

From: [Charles County Government](#)
To: [Public Record](#)
Subject: *NEW SUBMISSION* Submit Comments - Commissioners' Public Comment Sessions
Date: Monday, July 1, 2024 1:20:45 PM

[External Content Warning] This message is from an external sender. Please exercise caution when opening attachments and hover over any links before clicking.

Submit Comments - Commissioners' Public Comment Sessions

Submission #: 3307429
IP Address: 96.255.78.58
Submission Date: 07/01/2024 1:20
Survey Time: 53 minutes, 3 seconds

You have a new online form submission.

Note: all answers displaying "*****" are marked as sensitive and must be viewed after your login.

Read-Only Content

Name

GLORIA SAWYERS

Address

5829 Monmouth Court
Bryans Road, MD, MD 20616

Phone

(301) 602-9640

Email

gs1112@verizon.net

Comment

This complaint has 5 Attachments; therefore, there are multiple submissions- This is 3 of 3. My name is Gloria Sawyers, and I am a resident of your district and I need to call your attention to a very serious matter affecting citizens you serve. The Issue: I am writing to express my concern about the weakness of the above referenced ACT (MD Code, section 11B) and the limitless and unchecked power it allows Primary Development Home Owners Associations (HOA) to wheel over related communities. Outside of definitions, currently, there is nothing in the Act that prevents these Primary Development HOAs from the unbridled collection of association fees, special assessments, or placing liens against the homeowners residing in Related Developments. I am proposing an amendment to the Act that will, with your assistance, control and limit the power of these Primary Development HOAs to operate arbitrarily and capriciously outside the boundaries of their primary development and dictate/communicate directly with homeowners in the related developments without the authority and expressed written consent of the Related Development HOAs.

Upload File(s)

[South Hampton Townhouse ByLaws - 07-01-2024.pdf](#)

Thank you,

Charles County, MD

This is an automated message generated by Granicus. Please do not reply directly to this email.

**SOUTH HAMPTON
TOWNHOUSE ASSOCIATION, INC.**

STATE OF MARYLAND
DEPARTMENT OF REVENUE

APPROVED FOR PAYMENT

5-93 9:31 a.m.

ARTICLES OF INCORPORATION
OF
SOUTH HAMPTON
TOWNHOUSE ASSOCIATION, INC.

1892-443-5
A 9 31

In compliance with the requirements of Corporations and Associations, Title 2, Annotated Code of Maryland (1975), and any amendments thereto, the undersigned, Geaton A. DeCesaris, Jr., whose post office address is 1802 Brightseat Road, Sixth Floor, Landover, Maryland 20785, being at least eighteen (18) years of age, has this day, by execution of these Articles, voluntarily declared himself to be an incorporator for the purpose of forming a non-stock, non-profit corporation pursuant to the general laws of Maryland, and does hereby certify:

ARTICLE I
Name of Corporation

The name of the Corporation is SOUTH HAMPTON TOWNHOUSE ASSOCIATION, INC., hereinafter called the "Association".

ARTICLE II
Principal Office

The post office address of the principal office of the Association is 1802 Brightseat Road, Sixth Floor, Landover, Maryland 20785.

ARTICLE III
Resident Agent

The name of its resident agent is GEATON A. DECESARIS, JR., whose post office address is 1802 Brightseat Road, Sixth Floor, Landover, Maryland 20785.

20648329

ARTICLE IV
Powers and Purposes

This Association does not contemplate pecuniary gain or profit, direct or indirect, to the members thereof, and the specific purposes for which it is formed are to provide for or assure maintenance, preservation and architectural control of the Lots and Common Area within the Property described in the Declaration of Covenants, Conditions and Restrictions recorded or to be recorded among the Land Records of the County in which the said Declaration is recorded, including such additions thereto as may be hereafter brought within the jurisdiction of the Association, and to promote the health, safety and welfare of the

OFFICES
AND HALLER
FORDS BLVD
MT. AIRY MD 20758
306-0033

3493 1700

Owners within the Property and any additions thereto as may hereafter be brought within the jurisdiction of this Association. For this purpose, the Association shall have the power and authority to:

(a) Exercise all of the powers and privileges and perform all of the duties and obligations of the Association as set forth in the Declaration of Covenants, Conditions and Restrictions, hereinafter called the "Declaration", applicable to the Property and recorded or to be recorded among the Land Records of Charles County, Maryland, and as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as if set forth at length and made a part hereof:

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

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

(d) Borrow money, and, in accordance with the provisions of the Declaration, mortgage, pledge, deed in trust, or hypothecate any or all of the real or personal property owned by the Association as security for money borrowed or debts incurred;

(e) Dedicate, sell or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless accomplished in accordance with the provisions of the Declaration.

(f) Participate in mergers and consolidations with other non-profit corporations organized for the same purposes or annex additional residential property and Common Area, provided that any such merger, consolidation or annexation shall be accomplished in accordance with the provisions of the Declaration.

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

ARTICLE V
No Capital Stock

This Association is not authorized to issue any capital stock and shall not be operated for profit. The Association does not anticipate distributing dividends, gains or profits to its members. No member shall have any personal liability for the debts or obligations of the Association.

ARTICLE VI
Membership

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

Class A: With the exception of the Declarant, every person, corporation, partnership, trust or other legal entity, or any combination thereof, who is an Owner of any Lot which is part of the premises described in Article II of the Declaration, or which otherwise becomes subject to the covenants set forth in the Declaration to assessments by the Association shall be a Class A member of the Association; provided, however, that any such person, group of persons, corporation, partnership, trust or other legal entity who holds such interest solely as security for the performance of an obligation shall not be a Class A member solely on account of such interest. When more than one (1) person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast by a Class A member with respect to any Lot.

Any Owner who leases his Lot may, in the lease or other written instrument, assign the voting right appurtenant to that Lot to the lessee, provided that a copy of such instrument is furnished to the Association.

Class B: The Class B member shall be the Declarant, its nominee or nominees, and shall include every person, group of persons, corporation, partnership, trust or other legal entity or any combination thereof, who shall obtain any Class B membership by specific assignment from the Declarant. The Class B member shall be entitled to three (3) votes for each Class B membership. Each Class B membership shall lapse and become a nullity upon the first to happen of the following:

(i) thirty (30) days following the date on which the total authorized and outstanding votes of the Class A members exceeds the total authorized and outstanding votes of the Class B members; or

(ii) seven (7) years from the date of recordation of the Declaration; provided, however, that if the Declarant is delayed in the improvement and development of the Property on account of a sewer, water or building permit moratorium or any other cause or event beyond the Declarant's control, then the aforesaid seven (7) year period shall be extended by a period of time equal to the length of the delays or an additional seven (7) years, whichever is less; or

(iii) upon the surrender of said Class B memberships by the then holders thereof for cancellation on the books of the Association.

Upon the lapse or surrender of the Class B membership as provided for in this Article, the Declarant shall thereafter become a Class A member of the Association as to each and every Lot in which the Declarant then holds the interest otherwise required for such Class A membership.

The members of the Association shall have no preemptive rights, as such members, to acquire any memberships of this Association that may at any time be issued by the Association except as may be specifically provided in these Articles of Incorporation or the Bylaws of the Association.

ARTICLE VII Voting Rights

Every person or entity who is a record owner of a fee or undivided fee interest of any Lot, including contract sellers, shall be a member of the Association; provided that any such person or entity who or which holds such interest merely as security for the performance of an obligation shall not be a member. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association.

ARTICLE VIII Right of Enjoyment

Every Owner shall have a right and easement of enjoyment in and to the Common Area, including the private streets and parking

lots and walkways included therein, which shall be appurtenant to and shall pass with the title to every lot, for purposes of ingress and egress to and from his lot.

ARTICLE IX
Board of Directors

The affairs of this Association shall be managed by a Board initially consisting of three (3) directors whose names and addresses are hereinafter listed. Commencing with the first annual meeting of the Association, the Board shall consist of not less than three (3) nor more than five (5) directors. The names and addresses of the persons who are to initially act in the capacity of directors until the selection of their successors are:

<u>Name</u>	<u>Address</u>
Geaton A. DeCesaris, Jr.	1802 Brightseat Road Sixth Floor Landover, Maryland 20785
Thomas Connelly	1802 Brightseat Road Sixth Floor Landover, Maryland 20785
Marco A. DeCesaris	1802 Brightseat Road Sixth Floor Landover, Maryland 20785

The number, qualifications, powers, duties and tenure of the office of the directors and the manner by which directors are to be chosen shall be as prescribed and set forth in the Bylaws of the Association. Officers of the Association shall be elected and shall serve as provided for in said Bylaws.

ARTICLE X
Dissolution

The Association may be dissolved with the assent given in writing and signed by not less than two-thirds (2/3) of each class of members. Written notice of a proposal to dissolve, setting forth the reasons therefor and the disposition to be made of the assets (which shall be consonant with this ARTICLE X), shall be mailed to every member not less than ten (10) days nor more than fifty (50) days in advance of any action to be taken. Upon

IN WITNESS WHEREOF, GEATON A. DECESARIS, JR., has signed, sealed and delivered these Articles of Incorporation as his own free act and deed on this 16th day of February, 1993.

WITNESS:

[Signature]

[Signature]
GEATON A. DECESARIS, JR.

STATE OF MARYLAND *
COUNTY OF Chesler * to wit:
*

On this 16th day of February, 1993, before me, a Notary Public in and for the above County and State, personally appeared GEATON A. DECESARIS, JR., and acknowledged that he signed the foregoing Articles of Incorporation for the purposes therein stated.

WITNESS my hand and Notarial Seal.

[Signature]
Notary Public

My Commission Expires: 3-1-94

[NOTARIAL SEAL]

dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization to be devoted to such similar purposes.

ARTICLE XI
Duration

This Association shall exist perpetually.

ARTICLE XII
Amendments

Amendment of these Articles shall require the assent of seventy-five percent (75%) of the entire membership.

ARTICLE XIII
FHA/VA Approval

As long as there is a Class B membership and any Lot subject to the Declaration is then encumbered by a deed of trust or mortgage which is insured by the Federal Housing Administration or guaranteed by the Veterans Administration, the following actions will require the prior approval of the Federal Housing Administration and/or the Veterans Administration (as applicable): annexation of additional properties, not in conformance with the Development Plan (and amendments thereto) as approved by FHA and/or VA; mergers and consolidations; mortgaging of Common Area; dedication of Common Area; dissolution; and amendment of these Articles.

ARTICLE XIV
Miscellaneous

Unless it is plainly evident from the context that a different meaning is intended, all terms used herein shall have the same meaning as they are defined to have in the Declaration.

BYLAWS
OF
SOUTH HAMPTON
TOWNHOUSE ASSOCIATION, INC.

ARTICLE I
Name and Location

The name of the corporation is SOUTH HAMPTON TOWNHOUSE ASSOCIATION, INC., hereinafter referred to as the "Association". The principal office of the corporation shall be located at WASHINGTON HOMES, INC., 1802 Brightseat Road, Sixth Floor, Landover, Maryland 20785, but meetings of members and Directors may be held at such places within the State of Maryland as may be designated by the Board of Directors.

ARTICLE II
Definitions

Section 1. "Association" shall mean and refer to SOUTH HAMPTON TOWNHOUSE ASSOCIATION, INC., a non-stock, non-profit Maryland corporation, its successors and assigns.

Section 2. "Property" shall mean and refer to that certain real property described in the "Declaration" (hereinafter defined), and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 3. "Common Area" shall mean all real property (including improvements thereto) owned by the Association or otherwise available for the common use and enjoyment of the Owners.

Section 4. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Property (with the exception of the Common Area) upon which it is intended that a dwelling unit be constructed.

Section 5. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Property, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 6. "Declarant" shall mean and refer to THE SOUTHAMPTON CORPORATION, its successors and assigns if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development, but only to the extent that any of the rights, reservations, easements, interests, exemptions, privileges and powers of the Declarant are specifically

assigned or transferred to such successors or assigns by an instrument in writing.

Section 7. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the Property and recorded among the Land Records for Charles County, Maryland, including amendments and supplements thereto.

Section 8. "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration.

Section 9. "Mortgagee" shall mean the holder of any recorded mortgage, or the party secured or beneficiary of any recorded deed of trust, encumbering one or more of the Lots. "Mortgage", as used herein, shall include deed of trust. "First Mortgage", as used herein, shall mean a mortgage with priority over other mortgages. As used in this Declaration, the term "mortgagee" shall mean any mortgagee and shall not be limited to institutional mortgages. As used in this Declaration, the term "institutional mortgagee" or "institutional holder" shall include banks, trust companies, insurance companies, mortgage insurance companies, savings and loan associations, trusts, mutual savings banks, credit unions, pension funds, mortgage companies, Federal National Mortgage Association ("FNMA"), Federal Home Loan Mortgage Corporation ("FHLMC"), all corporations and any agency or department of the United States Government or of any state or municipal government, or any other organization or entity which has a security interest in any Lot. As used in this Declaration, the term "holder" or "mortgagee" shall include the parties secured by any deed of trust or any beneficiary thereof.

In the event any mortgage is insured by the Federal Housing Administration ("FHA") or guaranteed by the Veterans Administration ("VA"), then as to such mortgage the expressions "mortgagee" and "institutional mortgagee" include the FHA or the VA as the circumstances may require, acting, respectively, through the Federal Housing Commission and the Commissioner of Veterans' Benefits or through other duly authorized agents.

ARTICLE III Meeting of Members

Section 1. Annual Meetings. The first annual meeting of the members shall be held within twelve (12) months from the date of filing of the Articles of Incorporation of the Association, and each subsequent regular annual meeting of the members shall be held on the same day or the same month of each year thereafter or such

other reasonably similar date as may be selected by the Board of Directors. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. Special meetings. Special meetings of the members may be called at any time by the President or by the Board of Directors, or upon written request of the members who are entitled to vote one-fourth (1/4) of all of the votes of the Class A membership.

Section 3. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen (15) days (but not more than sixty (60) days) before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the hearing, until a quorum as aforesaid shall be present or be represented.

Section 5. Voting. At every meeting of the members, each Class A member shall have the right to cast one (1) vote for each Class A membership which he owns on each question. Each of the Class B members shall have the right to cast one (1) vote for each Class B membership which he owns on each question. The vote of the members representing fifty-one percent (51%) of the total of the votes of all of the memberships at the meeting, in person or by proxy, calculated as aforesaid, shall be necessary to decide any question brought before such meeting, unless the question is one upon which, by the express provision of law or of the Articles of Incorporation, or of the Declaration or of these Bylaws, a different vote is required, in which case such express provision shall govern and control. The vote for any membership which is owned by more than one person may be exercised by any of the co-owners present at any meeting unless any objection or protest by

any other owner of such membership is noted at such meeting. In the event all of the co-owners of any membership who are present at any meeting of the members are unable to agree on the manner in which the votes for such membership shall be cast on any particular question, then such vote shall not be counted for purposes of deciding that question. In the event any membership is owned by a corporation, then vote for any such membership shall be cast by a person designated in a certificate signed by the President or any Vice President or such corporation and attested by the Secretary or an Assistant Secretary of such corporation and filed with the Secretary of the Association, prior to or during the meeting. The vote for any membership which is owned by a trust or partnership may be exercised by any trustee or partner thereof, as the case may be, and, unless any objection or protest by any other such trustee or partner is noted at such meeting, the Chairman of such meeting shall have no duty to inquire as to the authority of the person casting such vote or votes. No Class A member shall be eligible to vote, either in person or by proxy, or to be elected to the Board of Directors, who is shown on the books or management accounts of the Association to be more than sixty (60) days delinquent in any payment due the Association.

Section 6. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his Lot. No proxy shall be valid after eleven (11) months from its date, unless otherwise provided in the proxy. Any proxy must be in writing and must be filed with the Secretary in form approved by the Board of Directors before the appointed time of each meeting. Any written proxy which conforms with the applicable laws of Maryland shall be satisfactory and approved as to form by the Board of Directors.

Section 7. Rights of Mortgagees. Any institutional mortgagee of any Lot who desires notice of the annual and special meetings of the members shall notify the Secretary to that effect by Registered Mail - Return Receipt Requested. Any such notice shall contain the name and post office address of such institutional mortgagee and the name of the person to whom notice of the annual and special meetings of the members should be addressed. The Secretary of the Association shall maintain a roster of all institutional mortgagees from whom such notices are received and it shall be the duty of the Secretary to mail or otherwise cause the delivery of a notice of each annual or special meeting of the members to each such institutional mortgagee in the same manner, and subject to the same requirements and limitations as are otherwise provided in this Article for notice to the

members. Any such institutional mortgagee shall be entitled to designate a representative to attend any annual or special meeting of the members and such representative may participate in the discussion at any such meeting and may, upon his request made to the Chairman in advance of the meeting, address the members present at any such meeting. Such representative shall have no voting rights at any such meeting. Such representative shall be entitled to copies of the minutes of all meetings of the members upon request made in writing to the Secretary.

ARTICLE IV

Board of Directors; Selection; Term of Office

Section 1. Number. The affairs of the Association shall be managed by a Board of Directors initially consisting of three (3) natural persons who shall be designated by the Declarant and who shall hold office until the election of their successors at the first annual meeting of the members of the Association. The names of the Directors are: Geaton A. DeCesaris, Jr., Thomas Connelly and Marco A. DeCesaris.

Commencing with the first annual meeting of the Association, the Board of Directors shall consist of an uneven number of not less than three (3) nor more than five (5) members who shall be elected by the members of the Association. Prior to the lapse of all of the Class B memberships as provided for in the Articles of Incorporation and the Declaration, the number of Directors shall be determined from time to time by a vote of the initial Directors named by the Declarant; thereafter the number of Directors shall be determined by a vote of the members at the annual meeting of members and the number of Directors may be changed by a vote of the members at any subsequent annual or special meeting of the members; provided, however, that: (a) the limitations of this Section shall continue to apply; and (b) no such change shall operate to curtail or extend the term of any incumbent Director.

A majority of the Board of Directors (after lapse of the Class B memberships as provided for in the Articles of Incorporation and the Declaration) shall be members of the Association.

Section 2. Term of Office. At the first annual meeting of the members, the members shall elect the Board of Directors and the term of office of the Director receiving the greatest number of votes shall be fixed for three (3) years. The term of office of the Director receiving the second greatest number of votes shall be fixed for two (2) years and the term of office of the other Director or Directors shall be fixed for one (1) year. At the

expiration of the initial term of office of each respective Director, his successor shall be elected to serve a term of three (3) years. In the alternative, the membership may, by resolution duly made and adopted at the first annual meeting of members, or at any subsequent annual meeting, resolve to fix the term for each Director elected at any such meeting at one (1) year. Directors shall hold office until their successors have been elected and hold their first regular meeting.

Section 3. Removal. After the first annual meeting of the members, any Director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. Prior to the first annual meeting of the members, any Director may be removed from the Board, with or without cause, by the Declarant. In the event of death, resignation or removal of a Director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No Director shall receive compensation for any service he may render to the Association. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action Taken Without a Meeting. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Directors and such approval is filed with the minutes of the proceedings of the Board of Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

ARTICLE V

Nomination and Election of Directors

Section 1. Nomination. Nomination for election to the Board of Directors, commencing with the first annual meeting of members, may be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nomination Committee, if any, shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee may be appointed by the Board of Directors prior to each annual meeting of the members and such appointment may be announced at each annual meeting. The Nominating Committee may make as many nominations for election to the Board of Directors as it shall in its discretion determine, but

not less than the number of vacancies that are to be filled. Such nominations may be made from among members or non-members.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VI
Meetings of Directors

Section 1. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the Directors, but at least two (2) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director, personally or by mail, telephone or telegraph, at least six (6) days prior to the date named for such meeting.

Section 2. Special Meetings. Special meetings of the Board of Directors may be called by the President on three (3) days' notice of each Director, given personally or by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of any two (2) of the Directors.

