

CLERK OF THE
CIRCUIT COURT

SUMMERWOOD COMMUNITY HOMEOWNERS ASSOCIATION, INC.

**DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS**

THIS DECLARATION, made on the date hereinafter set forth by Summerwood, LLC, a Maryland limited liability company, hereinafter referred to as "Declarant".

WITNESSETH:

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

NOW, THEREFORE, Declarant hereby declares that all of the Property described on Exhibit "B" hereto shall be held, sold and conveyed subject to the following easements, restrictions, covenants, and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with the real property and be binding on all parties having any right, title or interest in the Property described on Exhibit "B" hereto, or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each Owner thereof. Additional land described in Exhibit "A" hereto may be annexed by the Declarant without the consent of members within fifteen (15) years of the date of this Declaration.

IMP PD SURV	20.00
RECORDING FEE	75.00
TOTAL	95.00
Res# PG18	Rec# 23964
REP RLH	Blk # 728
Oct 03, 2003	03:19 PM

**ARTICLE 1
DEFINITIONS**

Section 1.1. "Association" shall mean and refer to the Summerwood Community Homeowners Association, Inc., a nonstock, nonprofit corporation, its successors and assigns.

Section 1.2. "Builder" shall mean and refer to any person or entity who purchases a Lot or who is conveyed a Lot by Declarant for the purpose of constructing a Dwelling Unit upon such Lot for sale to another, and shall include any contractor, general or specific, hired for the purpose of constructing a Dwelling Unit on the Lot.

Section 1.3. "Common Area" shall mean all real property owned, leased or maintained by the Association (including the improvements thereto) for the common use and enjoyment of the Owners, and is more specifically described in Exhibit "C" attached hereto and incorporated herein. Notwithstanding the foregoing, in the event the Association maintains all or any portion of any Lot(s), such property shall not be considered Common Area. The Common Area must be included within the "Property" by this Declaration or any amendment or supplement thereto.

Section 1.4. "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 to the Association's Board of Directors pursuant to this Declaration, the Bylaws and the Articles of Incorporation of the Association.

Section 1.5. "Completed Dwelling Unit" shall mean a Dwelling Unit that has been approved for occupancy by the appropriate governmental authorities regardless of its occupancy.

Section 1.6. "Declarant" shall mean and refer to Summerwood, LLC, a Maryland limited liability corporation, its successors, assigns and such persons or entities as shall acquire more than one undeveloped Lot from the Declarant for the purpose of development, and be designated by Declarant as an Additional Declarant by an instrument in writing recorded in the Land Records of Prince George's County, State of Maryland.

Section 1.7. "Development Plan" shall mean and refer to the approved preliminary plan of subdivision, entitled "Summerwood", including all amendments thereto as may be made from time-to-time.

Section 1.8. "Dwelling Unit" shall mean and refer to any building or portion of a building situated within the Properties originally designated and intended for use and occupancy as a residence by a single family.

Section 1.9. "Eligible Mortgage Holder" shall mean a holder of a first mortgage on a Lot who has requested, in writing, notice from the Association of amendments to the Association documents or other significant matters which would affect the interests of the mortgagee.

Section 1.10. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Property upon which it is intended that a dwelling unit be constructed.

Section 1.11. "Member" shall mean and refer to every person, group of persons, corporation, trust, or other legal entity, or any combination thereof, who holds any class of membership in the Association.

Section 1.12. "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 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 1.13. "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 any interest merely as security for the performance of an obligation.

Section 1.14. "Project" and the "Community", as used in this Declaration, shall refer to the Property.

Section 1.15. "Property" shall mean and refer to that certain real property described on Exhibit "B", attached hereto and incorporated herein by reference.

ARTICLE 2 PROPERTY SUBJECT TO DECLARATION

Section 2.1. 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 Prince George's County, State of Maryland, and is more particularly described in Exhibit "B" attached hereto and by this reference made a part hereof.

Section 2.2. Annexation Property to be Subject to the Declaration. Additional land described in Exhibit "A" attached hereto may be annexed by the Declarant without the consent of members within fifteen (15) years of the date of this instrument. If any Lot is encumbered by a deed of trust or mortgage which is guaranteed by the VA or insured by the FHA, then FHA and/or the VA shall be requested to determine whether the annexation is in accord with the general plan heretofore approved by them.

