018 recorded among the Land Records at 40845, at page 191. Parcel 1 includes the real property previously known as Ownership Parcel B-2 as shown on the Ownership Plat entitled "Parcel B (Ownership Parcel B-1 & B-2) Metropolitan Baptist Church" recorded among the Land Records on March 27, 2017, in Plat Book SJH 247, at Plat 29, and also that portion of real property described on Exhibit A attached to the Deed of Boundary Adjustment. Parcel 1 shall not be made subject to the terms, conditions, covenants, restrictions and easements set forth in the Declaration, and neither CC Apartments or any future owner of Parcel 1 shall be a member of Capital Court Homeowners Association, Inc. (the "**Association**").

E. Pursuant to Article 18, Section 18.6 of the Declaration, the Declaration may be amended by the Declarant during the Declarant Control Period. SM Waterford Estates, LLC, a Maryland limited liability company, ("**SM Waterford**") is the owner of certain lots subject to the Declaration and joins and consents to the recording of this Amendment.

NOW THEREFORE, in consideration of the foregoing Recitals incorporated into and made a part of this Amendment, the Declaration is amended as follows.

1. The Declarant hereby declares that all of the real property described on Exhibit "A" to this Amendment shall be held, conveyed, hypothecated, encumbered, sold, leased, rented, used, occupied and improved subject to the covenants, conditions, restrictions and easements set forth in the Declaration, which are for the purpose of protecting the value and desirability of, and which shall run with such real property and be binding on all parties having any right, title or interest in all or any portion of the real property described on Exhibit "A" to this Amendment. Exhibit "A" attached to this Amendment shall amend and restate in its entirety Exhibit "A" attached to the Declaration.

2. The real property known as Parcel 1 and shown on the Subdivision Plat shall not be made subject to the terms, conditions, covenants, restrictions and easements set forth in the Declaration, and neither CC Apartments or any future owner of Parcel 1 shall be a member of the Association.

3. In the event of any inconsistency between the Declaration and this Amendment, this Amendment shall govern. Except as otherwise provided in this Amendment, the terms and provisions of the Declaration remain in full force and effect.

4. The terms of this Amendment shall be binding upon and inure to the benefit of the Declarant, SM Waterford, the Association, CC Apartments and any future owner of Parcel 1, and all future Owners of Lots.

5. Unless otherwise defined in this Amendment, capitalized terms used herein shall have the meanings set forth for them in the Declaration.

6. This Amendment is effective immediately upon its recordation in the Land Records.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the Declarant has caused this Amendment to be executed as of the date first written above.

WITNESS:

DECLARANT:

Cynthia G. Shank

CAPITAL COURT TH MD, LLC

By It's Manager

CCMD, LLC

By It's Manager

[Signature]

Raymond Gottlieb, Manager

STATE OF

*

*

*

to wit:

I HEREBY CERTIFY that on this 22 day of October, 2018, before me, a Notary Public in and for the State of Virginia, personally appeared Raymond Gottlieb, known to me (or satisfactorily proven) to be the manager of Capital Court TH MD, LLC, a Virginia limited liability company, and executed the foregoing instrument on behalf of Capital Court TH MD, LLC for the purposes therein contained.

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

Tammie S. Jakobsson
Notary Public

My Commission Expires: 2/28/2021

[NOTARIAL SEAL]

TAMMIE S JAKOBSSON
NOTARY PUBLIC
REG. #7556642
COMMONWEALTH OF VIRGINIA
MY COMMISSION EXPIRES FEB. 28, 2021

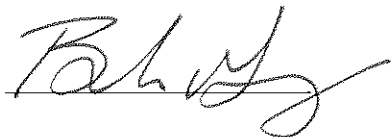
OWNER'S CONSENT

The undersigned, SM Waterford Estates, LLC, a Maryland limited liability company ("**SM Waterford**"), as the owner of certain lots subject to the Declaration of Covenants, Conditions and Restrictions for Capital Court Homeowners Association, Inc. hereby executes this Owner's Consent to evidence its consent to the recording of this Amendment to Declaration of Covenants, Conditions and Restrictions for Capital Court Homeowners Association, Inc.

IN WITNESS WHEREOF SM Waterford Estates, LLC has executed and acknowledged this Amendment to Declaration of Covenants, Conditions and Restrictions for Capital Court Homeowners Association, Inc. on the day and year first written above.

ATTEST:

SM WATERFORD ESTATES, LLC, a Maryland
limited liability company



By: 

Name: Lewis Birnbaum

Title: President

* * *

STATE OF

*

*

*

to wit:

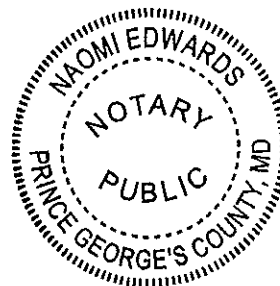
I HEREBY CERTIFY that on this 24 day of October, 2018 before me, a Notary Public in and for the State of Maryland, personally appeared **Lewis Birnbaum** known to me (or satisfactorily proven) to be the President of SM Waterford Estates, LLC, a Maryland limited liability company, and executed the foregoing instrument on behalf of SM Waterford Estates, LLC for the purposes therein contained.