Section 3. Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

Section 4. Rights of Mortgagees. Any institutional mortgagee of any Lot who desires notice of the regular and special meetings of the Board of Directors shall notify the Secretary to that effect by Registered Mail - Return Receipt Requested. Any such notice shall contain the name and post office address of such institutional mortgagee and the name of the person to whom notice of the regular and special meetings of the Board of Directors should be addressed. The Secretary of the Association shall maintain a roster of all institutional mortgagees from whom such notices are received and it shall be the duty of the Secretary to

mail or otherwise cause the delivery of a notice of each regular or special meeting of the Board of Directors to each such institutional mortgagee, in the same manner, and subject to the same requirements and limitations, as are otherwise provided in this Article for notice to the members of the Board of Directors. Any such institutional mortgagee shall be entitled to designate a representative to attend any regular or special meeting of the Board of Directors and such representatives may participate in the discussion at any such meeting and may, upon his request made to the Chairman in advance of the meeting, address the members of the Board of Directors present at any such meeting. Such representative shall be entitled to copies of the minutes of all meetings of the Board of Directors upon request made in writing to the Secretary.

Section 5. Fidelity Bonds. The Board of Directors shall require that all officers, Directors and employees of the Association regularly handling or otherwise responsible for the funds of the Association shall furnish fidelity bonds or equivalent insurance against acts of dishonesty in an amount equal to no less than three (3) months of assessments against all the Lots plus reserves. The premiums on such bonds or insurance shall be paid by the Association.

ARTICLE VII

Powers and Duties of the Board of Directors

Section 1. Powers. The Board of Directors shall have power to:

(a) adopt and publish rules governing the use of the Common Area and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;

(b) suspend the voting rights and right to use of the Common Areas and recreational facilities of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing for a period not to exceed sixty (60) days for infraction of published rules;

(c) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration;

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

(e) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

Section 2. Duties. It shall be the duty of the Board of Directors to:

(a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Class A members who are entitled to vote;

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

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

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

(2) send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and

(3) foreclose the lien against any property for which assessments are not paid within sixty (60) days after due date or to bring an action at law against the owner personally obligated to pay the same;

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

(e) procure and maintain adequate liability and hazard insurance on property owned by the Association;

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

(g) cause the Common Area to be maintained;

(h) otherwise perform or cause to be performed the functions and obligations of the Board and the Association as provided for in the Declaration and Articles of Incorporation and these Bylaws, including collection of assessments payable pursuant to any cross easement or other similar agreement and periodically employing an insurance consultant if the Board of Directors deems it necessary to do so in order to analyze the insurance requirements of the Association.

Section 3. Management Agent. The Board of Directors may employ for the Association a management agent or manager (the "Management Agent") at a rate of compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall from time to time authorize in writing. Any management agreement entered into by the Association shall provide, inter alia, that such agreement may be terminated for cause by either party upon thirty (30) days' written notice thereof to the other party. The term of any such management agreement shall not exceed one year; provided, however, that the term of any such management agreement may be renewable by mutual agreement of the parties for successive one-year periods. If the standards and regulations of FNMA and/or FHLMC prohibit self-management by the Association, and FNMA and/or FHLMC holds an interest in a first mortgage or deed of trust against any Lots, then no such self-management shall be undertaken by the Association, without the prior written consent and approval of all of the holders of the first mortgages of record on the Lots.

Provided that any Lot subject to these Bylaws is then encumbered by a deed of trust or mortgage which is insured by the Federal Housing Administration or guaranteed by the Veterans' Administration, and, provided, further, that FHA and/or VA standards and regulations prohibit self-management of the Association, then no such self-management shall be undertaken by the Association without the prior written consent and approval of FHA and/or VA (as applicable).

ARTICLE VIII Officers and Their Duties

Section 1. Enumeration of Officers. The officers of this Association shall be a President and Vice President, who shall at all times be members of the Board of Directors, a Secretary, and a Treasurer, and such other officers as the Board may from time to

time by resolution create, all of which officers are to be elected by the Board of Directors.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members; provided that the initial Board of Directors shall elect the first group of officers at its first organizational meeting.

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

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

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

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

Section 7. Multiple Offices. The offices of Secretary and Assistant Secretary, Treasurer and Vice President may be held by the same person, but in no event shall the same officer execute, acknowledge or verify any instrument in more than one capacity, if such instrument is required by law, the Declaration, the Articles of Incorporation or these Bylaws to be executed, acknowledged or verified by two (2) or more officers. No person shall simultaneously hold more than one (1) of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article and except as otherwise provided in this Section 7.

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

President

(a) The President shall preside at all meetings of the Board of Directors; shall see that the orders and resolutions of the Board are carried out; shall sign all leases, mortgages; deeds and other written instruments and shall co-sign all checks and promissory notes.

Vice President

(b) The Vice President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

Secretary

(c) The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of the meetings of the Association together with their addresses, and shall perform such other duties as required by the Board.

Treasurer

(d) The Treasurer shall receive and deposit in appropriate bank accounts all moneys of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account, cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be represented to the membership at its regular annual meeting, and deliver a copy of each to the members and to deliver a copy of such material to any first mortgagee of a Lot who requests the same in writing.

ARTICLE IX

Liability and Indemnification of Officers and Directors

Section 1. Liability and Indemnification of Officers and Directors. The Association shall indemnify every officer and

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

ARTICLE X
Committee

The Association may appoint an Architectural Control Committee, as provided in the Declaration, and a Nominating Committee, as provided in these Bylaws. In addition, the Board of Directors may appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE XI
Insurance

Section 1. Insurance. In addition to the insurance coverage required to be maintained by the Declaration, the Board of Directors of the Association may obtain and maintain, to the extent reasonably available, the following:

(a) Workmen's compensation insurance for employees of the Association to the extent necessary to comply with any applicable law; and

(b) A "Legal Expense Indemnity Endorsement", or its equivalent, affording protection for the officers and Directors of the Association for expenses and fees incurred by any of them in

defending any suit or settling any claim, judgment or cause of action to which any such officer or Director shall have been made a party by reason of his or her services as such; and

(c) Such other policies of insurance, including director and officer liability insurance for other risks of a similar or dissimilar nature and fidelity coverage as required by these Bylaws, as are or shall hereafter be considered appropriate by the Board of Directors.

Section 2. Limitations. Any insurance obtained pursuant to the requirements of this Article shall be subject to the following provisions:

(a) All policies shall be written or reinsured with a company or companies licensed to do business in the State of Maryland and holding a rating of "A+AA" or better in the current edition of Best's Insurance Guide.

(b) Exclusive authority to negotiate losses under said policies shall be vested in the Board of Directors of the Association, or its authorized representative.

(c) In no event shall the insurance coverage obtained and maintained pursuant to the requirements of this Article be brought into contribution with insurance purchased by the owners of the Lots or their mortgagees, as herein permitted, and any "no other insurance" or similar clause in any policy obtained by the Association pursuant to the requirements of this Article shall exclude such policies from consideration.

(d) All policies shall provide that such policies may not be cancelled or substantially modified (including cancellation for non-payment of premium) without at least thirty (30) days' prior written notice to any and all insureds named thereon, including any mortgagee of any Lot who requests such notice in writing.

(e) All policies shall contain a waiver of subrogation by the insurer as to any and all claims against the Association, the Board of Directors, the members of the Association and their respective agents, employees or tenants, and of any defenses based upon co-insurance or invalidity arising from the acts of the insured.

ARTICLE XII
Books and Records/Fiscal Management

Section 1. Fiscal Year. The fiscal year of the Association shall begin on the first day of January every year, except for the first fiscal year of the Association which shall begin at the date of recordation of the Declaration among the Land Records for Charles County, Maryland. The commencement date of the fiscal year herein established shall be subject to change by the Board of Directors should the practice of the Association subsequently dictate.

Section 2. Principal Office - Change of Same. The principal office of the Association shall be as set forth in Article II of the Articles of Incorporation of the Association. The Board of Directors, by appropriate resolution, shall have the authority to change the location of the principal office of the Association from time to time.

Section 3. Books and Accounts. Books and accounts of the Association shall be kept under the direction of the Treasurer in accordance with generally accepted accounting practices, consistently applied. The same shall include books with detailed accounts, in chronological order, of receipts and of the expenditures and other transactions of the Association and its administration and shall specify the maintenance and repair expenses of the Common Areas and community facilities, services required or provided with respect to the same and any other expenses incurred by the Association. The amount of any assessment or portion of any assessment, required for payment of any capital expenditure or reserves of the Association shall be credited upon the books of the Association to the "Paid-in-Surplus" account as a capital contribution by the members.

Section 4. Auditing. At the close of each fiscal year, the books and records of the Association shall be audited by an independent Public Accountant whose report shall be prepared in accordance with generally accepted auditing standards, consistently applied. Based upon such report, the Association shall furnish the members and any mortgagees requesting the same with an annual financial statement, including the income and disbursements of the Association, within ninety (90) days following the end of each fiscal year.

Section 5. Inspection of Books. The books and accounts of the Association, vouchers accrediting the entries made thereupon and all other records maintained by the Association shall be available for examination by the members and their duly authorized

agents or attorneys, and to the institutional holder of any first mortgage on any Lot and its duly authorized agents or attorneys, during normal business hours and for purposes reasonably related to their respective interests and after reasonable notice. The Declaration, the Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XIII
Assessments

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the maximum rate permitted by law (or such lesser sum as VA or FHA shall specify if any Lot is insured by FHA or guaranteed by VA), and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs, and reasonable attorneys' fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

ARTICLE XIV
Corporate Seal

The Association shall have a seal in circular form having within its circumference the words: SOUTH HAMPTON TOWNHOUSE ASSOCIATION, INC., a Maryland non-stock corporation.

ARTICLE XV
Amendments

These Bylaws may be amended, at a regular or special meeting of the members, by a vote of a majority of a quorum of members present in person or by proxy, except that if any Lot subject to these Bylaws is then encumbered by a mortgage or deed of trust guaranteed by VA or insured by FHA, then VA and/or FHA (as applicable) shall have the right to veto amendments while there is Class B membership.

ARTICLE XVI
Interpretation/Miscellaneous

Section 1. Conflict. These Bylaws are subordinate and subject to all provisions of the Declaration and to the provisions of the Articles of Incorporation of the Association. All of the terms hereof, except where clearly repugnant to the context, shall have the same meaning as they are defined to have in the Declaration. In the event of any conflict between these Bylaws and the Declaration, the provisions of the Declaration shall control; and in the event of any conflict between these Bylaws and the Articles of Incorporation of the Association, the provisions of the Articles of Incorporation shall control.

Section 2. Notices. Unless another type of notice is hereinelsewhere specifically provided for, any and all notices called for in these Bylaws shall be given in writing.

Section 3. Severability. In the event any provision or provisions of these Bylaws shall be determined to be invalid, void or unenforceable, such determination shall not render invalid, void or unenforceable any other provisions hereof which can be given effect.

Section 4. Waiver. No restriction, condition, obligation or provisions of these Bylaws shall be deemed to have been abrogated or waived by reason of any failure or failures to enforce the same.

Section 5. Captions. The captions contained in these Bylaws are for convenience only and are not a part of these Bylaws and are not intended in any way to limit or enlarge the terms and provisions of these Bylaws or to aid in the construction thereof.

Section 6. Gender, etc. Whenever in these Bylaws the context so requires, the singular number shall include the plural and the converse, and the use of any gender shall be deemed to include all genders.

IN WITNESS WHEREOF, we, being all of the Directors of SOUTH HAMPTON TOWNHOUSE ASSOCIATION, INC., have hereunto set our hands this 16 day of FEBRUARY, 1993.

WITNESS:

[Signature]

[Signature]

[Signature]

[Signature]

Geaton A. DeCesaris, Director

[Signature]

Thomas Connelly, Director

[Signature]

Marco A. DeCesaris, Director

* * *

CERTIFICATION

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting Secretary at SOUTH HAMPTON TOWNHOUSE ASSOCIATION, INC., a Maryland non-stock, non-profit corporation, and,

THAT the foregoing Bylaws constitute the original Bylaws of said Association, as duly adopted at a meeting of the Board of Directors hereof, held on the 16 day of FEBRUARY, 1993.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this 16th day of FEBRUARY, 1993.

[Signature]

Thomas Connelly, Secretary

[CORPORATE SEAL]

SOUTH HAMPTON TOWNHOUSE ASSOCIATION, INC.

FIRST AMENDMENT TO THE DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

THIS FIRST AMENDMENT to the Declaration of Covenants, Conditions and Restrictions (the "Declaration"), made on the date hereinafter set forth by The Southampton Corporation, a Maryland corporation, hereinafter referred to as the "Declarant".

WITNESSETH:

WHEREAS, a certain Declaration for South Hampton Townhouse Association, Inc., dated February 16, 1993 was recorded on April 20, 1993 among the Land Records of Charles County, Maryland, in Liber 1773 at Folio 90 et seq.; and

WHEREAS, Section 12.08(b) of the Declaration provides, in pertinent part, that the Declaration may be amended by the Declarant provided that Class B memberships exist; and

WHEREAS, the Declarant is the owner of all of the remaining Class B memberships as defined by Section 4.02 of the Declaration; and

WHEREAS, Section 5.03 of the Declaration provided for an initial maximum annual assessment for the Association of One Hundred Fifty Dollars (\$150.00). Upon the establishment of the budget, the Association expanded the responsibilities of the Association to include trash pickup, after determining that trash service could be provided more economically through the Association than through contract negotiation by each Owner. Section 5.03 permits an increase in the maximum annual assessment by an amount needed to pay such additional expenses. The Declarant desires to record this First Amendment to establish the increased maximum annual assessment for the benefit of future purchasers within the community.

NOW, THEREFORE, for the purposes aforesaid, the Declarant hereby declares that the Declaration is hereby amended as follows:

- 1. Section 5.03 of the Declaration is hereby deleted in its entirety and replaced with the following:

Initial Annual Assessment. The initial annual assessment for each Lot shall not exceed Four Hundred Dollars (\$400.00). Any lots owned by the Declarant shall be subject to an assessment equal to twenty-five percent (25%) of the assessment applicable to Lots not owned by the Declarant. Notwithstanding the

01/06/95
CHARLES COUNTY 1995
LIBER 2051 FOLIO 98
PAGE 140
2.00
25.00
205198 #
25.00

foregoing, the Declarant shall pay the full annual and special assessments for Lots owned by Declarant upon which a dwelling unit has been completed and is occupied by a party other than the Declarant. Notwithstanding any provision contained in this Declaration to the contrary, Declarant hereby covenants and agrees for the benefit of each Class A member to pay any and all expenses incurred by the Association during the Deficit Period (as such term is hereinafter defined) in furtherance of its purposes to the extent that the annual and special assessments levied during the Deficit Period are insufficient to pay such expenses; provided, however, that at such time as the Declarant has paid what would equal one hundred percent (100%) of the assessments for its Lots, had it not been entitled to a reduced assessment, then the Declarant shall only be obligated to pay any further assessments during that annual period in an amount equal to what would be due for such Lots had they been owned by a Class A member. As used herein, the term "Deficit Period" shall mean that period of time commencing on the date of recordation of this Declaration and ending on the earlier of: (i) the date on which the Class B membership lapses and becomes a nullity in accordance with the provisions of this Declaration; or (ii) the date upon which the Declarant, in writing and recorded among the Land Records of Prince George's County, Maryland, declares that it (from the date specified in such recorded writing) waives its right to pay reduced assessments on Lots owned by the Declarant in accordance with this Section 5.03. The Declarant may make such Declaration with respect to less than all of the Lots owned, to be owned or to be brought within the jurisdiction of the Association, in which event the deficit period shall terminate only with respect to those Lots specifically described.

From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased by the Board of Directors of the Association, without a vote of the Class A membership, by an amount equal to (i) five percent (5%) of the maximum annual assessment for the preceding year, plus (ii) the amount by which any ad valorem real estate taxes and insurance premiums payable by the Association have increased over amounts payable for the same or similar items for the previous year, plus (iii) the amount by which the Association has incurred or anticipates incurring increased operating expenses by reason of the completion, annexation or addition of facilities within the Common Area and/or additional Common Area, plus (iv) the amount by which the Association has incurred or anticipates incurring

additional obligations or responsibilities in performing its duties and responsibilities in accordance with this Declaration.

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

If the Board of Directors determines that the functions of the Association may be properly funded by an annual assessment less than the initial maximum annual assessment set forth above, or less than the maximum annual assessment subsequently increased pursuant to this Section 5.03, then the Board of Directors may levy such lesser assessment as it deems appropriate.

The Board of Directors shall make a reasonable effort, at least sixty (60) days before the beginning of the fiscal year and thirty (30) days prior to the meeting at which the budget shall be presented to the membership, to prepare a budget covering the estimated costs of operating the Association during the coming year. The budget may include an amount sufficient to establish and maintain a reserve fund in accordance with a reserve fund budget separately prepared by the Board of Directors pursuant to Section 5.11. The Board of Directors shall cause a copy of the budget, and the amount of the assessments to be levied against each Lot for the following year to be delivered to each Owner at least fifteen (15) days prior to the meeting. The budget date and the assessments shall become effective unless disapproved at the meeting by a vote of at least a majority of both classes of the total Association membership.

Notwithstanding the foregoing, however, in the event the membership disapproves the proposed budget or the Board of Directors fails for any reason so to determine the budget for the succeeding year, then and until such time as a budget shall have been determined as provided herein, the budget in effect for the then current year shall continue for the succeeding year.

The Declarant may establish a working capital fund for initial operation of the Association. Such working capital fund may be funded by a one-time assessment of two (2) times the monthly assessment for a Lot and shall be payable, if established, by the Declarant's grantee

LIBER 2051 FOLIO 501

upon the earlier of settlement or occupancy of a completed dwelling located on any Lot.

2. Definitions. All terms used herein shall have the meaning specified in the Declaration unless otherwise noted.

3. No Other Changes. Except as otherwise provided herein, the provisions of the Declaration are hereby reaffirmed by the Declarant and no other changes in said document are intended by the execution of this Amendment.

ATTEST:

THE SOUTHAMPTON CORPORATION,
a Maryland corporation

Nicholas Cole

By: *[Signature]* 12/12/94
Geaton A. DeCesaris
President

STATE OF MARYLAND :
COUNTY OF *Anne Arundel* :

to wit:

I HEREBY CERTIFY THAT on this 12th day of December, 1994, before me, a Notary Public in and for the State and County aforesaid, personally appeared GEATON A. DECESARIS, known to me (or satisfactorily proven) to be President of THE SOUTHAMPTON CORPORATION, who made oath and due form of law that he is authorized to execute this First Amendment to the Declaration of Covenants, Conditions and Restrictions of the South Hampton Townhouse Association, Inc., on behalf of said corporation and acknowledges the document to be the free act and deed of said corporation.

WITNESS my hand and notarial seal the day and year aforesaid.

Kelly O'Hanrahan

Notary Public

My Commission Expires: 8-6-96



I HEREBY CERTIFY that the foregoing instrument was prepared on behalf of THE SOUTHAMPTON CORPORATION, the party hereto.

Thomas H. Haller
Thomas H. Haller

LIBER 2126 FOLIO 423

SOUTH HAMPTON TOWNHOUSE ASSOCIATION, INC.

SECOND SUPPLEMENTARY DECLARATION TO THE
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

THIS SECOND SUPPLEMENTARY DECLARATION TO THE DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS, made on this 25th day of August, 1995, by The Southampton Corporation, a Maryland corporation, hereinafter referred to as the "Declarant".

WITNESSETH:

WHEREAS, a certain Declaration of Covenants, Conditions and Restrictions for South Hampton Townhouse Association, Inc., dated February 16, 1993 was recorded on April 20, 1993 among the Land Records of Charles County, Maryland, in Liber 1773 at Folio 90, et seq. (hereinafter referred to as the "Declaration"); and

WHEREAS, a certain First Amendment to the Declaration of Covenants, Conditions and Restrictions for South Hampton Townhouse Association, Inc., dated December 12, 1994 was recorded among the Land Records of Charles County, Maryland, in Liber 2051 at Folio 478; and

WHEREAS, a certain Second Amendment and Supplementary Declaration to the Declaration of Covenants, Conditions and Restrictions, dated April 18, 1995 was recorded among the Land Records of Charles County, Maryland, at Liber 2081 at Folio 47; and

WHEREAS, Section 2.02 of the Declaration provides in pertinent part, that so long as there are Class B members of the Association, additional property may be annexed to the Association, provided such additional property was part of the property depicted on Exhibit "C" attached to the Declaration; and

WHEREAS, the Declarant is the owner of Class B memberships within the Association and desires to annex into the Association a new phase of development, which phase was included within the land area depicted on Exhibit "C" to the Declaration; and

NOW, THEREFORE, for the purposes aforesaid, the Declarant hereby declares that the Declaration is hereby supplemented as follows:

1. The Declarant hereby declares that the real property which is and shall be held, conveyed, hypothecated or encumbered, sold, leased, rented, used, occupied and improved subject to the Declaration, the First Amendment, the Second Amendment and Supplementary Declaration, and this Second Supplementary Declaration shall be modified to include the additional area which

LIBER 2126 FOLIO 24

is more particularly described on Exhibit "A" attached hereto and by this reference, made a part hereof. The property described on Exhibit "A" hereto shall be in addition to and not in lieu of that property which was identified in Exhibit "A" attached to the Declaration, and Exhibit "A" attached to the Second Amendment and Supplementary Declaration.

2. That portion of the annexed property which constitutes Common Area and will be conveyed to the Association is described on Exhibit "B" attached hereto. The property described in Exhibit "B" hereto shall be in addition to and not in lieu of that property which was previously described as Common Area.


3. Definitions. All terms used herein shall have the meaning specified in the Declaration unless otherwise noted.

4. No Other Changes. Except as otherwise provided herein, the provisions of the Declaration, the First Amendment and the Second Amendment are hereby reaffirmed by the Declarant and no other changes in said document are intended by the execution of this Second Supplementary Declaration.

ATTEST:

THE SOUTHAMPTON CORPORATION,
a Maryland corporation



By: 
Geaton A. DeCesaris, Jr.
President

LIBER 2126 FOLIO 425

STATE OF MARYLAND :
COUNTY OF Prince Georges : to wit:

I HEREBY CERTIFY THAT on this 25TH day of August, 1995, before me, a Notary Public in and for the State and County aforesaid, personally appeared GEATON A. DECESARIS, JR. known to me (or satisfactorily proven) to be President of THE SOUTHAMPTON CORPORATION, who made oath and due form of law that he is authorized to execute this Second Amendment and Supplementary Declaration to the Declaration of Covenants, Conditions and Restrictions of the South Hampton Townhouse Association, Inc., on behalf of said corporation and acknowledges the document to be the free act and deed of said corporation.

WITNESS my hand and notarial seal the day and year aforesaid.

[Signature]
Notary Public

My Commission Expires: Oct 2000

I HEREBY CERTIFY that the foregoing instrument was prepared on behalf of THE SOUTHAMPTON CORPORATION, the party hereto.

[Signature]
Thomas H. Haller

ADDITIONAL PROPERTY TO BE ANNEXED INTO THE
SOUTHAMPTON TOWNHOUSE ASSOCIATION, INC.

Being all of those certain lots and parcels of land, lying and being in the 7th Election District of Charles County, Maryland, and being more particularly described as follows:

- A. Being all of the property shown on a plat of subdivision entitled "Plat 5, Lots 1 Through 85, Section 2, Lots South Hampton", and including Parcel C depicted thereon, as said plat is recorded among the Land Records of Charles County at Liber 46, folio 307. The total area of the property depicted on said Plat 5, which is to be subjected to the operation of the Declaration of Covenants, Conditions and Restrictions for Southampton Townhouse Association is 431,815 sq. ft. or 9.91313 acres. This area includes roads dedicated to public use.
- B. Being all of the property shown on a plat of subdivision entitled "Plat 6, Lots 86 Through 160, Section 2, South Hampton", and including Parcel D depicted thereon, as said plat is recorded among the Land Records of Charles County at Liber 46, folio 308. The total area of the property depicted on said Plat 6, which is to be subjected to the operation of the Declaration of Covenants, Conditions and Restrictions for Southampton Townhouse Association is 412,759 sq. ft. or 9.47565 acres. This area includes roads dedicated to public use.
- C. Being Parcel A shown on a plat of subdivision entitled "Plat 7, Parcels 'A' 'B', Parcel A, Section 2, South Hampton", as said plat is recorded among the Land Records of Charles County at Liber 46, folio 309. The total area of which is to be subjected to the operation of the Declaration of Covenants, Conditions and Restrictions for Southampton Townhouse Association is 191,587 sq. ft. or 4.39825 acres.

LIBER 2126 FOLIO 427
Exhibit B

DESCRIPTION OF THAT PROPERTY TO BE CONVEYED TO THE
SOUTHAMPTON TOWNHOUSE ASSOCIATION, INC.

Being all of those certain parcels of land, lying and being in the 7th Election District of Charles County, Maryland, and being more particularly described as follows:

- A. Parcel C, as depicted upon a plat of subdivision entitled "Plat 5, Lots 1-85, Section 2, South Hampton", which plat is recorded among the Land Records of Charles County at Liber 46, folio 307. Said Parcel C contains a total of 251,003 sq. ft. or 5.7622 acres.
- B. Parcel D as depicted on a plat of subdivision entitled "Plat 6, Lots 86 Through 160, Section 2, South Hampton", which plat is recorded among the Land Records of Charles County at Liber 46, folio 308. Said Parcel D contains a total of 241,147 sq. ft. or 5.53597 acres.
- C. Parcel A as depicted on a plat of subdivision entitled "Plat 7, Parcels 'A' - 'B', Section 2", which plat is recorded among the Land Records of Charles County at Liber 46, folio 309. The total area of said Parcel A as set forth on Plat 7 is 191,587 sq. ft. or 4.39825 acres.

LIBER 2126 FOLIO 28
NO CONSIDERATION DEED

THIS DEED, made this 25TH day of AUGUST, 1995,
by and between Southampton Corporation, a Maryland corporation,
hereinafter referred to as the "Party of the First Part", and South
Hampton Townhouse Association, Inc., a Maryland non-profit
corporation, hereinafter referred to as "Party of the Second Part".

WITNESSETH:

In consideration of the sum of One Dollar (\$1.00) in hand paid
by the Party of the Second Part, receipt of which is hereby
acknowledged, the said Party of the First Part does hereby grant,
confirm and convey unto the Party of the Second Part, its
successors and assigns, in fee simple, all that parcel of land,
situate, lying and being in the 7th Election District of Charles
County, Maryland, as more particularly described in the legal
description attached hereto and made part hereof as Exhibit "A".

TOGETHER WITH all and singular the buildings, improvements,
ways, easements, rights, waters, privileges, covenants, and
appurtenances to the same belonging, benefiting or in any way
appertaining, and all the estate, title, right, interest and claim,
either at law or in equity, or otherwise, however, of the said
Party of the First Part, of, in, or out of the said land and
premises.

TO HAVE AND TO HOLD said land and premises as described
mentioned, and hereby intended to be conveyed,
rights, privileges, appurtenances and advantages
or appertaining unto and to the only proper use, benefit and behoof

IMP TO SURE \$ 5.00
RECORDING FEE 20.00
TOTAL 25.00
Post Charge 11.78
DCR 30 30 + 11.78
MAR 20 1995 20.00

2107
2000
2000

forever of the said Party of the Second Part, its successors and assigns.

AND the said Party of the First Part covenants that it will warrant specially the property hereby conveyed; that it will execute such further assurances of said land as may be requisite.

SUBJECT, HOWEVER, to all easements, covenants, conditions, and restrictions (if any) affecting the land and premises intended to be conveyed by this Deed.

By its acceptance of this Deed, the Party of the Second Part does hereby assume all liability, responsibility and duty for the care, operation and maintenance of the Property hereby conveyed, subject, however, to any rights the Party of the First Part may have pursuant to the Bylaws and Declaration of Covenants, Conditions and Restrictions for South Hampton Townhouse Association, Inc. Further, the Party of the Second Part, on its own behalf, and on behalf of its successors and assigns, hereby agrees to indemnify and hold the Party of the First Part, its heirs, successors and assigns, harmless from any loss, liability or damage (including attorneys' fees and court costs) arising out of or resulting from the failure of the Party of the Second Part to care for, maintain or properly operate the property hereby conveyed.

The Party of the First Part hereby certifies and makes affidavit under the penalties of perjury that there is no consideration paid or to be paid for the foregoing conveyance and

that there are no mortgages or deeds of trust assumed by the Party of the Second Part.

IN WITNESS WHEREOF, the parties hereto have caused this Deed to be executed by the signatures of their duly authorized officers and have caused their corporate seals to be hereunto affixed the day and year first above written.

ATTEST: SOUTHAMPTON CORPORATION

[Signature]

By: [Signature]
Geaton A. DeCesaris, Jr.

ATTEST: SOUTH HAMPTON TOWNHOUSE ASSOCIATION, INC., a Maryland corporation

[Signature]
Thomas Connelly,
Secretary

By: [Signature]
Geaton A. DeCesaris, Jr.
President

[CORPORATE SEAL]

* * * * *

STATE OF Maryland :
COUNTY OF Prince George's : to wit:

On this 25th day of August, 1995, before me, the undersigned officer, personally appeared Geaton A. DeCesaris, Jr., President of Southampton Corporation who has satisfactorily proven to be the person whose name is subscribed to the within instrument, and as such President, being authorized so to do, executed the foregoing instrument for the purposes therein contained on behalf of said corporation.

GIVEN under my hand and seal this 25th day of August, 1995.

[Signature]
Notary Public

My Commission Expires: 3-1-96

LIBER 2126 FOLIO 431

* * * * *

STATE OF MARYLAND :
: to wit:
COUNTY OF PRINCE GEORGE'S :

On this 25TH day of AUGUST, 1995, before me, the undersigned officer, personally appeared Gaston A. DeCesaris, Jr. and Thomas Connelly, who have satisfactorily proven to be the persons whose names are subscribed to the within instrument, and who acknowledged themselves to be the President and Secretary, respectively, of South Hampton Townhouse Association, Inc., a Maryland corporation, and as such President and Secretary, being authorized so to do, executed the foregoing instrument for the purposes therein contained on behalf of said corporation.

GIVEN under my hand and seal this 25TH day of AUGUST, 1995.

[Signature]
Notary Public

My Commission Expires: 3/1/96

* * * * *

ATTORNEY'S CERTIFICATE

I HEREBY CERTIFY that I am an attorney duly admitted to practice before the Court of Appeals of Maryland and that the within instrument was prepared under my supervision.

[Signature]
Thomas H. Haller

RECEIVED FOR TRANSFER
State Department of
Assessments & Taxation
for Charles County
[Signature]
Velic. Trans. Tax. # 8-30-95

Taxes levied and charges
as of this date
AUG 30 1995 [Signature]
have been paid
CHARLES CO. TREAS. OFFICE

Being all of those certain parcels of land, lying and being in the 7th Election District of Charles County, Maryland, and being more particularly described as follows:

- A. Parcel C, as depicted upon a plat of subdivision entitled "Plat 5, Lots 1-85, Section 2, South Hampton", which plat is recorded among the Land Records of Charles County at Liber 46, folio 307. Said Parcel C contains a total of 251,003 sq. ft. or 5.7622 acres. ✓
- B. Parcel D as depicted on a plat of subdivision entitled "Plat 6, Lots 86 Through 160, Section 2, South Hampton", which plat is recorded among the Land Records of Charles County at Liber 46, folio 308. Said Parcel D contains a total of 241,147 sq. ft. or 5.53597 acres. ✓
- C. Parcel A as depicted on a plat of subdivision entitled "Plat 7, Parcels 'A' - 'B', Section 2", which plat is recorded among the Land Records of Charles County at Liber 46, folio 309. The total area of said Parcel A as set forth on Plat 7 is 191,587 sq. ft. or 4.39825 acres. ✓
- D. Parcel A, as depicted upon a plat of subdivision entitled "Section 1-B, Plat 2, Lots 1-13, Block A, Lots 67-74, Block A, South Hampton", which plat is recorded among the Land Records of Charles County at Liber 45, folio 213. Said Parcel A contains a total of 65,134 sq. ft. or 1.49528 acres. ✓
- E. Parcel A and Parcel B, as depicted on a plat of subdivision entitled "Section 1-B, Plat 3, Lots 24-56, Block A, Lots 1-13, Block C, South Hampton", which plat is recorded among the Land Records of Charles County at Liber 45, folio 212. Said Parcel A contains a total of 74,055 sq. ft. or 1.70009 acres. Parcel B contains a total of 79,932 sq. ft. or 1.83500 acres. ✓
- F. Parcel A and Parcel B, as depicted on a plat of subdivision entitled "Section 1-C, Plat 4, Lots 1-43, Block D, South Hampton", which plat is recorded among the Land Records of Charles County at Liber 46, folio 115. The total area of said Parcels A and B as set forth on Plat 4 is 153,721 sq. ft. or 3.52895 acres. ✓

Parcel C and Parcel D do not have an assessment and no taxes are due.

LIBER 1773 FOLIO 90

SOUTH HAMPTON TOWNHOUSE ASSOCIATION, INC.

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

THIS DECLARATION, made on the date hereinafter set forth by THE SOUTHAMPTON CORPORATION, a Maryland corporation, hereinafter referred to as "Declarant".

WITNESSETH:

WHEREAS, Declarant is the owner of certain Property in the County of Charles, State of Maryland, which is more particularly described on the legal description attached hereto and made part hereof as Exhibit "A".

WHEREAS, the Property described on Exhibit "A" is part of a larger tract of land which has previously been the subject of a Declaration of Covenants, Conditions and Restrictions established to protect the value and desirability of a residential community known as "South Hampton". The purpose of this Declaration is to provide for the operation and maintenance of common area and establish community standards relating to the townhouse lots in South Hampton which are not operated or maintained by the Community Association.

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

ARTICLE I
Definitions

Section 1.01. "Association" shall mean and refer to the SOUTH HAMPTON TOWNHOUSE ASSOCIATION, INC., a non-stock, non-profit corporation, its successors and assigns.

Section 1.02. "Common Area" shall mean all real property owned by the Association (including the improvements thereto and private roadways) or otherwise available for the common use and enjoyment of the Owners. The Common Area to be owned by the Association at the time of the conveyance of the first Lot is described more particularly on the legal description attached hereto and made part hereof as Exhibit "B".

LAW OFFICES
GIBBS AND HALLER
1840 FORBES BLVD
LAWMAN, MD 20708
1301 308-0033

08/20/03
CHARLES COUNTY, MD
BOOKED DSO R01 114517
REN. PROP 2.00
RECORD FEE 232.00
CHECK B 234.00

Section 1.03. "Common Expenses" shall mean and refer to the actual and estimated expenses of operating the Association, including a reasonable reserve, all as may be found to be necessary or appropriate by the Board pursuant to this Declaration, the Bylaws and the Articles of Incorporation of the Association.

Section 1.04. "Community Association" shall mean and refer to the South Hampton Homeowners Association, Inc., as established and governed by the Declaration of Covenants, Conditions and Restrictions of the South Hampton Homeowners Association, Inc., recorded among the Land Records of Charles County, Maryland, in Liber 1770 at Folio 217, et. seq., as amended from time to time.

Section 1.05. "Community-Wide Standard" shall mean the standard of conduct, or other activity generally prevailing in the Project. Such standard may be more specifically determined and set forth by the Covenant Committee (as such term is defined in Article 6.01).

Section 1.06. "Declarant" shall mean and refer to SOUTHAMPTON CORPORATION and its successors and assigns if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development, but only to the extent that any of the rights, reservations, easements, interests, exemptions, privileges and powers of the Declarant are specifically assigned or transferred to such successors or assigns by an instrument in writing.

Section 1.07. "Development Plan" shall mean the Preliminary Plan for South Hampton, dated January 1992, Job No. 3812, prepared by Greenhorne & O'Mara, Inc., P.O. Box 127, Maryland Route 5 and St. Charles Parkway, Waldorf, Maryland 20604-0127, including all amendments thereto as may be made from time to time.

Section 1.08. "Eligible Mortgage Holder" shall mean a holder of a first mortgage on a Lot who has requested notice from the Association of amendments to the Association documents or other significant matters which would affect the interests of the mortgagee.

Section 1.09. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Property upon which it is intended that a dwelling unit be constructed.

Section 1.10. "Member" shall mean and refer to every person, group of persons, corporation, trust, or other legal entity, or

combination thereof, who holds any class of membership in the Association.

Section 1.11. "Mortgagee" shall mean the holder of any recorded mortgage, or the party secured or the beneficiary of any recorded deed of trust, encumbering one or more of the Lots. The term, "Mortgage," as used herein, shall include a deed of trust. The term, "First Mortgage," as used in this Declaration, the term "mortgagee" shall mean any mortgagee and shall not be limited to institutional mortgagees. As used in this Declaration, the term, "institutional mortgagee" or "institutional holder," shall include banks, trust companies, insurance companies, mortgage insurance companies, savings and loan associations, trusts, mutual savings banks, credit unions, pension funds, mortgage companies, Federal National Mortgage Association ("FNMA"), Federal Home Loan Mortgage Corporation ("FHLMC"), all corporations and any agency or department of the United States Government or of any state or municipal government, or any other organization or entity which has a security interest in any Lot.

In the event any mortgage is insured by the Federal Housing Administration ("FHA") or guaranteed by the Veterans Administration ("VA"), then, as to such mortgage, the expressions, "mortgagee" and "institutional mortgagee," include the FHA or the VA as the circumstances may require, acting, respectively, through the Federal Housing Commission and the Commissioner of Veterans' Benefits or through other duly authorized agents.

Section 1.12. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Property, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 1.13. "Project" as used in this Declaration means that certain community being developed by the Declarant (or affiliates, successors and assigns of the Declarant) in Charles County, Maryland, known as "SOUTH HAMPTON TOWNHOUSE ASSOCIATION".

Section 1.14. "Property" shall mean and refer to that certain real property described on Exhibit "A" hereto, and such additions thereto as may hereafter be brought within the jurisdiction of the Association pursuant to Article II of this Declaration.

ARTICLE II
Property Subject to Declaration

Section 2.01. Initial Property Subject to the Declaration.
The real property which is and shall be held, conveyed, hypothecated or encumbered, sold, leased, rented, used, occupied and improved subject to this Declaration is located in Charles County, State of Maryland, and is more particularly described on Exhibit "A" attached hereto and by this reference made a part hereof.

Section 2.02. Additions. So long as there are Class B members of the Association, additional property may be annexed to the above-described property without the consent of the Class A members of the Association, if any, for a period of seven (7) years from the recordation of this Declaration by the Declarant. Following the lapse or surrender of the Class B memberships as provided for in Article IV of this Declaration, additional property may be annexed to the above-described property without the consent of the Class A members of the Association, if any, so long as such additional property is part of the property depicted on Exhibit "C" attached hereto and made a part hereof (which property includes the property described on Exhibit "A"), provided that such annexation occurs within seven (7) years from the recordation of this Declaration. The scheme of the within Covenants and Restrictions shall not, however, be extended to include any such additional property unless and until the same is annexed to the real property described on Exhibit "A" as hereinafter provided.

Any annexations made pursuant to this Article, or otherwise, shall be made by recording a Supplementary Declaration of Covenants, Conditions and Restrictions among the Land Records for Charles County, Maryland, which Supplementary Declaration shall extend the scheme of the within Declaration of Covenants, Conditions and Restrictions to such annexed property.