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


Notary Public

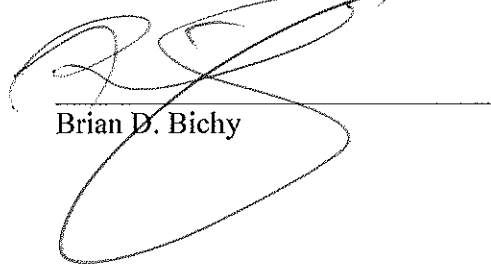
My Commission Expires: 7-9-2022

[NOTARIAL SEAL]



ATTORNEY'S CERTIFICATION

I HEREBY CERTIFY THAT I am an attorney duly licensed to practice in the State of Maryland, and that the foregoing instrument was prepared by me or under my supervision.



Brian D. Bichy

EXHIBIT A

**CAPITAL COURT
KENT (NO. 13) ASSESSMENT DISTRICT
PRINCE GEORGE'S COUNTY MARYLAND**

Lots 1 through 18, inclusive, and Lots 78 through 116, inclusive, and Parcels A, B, N and Part of Parcels O, R, GG and HH as shown on the subdivision plat entitled "Plat One, Capital Court" recorded among the Land Records of Prince George's County, Maryland on December 19, 2017 in Plat Book SJH 248 at Plat No. 75, as corrected by plat of correction entitled "Plat of Correction, Plat One, Capital Court" recorded among the Land Records on February 2, 2018 in Plat Book SJH 248 at Plat No. 99.

Lots 144 through 151, inclusive, Lots 175 through 196, inclusive, and Lots 211 through 226, inclusive, and Parcels V, W and EE and Part of Parcels S, T, U and HH as shown on the subdivision plat entitled "Plat Two, Capital Court" recorded among the Land Records of Prince George's County, Maryland on December 19, 2017 in Plat Book SJH 248 at Plat No. 76.

Lots 117 through 143, inclusive, Lots 197 through 210, inclusive, and Lots 227 through 242, inclusive, and Parcels X and Y and Part of Parcels GG, HH, O, R, T and U as shown on the subdivision plat entitled "Plat Three, Capital Court" recorded among the Land Records of Prince George's County, Maryland on December 19, 2017 in Plat Book SJH 248 at Plat No. 77, as corrected by plat of correction entitled "Plat of Correction, Plat Three, Capital Court" recorded among the Land Records on February 2, 2018 in Plat Book SJH 249 at Plat No. 01.

Lots 243 through 258, inclusive, and Lots 285 through 306, inclusive, and Parcels Z, AA, BB, CC and DD and Part of Parcels GG and HH as shown on the subdivision plat entitled "Plat Four, Capital Court" recorded among the Land Records of Prince George's County, Maryland on December 19, 2017 in Plat Book SJH 248 at Plat No. 78, as corrected by plat of correction entitled "Plat of Correction, Plat Four, Capital Court" recorded among the Land Records on February 2, 2018 in Plat Book SJH 249 at Plat No. 02.

Lots 152 through 174, inclusive, and Lots 259 through 284, inclusive, and Parcel FF and Part of Parcels S, GG and HH as shown on the subdivision plat entitled "Plat Five, Capital Court" recorded among the Land Records of Prince George's County, Maryland on December 19, 2017 in Plat Book SJH 248 at Plat No. 79, as corrected by plat of correction entitled "Plat of Correction, Plat Five, Capital Court" recorded among the Land Records on February 2, 2018 in Plat Book SJH 249 at Plat No. 03.

Parcel JJ and Part of Parcel GG as shown on the subdivision plat entitled "Plat Six, Capital Court" recorded among the Land Records of Prince George's County, Maryland on December 19, 2017 in Plat Book SJH 248 at Plat No. 80.

Lots 19 through 77, inclusive, and Parcels C, D, E, F, H, I, J, K and L and Part of Parcels GG and HH as shown on the subdivision plat entitled "Plat Seven, Capital Court" recorded among the Land Records of Prince George's County, Maryland on December 19, 2017 in Plat Book SJH 248 at Plat No. 81, as corrected by plat of correction entitled "Plat of Correction, Plat Seven, Capital Court" recorded among the Land Records on February 2, 2018 in Plat Book SJH 249 at Plat No. 04.

In addition to the rights of the Declarant to modify and amend the foregoing Declaration of Covenants, Conditions and Restrictions as set forth therein, the Declarant reserves the right to amend unilaterally the foregoing Declaration of Covenants, Conditions and Restrictions as may be necessary (i) to correct the legal description set forth on and/or attached as part of this Exhibit "A", (ii) to confirm the lien, operation and effect of the foregoing Declaration of Covenants, Conditions and Restrictions with respect to any lots or parcels that are re-subdivided or subjected to a condominium regime, and (iii) to confirm the lien, operation and effect of the foregoing Declaration of Covenants, Conditions and Restrictions with respect to Lots as they are created.