So long as any Lot is encumbered by a deed of trust or mortgage which is guaranteed by the Veterans Administration, no annexation shall be made pursuant to this Article, or otherwise, except following a determination by the Veterans Administration that the annexation conforms to a general plan for the development of the Community previously approved by the Veterans Administration or, if no such general plan was approved by the Veterans Administration, except following the prior written approval of the Veterans Administration.

Any Supplementary Declaration of Covenants, Conditions and Restrictions made pursuant to the provisions of this Article may

LIBERT 773 FOLIO 94

contain such complementary or supplemental additions and modifications to the covenants and restrictions set forth in the within Declaration as may be considered necessary by the maker of such Supplementary Declaration of Covenants, Conditions and Restrictions to reflect the different character or use, if any, of the annexed property.

Every Owner of a Lot in property to be annexed as provided herein shall have an easement of enjoyment in and to the Common Area, and such other rights of use as provided in Section 3.01 herein. In addition, every owner subject to this Declaration shall have an easement of enjoyment in and to any common area designated within the property to be annexed, which such property will be described in any Supplementary Declaration of Covenants, Conditions and Restrictions.

Section 2.03. Deannexation. So long as there are any Class B members the Declarant may deannex any property from the Property for a period of seven (7) years from the date of recordation of this Declaration. Such deannexed property shall no longer be subject to the covenants and restrictions of this Declaration except for any easements, rights, reservations, exemptions, powers or privileges reserved to the Declarant pursuant to this Declaration which affect the deannexed property. Such deannexation shall be made by recording a Supplementary Declaration among the Land Records of Charles County, Maryland, withdrawing the effect of the covenants and restrictions of this Declaration from the deannexed property. Such deannexed property may be utilized by the Declarant, or any successor, assign, or transferee of such Declarant for any lawful purpose provided all zoning and other applicable land use laws are complied with.

ARTICLE III
Property Rights

Section 3.01. Owners Easements of Enjoyment. Every Owner shall have a right and easement in and to the Common Area, including an easement for the use and enjoyment of the egress to such Owner's Lot, 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 any recreational facility situated upon the Common Area;

(b) the right of the Association to suspend the voting rights and right to use of any recreational facilities by an Owner

for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations;

(c) the right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument signed by two-thirds (2/3) of each class of members and fifty-one percent (51%) of the Eligible Mortgage Holders agreeing to such dedication or transfer has been recorded, and that the dedication or transfer shall also be subject to the limitations provided in Sections 12.09 and 12.10 of this Declaration.

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

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

(f) the right of the Association to provide for the exclusive use by the Owners of certain designated parking spaces within the Common Area.

(g) the right of the Association, the Declarant, utility companies and other owners with respect to the easements established in Section 7.07 hereof.

(h) the right of the Association, in accordance with its Articles of Incorporation and Bylaws, and with the consent of a majority of each class of the then members of the Association, voting separately, 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.

(i) 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.

(j) the right of the Association, acting by and through its Board of Directors, to grant easements, licenses or other rights of use to persons or entities who are not members of the

LIDER 1773 FOLIO 96

Association in connection with the recreational facilities installed as part of the Common Area for such consideration and on such forms and conditions as the Board of Directors may from time to time consider appropriate.

Section 3.02. Limitations.

(a) Any other provision of this Declaration to the contrary notwithstanding, the Association shall have no right to suspend the right of any member of the Association to use any private streets and roadways located upon the Common Area (including without limitation, any private streets and roadways located within the Property) for both vehicular and pedestrian ingress and egress to and from his Lot and for parking.

(b) Any other provisions of this Declaration to the contrary notwithstanding, the Association shall have no right to suspend the right of any member of the Association to use the Common Area for necessary, ordinary and reasonable pedestrian ingress and egress to and from his Lot or to suspend any easement over the Common Area for storm water drainage, electrical energy, water, sanitary sewer, natural gas, CATV or similar service, telephone service or similar utilities and services to the Lots.

(c) Any other provisions of this Declaration to the contrary notwithstanding the Association shall have no right to suspend the right of any member of the Association to use any of the recreational facilities or other property owned by the Community Association.

Section 3.03. Delegation of Use. Any Owner may delegate, in accordance with the Bylaws and Rules and Regulations of the Association, his right of enjoyment to the Common Area and facilities to the members of his family, his tenants, social invitees, or contract purchasers who reside on the Property.

ARTICLE IV

Membership and Voting Rights

Section 4.01. Membership. Every Owner of a Lot which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

Section 4.02. Voting Rights. The Association shall have two (2) classes of voting membership.

Class A. With the exception of the Declarant, every person, corporation, partnership, trust or other legal entity, or any combination thereof, who is an Owner of any Lot which is part of the premises described in Article II of this Declaration, or which otherwise becomes subject to the covenants set forth in this Declaration, to assessments by the Association, shall be a Class A member of the Association; provided, however, that any such person, group of persons, corporation, partnership, trust or other legal entity who holds such interest solely as security for the performance of an obligation shall not be a Class A member solely on account of such interest. When more than one (1) person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Lot.

Any Owner who leases his Lot may, in the lease or other written instrument, assign the voting right appurtenant to that Lot to the lessee, provided that a copy of such instrument is furnished to the Association.

Class B. The Class B member shall be the Declarant, its nominee or nominees, and shall include every person, group of persons, corporation, partnership, trust or other legal entity, or any combination thereof, who shall obtain any Class B membership by specific assignment from the Declarant.

The Class B member shall be entitled to three (3) votes for each Class B membership. Each Class B membership shall lapse and become a nullity on the first to happen of the following events:

(i) thirty (30) days following the date on which the total authorized and outstanding votes of the Class A members exceeds the total authorized and outstanding votes of the Class B members; or

(ii) seven (7) years from the date of recordation of this Declaration; provided, however, that if the Declarant is delayed in the improvement and development of the Property on account of a sewer, water or building permit moratorium or any other cause or event beyond the Declarant's control, then the aforesaid seven (7) year period shall be extended by a period of time equal to the length of the delays or an additional seven (7) years, whichever is less; or

LIBER 1,773 FOLIO 98

(iii) upon the surrender of said Class B memberships by the then holders thereof for cancellation on the books of the Association.

Upon the lapse or surrender of the Class B memberships as provided for in this Article, the Declarant shall thereafter become a Class A member of the Association as to each and every Lot in which the Declarant then holds the interest otherwise required for such Class A membership.

ARTICLE V
Covenant for Maintenance Assessments

Section 5.01. Creation of the Lien and Personal Obligation of Assessments. There are hereby created assessments for Common Expenses as may be from time to time specifically authorized by the Board of Directors to be commenced at the time and in the manner set forth in Article V. The Declarant, for each Lot owned within the Property, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agrees to pay to the Association: (1) annual assessments or charges or any and all expenses owed by the Declarant during the Deficit Period (as such term is defined in Section 5.03 below), and (2) special assessments for capital improvements. The annual and special assessments or Deficit Period fees, as the case may be, together with interest, costs, and reasonable attorneys' fees, shall be a charge on the Lot (including all improvements thereon), and shall be a continuing lien upon the property against which each such assessment is made, provided the requirements of the Maryland Contract Lien Act have been fulfilled. Each such assessment, together with interest, costs, and reasonable attorneys' fees, shall also be the personal obligation of the person who was the Owner of the Lot at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his or her successors in title unless expressly assumed by such successors.

Section 5.02. Purpose of Assessments.

(a) The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents in the Property and for the improvement and maintenance of the Common Area, the payment of real estate taxes, assessments and utility services for the Common Area, and management fees, administration expenses, insurance and all other costs and expenses incurred by the Association in proper conduct of its activities, including, without limitation, reserves for

replacements or contingencies, charges accruing under any cross-easement or reciprocal easement agreements. Finally, the assessments shall be used to pay for any and all other maintenance responsibilities of the Association including, but not limited to the maintenance of any entrance features or signage appurtenant to or serving or benefiting the Community, retaining or separation walls, parking lots, recreational facilities (whether located on the Common Area and/or on one (1) or more Lots) and any other properties or facilities the Association may determine to maintain pursuant to this Declaration. Some Common Areas, such as parking lots and landscaped areas, are for the sole benefit of less than all of the Lots in the Association. The Lots benefitted by the Common Area should be solely responsible for the maintenance of said property. To ensure that the assessment for each Lot is equitable, non-uniform rates of assessment to allow for such maintenance shall be established in accordance with paragraph 5.06 below.

(b) Notwithstanding anything contained in this Declaration, the Bylaws or the Articles of Incorporation to the contrary, the Association shall be responsible for maintaining any and all storm water management facilities, including, without limitation, ponds, basins, oil/grit separator apparatus or equipment and drainage areas, whether such facilities are located within the Property or not, which are designed to benefit or serve any portion of the Property and are required to be maintained by the Association.

Section 5.03. Initial Annual Assessment. The initial maximum annual assessment for each Lot shall not exceed One Hundred Fifty Dollars (\$150.00). Any lots owned by the Declarant shall be subject to an assessment equal to twenty five percent (25%) of the assessment applicable to lots not owned by the Declarant. Notwithstanding the foregoing, the Declarant shall pay the full annual and special assessments for Lots owned by Declarant upon which a dwelling unit has been completed and is occupied by a party other than the Declarant. Notwithstanding any provision contained in this Declaration to the contrary, Declarant hereby covenants and agrees for the benefit of each Class A member to pay any and all expenses incurred by the Association during the Deficit Period (as such term is hereinafter defined) in furtherance of its purposes to the extent that the annual and special assessments levied during the Deficit Period are insufficient to pay such expenses; provided, however, that at such time as the Declarant has paid what would equal one hundred percent (100%) of the assessments for its Lots, had it not been entitled to a reduced assessment, then the Declarant shall only be obligated to pay any further assessments during that annual period in an amount equal to what would be due for such Lots had they been owned by a Class A member. As used herein, the term "Deficit Period" shall mean that period of time

LIBER 1773 FOLD 100

commencing on the date of recordation of this Declaration and ending on the earlier of: (i) the date on which the Class B membership lapses and becomes a nullity in accordance with the provisions of this Declaration; or (ii) the date upon which the Declarant, in writing and recorded among the Land Records of Prince George's County, Maryland, declares that it (from the date specified in such recorded writing) waives its right to not pay any assessments on Lots owned by the Declarant in accordance with this Section 5.03. The Declarant may make such Declaration with respect to less than all of the Lots owned, to be owned or to be brought within the jurisdiction of the Association in which event the deficit period shall terminate only with respect to those Lots specifically described.

From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased by the Board of Directors of the Association, without a vote of the Class A membership, by an amount equal to (i) five percent (5%) of the maximum annual assessment for the preceding year, plus (ii) the amount by which any *ad valorem* real estate taxes and insurance premiums payable by the Association have increased over amounts payable for the same or similar items for the previous year, plus (iii) the amount by which the Association has incurred or anticipates incurring increased operating expenses by reason of the completion, annexation or addition of facilities within the Common Area and/or additional Common Area, plus (iv) the amount by which the Association has incurred or anticipates incurring additional obligations or responsibilities in performing its duties and responsibilities in accordance with this Declaration.

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

If the Board of Directors determines that the functions of the Association may be properly funded by an annual assessment less than the initial maximum annual assessment set forth above, or less than the maximum annual assessment subsequently increased pursuant to this Section 5.03, then the Board of Directors may levy such lesser assessment as it deems appropriate.

LIBER 773 FOLIO 01

The Board of Directors shall make a reasonable effort, at least sixty (60) days before the beginning of the fiscal year and thirty (30) days prior to the meeting at which the budget shall be presented to the membership, to prepare a budget covering the estimated costs of operating the Association during the coming year. The budget may include an amount sufficient to establish and maintain a reserve fund in accordance with a reserve fund budget separately prepared by the Board of Directors pursuant to Section 5.10. The Board of Directors shall cause a copy of the budget, and the amount of the assessments to be levied against each Lot for the following year to be delivered to each Owner at least fifteen (15) days prior to the meeting. The budget date and the assessments shall become effective unless disapproved at the meeting by a vote of at least a majority of both classes of the total Association membership.

Notwithstanding the foregoing, however, in the event the membership disapproves the proposed budget or the Board of Directors fails for any reason so to determine the budget for the succeeding year, then and until such time as a budget shall have been determined as provided herein, the budget in effect for the then current year shall continue for the succeeding year.

The Declarant may establish a working capital fund for initial operation of the Association. Such working capital fund may be funded by a one-time assessment of two (2) times the monthly assessment for a Lot and shall be payable, if established, by the Declarant's grantee upon the earlier of settlement or occupancy of a completed dwelling located on any Lot.

Section 5.04. Special Assessments. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment or special assessments applicable to that year for such purposes as the Board of Directors may deem appropriate, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose. The Association may also levy a special assessment against any Owner to reimburse the Association for costs incurred in bringing any Owner and his/her Lot into compliance with the provisions of the Declaration, any Supplementary Declarations, the Articles of Incorporation, the Bylaws and the Rules of the Association. Such a special assessment may be levied upon the vote of the Board of Directors after notice to the Owner and an opportunity for a hearing before the Board of Directors.

Section 5.05. Notice and Quorum for any Action Authorized Under Section 5.04. Written notice of any meeting called for the

purpose of establishing a special assessment in accordance with Section 5.04 shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 5.06. Variable Rate of Assessment. The Board of Directors may, from time to time, establish by resolution non-uniform rates of assessments for Lots situated within the Property depending on what type of dwelling unit is situated on such Lot (single family detached homes, townhouses, condominiums, etc.). Such rates shall be based on actual costs incurred by the Association relating to the operation and maintenance of Property. The imposition of non-uniform rates of assessment shall rest solely at the discretion of the Board of Directors. Notwithstanding anything herein to the contrary, Lots containing the same dwelling unit type shall be assessed at a uniform rate. It is the intention of this Declaration that all residents of the community shall share equally in the maintenance of the recreational facilities.

Section 5.07. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence NINETY (90) days following the sale and settlement of the first residential dwelling constructed on each parcel of ground so annexed. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment 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 for the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association with the status of assessments on the Lots shall be binding on the Association as of the date of its issuance.

Section 5.08. Effect of Non-Payment of Assessments: Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date until paid at a rate equal to the maximum rate of interest permitted under the laws of the State of Maryland (or such lesser sum as VA and/or FHA may specify if any Lot subject to this Declaration is then

encumbered by a deed of trust or mortgage which is guaranteed by the VA or insured by the FHA). Additionally, the entire balance of the unpaid annual assessments for the remainder of the fiscal year shall also become due, payable and collectible in the same manner as the delinquent portion of such annual assessment. The Association may bring an action at law against the Owner personally obligated to pay the same and/or foreclose the lien against the 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 are substantially fulfilled. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot. The Owner shall also be obligated to pay all attorneys' fees and court costs incurred in connection with the collection of assessments if not paid when due.

Section 5.09. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage or deed of trust. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any lot pursuant to mortgage or deed of trust foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof. 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 5.10. Reserve Fund Budget and Contribution. The Board of Directors, at its option, may annually prepare a reserve fund budget 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. In the event a reserve fund budget is established for any fiscal year, the Board of Directors shall set the required reserve fund contribution 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, if any, shall be fixed by the Board of Directors and included within the budget and assessment, as provided in Section 5.03. Such reserve fund contribution shall be payable as part of the general assessment, applicable to all Lots. A copy of the reserve fund budget shall be distributed to each Owner in the same manner as the operating budget.

Section 5.11. Credits for Lots Providing Utilities to Common Areas.

Without limiting the generality of the other provisions of this Declaration which provide for other than fixed and uniform assessments, the Declarant or the Association shall have an easement over, upon, across or through the Common Area and any Lot to make a utility connection to any dwelling located on a Lot to serve all or a portion of the Common Areas, provided, however, that:

(i) the average monthly consumption charge for all facilities within the Common Areas that are connected to the utility meter for any Lot shall not exceed Twenty Dollars (\$20.00) per month for each meter; and

(ii) the Declarant shall, in cooperation with appropriate utility companies and/or engineering advisors, establish a monthly credit against the assessment for the Lot to which such utility is connected, which credit shall equal one hundred ten percent (110%) of the reasonable estimate of utility consumption charges for the Common Area that are connected to such Lot; and

(iii) the Owner of the Lot to which such connection is made shall, in a timely manner, pay all utility fees and charges accruing with respect to his Lot so as to prevent the interruption of service to those facilities within the Common Areas which are served by such Owner's utility connection; and

(iv) the Owner of the Lot to which such connection is made shall not disconnect such connection, or interfere with the Declarant's or Association's use of such utility connection in any manner.

Any Owner upon whose Lot such connection is made shall be entitled, from time to time, and upon good cause, to request that the Association re-establish and/or reevaluate the usage charge estimated pursuant to the provisions of subparagraph (ii) hereof. Any dispute as to such amount shall be settled in accordance with arbitration procedures established by the American Arbitration Association. The Association shall repair any damage caused to any Lot upon which it utilizes a utility connection pursuant to this section which is related to the Association's use of such utility connection. In the event any Lot upon which the Association desires to utilize a utility connection is encumbered by a deed of trust or mortgage which is guaranteed by the VA or insured by the FHA, then the written consent of the VA or FHA shall be obtained prior to the use of such Lot's utility connection(s) by the Association.

Section 5.12. Community Association Maintenance Assessments.

All Lots shall also be subject to an annual maintenance assessment imposed by the Community Association, as set forth in the Declaration of Covenants, Conditions and Restrictions for the South Hampton Homeowners Association, Inc., as amended from time to time.

ARTICLE VI
Architectural Control

Section 6.01. Architectural Change Approval.

No building, fence, wall, mailbox or other structure shall be commenced, erected or maintained upon the Property, nor shall any exterior addition to or change or alteration therein be made (including, but not limited to, changes in color, changes or additions to driveway or walkway surfaces, and landscaping modifications) until the plans and specifications showing the nature, kind, shape, heights, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography and conformity with the design concept for the Property by the Board of Directors of the Association, or by a covenant committee composed of three (3) or more representatives appointed by the Board of Directors of the Association ("Covenant Committee"). In the event said Board, or its designated committee, fails to approve or disapprove such design and location within sixty (60) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with. Design approval by the Covenant Committee or by the Board 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. The Board or the Covenant Committee shall have the right to charge a reasonable fee for reviewing each application in an amount not to exceed Fifty Dollars (\$50.00). Any exterior addition to or change or alteration made without application having first been made and approval obtained as provided above shall be deemed to be in violation of this covenant and the addition, change or alteration may be required to be restored to the original condition at the Owner's cost and expense. In any event, no such exterior addition to or change or alteration shall be made without approvals and permits therefor having first been obtained by the Owner from the applicable public authorities or agencies. Notwithstanding any provision of this Declaration to the contrary, the provisions of this Article VI shall not be applicable to the Declarant or any part of the Property owned by the Declarant.

Section 6.02. Initiation and Completion of Approved Changes. Construction or alterations in accordance with plans and specifications approved by the Covenant Committee pursuant to the provisions of this Article shall be commenced within six (6) months following the date upon which the same are approved by the Covenant Committee (whether by affirmative action or by forbearance from action as provided in Section 6.01), and shall be substantially completed within twelve (12) months following the date of commencement, or within such longer period as the Covenant Committee shall specify in its approval. In the event construction is not commenced within the period aforesaid, then approval of the plans and specifications by the Covenant Committee shall be conclusively deemed to have lapsed and compliance with the provisions of this Article shall again be required. There shall be no deviations from plans and specifications approved by the Covenant Committee without any prior consent in writing of the Covenant Committee. Approval of any particular plans and specifications or design shall not be construed as a waiver of the right of the Covenant Committee, to disapprove such plans and specifications, or any elements or features thereof, in the event such plans and specifications are substantially submitted for use in any other instance.

Section 6.03. Certificate of Compliance. Upon completion of any construction or alterations or other improvements or structures in accordance with plans and specifications approved by the Covenant Committee in accordance with the provisions of this Article, the Covenant Committee shall, at the request of the Owner thereof, issue a certificate of compliance which shall be prima facie evidence that such construction, alteration or other improvements referenced in such certificate have been approved by the Covenant Committee and construction or installation in full compliance with the provisions of this Article and with such other provisions and requirements of this Declaration as may be applicable.

Section 6.04. Covenant Committee Rules and Regulations; Appeal of Covenant Committee Decision. The Covenant Committee may from time to time adopt and promulgate such rules and regulations regarding the form and content of plans and specifications to be submitted for approval and may publish such statements of policy, standards, guidelines and/or establish such criteria relative to architectural styles or details, or other matters, as it may consider necessary or appropriate. No such rules, regulations, statements, criteria or the like shall be construed as a waiver of the provisions of this Article or any other provision or requirement of this Declaration. The decisions of the Covenant Committee shall be final except that any member who is aggrieved by

any action or forbearance from action by the Covenant Committee may appeal the decision of the Covenant Committee to the Board of Directors and, upon the request of such member, shall be entitled to a hearing before the Board of Directors. Two thirds (2/3) of the Board of Directors shall be required to reverse the decision of the Covenant Committee.

Section 6.05. Exterior Appearance. Except as specifically provided herein to the contrary, and without limiting the generality of this Article VI, the following shall apply to every Lot and dwelling unit within the Property, unless otherwise expressly provided by the Covenant Committee or the Board of Directors:

(a) storm windows installed by any Owner or resident, provided such installation is approved by the Covenant Committee or the Board of Directors, shall be painted the same color as the window trim.

(b) the installation of any storm door(s) must receive prior approval of the Board of Directors or the Covenant Committee, including, but not limited to, the style, color and material of said storm door(s). Storm doors must be of traditional design, must be either full or three-quarters view clear glass, and must be painted to match the front door or the trim around the front door.

(c) exterior wood decks, fences and gates, if any, shall not be painted or stained in any manner, except the application of a neutral colored wood preservative is permitted.

(d) the color of the exterior of all structures or dwellings, including, without limitation, garage doors, all sidings, gutters, downspouts, brick and trim, shall not be changed or altered, provided, however, that the color of the exterior of the front door and shutters may be changed if prior written approval of the Covenant Committee or the Board of Directors is obtained.

(e) the roof of any dwelling shall be repaired or replaced with materials, substantially identical in construction, shingle type, texture and color as the material utilized by the Declarant in the original construction of the dwelling.

Notwithstanding anything to the contrary contained in this Section 6.05, the provisions of said Section 6.05 shall not apply to any Lot or dwelling unit owned by the Declarant, his successor's or assigns.

LIBERT 773 FOLIO 09

dwelling, or other part of the Property, except that this shall not prohibit the keeping of dogs, cats, caged birds or other small domestic 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 members; (iii) no more than three (3) such domestic pets may be maintained upon a Lot or the dwelling erected thereon; and (iv) such pets are maintained in strict conformance to all laws and ordinances. The Board of Directors or, upon resolution of the Board of Directors, the Covenant Committee, shall have the authority, after a hearing, to determine whether a particular pet is a nuisance or a source of annoyance to other members, and such determination shall be conclusive. Pets shall be attended at all times and shall be registered, licensed and inoculated as may from time to time be required by law. Pets shall not be permitted upon the Common Area unless accompanied by a responsible person and unless they are carried or leashed. The Board of Directors shall have the right to adopt such additional rules and regulations regarding pets as it may from time to time consider necessary or appropriate.

(c) No burning of any trash and no accumulation or storage of litter, lumber, scrap metals, refuse, bulk materials, waste, new or used building materials, or trash of any other kind shall be permitted on any Lot or other part of the Property.

(d) Except for parking within garages, and except as herein elsewhere provided, no junk vehicles, commercial vehicle (including vans used for commercial use), truck (over 1/2 ton capacity) (as defined by the Maryland Department of Motor Vehicles and/or by common usage and practice), unlicensed or inoperable motor vehicle (which shall include, without limitation, any vehicle which would not pass applicable state inspection criteria), trailer, camp truck, house trailer, boat or other similar machinery or equipment of any kind or character (except for such equipment and machinery as may be reasonable, customary and usual in connection with the use and maintenance of any dwelling and except for such equipment and machinery as the Association may require in connection with the maintenance and operation of the Common Area and community facilities) shall be kept upon the Property nor (except for bona fide emergencies) shall the repair or extraordinary maintenance of automobiles or other vehicles be carried out thereon. The Association may, in the discretion of the Covenant Committee, provide and maintain a suitable area designated for the parking of such vehicles or the like.

(e) Trash and garbage containers shall not be permitted to remain in public view except on the evenings prior to and the

LIBER 773 FOLIO 08

ARTICLE VII
Use Restrictions

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

Section 7.01. Permitted Uses. 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 single-family dwelling, except that a professional office may be maintained in a dwelling, provided that: (i) such maintenance and use is limited to the person actually residing in the dwelling; (ii) no employees or staff other than a person actually residing in the dwelling are utilized; (iii) such maintenance and use is in strict conformity with the provisions of any applicable zoning law, ordinance or regulation; and (iv) the person utilizing such office maintains a principal place of business other than the dwelling. As used in this Section 7.01, the term "professional office," shall mean rooms used for office purposes by a member of any recognized profession, including doctors, dentists, lawyers, architects and the like, but not including medical or dental clinics. Nothing contained in this Article, or elsewhere in this Declaration, shall be construed to prohibit the Declarant from the use of any Lot or dwelling unit, or improvement thereon, for promotional or display purposes, or as "model homes", a sales and/or construction office, or the like.

Section 7.02. Prohibited Uses and Nuisances. Except for the activities of the Declarant during the construction or development of the Community, or except with the prior written approval of the Board of Directors or the Association or the Covenant Committee, or as may be necessary in connection with reasonable and necessary repairs or maintenance to any dwelling or upon the Common Area:

(a) No noxious or offensive trade or activity shall be carried on upon any Lot or within any dwelling or any other part of the Property, nor shall anything be done therein or thereon which may be or become an annoyance or nuisance to the neighborhood or other members. Without limiting the generality of the foregoing, no speaker, horn, whistle, siren, bell, amplifier or other sound device, except such devices as may be used exclusively for security purposes, shall be located, installed or maintained upon the exterior of any dwelling or upon the exterior of any other improvements constructed upon any Lot.

(b) The maintenance, keeping, boarding or raising of animals, livestock, or poultry of any kind, regardless of number, shall be and is hereby prohibited on any Lot or within any

LIGEN 773 FOLIO 09

dwelling, or other part of the Property, except that this shall not prohibit the keeping of dogs, cats, caged birds or other small domestic 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 members; (iii) no more than three (3) such domestic pets may be maintained upon a Lot or the dwelling erected thereon; and (iv) such pets are maintained in strict conformance to all laws and ordinances. The Board of Directors or, upon resolution of the Board of Directors, the Covenant Committee, shall have the authority, after a hearing, to determine whether a particular pet is a nuisance or a source of annoyance to other members, and such determination shall be conclusive. Pets shall be attended at all times and shall be registered, licensed and inoculated as may from time to time be required by law. Pets shall not be permitted upon the Common Area unless accompanied by a responsible person and unless they are carried or leashed. The Board of Directors shall have the right to adopt such additional rules and regulations regarding pets as it may from time to time consider necessary or appropriate.

(c) No burning of any trash and no accumulation or storage of litter, lumber, scrap metals, refuse, bulk materials, waste, new or used building materials, or trash of any other kind shall be permitted on any Lot or other part of the Property.

(d) Except for parking within garages, and except as herein elsewhere provided, no junk vehicles, commercial vehicle (including vans used for commercial use), truck (over 1/2 ton capacity) (as defined by the Maryland Department of Motor Vehicles and/or by common usage and practice), unlicensed or inoperable motor vehicle (which shall include, without limitation, any vehicle which would not pass applicable state inspection criteria), trailer, camp truck, house trailer, boat or other similar machinery or equipment of any kind or character (except for such equipment and machinery as may be reasonable, customary and usual in connection with the use and maintenance of any dwelling and except for such equipment and machinery as the Association may require in connection with the maintenance and operation of the Common Area and community facilities) shall be kept upon the Property nor (except for bona fide emergencies) shall the repair or extraordinary maintenance of automobiles or other vehicles be carried out thereon. The Association may, in the discretion of the Covenant Committee, provide and maintain a suitable area designated for the parking of such vehicles or the like.

(e) Trash and garbage containers shall not be permitted to remain in public view except on the evenings prior to and the

days of trash collection. No incinerator shall be kept or maintained upon any Lot.

(f) 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 and, further, the provisions hereof shall not be construed to prohibit the granting of any easement or right-of-way to any municipality, political subdivision, public utility or other public body or authority, or to the Association, the Declarant or any other person for any purpose.

(g) 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 Section 5.02 hereof, or which would be inharmonious with the aesthetics of the community of which it is a part. For the purposes of the immediately preceding sentence, wire lawn edging shall be deemed inharmonious.

(h) Except for entrance signs, directional signs, signs for traffic control or safety, community "these areas" and such promotional sign or signs as may be maintained by the Declarant or the Association, no signs or advertising devices of any character shall be erected, posted or displayed upon, in or about any Lot or dwelling, provided, however, that one sign not exceeding two (2) square feet in area and not illuminated may be attached to a dwelling where a professional office (as herein elsewhere in this Declaration defined) is maintained, and provided, further, that one temporary real estate sign not exceeding six (6) square feet in area may be erected upon any Lot or attached to any 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.

(j) No water pipe, sewer pipe, gas pipe, drainage pipe, television cable or other similar transmission line shall be installed or maintained upon any Lot above the surface of the ground and no wire, cable, satellite dish or other similar

LIBER 773 FOLIO 11

transmission line may be attached to the exterior of any structure on any lot or above the surface of the ground. Except during periods of actual use, no hose shall be stored or placed in the front or side yard of any dwelling unless screened from public view.

(k) No structure, planting or other material shall be placed or permitted to remain upon any lot which may damage or interfere with any easement for the installation or maintenance of utilities, or which may unreasonably change, obstruct or retard direction or flow of any drainage channels.

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

(m) Lawn furniture shall be used and maintained in rear yards or on decks or patios only.

(n) 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 on any lot.

(o) No garbage or trash containers shall be kept on the front or side yard of any lot and garbage and trash containers kept or maintained in the rear yards of any lots or under or upon decks shall be screened from public view at all times.

(p) No Member shall make any private or exclusive or proprietary use of any of the Common Area except with the specific approval of the Covenant Committee and then only on a temporary basis, 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.

(q) Bed sheets, plastic sheets, newspapers, plastic storm windows or other similar window treatments shall not be hung or placed in or on any window on any dwelling located on any lot.

(r) No exterior lighting, emanating from a lot, shall be directed outside the boundaries of the lot, without the prior written approval of the Covenant Committee.

(s) No 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 inhabitation.

(t) No drying or airing of any clothing or bedding shall be permitted outdoors and within any Lot other than within rear yards and between the hours of 8:00 a.m. and 5:00 p.m. on Monday through Friday and 8:00 a.m. and 1:00 p.m. on Saturdays (except when any such days shall fall upon a holiday) and clothes-hanging devices such as lines, reels, poles, frames, etc., shall be stored out of sight other than during the times aforementioned.

(u) Notwithstanding anything to the contrary contained in this Declaration, no garage located within the Property, if any, 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 approval of the Board of Directors or the Covenant Committee pursuant to the provisions of Article VI of this Declaration.

Section 7.03. Leasing and Transfers.

(a) No portion of a dwelling unit, other than an entire dwelling unit, may be leased or rented. All leases shall be on forms approved by the Association and shall: (i) contain provisions advising the tenant of his/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 dwelling units and/or the Property. The Owner(s) of a leased Lot shall notify the Association in writing of the Owner's current address. The Owner(s) of a leased or rented dwelling unit 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. The maximum term any dwelling unit may be rented or leased shall be ninety (90) days, and in no event may a transient tenant be accommodated in any dwelling unit.

(b) Prior to the sale, conveyance or transfer of any Lot or dwelling unit to any person, the Owner shall notify the Board of Directors in writing, by certified mail, return receipt requested, 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 Section 7.03(b) shall not void, prohibit or otherwise invalidate the sale, conveyance or transfer of any Lot or dwelling unit, nor may it have any effect upon any mortgage or deed of trust thereon.

Section 7.04. Parking. Parking within the Property shall be subject to the following restrictions:

(a) The Declarant and thereafter the Board of Directors of the Association shall have the right to designate areas on the Common Area for temporary guest parking. Except as set forth below or as otherwise established by the Declarant or the Association, said designated parking areas shall be for the temporary guest parking only.

(b) Said designated guest parking areas may only be used by Owners and occupants (non-guests) within the Property between the hours of 7:00 a.m. and 5:00 p.m. for periods not to exceed three (3) hours, or such other periods of time as the Board of Directors may establish from time to time.

(c) The Association shall be entitled to establish supplemental rules concerning parking on any portion of the Common Area and Lots, including, without limitation, providing for the involuntary removal of any vehicle violating the provisions of this Declaration and/or such rules.

(d) The Declarant, its successors and assigns, and its nominee or nominees and any agents, servants and/or employees thereof shall be exempt from the provisions of this Section 7.04.

Section 7.05. House Rules, Etc. There will 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 them in writing, and the Board of Directors is hereby and elsewhere in this Declaration authorized to adopt such rules.

Section 7.06. Exemptions. None of the foregoing restrictions shall be applicable in the activities of:

(a) Declarant, its officers, employees, agents or assigns, in their development, marketing, construction, leasing and sale of Lots or other parcels within the Property; or

LIBER 773 FOLIO 14

(b) To the Association, its officers, employees and agents, in connection with the property maintenance, repair, replacement and improvement of the Common Areas and community facilities.

Section 7.07. Declaration of Easements and Rights. The following easements and rights are hereby declared or reserved:

(a) Declarant reserves the right to grant easements, both temporary and permanent, to all public authorities and utility companies over any part of the Common Area.

(b) Each Lot within the Property is hereby declared to have an easement, not exceeding one foot (1') in width, over all adjoining Lots and Common Areas 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 rain water 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. In the event a structure on any Lot is partially or totally destroyed and then repaired or rebuilt, the Owners of each Lot agree that minor encroachments over adjoining Lots shall be permitted and that there shall be valid easements for the maintenance of said encroachments so long as they shall exist.

(c) There is hereby reserved unto the Declarant (and to such other party(ies) as the Declarant may specifically, and in writing, assign such rights), for the benefit of the Property, a 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 vehicular and pedestrian ingress and egress, curb cuts, slope, or grading easements, as well as for the installation, replacement, repair and maintenance of all utilities, including, but not limited to, water, sewer, drainage, storm water detention and/or siltation, gas cable television, telephones and electricity, and further including the right to connect to and use any such utilities which may exist or be located upon the Property from time to time. By virtue of this easement, it shall be expressly permissible to erect and maintain the necessary poles, pipes, lines and other equipment on the property, to affix and maintain electrical or telephone wires and conduits, sewer and water drainage lines, on, above, or below any portion of the Property, including any improvements

LIBER 1773 FOLIO 15

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 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 (c). 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 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. Declarant also reserves the right to enter into 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. Each Lot shall further be subject to a public pedestrian access easement over and upon any sidewalk (or the replacement thereof) constructed on the Lot by the Declarant, which sidewalk is reasonably deemed to be for the use of the community of which the Lot is a part.

(d) An easement is hereby reserved to Declarant to enter the Common Area during the period of construction and sale on 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 construction and sale of residences, including, without limitation, a business office, sales office, construction office, leasing office, storage area, construction yards, displays and model units.

(e) Declarant also reserves the right to enter into 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. There is further reserved unto the Declarant and its agent(s) a non-exclusive easement over, across and through all of the Common Areas for the purpose of access, the storage of building supplies and materials and equipment and, without any limitation, for any and all purposes reasonably related to the completion of

the development, construction or rehabilitation and repair of the Property.

(f) For a period of ten (10) years from the date of the conveyance of the first Lot, the Declarant reserves a blanket easement and right on, over and under the Property to maintain reasonable standards of health, safety and appearance. Such right expressly includes the right to cut any trees, bushes or shrubbery, make any gradings of the soil, or to take any other similar action reasonably necessary, following which the Declarant shall restore the affected property to its original condition as near as practicable. 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 which precludes such notice. 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 (f).

(g) The rights and duties with respect to sanitary sewer and water, storm drains, downspouts, yard drains, cable television, electricity, gas and telephone lines and facilities shall be governed by the following:

(i) Whenever water, sanitary sewer and water, storm drains, downspouts, yard drains, electricity, gas, cable television or telephone connections, lines, cables or any portion thereof, are or have been installed within the Property, the Owner of any Lot, or the Association shall have the right, and are hereby granted an easement to the extent necessary therefor, to enter upon or have a utility company enter upon any portion of the Property in which said installations are located, to repair, replace and generally maintain said installations.

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

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

dispute, and the decision of the Board shall be final and conclusive as to the parties.

(h) The Association shall have an easement to enter any portion of the Property for the performance of its duties hereunder; provided that except as provided in Article VIII hereof, such easement shall not entitle the entry within the interior portion of any dwelling located on the Property, but (by way of illustration only and not in limitation of the rights granted herein) shall permit the entry into fenced, or other similar areas of the Property.

(i) 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 for which 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 the Declarant's 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.

(j) 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 benefitted Lot; provided, however, that subject to the provisions of Section 5.02 of this Declaration, the obligation to maintain such portion of the Common Area shall be that of the Owner of the benefitted Lot and the obligation to maintain the wooden, brick, stone, or other similar fencing located within the Common Area, which encloses the benefitted Lot, shall be that of the Association. The Owner of any Lot benefiting 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.

(k) A mutual right and easement for utility services is hereby established for the benefit of all Owners, such that no Owner shall take any action which would in any way interfere with utility services being provided to other Owners within the Project.

If a Lot contains any utility pipes, ducts, conduits, wires or the like which are for the benefit, in whole or in part, of other Owners within the Project, then the Owner of such Lot shall promptly, at his expense, repair any damage to such utilities caused by the Owner, his guests or invitees.

(1) The Association, its agents and employees, shall have an irrevocable right and an easement to enter the Lots for the purposes of exercising the rights and fulfilling the obligations established by this Declaration and any Supplementary Declarations recorded hereafter, including, without limitation, the right to maintain and care for the lawn and garden areas situated on any Lot in accordance with this Declaration.

ARTICLE VIII
Maintenance

Section 8.01. Owners' Rights and Responsibilities. Except as otherwise specifically provided in this Declaration, each Owner shall keep each Lot owned by him, and all improvements therein or thereon, in good order and repair and free of debris in a manner and with such frequency as is consistent with good property management and the Community-Wide Standard. In the event an Owner of any Lot in the Property shall fail to maintain the Lot and the improvements situated thereon, the Board of Directors or its agent shall have the right to enter upon said Lot to correct drainage and to repair, maintain and restore the Lot and the exterior of the building and any and all improvements erected thereon. Whenever entry is not required in an emergency situation, the Association shall afford the Owner reasonable notice and an opportunity to cure the problem prior to entry. All costs related to such correction, repair or restoration shall be collectible from the Owner of such Lot in the same manner as assessments as provided in Article V herein.

Section 8.02. Association Maintenance. The Association shall maintain and keep in good order the Common Area, such maintenance to be funded as hereinafter provided. In addition, the Association shall maintain and keep in good repair rights-of-way and entry strips, whether owned as part of a Lot or dedicated for public use, so long as the rights-of-way or entry strips are within or appurtenant or serve or benefit the Project. This obligation shall include, but not be limited to, maintenance, repair and replacement, subject to any insurance then in effect, of all landscaping and all flora, structures and improvements situated upon such areas. The Association shall also maintain any entrance features and signage situated within the Property, or which serves

or is appurtenant to the Community. Such maintenance shall include, but not be limited to, the repair and replacement of such entrance features and signage as determined by the Board of Directors of the Association. The Association shall also be responsible for the maintenance of any retaining or separation walls or fences whether located in the Common Area or on one or more Lots and shall have a perpetual easement over, across and through the Property to perform such maintenance.

The Association may, in the discretion of the Board of Directors, assume additional maintenance responsibilities upon all or any portion of the Properties. In such event, all costs of such maintenance shall be assessed only against those Owners receiving or benefiting or being served by the additional services. This assumption of responsibility may take place either by contract or because, in the opinion of the Board, the level and quality of service then being provided is not consistent with the Community-Wide Standard of the Project. The provision of services in accordance with this Section shall not constitute discrimination within a class.

The Association shall also have the right to enter any Lot, including the dwelling unit located on such Lot, without the consent of the Owner and/or occupant thereof, to conduct any emergency repairs as are necessary for the maintenance and protection of the Common Area 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 V herein.

ARTICLE IX INSURANCE

Section 9.01. Individual Coverage. By virtue of taking title to a Lot, each Owner covenants and agrees with all other Owners and with the Association that each individual Owner shall carry blanket all risk casualty insurance on the dwelling and all structures located upon the 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 the dwellings located on the Property, unless the Owners thereof have supplied proof of adequate coverage to the Board of Directors' satisfaction. Each Owner 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. The Board of Directors may impose more stringent requirements regarding the standards for rebuilding or reconstructing structures on the Lot and the standard for returning the Lot to its natural state in the event the Owner decides not to rebuild or reconstruct.

Section 9.02. Required Coverage. 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 property insurance covering all the Common Areas (except land, foundation, excavation and other items normally excluded from coverage) including fixtures and building service equipment, to the extent that they are a part of the Common Areas of the Association, as well as common personal property and supplies.

The insurance policy shall afford, as a minimum, protection against loss or damage by fire and other perils normally covered by the standard extended coverage endorsement, as well as all other perils which are customarily covered with respect to projects similar in construction, location and use, including all perils normally covered by the standard "All Risk" endorsement, where such is available. The policy shall be in an amount equal to one hundred percent (100%) of the current replacement cost of the Common Areas (less a deductible deemed reasonable by the Board of Directors) and shall name the Association as the named insured.

Each hazard insurance policy must be written by a hazard insurance carrier which has a current rating by Best's Insurance Reports of B/VI or better (or its equivalent). Hazard insurance policies are also acceptable from any insurance carrier which has a financial rating by Best's Insurance Reports of Class V, provided it has a general policyholder's rating of at least "A". Each insurer must be specifically licensed or authorized by law to transact business within the State of Maryland. The policy contract shall provide that no assessment may be made against the mortgagees, and that any assessment made against others may not become a lien on the mortgaged premises superior to the first mortgage. Additionally, if applicable, the Association shall obtain a steam boiler and machinery coverage endorsement which provides that the insurer's minimum liability per accident at least equals the lesser of Two Million Dollars (\$2,000,000.00) or the insurable value of the building(s) housing the boiler or machinery. Finally, the deductible on any hazard policy should be Ten Thousand

10881773 FOLIO 21
Dollars (\$10,000.00) or one percent (1%) of the face value of the policy, unless the State of Maryland permits a higher amount.

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 mortgagee clause must provide that all property insurance policies must provide an Agreed Amount and Inflation Guard Endorsement, if available, and a Construction Code Endorsement if the Common Areas in the Association are subject to a construction code provision which would become operative and require changes to undamaged portions of the building(s), thereby imposing significant costs in the event of partial destruction of the project by an insured peril.

If any portion of the Common Areas are in a special flood hazard area, as defined by the Federal Emergency Management Agency, the Board of Directors of the Association, or its duly authorized agent, shall be required to obtain, maintain and pay, as a common expense, the premiums upon a "master" or "blanket" policy of flood insurance on Common Area buildings and any other Common Area property. The policy shall be in an amount deemed appropriate, but not less than the maximum coverage available under the NFIP for all buildings and other insurable property within any of the Common Areas located within a designated flood hazard area or one hundred percent (100%) of current replacement cost of all such buildings and other insurable property. Unless a higher maximum amount is permitted under the laws of Maryland, the maximum deductible for flood insurance shall be the lesser of Five Thousand Dollars (\$5,000.00) or one percent (1%) of the policy face amount.

The Association shall maintain comprehensive general liability insurance coverage covering all of the Common Areas, public ways of the project, and other areas that are under its supervision (including, but not limited to, commercial spaces, if any, owned by the Association, whether or not they are leased to third parties). Coverage limits shall be in amounts generally required by private institutional mortgage investors for projects similar in construction, location and use. However, such coverage shall be for at least One Million Dollars (\$1,000,000.00) for bodily injury and property damage arising out of a single occurrence. Coverage under this policy shall include, without limitation, legal liability of the insured for property damage, bodily injuries and deaths of persons in connection with the operation and maintenance or use of the Common Areas, and legal liability arising out of lawsuits related to employment contracts in which the Association is a party. Such insurance policy shall contain a "severability of interest" clause or endorsement which

shall preclude the insurer from denying the claim of an Owner because of negligent acts of the Association or other Owners. Such policies must provide that they may not be canceled or substantially modified, by any party, without at least ten (10) days' prior written notice to the Association.

Blanket fidelity bonds shall be required to be maintained by the Association for all officers, directors, managers, trustees, employees and volunteers of the Association and all other persons handling or responsible for funds held or administered by the Association, whether or not they receive compensation for their services. Where the Association has delegated some or all of the responsibility for the handling of funds to a management agent, such management agent shall be covered by its own fidelity bond. All fidelity bonds, including those entered into by, and/or on behalf of or for the benefit of a management agent and its personnel, should name the Association as an obligee (for bonds entered into by or on behalf of, or for the benefit of a management agent and its personnel, the Association should be named as an additional obligee). Fidelity bonds entered into by the Association shall have their premiums paid as a common expense of the Association. The total amount of fidelity coverage required shall be sufficient to cover the maximum funds that will be in the custody of the Association or management agent at any time, but must at least equal the sum of three (3) months' assessments on all Lots within the Property, plus the Association's reserve funds. The bonds shall provide that they cannot be canceled or substantially modified (including cancellation for non-payment of premium) without at least ten (10) days' prior written notice to the Association and to all Eligible Mortgage Holders.

Section 9.03. Repair and Reconstruction of Common Areas After Fire or Other Casualty. Except as hereinafter provided (and inconsistent herewith), in the event of damage to or destruction of any portion of the Common Areas covered by insurance payable to the Association as a result of fire or other casualty, the Board of Directors shall arrange for the prompt repair and restoration thereof, and the Board of Directors or the Insurance Trustee (as hereinafter defined), as the case may be, shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration, as provided below.

The Insurance Trustee may rely upon a certificate of the Board of Directors which certifies whether or not the damaged Property is to be reconstructed or repaired. The Board of Directors, upon request of the Insurance Trustee, shall deliver such certificate as soon as possible.

LIBER 1773 FOLIO 22

Immediately after a casualty causing damage to the Common Areas 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 Areas in as good a condition as existed before the casualty. such costs may include professional fees and premiums for such bonds as the Board of Directors desire.

In the event of reconstruction or repair (as estimated by the Board of Directors) which shall exceed Twenty-Five Thousand Dollars (\$25,000.00), all proceeds of insurance shall be paid over to a trust company or bank having trust powers and authorized to engage in the trust business in the State of Maryland (hereinafter the "Insurance Trustee"), selected by the Board of Directors and shall be paid out from time to time as the reconstruction and repair progresses in accordance with the provisions of an Insurance Trust Agreement and which contains, *inter alia*, the following provisions:

(a) the reconstruction or repair shall be in the charge of an architect or engineer, who may be an employee of the Association, and hereinafter called the "Architect";

(b) any restoration or repair of the project shall be performed substantially in accordance with the Declaration and the original plans and specifications, unless other action is approved by at least fifty-one percent (51%) of the Eligible Mortgage Holders (based upon one vote for each first mortgage owned), and two thirds (2/3) of the owners (other than the Declarant);

(c) each request for an advance of the proceeds of insurance shall be made to the Insurance Trustee and shall be accompanied by a certificate from the Architect and Board of Directors to the effect that (i) all work then completed has been performed in accordance with the plans and specifications; and (ii) the amount requested to be advanced is required to reimburse the Board of Directors for payments previously made by the Board of Directors or is due to the contractor responsible for the restoration or repair, or to subcontractors, materialmen, laborers, engineers, architects or to other persons responsible for services or materials in connection with such restoration or repair, or for fees or the like necessarily incurred in connection with the same; and (iii) when added to amounts previously advanced by the Insurance Trustee, the amount requested to be advanced does not unreasonably exceed the value of the work done and materials delivered to the date of such request;

(d) each request for an advance of the proceeds of insurance shall be accompanied by satisfactory waivers of liens covering that portion of the repair or reconstruction for which payment or reimbursement is being requested, together with appropriate evidence from a title insurance company or the like to the effect that there has not been filed with respect to the Common Areas, or any part thereof, any mechanics' or other lien, or notice of intention to file the same, which has not been dismissed, bonded or satisfied of record;

(e) the fees and expenses of the Insurance Trustee, as agreed upon by the Board of Directors and the Insurance Trustee, shall be paid by the Association as a common expense, and such fees and expenses may be deducted from any insurance proceeds in the hands of the Insurance Trustee, pro rate, as the reconstruction or repair progresses;

(f) such other provisions not inconsistent with the provisions hereof as the Board of Directors or the Insurance Trustee may reasonably require.

Upon completion of the reconstruction or repair and payment in full of all amounts due on account thereof, any proceeds of insurance then in the hands of the Insurance Trustee shall be paid to the Board of Directors if such funds relate to Common Areas, or (ii) to the Owner of any Lot to which any such proceeds may relate.

ARTICLE X

Party Walls and Party Fences

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

Section 10.01. 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. 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 shall be entitled to the benefits of these restrictive covenants. In addition, to the extent not inconsistent herewith, the general rules of law regarding party walls and fences, as the case may be, and liability for property damage due to negligence or willful acts or omissions shall apply.

Section 10.02. 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/her agents, or family (including ordinary wear and tear and deterioration from lapses of time), then, in such event, both such adjoining Owners shall proceed forthwith to rebuild or repair the same to as good a condition as it was in formerly, in proportion to their respective use of the party wall or fence.

Section 10.03. 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/her agents or guests or members of his family (whether or not such act is negligent or otherwise culpable) so as to deprive the other adjoining Owner of the full use and enjoyment of such wall or fence, as the case may be, 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 10.04. 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 building stands shall exist.

Section 10.05. Other Changes. In addition to meeting the other requirements of these restrictive covenants, and of any building code or similar regulations or ordinances, any Owner proposing to modify, make additions to or rebuild his residence in any manner which requires the extension or other alteration of any party wall or fence shall first obtain the written consent of the adjoining Owner.

Section 10.06. Right to Contribution Runs with Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

Section 10.07. Dispute. In the event of a dispute between Owners with respect to the repair or rebuilding of a party wall or fence, or with respect to the sharing of the cost thereof, the, upon written request of one of such Owners addressed to the Association, the matter shall be submitted to its Board of Directors who shall decide the dispute, and the decision of such Board of Directors shall be final and conclusive upon the parties.

ARTICLE XI
Management

Section 11.01. Management Agent. The Board of Directors may employ for the Association a professional management agent or manager (the "Management Agent") at a rate of compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall from time to time authorize in writing.

(a) to establish (with the approval of the Board of Directors of the Association) and provide for the collection of the annual maintenance assessments and any other assessments provided for in this Declaration and to provide for the enforcement of liens therefor in a manner consistent with the law and the provisions of this Declaration.

(b) to provide for the care, upkeep, maintenance and surveillance of the Common Area, driveways and any other area for which the Association performs the maintenance and upkeep;

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

(d) to promulgate (with the approval of the Board of Directors of the Association) and enforce such rules and regulations and such restrictions or requirements, "house rules" or the like as may be deemed proper respecting the use of the Common Area and community facilities; and

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

When professional management has been previously required by any Eligible Mortgage Holder, any decision to establish self-management by the Association shall require the consent of sixty-seven percent (67%) of the Owners and the approval of fifty-one percent (51%) of the votes of lots subject to eligible holder mortgages.

Section 11.02. Duration of Management Agreement. Any management agreement entered into by the Association shall provide, inter alia, that such agreement may be terminated for cause by either party upon thirty (30) days' written notice thereof to the other party. The term of any such management agreement shall not exceed one (1) year; provided, however, that the term of any such

management agreement may be renewable by mutual agreement of the parties for successive one (1) year periods.

Any Management Agreement entered into by the Declarant, his nominee or nominees, assigns, successor(s) or agent thereof, prior to transfer of control of the Association must be terminable, without cause, any time after transfer of control, on not less than thirty (30) nor more than ninety (90) days' notice, and no charge or penalty may be associated with such termination.

ARTICLE XII
General Provisions

Section 12.01. Common Area Responsibility. The Association, subject to the rights of the Owners as set forth in this Declaration, shall be responsible for the exclusive management and control of the Common Areas and all improvements thereon (including, without limitation, furnishings and equipment related thereto, private drainage facilities and common landscaped areas), and shall keep the Common Areas in good, clean, attractive, and sanitary condition, order, and repair, pursuant to the terms and conditions hereof.

Section 12.02. Personal Property and Real Property for Common Use. The Association may acquire, 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, will accept any real or personal property, leasehold, or other property interests within the Property conveyed to it by the Declarant.

Section 12.03. Implied Rights. The Association may exercise any other right or privilege given to it expressly by this Declaration or the Bylaws, and every other right or privilege reasonably to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege.

Section 12.04. Limitation of Liability. The Association shall not be liable for any failure of any services to be obtained by the Association or paid for out of the common expense funds, or for injury or damage to person or property caused by the elements or resulting from water which may leak or flow from any portion of the Common Areas or community facilities, or from any wire, pipe, drain, conduit or the like. The Association shall not be liable to any member for loss or damage, by theft or otherwise, of articles which may be stored upon the Common Areas or community facilities.

No diminution or abatement of assessments, as herein elsewhere provided for, shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the Common Areas or community facilities, or from any action taken by the Association to comply with any of the provisions of this Declaration or with any law or ordinance or with the order or directive of any municipal or other governmental authority.

Section 12.05. Enforcement. The Association, or any Owner, or any Mortgagee of any Lot 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 this Declaration, or the Articles of Incorporation or Bylaws of the Association or any rule or regulation promulgated by the Association pursuant to its authority as provided in the Declaration, Articles of Incorporation or Bylaws. Failure by the Association or by any Owner or by any mortgagee of any Lot to enforce any covenant or restrictions herein contained or any provision of the Bylaws, Articles of Incorporation or rules and regulations of the Association shall in event be deemed a waiver of the right to do so thereafter. There shall be and there is hereby created and declared to be a conclusive presumption that any violation or breach or attempted violation or breach of any of the within covenants or restrictions or any provision of the Bylaws or Articles of Incorporation of the Association cannot be adequately remedied by action at law or exclusively by recovery of damages. If the Association, or any Owner or Mortgagee of any Lot, successfully brings an action to extinguish a violation or otherwise enforce the provisions of this Declaration or the Articles of Incorporation or Bylaws of the Association, the costs of such action, including legal fees, shall become a binding, personal obligation of the Owner committing or responsible for such violation, and such costs shall also be a lien upon the Lot of such Owner, provided that the requirements of the Maryland Contract Lien Act are substantially fulfilled.

Without limiting the generality of the foregoing, and in addition to any other remedies available, the Association after reasonable notice, in writing, provided to the Owner, may enter any Lot to remedy any violation of the provisions of this Declaration, the Bylaws, Articles of Incorporation or rules and regulations of the Association provided, however, that the Association may not enter the interior of any dwelling unit except in an emergency. The costs of such action shall become a binding, personal obligation of the Owner otherwise responsible for such violation and shall also be a lien upon the Lot of such Owner.

LIGER 773 FOLIO 29

Section 12.06. Fines. In addition to the names for enforcement provided elsewhere herein, the Association shall have the right to levy fines against an Owner or his guests, relatives, lessees or invitees, in the manner set forth herein, and such fines shall be collectible as any other assessment such that the Association shall have a lien against the Lot of such Owner as provided in this Declaration, the Bylaws and the Articles of Incorporation and such fine(s) shall also become the binding personal obligation of such Owner.

(a) The Board of Directors, or a duly appointed Covenants Enforcement Committee, shall be charged with determining where there is probable cause that any of the provisions of this Declaration, the Bylaws, Articles of Incorporation or the rules and regulations of the Association, regarding the use of the dwelling units, Lots, Common Area or other Association property, are being or have been violated. In the event that the Board of Directors or the Covenants Enforcement Committee determines an instance of such probable cause it shall cause the Board of Directors to provide written notice to the person alleged to be in violation, and the Owner of the Lot which that person occupies or is visiting if such person is not the owner, of the specific nature of the alleged violation and of the opportunity for a hearing before the Board of Directors upon a request made within five (5) days of the sending of the notice. The notice shall also specify, and it is hereby provided, that each recurrence of the alleged violation or each day during which it continues shall be deemed a separate offense, subject to a separate fine not to exceed Twenty-Five Dollars (\$25.00) for each offense. The notice shall also specify, and it is hereby provided, that in lieu of requesting a hearing, the alleged violator or Owner may respond to the notice within five (5) days of its sending, acknowledging in writing that the violation occurred as alleged and promising that it will henceforth cease and will not recur, and that such acknowledgement and promise, and performance in accordance therewith, shall terminate for the enforcement activity of the Association with regard to such violation.

(b) If a hearing is timely requested, the Board of Directors shall hold the same, and shall hear any and all defenses to the charges, including any witnesses that the alleged violator, Owner or the Board of Directors or Covenants Enforcement Committee may produce. Any party at the hearing may be represented by counsel.

(c) Subsequent to any hearing, or if no hearing is timely requested and if no acknowledgment and promise is timely made, the Board of Directors shall determine whether there is

LIBER 1773 FOLIO 30

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 12.06 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 Bylaws. Nothing herein shall be construed to interfere with any right that an Owner may have to obtain from a violator occupying or visiting his Lot payment of the amount of any fine(s) assessed against that Lot.

(e) Nothing herein shall be construed as a prohibition of or limitation on the right of the Association to pursue any other means of enforcement of the provisions of this Declaration, the Bylaws, Articles of Incorporation or rules and regulations, including, but not limited to, legal action for damages or injunctive relief.

Section 12.07. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no wise affect any other provisions, which shall remain in full force and effect.

Section 12.08. Duration and Amendment.

(a) Except where permanent easements or other permanent rights or interests are herein created, the covenants and restrictions of the Declaration shall run with and bind the land for a term of thirty (30) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first thirty (30) year period by the approval of not less than ninety percent (90%) of the Lot Owners, and thereafter, by the approval of the Owners of not less than seventy-five percent (75%) of the Lots. Such approval may be obtained at a duly noticed and held meeting of the Association or such approvals may be obtained in writing from the Owners. The execution of the minutes of a meeting of the Association providing for the approval of any proposed amendment(s) by the requisite percentage of Owners shall also fulfill the requirements of this Section 12.08. Any amendment must be recorded among the Land Records of Charles County, Maryland.

(b) Notwithstanding anything in this Declaration to the contrary, the Declarant shall have the right, until the lapse of the Class B memberships, to unilaterally amend this Declaration, without the consent or approval of the Class A members (subject to the approval of the VA or FHA if any Lot subject to this Declaration is encumbered by a deed of trust or mortgage which is guaranteed by the VA or FHA). Such amendment may not abrogate the rights of any mortgagee of any Lot without such mortgagee's consent.

Section 12.09. FHA-VA Approvals. Provided that any Lot subject to this Declaration is then encumbered by a deed of trust or mortgage which is insured by FHA or guaranteed by VA, and further provided that there are then Class B memberships of the Association outstanding, neither the members, the Board of Directors, nor the Association shall by act or omission, take any of the following actions without the prior written consent or approval of the Federal Housing Administration and the Veterans Administration, as circumstances may require:

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

(b) dedicate, convey, or mortgage the Common Area; or

(c) annex additional properties (other than an annexation by the Declarant as provided in Article II); or

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

Section 12.10. Consents. Any other provision of this Declaration or the Bylaws or Articles of Incorporation of the Association to the contrary notwithstanding (other than reserved Declarant rights or powers), neither the members, the Board of Directors nor the Association shall, by act or omission, take any of the following actions:

(a) abandon, partition, alienate, release, hypothecate, dedicate, subdivide, encumber, sell or transfer any of the Common Area or community facilities directly or indirectly owned by the Association unless at least fifty-one percent (51%) of the Eligible Mortgage Holders (based upon one vote for each first mortgage owned) and Lot Owners representing sixty-seven percent (67%) of the votes in the Association have given their prior written approval; provided, however, that the granting of rights-of-way, easements

LIBER 773 FOLIO 32

and the like for public utilities or for other purposes consistent with the use of the Common Area and community facilities by members of the Association shall not be considered a transfer within the meaning of this Section; or

(b) abandon or terminate this Declaration unless at least sixty-seven percent (67%) of the Eligible Mortgage Holders (based upon one vote for each first mortgage owned) and Lot Owners representing ninety percent (90%) of the votes of the Association have given their prior written approval; or

(c) conversion of Lots into Common Area or vice versa unless sixty-seven percent (67%) of the Eligible Mortgage Holders (based upon one vote for each first mortgage owned) and Lot Owners representing ninety percent (90%) of the votes of the Association have given their prior written approval; or

(d) unless the prior written consent of fifty-one percent (51%) of the Eligible Mortgage Holders (based upon one vote for each first mortgage owned) and the requisite number of Lot Owners as provided in Section 12.08 of this Declaration has been obtained, modify or amend any material provision of this Declaration, which establish, provide for, govern or regulate any of the following:

- (i) voting rights;
- (ii) assessments, assessment liens or subordination of such liens;
- (iii) reserves for maintenance, repair and replacement of the Common Area;
- (iv) insurance or fidelity bonds;
- (v) rights to use of the Common Area by any Owner, except in accordance with Section 3.01;
- (vi) responsibility for maintenance and repairs;
- (vii) expansion or contraction of the property subject to this Declaration or the addition, annexation or withdrawal of property to or from this Declaration, except in accordance with Article II;

- (viii) boundaries of any Lot;
- (ix) a decision by the Association to establish self management when professional management had been previously required by an Eligible Mortgage Holder;
- (x) leasing of Lots;
- (xi) imposition of any restrictions on the rights of an Owner to sell or transfer his or her Lot;
- (xii) restoration or repair of the project (after a hazard damage or partial condemnation) in a manner other than that specified in the documents;
- (xiii) any provisions which expressly benefit mortgage holders, Eligible Mortgage Holders or insurers or guarantors.

An addition or amendment to the Declaration shall not be considered material if it is for the purpose of correcting technical errors, or for clarification only. An Eligible Mortgage Holder who received a written request to approve such a non-material additions or amendments who fails to submit a response within thirty (30) days shall be deemed to have approved such request; or

(e) substantially modify the method of determining and collecting assessments against an Owner or his Lot as provided in this Declaration, unless at least sixty-seven percent (67%) of the first mortgages (based upon one vote for each first mortgage owned) or Owners (other than the Declarant) of the individual Lots in the Association have given their prior written approval; or

(f) waive or abandon any scheme of regulations, or enforcement thereof, pertaining to the architectural design or the exterior appearance of buildings or structures on the Lots, the exterior maintenance of buildings or structures on the Lots, the maintenance of the Common Area, party walkways or common fences and driveways, or the upkeep of laws and plantings within the Property unless at least sixty-seven percent (67%) of the first mortgages (based upon one vote for each first mortgage owned) or Owners (other than the Declarant) of the individual Lots in the Association have given their prior written approval; or

(g) fail to maintain insurance in accordance with Section 9.02 of this Declaration unless at least fifty-one percent (51%) of the Eligible Mortgage Holders (based upon one vote for each first mortgage owned) and sixty-seven percent (67%) of the Owners have given their prior written approval; or

(h) use hazard insurance proceeds for losses to any Association Common Area for other than the repair, replacement or reconstruction of such Common Area or property, unless at least fifty-one percent (51%) of the Eligible Mortgage Holders (based upon one vote for each first mortgage owned) and sixty-seven percent (67%) of the Owners have given their prior written approval.

Section 12.11. Annexation. The Declarant shall have the right, for a period of seven (7) years following the date of recordation of this Declaration, without the consent of the members of the Association, to annex and bring within the scheme of this Declaration additional land in future stages of the development as shown on the Development Plan (and amendments thereto), provided that so long as a Lot is encumbered by a deed of trust or mortgage which is guaranteed or insured by VA or FHA, then VA or FHA, as applicable, shall approve any annexations not in accord with said Development Plan (and amendments thereto) as approved by them. The additions authorized shall be made by filing of record Supplementary Declarations of Covenants with respect to the additional land which shall extend the scheme of the covenants and restrictions of the Declaration to such land and thereby subject such land to the effect and operation of this Declaration. Said Supplementary Declarations may contain such complementary additions and modifications of the covenants and restrictions contained in this Declaration as may be necessary to reflect the different character, if any, of the added Lots and as are not inconsistent with the scheme of this Declaration. Except as otherwise hereinabove provided, annexations to the Property shall require the consent of two-thirds (2/3) of the Class A Members.

Section 12.12. Additional Rights of Mortgagees - Notice. The Association shall promptly notify all Eligible Mortgage Holders who hold first mortgages on any Lot for which an assessment levied pursuant to the Declaration, or any installment thereof, becomes delinquent for a period in excess of sixty (60) days and the Association shall promptly notify any Eligible Mortgage Holder who holds a first mortgage on any Lot with respect to which any default in any other provision of this Declaration remains uncured for a period in excess of sixty (60) days following the date of such default. Any failure to give any such notice shall not affect the

validity or priority of any Eligible Mortgage Holder on any Lot and the protection extended in this Declaration to the holder of any such mortgage shall not be altered, modified or diminished by reason of such failure.

No suit or other proceeding may be brought to foreclose the lien for any assessment levied pursuant to this Declaration except after ten (10) days' written notice to the holder of the first mortgage on the Lot which is the subject matter of such suit or proceeding.

Any first mortgage of any Lot may pay any taxes, utility charges or other charge levied against the Common Areas and community facilities which are in default and which may or have become a charge or lien against any of the Common Areas and community facilities and any such first mortgagee may pay any overdue premiums on any hazard insurance policy or secure new hazard insurance coverage on the lapse of any policy, with respect to the Common Areas and community facilities. Any first mortgagee who advances any such payment shall be due immediate reimbursement of the amount so advanced from the Association.

Section 12.13. Casualty Losses. In the event of substantial damage or destruction to any of the Common Area or community facilities, the Board of Directors of the Association shall give prompt written notice of such damage or destruction to the Eligible Mortgage Holders who hold first mortgages of record on the Lots. No provision of this Declaration or the Articles of Incorporation or the Bylaws of the Association shall entitle any member to any priority over the holder of any first mortgage of record on his Lot with respect to the distribution to such member of any insurance proceeds paid or payable on account of any damage or destruction of any of the Common Area or community facilities.

Section 12.14. Condemnation or Eminent Domain. In the event any part of the Common Area and community facilities is made the subject matter of any condemnation or eminent domain proceeding, or is otherwise sought to be acquired by any condemning authority, then the Board of Directors of the Association shall give prompt written notice of any such proceeding or proposed acquisition to the Eligible Mortgage Holders who hold first mortgages of record on the Lots. No provision of this Declaration or the Articles of Incorporation or the Bylaws of the Association shall entitle any member to any priority over the holder of any first mortgage of record on his Lot with respect to the distribution to such member of the proceeds of any condemnation or settlement relating to a taking of any of the Common Area and community facilities.

Section 12.15. Changes Required by Lenders. Notwithstanding any provision to the contrary contained in the Articles of Incorporation or Bylaws of the Association or this Declaration, the Declarant shall have and hereby reserves the right to make modifications, additions or deletions to the Declaration, the Articles of Incorporation and the Bylaws of the Association if such modifications, additions or deletions are required by VA, FHA, FHLMC or FNMA. The Declarant further reserves the right to waive in writing any exemption, right or privilege granted or reserved to the Declarant by this Declaration or the Articles of Incorporation or the Bylaws of the Association.

Section 12.16. 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 is an interest in real property appurtenant to each Lot, the value of the interest of each owner in such Common area shall be included in the assessment for each such Lot and as a result, any assessment directly against such Common Area should be of a nominal nature reflecting that the full value of the same should be included in the several assessments of the various Lots.

Section 12.17. Successors of Declarant. Any and all rights, reservations, easements, interests, exemptions, privileges and powers of the Declarant hereunder, or any part of them, may be assigned and transferred (exclusively or non-exclusively) by the Declarant by an instrument, in writing, without notice to the Association.

Section 12.18. No Dedication to Public Use. Nothing herein contained shall be construed as a dedication to public use or as an acceptance for maintenance of any Common Area or community facility by any public or municipal agency, authority, or utility and no public or municipal agency, authority or utility shall have any responsibility or liability for the maintenance or operation of any of the Common Areas or community facilities.

Section 12.19. Incorporation by Reference on Resale. In the event any Owner sells or otherwise transfers any Lot, any deed purporting to effect such transfer shall contain a provision incorporating by reference the covenants, restrictions, servitudes, easements, charges and liens set forth in this Declaration.

Section 12.20. Declarant Reserved Rights. No amendment to this Declaration may remove, revoke, or modify any right, reservation or privilege of the Declarant without the prior written consent of the Declarant or any successors or assignees (pursuant to Section 12.17) of the Declarant.

LIBER 1773 FOLD 137

Section 12.21. 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.

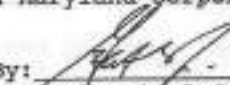
Section 12.22. Captions and Gender. The captions contained in this Declaration are for convenience only and are not a part of this Declaration and are not intended in any way to limit or enlarge the terms and provisions of this Declaration. Whenever the context so requires, the male shall include all genders and the singular shall include the plural.

IN WITNESS WHEREOF, the undersigned, being the DECLARANT herein, has executed this instrument this 16th day of FEBRUARY, 1993.

ATTEST:

THE SOUTHAMPTON CORPORATION,
a Maryland corporation



By: 
_____ Geaton A. DeCesaris, Jr.
President

[CORPORATE SEAL]

* * *

STATE OF MARYLAND :
: to wit:
COUNTY OF CHARLES :

On this 16th day of FEBRUARY, 1993, before me, the undersigned officer, personally appeared GEATON A. DECESARIS, JR. and Thomas Conway, who have been satisfactorily proven to be the persons whose names are subscribed to this written instrument, who acknowledged themselves to be President and Secretary, respectively of THE SOUTHAMPTON CORPORATION, a Maryland corporation, and that said GEATON A. DECESARIS, JR. and Thomas Conway, as such President and Secretary, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by themselves as President and Secretary, respectively.

GIVEN under my hand and seal this 16th day of FEBRUARY, 1993.

Stewart A. Patten
Notary Public

My Commission Expires: 3-1-96

* * *

CERTIFICATION

I HEREBY CERTIFY that the foregoing instrument was prepared on behalf of THE SOUTHAMPTON CORPORATION, a Maryland corporation, the party hereto.

Thomas H. Haller
THOMAS H. HALLER

DESCRIPTION

of that property to be subject to the

SOUTH HAMPTON TOWNHOUSE ASSOCIATION
contained in

Plat 1

SOUTH HAMPTON

7th Election District

Charles County, Maryland

Property shown as that portion of Plat 1, SOUTH HAMPTON, as recorded in Plat Book 44 at Plat 01, of the land records of Charles County, Maryland, and lying on the east and west side of South Hampton Drive and more particularly described as follows:

Beginning for the same at the intersection of the west right of way line of South Hampton Drive (variable right of way) and the north right of way line of Indian Head Highway - Maryland Route 210 (variable right of way) said point also being a common corner to the property herein described and the property now or formerly in the name of BAWLEY S. KLINE; thence northerly with the west right of way line of South Hampton Drive the following courses and distances: North 25 degrees 40 minutes 00 seconds West 321.40 feet to the point of curvature of a curve to the right with a Radius of 500.00 feet and along an Arc of 50.02 feet (having a chord bearing and distance of North 23 degrees 48 minutes 03 seconds West, 50.00 feet) to a point of reverse curvature of a curve to the left with a Radius of 500.00 feet and along an Arc of 50.02 feet (having a chord bearing and distance of North 23 degrees 48 minutes 03 seconds West, 50.00 feet) to a point and North 25 degrees 40 minutes 00 seconds West 211.36 feet to point at the division line of Plat 1 and Plat 2; thence west, departing the line of South Hampton Drive and with the aforementioned division line, the following courses and distances: South 65 degrees 14 minutes 33 seconds West, 99.32 feet to a point of curvature of a curve to left with a Radius of 217.50 feet and along an Arc of 46.89 feet (having a chord bearing and distance of South 59 degrees 04 minutes 21 seconds West, 46.80 feet) to a point; thence South 52 degrees 53 minutes 47 seconds West, 77.39 feet to a point; thence South 31 degrees 15 minutes 08 seconds East, 148.21 feet to a

LIDER 773 FOLIO 40

point; thence South 48 degrees 25 minutes 01 seconds West, 178.35 feet to a point on the east right of way line of Fraser Road (variable right of way); thence north with the aforementioned line, North 41 degrees 34 minutes 59 seconds West 305.00 feet to a point on the division line between Plat 1 and Plat 3, South Hampton; thence east departing the line of Fraser Road and with the aforementioned division line the following courses and distances: North 48 degrees 25 minutes 01 seconds East, 150.00 feet to a point; thence North 58 degrees 14 minutes 11 seconds East, 52.77 feet to a point; thence North 48 degrees 15 minutes 01 seconds 100.00 feet to a point; thence South 52 degrees 56 minutes 27 seconds East 2.30 feet to a point; thence North 70 degrees 35 minutes 45 seconds East 25.66 feet to a point; thence North 65 degrees 14 minutes 55 seconds East 140.00 feet to a point; thence North 37 degrees 54 minutes 46 seconds East 10.14 feet to a point on the west line of South Hampton Drive; thence crossing the aforementioned South Hampton Drive North 63 degrees 20 minutes 00 seconds East, 60.00 feet to the east line of South Hampton Drive; thence south with the aforementioned east line of South Hampton Drive South 26 degrees 40 minutes 00 seconds East, 65.59 feet to a point on the division line between Plat 1 and Plat 3, South Hampton; thence east departing the line of South Hampton Drive and with the aforementioned division line North 60 degrees 28 minutes 01 seconds East, 207.08 feet to a point on the west line of Plat 3, South Hampton; thence south with the aforementioned line, South 47 degrees 13 minutes 34 seconds East, 559.70 feet to a point; thence South 26 degrees 40 minutes 00 seconds East, 19.78 feet to a point on the north line of the property now or formerly in the name of R.A. Hungerford; thence west with the aforementioned line South 63 degrees 20 minutes 00 seconds West 399.90 feet to a point on the east line of South Hampton Drive; thence south with the aforementioned east line of South Hampton Drive South 26 degrees 40 minutes 00 seconds East, 481.27 feet to a point on the north line of Indian Head Highway-Maryland Route 210; thence west with the aforementioned line South 63 degrees 20 minutes 00 seconds West, 70.00 feet to the point of beginning containing 335,575.5 square feet or 7.70375 Acres.

Exhibit "B"

LIBER 1773 FOLIO 41
DESCRIPTION

of that property to be conveyed to the

SOUTH HAMPTON TOWNHOUSE ASSOCIATION

contained in

Plat 1

SOUTH HAMPTON

7th Election District

Charles County, Maryland

Property shown as that portion of Plat 1, SOUTH HAMPTON, as recorded in Plat Book 44 at Plat 01, of the land records of Charles County, Maryland, and lying on the east and west side of South Hampton Drive and more particularly described as follows:

Beginning for the same at the intersection of the west right of way line of South Hampton Drive (variable right of way) and the north right of way line of Indian Head Highway - Maryland Route 210 (variable right of way) said point also being a common corner to the property herein described and the property now or formerly in the name of BAVLEY S. KLINE; thence, northerly with the west right of way line of South Hampton Drive the following courses and distances: North 26 degrees 40 minutes 00 seconds West 621.40 feet to the point of curvature of a curve to the right with a Radius of 500.00 feet and along an Arc of 50.02 feet (having a chord bearing and distance of North 23 degrees 48 minutes 03 seconds West, 50.00 feet) to a point of reverse curvature of a curve to the left with a Radius of 100.00 feet and along an Arc of 50.02 feet (having a chord bearing and distance of North 23 degrees 48 minutes 03 seconds West, 50.00 feet) to a point and North 26 degrees 40 minutes 00 seconds West 211.36 feet to point at the division line of Plat 1 and Plat 2; thence west, departing the line of South Hampton Drive and with the aforementioned division line, the following courses and distances: South 65 degrees 14 minutes 55 seconds West, 88.32 feet to a point of curvature of a curve to left with a Radius of 217.50 feet and along an Arc of 46.89 feet (having a chord bearing and distance of South 59 degrees 04 minutes 21 seconds West, 46.80 feet) to a point; thence South 52 degree 53 minutes 47 seconds West, 77.39 feet to a point; thence South 21 degrees 25 minutes 08 seconds East, 148.21 feet to a

point; thence South 48 degrees 25 minutes 01 seconds West, 178.35 feet to a point on the east right of way line of Fraser Road (variable right of way); thence north with the aforementioned line, North 41 degrees 34 minutes 59 seconds West 305.00 feet to a point on the division line between Plat 1 and Plat 3, South Hampton; thence east departing the line of Fraser Road and with the aforementioned division line the following courses and distances: North 48 degrees 25 minutes 01 seconds East, 150.00 feet to a point; thence North 38 degrees 14 minutes 11 seconds East, 52.77 feet to a point; thence North 48 degrees 25 minutes 01 seconds 100.00 feet to a point; thence South 32 degrees 56 minutes 27 seconds East 2.30 feet to a point; thence North 70 degrees 55 minutes 45 seconds East 25.66 feet to a point; thence North 63 degrees 14 minutes 55 seconds East 140.00 feet to a point; thence North 57 degrees 54 minutes 46 seconds East 10.14 feet to a point on the west line of South Hampton Drive; thence crossing the aforementioned South Hampton Drive North 63 degrees 20 minutes 00 seconds East, 60.00 feet to the east line of South Hampton Drive; thence south with the aforementioned east line of South Hampton Drive South 26 degrees 40 minutes 00 seconds East, 65.59 feet to a point on the division line between Plat 1 and Plat 3, South Hampton; thence east departing the line of South Hampton Drive and with the aforementioned division line North 60 degrees 28 minutes 03 seconds East, 207.08 feet to a point on the west line of Plat 5, South Hampton; thence south with the aforementioned line, South 47 degrees 23 minutes 34 seconds East, 559.70 feet to a point; thence South 26 degrees 40 minutes 00 seconds East, 19.76 feet to a point on the north line of the property now or formerly in the name of R.A. Hungerford; thence west with the aforementioned line South 63 degrees 20 minutes 00 seconds West 399.90 feet to a point on the east line of South Hampton Drive; thence south with the aforementioned east line of South Hampton Drive South 26 degrees 40 minutes 00 seconds East, 481.27 feet to a point on the north line of Indian Head Highway-Maryland Route 210; thence west with the aforementioned line South 63 degrees 20 minutes 00 seconds West, 70.00 feet to the point of beginning containing 335,575.5 square feet or 7.70375 Acres.

LESS AND EXCEPT the right of way for South Hampton Drive, as dedicated to Charles County, as shown on Plat 1, South Hampton, as more particularly described as follows:

LIBER 773 FOLIO 43

Beginning for the same at the intersection of the west right of way line of South Hampton Drive and the north line of Indian Head Highway, as previously further described, thence north with the west right of way line of South Hampton Drive the following courses and distances: North 26 degrees 40 minutes 00 seconds West 621.40 feet to the point of curvature of a curve to the right with a Radius of 500.00 feet and Along an Arc of 50.02 feet (having a chord bearing and distance of North 23 degrees 48 minutes 03 seconds West, 50.00 feet) to a point of reverse curvature of a curve to left with a Radius of 500.00 feet and along an Arc of 50.02 feet (having a chord bearing and distance of North 23 degrees 48 minutes 03 seconds West, 50.00 feet) to a point; thence North 26 degrees 40 minutes 00 seconds 358.50 feet to a point at the division line of Plat 1 and Plat 3; thence crossing South Hampton Drive North 63 degrees 20 minutes 00 seconds East, 60.00 feet to a point on the east line of the aforementioned South Hampton Drive; thence south with the east line of South Hampton Drive the following courses and distances; South 26 degrees 40 minutes 00 seconds East 358.50 feet to the point of curvature of a curve to left with a Radius of 300.00 feet and along an Arc of 50.02 feet (having a chord bearing and distance of South 29 degrees 31 minutes 57 seconds East, 50.00) to a point of reverse curvature of a curve to the right with a Radius of 500.00 feet and along an Arc of 50.02 feet (having a chord bearing and distance of South 29 degrees 31 minutes 57 seconds East, 50.00 feet) to a point; thence South 26 degrees 40 minutes 00 seconds East, 621.40 feet to a point on the north line of Indian Head Highway; thence South 63 degrees 20 minutes 00 seconds West, 70.00 feet to the point of beginning containing 71,499.5 square feet or 1.64140 Acres.

LESS AND EXCEPT Lots 1 through 7 inclusive, Block "B", Plat 1, South Hampton, as more particularly described as follows:

Beginning for the same at the southwest corner of Lot 1, said point being 70.20 feet north of the north line of the property now or formerly in the name of R.A. Hungerford and being 10.00 feet east of the east line of South Hampton Drive; thence North 26 degrees 40 minutes 00 seconds West 85.00 feet to a point; thence east, departing the line of South Hampton Drive, North 63 degrees 20 minutes 00 seconds East, 143. 64 feet to a point; thence, South 71 degrees 40 minutes 00 seconds East, 16.97 feet to a

LIBER 773 FOLIO 44

point; thence, South 26 degrees 40 minutes 00 seconds East, 73.00 feet to a point; thence, South 63 degrees 20 minutes 00 seconds West, 160.00 feet to the point of beginning containing 13,328 square feet and

LESS AND EXCEPT Lots 8 through 11 inclusive, Block "B", Plat 1, South Hampton, as more particularly described as follows:

Beginning for the same at the southwest corner of Lot 8, said point being North 89 degrees 21 minutes 01 seconds East, 46.74 feet from the southeast corner of the previously described Lot 7, thence North 26 degrees 40 minutes 00 seconds West, 100.00 feet to a point; thence, North 63 degrees 20 minutes 00 seconds East, 80.00 feet to a point; thence, South 26 degrees 40 minutes 00 seconds East, 100.00 feet to a point; thence South 63 degrees 20 minutes 00 seconds West 80.00 feet to the point of beginning containing 8,000 square feet and

LESS AND EXCEPT Lots 12 through 16 inclusive, Block "B", Plat 1, South Hampton, as more particularly described as follows:

Beginning for the same at the southeast corner of Lot 12, said point being North 31 degrees 28 minutes 29 seconds West, 40.14 feet from the northwest corner of the previously described Lot 11; thence, South 63 degrees 20 minutes 00 seconds West, 80.00 feet to a point; thence North 26 degrees 40 minutes 00 seconds West 120.00 feet; thence North 63 degrees 20 minutes 00 seconds East 80.00 feet to a point; thence South 26 degrees 40 minutes 00 seconds East, 120.00 feet to the point of beginning containing 9,600 square feet and

LESS AND EXCEPT Lots 17 through 23 inclusive, Block "B", Plat 1, South Hampton, as more particularly described as follows:

Beginning for the same at the northeast corner Lot 17, said point being on the division line between Plat 1 and Plat 3, said point also being 33.06 feet from the west line of Plat 3; thence South 29 degrees 31 minutes 57 seconds East 87.50 feet to a point; thence South 60 degrees 28 minutes 03 seconds West 160.00 feet to a point; thence North 29 degrees 31 minutes 57 seconds 87.50 feet to a point on the division line between Plat 1 and Plat 3; thence with the aforementioned division line North 60 degrees 28 minutes 03 seconds East to the point of beginning containing 14,000 square feet and

LIBER 1773 FOLIO 143

Beginning for the same at the intersection of the west right of way line of South Hampton Drive and the north line of Indian Head Highway, as previously further described, thence north with the west right of way line of South Hampton Drive the following courses and distances: North 26 degrees 40 minutes 00 seconds West 621.40 feet to the point of curvature of a curve to the right with a Radius of 500.00 feet and along an Arc of 50.02 feet (having a chord bearing and distance of North 23 degrees 48 minutes 03 seconds West, 50.00 feet) to a point of reverse curvature of a curve to the left with a Radius of 500.00 feet and along an Arc of 50.02 feet (having a chord bearing and distance of North 23 degrees 48 minutes 03 seconds West, 50.00 feet) to a point; thence North 26 degrees 40 minutes 00 seconds 358.50 feet to a point at the division line of Plat 1 and Plat 3; thence crossing South Hampton Drive North 63 degrees 20 minutes 00 seconds East, 60.00 feet to a point on the east line of the aforementioned South Hampton Drive; thence south with the east line of South Hampton Drive the following courses and distances; South 26 degrees 40 minutes 00 seconds East 358.50 feet to the point of curvature of a curve to the left with a Radius of 500.00 feet and along an Arc of 50.02 feet (having a chord bearing and distance of South 29 degrees 31 minutes 57 seconds East, 50.00) to a point of reverse curvature of a curve to the right with a Radius of 500.00 feet and along an Arc of 50.02 feet (having a chord bearing and distance of South 29 degrees 31 minutes 57 seconds East, 50.00 feet) to a point; thence South 26 degrees 40 minutes 00 seconds East, 621.40 feet to a point on the north line of Indian Head Highway; thence South 63 degrees 20 minutes 00 seconds West, 70.00 feet to the point of beginning containing 71,499.5 square feet or 1.64140 Acres.

LESS AND EXCEPT Lots 1 through 7 inclusive, Block "B", Plat 1, South Hampton, as more particularly described as follows:

Beginning for the same at the southwest corner of Lot 1, said point being 70.50 feet north of the north line of the property now or formerly in the name of E.A. Hangerford and being 10.00 feet east of the east line of South Hampton Drive; thence North 26 degrees 40 minutes 00 seconds West 85.00 feet to a point; thence east, departing the line of South Hampton Drive, North 63 degrees 20 minutes 00 seconds East, 143.64 feet to a point; thence, South 71 degrees 40 minutes 00 seconds East, 16.97 feet to a

LIBERT 773 FOLIO 44

point; thence, South 26 degrees 40 minutes 00 seconds East, 73.00 feet to a point; thence, South 63 degrees 20 minutes 00 seconds West, 160.00 feet to the point of beginning containing 13,328 square feet and

LESS AND EXCEPT Lots 8 through 11 inclusive, Block "B", Plat 1, South Hampton, as more particularly described as follows:

Beginning for the same at the southwest corner of Lot 8, said point being North 89 degrees 21 minutes 01 seconds East, 46.74 feet from the southeast corner of the previously described Lot 7, thence North 26 degrees 40 minutes 00 seconds West, 100.00 feet to a point; thence, North 63 degrees 20 minutes 00 seconds East, 80.00 feet to a point; thence, South 26 degrees 40 minutes 00 seconds East, 100.00 feet to a point; thence South 63 degrees 20 minutes 00 seconds West 80.00 feet to the point of beginning containing 8,000 square feet and

LESS AND EXCEPT Lots 12 through 16 inclusive, Block "B", Plat 1, South Hampton, as more particularly described as follows:

Beginning for the same at the southeast corner of Lot 12, said point being North 31 degrees 28 minutes 29 seconds West, 40.14 feet from the northwest corner of the previously described Lot 11; thence, South 63 degrees 20 minutes 00 seconds West, 80.00 feet to a point; thence North 26 degrees 40 minutes 00 seconds West 120.00 feet; thence North 63 degrees 20 minutes 00 seconds East 80.00 feet to a point; thence South 26 degrees 40 minutes 00 seconds East, 120.00 feet to the point of beginning containing 9,600 square feet and

LESS AND EXCEPT Lots 17 through 23 inclusive, Block "B", Plat 1, South Hampton, as more particularly described as follows:

Beginning for the same at the northeast corner Lot 17, said point being on the division line between Plat 1 and Plat 3, said point also being 33.06 feet from the west line of Plat 5; thence South 28 degrees 31 minutes 57 seconds East 87.50 feet to a point; thence South 60 degrees 28 minutes 03 seconds West 160.00 feet to a point; thence North 28 degrees 31 minutes 57 seconds 87.50 feet to a point on the division line between Plat 1 and Plat 3; thence with the aforementioned division line North 60 degrees 28 minutes 03 seconds East to the point of beginning containing 14,000 square feet and

LIGER 1773 FOLD 45

LESS AND EXCEPT Lots 24 through 31 inclusive, Block "B", Plat 1, South Hampton, as more particularly described as follows:

Beginning for the same at the northwest corner of Lot 24, said point being South 21 degrees 17 minutes 10 seconds East, 66.51 feet from the southwest corner of the previously described Lot 23; thence North 63 degrees 28 minutes 00 seconds East 80.00 feet to a point; thence South 26 degrees 40 minutes 00 seconds East 180.00 feet to a point; thence South 63 degrees 20 minutes 00 seconds West 80.00 feet to a point; thence North 26 degrees 40 minutes 00 seconds West 180.00 feet to the point of beginning containing 14,400 square feet and

LESS AND EXCEPT Lots 14 through 23 inclusive, Block "A", Plat 1, South Hampton, as more particularly described as follows:

Beginning for the same at the northwest corner of Lot 23, said point being on the division line between Plat 1 and Plat 3, South Hampton and also being 50.00 feet from the east line of Fraser Road; thence with the aforementioned division line North 48 degrees 25 minutes 01 seconds East, 95.00 feet to a point; thence South 41 degrees 34 minutes 59 seconds East, 240.00 feet to a point; thence South 48 degrees 25 minutes 01 seconds West, 95.00 feet to a point; thence North 41 degrees 34 minutes 59 seconds West, 240.00 feet to the point of beginning containing 22,800 square feet and

LESS AND EXCEPT Lots 57 through 60 inclusive, Block "A", Plat 1, South Hampton, as more particularly described as follows:

Beginning for the same at the northwest corner of Lot 57, said point being on the division line between Plat 1 and Plat 3, South Hampton and said point also being North 48 degrees 25 minutes 01 seconds East, 5.00 feet and North 58 degrees 14 minutes 11 seconds East, 52.77 feet from the northeast corner of Lot 23, Block "A", Plat 1, South Hampton, as previously described, thence with the aforementioned division line North 48 degrees 25 minutes 01 seconds East, 100.00 feet to a point; thence South 41 degrees 34 minutes 59 seconds East, 90.00 feet to a point; thence South 48 degrees 25 minutes 01 seconds West, 100.00 feet to a point; thence North 41 degrees 34 minutes 59 seconds West, 90.00 feet to the point of beginning containing

9,000 square feet and

LESS AND EXCEPT Lots 61 through 66 inclusive, Block 'A' Plat 1, South Hampton, as more particularly described as follows:

Beginning for the same at the northeast corner of Lot 66, said point being on the division line between Plat 1 and Plat 3, South Hampton and said point also being South 57 degrees 54 minutes 46 seconds West, 10.14 feet west of the west line of South Hampton Drive; thence South 24 degrees 45 minutes 05 seconds East, 80.76 feet to a point; thence South 63 degrees 14 minutes 55 seconds West, 140.00 feet to a point; thence North 24 degrees 45 minutes 05 seconds West, 80.76 feet to a point; thence North 85 degrees 14 minutes 55 seconds East, 140.00 feet to the point of beginning containing 11,306 square feet

The Total Area of this portion of Plat 1 to be conveyed to the South Hampton Townhouse Association is 161,442.01 square feet or 3.70620 acres.

**SOUTH HAMPTON TOWNHOMES ASSOCIATION, INC.
POLICY RESOLUTION FOR
VEHICLE PARKING, STORAGE,
MAINTENANCE AND VIOLATION ENFORCEMENT**

RECEIVED
FEB 03 1999
CLERK

LIBERO 010 FILE 737

WHEREAS, Article VII, Section 7(c) of the Declaration of Covenants, Conditions and Restrictions for South Hampton Townhomes Association, Inc. empowers the Association to establish supplemental rules concerning parking on any portion of the common area and lots, including, without limitation, providing for the involuntary removal of any vehicle violating the provisions of this Declaration and/or such rules.

WHEREAS, The Board of Directors for South Hampton Townhomes Association, Inc. desires to promulgate and enforce a more comprehensive policy in support of Article VII, Section 7(c) of the Declaration of Covenants, Conditions and Restrictions and consistent with Law.

NOW, THEREFORE, BE IT RESOLVED THAT, in support of the above, the Board of Directors hereby declares and adopts the following procedures governing vehicle parking, storage, maintenance and violation enforcement:

A. The following policy hereby supercedes any and all other policies which may have been previously enacted by any Board of Directors of South Hampton Townhomes and which may have dealt with the parking and storage of vehicles upon the common areas of the Association.

B. The parking and/or storage of any junk vehicle, abandoned vehicle, trailer, camper, camper truck, home trailer, boat, boat trailer, stored vehicle, commercial vehicle, snowplow, recreational vehicle or the like, any vehicle which poses a hazard, any vehicle on which current registration plates are not properly displayed, or any vehicle not properly parked within the parking spaces provided, without the written permission of the Board of Directors, shall be and is hereby prohibited.

RECORDING FEE 20.00
TOTAL 20.00
Rest City Fee \$ 17335
any \$ 644
01:12 PM

C. No vehicle shall be driven upon, parked, stored or otherwise come in contact with any area of the common grounds not specifically designed for its use. This shall include, but not be limited to, concrete curbing, sidewalks, common turf areas and any curbing painted yellow. Fire lanes and handicapped spaces must be observed at all times. Parking in front of any mailbox and/or fire line is **PROHIBITED**.

D. No unit owner, tenant or guest shall place, keep and/or store personal property, other than a properly registered motor vehicle, upon any common area of the Association, including, but not limited to, parking spaces that may be assigned for use by individual unit owners.

E. No garage located within the property, if any, 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 approval of the Board of Directors or the Covenant Committee.

Policy Resolution for
Vehicle Parking, storage,
Maintenance and Violation Enforcement

2

F. Minor vehicle maintenance, such as an engine tune-up, oil change or brake repair, shall be permitted on resident vehicles only and shall be governed by the following conditions:

1. All tools and materials must be removed daily.
2. Repairs must be completed within five (5) days of commencement.
3. A safe and neat working environment shall be maintained during all maintenance and repairs.
4. Upon completion of vehicle maintenance, all disturbed common areas shall be cleaned of any oil, dirt and/or debris caused by such maintenance.

G. Major vehicle maintenance, such as painting, welding, machine work, or the overhaul and/or rebuilding of engines on residential property is a violation of Charles County Code and as such is prohibited.

H. Vehicles procured for the purpose of repair and/or resale or any vehicle repairs upon Association property for a fee or other compensation constitutes a commercial use of the property and is a violation of Charles County Code and as such is prohibited.

I. Designated guest parking areas may only be used by owners and occupants (non guests) within the property between the hours of 7:00 a.m. and 5: p.m. for periods not to exceed three (3) hours, or such other periods of time as the Board of Directors may establish from time to time.

J. VIOLATION ENFORCEMENT (TOWING OF VEHICLES)

1. Any vehicle on which current registration plates are not properly displayed, junk vehicle, trailer, camper, camper truck, home trailer, boat, boat trailer, stored vehicle, snowplow, commercial vehicle or the like, any vehicle which poses a hazard, or any vehicle not properly parked in parking spaces which are located upon the common areas, without the written permission of the Board of Directors, will be subject to towing at the expense of the owner.

2. Vehicles which are not removed by the vehicle owner within the specified period shall be removed from the common areas by the Association. Any towing and storage charges or damage resulting from such removal, if any, shall be the responsibility of the owner of the vehicle.

K. VIOLATION ENFORCEMENT (DAMAGE TO COMMON AREAS)

Any and all damages to the common areas of the Association caused by vehicle misuse or from any violation of this policy shall become the responsibility of the vehicle owner. If the vehicle is determined to be owned by a tenant or guest of a member of the Association, the member shall be responsible for any and all expenses that may be placed as a charge against the unit owned by the particular member and shall be a continuing lien upon said unit.

L. The following definitions are hereby established in order to afford a more explicit understanding of the vehicles listed in the policy.

1. Abandoned Vehicle: An abandoned vehicle is any vehicle(s) that is incapable of passing current Maryland State Motor Vehicle Administration inspection procedures or that does not properly display current registration plates.
2. Truck: A truck is a vehicle with a load capacity of greater than 3/4 ton and/or meeting any of the following conditions:
 - (a) Having more than two (2) axles, and/or
 - (b) Having wheels (not tires) with a diameter which exceeds sixteen (16) inches, and/or
 - (c) Having a cargo (non-passenger) area with dimensions, including all racks, which exceed seven feet in width (7'w), ten feet long (10'l), and/or seven feet in height (7'h) from the ground.
3. Trailer: A trailer is any vehicle which is drawn by another vehicle having motive power but is incapable of motive power itself.
4. Boat: Self-explanatory.
5. Camper: A camper is any vehicle drawn by a car or truck and is used as a temporary or permanent dwelling.
6. Home Trailer: Same as camper.
7. Junk Vehicle: Same as abandoned vehicle.
8. Motorcycle: A two wheeled vehicle propelled by an internal combustion engine.

LIBERO 010 FEB740

Policy Resolution for
Vehicle Parking, storage,
Maintenance and Violation Enforcement
4

- 9. Motobike. A motor driven bicycle.
- 10. Recreational Vehicle. A recreational vehicle is any self-propelled camper that is used as a temporary or permanent dwelling and that exceeds one or more of the following conditions:
 - (a) Having an overall length that exceeds fifteen feet (15'L)
 - (b) Having an overall width that exceeds six and one half feet (6 1/2' W)
 - (c) Having an overall height that exceeds seven feet (7'H) from the ground.
- 11. Stored Vehicle: Any vehicle which remains stationary in the common parking areas or driveways for a period exceeding thirty (30) days. Proof of this violation must be supplied, in writing, by a member of the association willing to witness and testify that the vehicle in question has been stationary for a period exceeding thirty (30) days.
- 12. Hazard: Any vehicle parked in an area that can impede access of emergency vehicles or which impedes the safe ingress and egress of private automobiles and/or pedestrians. Such vehicles are subject to immediate removal without formal notification.
- 13. Commercial Vehicle: A commercial vehicle is a vehicle with a load capacity of greater than 3/4 ton and that displays writing or advertisements of any type and/or upon which ladders, pipes, lumber, and the like are carried.
- 14. Improperly Parked Vehicle: Any vehicle that is not properly parked in a designated parking area of the association, excluding fire lane violations which shall be enforced by the appropriate authorities. Properly parked shall mean within the marked lines of a designated parking space.

Approved as amended, this 3 day of FEBRUARY, 1999 by a majority vote of South Hampton Townhomes Association, Inc. Board of Directors at a regularly scheduled meeting.


PRESIDENT


SECRETARY