ARTICLE 3 PROPERTY RIGHTS

Section 3.1. Owner's Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Area, which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

(a) The right of the Association to 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 an Owner's voting rights and right to use the recreational facilities situated upon the Common Area for any infraction of its published rules and regulations (i) for any period during which any assessment against his Lot remains unpaid, and (ii) subsequent to providing the Owner notice and an opportunity for a hearing;

(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 (i) 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 such other limitations as are provided in

this Declaration, and (ii) if any Lot is encumbered by a deed of trust or mortgage which is guaranteed by the VA or insured by the FHA, the FHA and/or the VA has approved the dedication;

(d) The right of the Association to limit the number of guests of Owners with respect to the use of the Common Area;

(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, the Declarant, utility companies and other Owners with respect to the easements established in this Declaration;

(g) The right of the Association, in accordance with its Articles of Incorporation and Bylaws, and with the consent of two-thirds (2/3) of each class of the then Members of the Association, voting separately, to borrow money for the purpose of improving the Common Area in a manner designed to promote the enjoyment and welfare of the Members and in aid thereof to mortgage any of the Common Area;

(h) 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;

(i) The rights of the Declarant, as more fully set forth in Section 7.7 of this Declaration, to grant easements, to utilize reserved rights and easements, and to otherwise utilize the Common Area as it deems appropriate in connection with the development of the Project;

(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 Association in connection with the Common Area for such consideration and on such terms and conditions as the Association's Board of Directors may from time to time consider appropriate or in the best interest of the Association or the Property;

(k) The right of the Association to be the lessor of any portion or all of the Common Area and the right of the Association to enforce the terms of the lease with respect to such Common Area against such property and the Owners and their guests, lessees and invitees;

(l) The right of the Declarant and any Additional Declarant and/or their respective designees to (i) use any Lots in conjunction with the sale or rental of Dwelling Units within the Property and (ii) use any Dwelling Unit on any of the Lots as a sales office or model until the last such Lot in the Property is improved with a Dwelling Unit and conveyed to a third party purchaser; and

(m) Such other rights reserved or created by this Declaration.

Section 3.2. Limitations. Any other provision of this Declaration to the contrary notwithstanding, the Association shall have no right to suspend the right of any 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. Any conveyance of any portion of the Common Area shall be subject to a Member's use of the Common Area for necessary, ordinary and reasonable ingress and egress to and from his Lot.

Section 3.3. 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/her family, tenants, social invitees, or contract purchasers who reside on the Property.

Section 3.4. Title to the Common Area. The Declarant hereby covenants for itself, its heirs and assigns that it will convey fee simple title to the Common Area designated in Section 1.3 hereof to the Association subject to: (a) easements, covenants, conditions and restrictions then of record, (b) utility easements granted for sewer, water, storm water management, sediment control, gas, electricity, telephone, cable television, and any other necessary utilities. The Common Area shall be conveyed to the Association prior to the conveyance of the first lot containing a Completed Dwelling Unit to a Class-A Member other than a Builder.

ARTICLE 4

MEMBERSHIP AND VOTING RIGHTS

Section 4.1. 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. Each Purchaser of any Lot by acceptance of a deed therefor covenants and agrees to be a Member of the Association whether or not it shall be so expressed in any deed or other conveyance. For each Lot owned, the Owner(s) thereof shall be entitled to one (1) membership.

Section 4.2. Voting Rights. The Association shall have two (2) classes of voting membership: Class A and Class B.

(a) **Class A.** With the exception of the Declarant and Builders, every Owner shall be a Class A Member of the Association. 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.

(b) **Class B.** The Class B Member or Members shall be the Declarant and Builders, as defined herein. 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 equals the total number of votes of Class B Members; or

- (ii) fifteen (15) 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 fifteen (15) year period shall be extended by a period of time equal to the length of the delays or an additional three (3) 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.
- (c) 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 5

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 5.1. Creation of the Lien and Personal Obligation of Assessments. There are hereby created assessments for Common Expenses to be commenced at the time and in the manner set forth in this Article 5. Each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, (2) special assessments for capital improvements and (3) any interest, late charges, attorneys' fees and costs of collection regarding any delinquent assessment payment as further described in this Article 5 (all collectively the "Assessments"). The Assessments 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, if applicable, have been fulfilled. Each such Assessment shall also be the personal obligation of the person who was the Owner of the Lot at the time when the Assessment fell due.

Section 5.2. Purpose of Assessments. The annual and special assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents in the Property, for the improvement and maintenance of the Common Area, for the purposes set forth in the Bylaws, and for the payment of real estate taxes, assessments and utility services for the Common Area, and of management fees, administration expenses, insurance and all other costs and expenses incurred by the Association in the proper conduct of its activities, including, without limitation, reserves for replacements or contingencies, charges accruing under any cross-easement or reciprocal easement agreements, or charges accruing with respect to off-site facilities required to be maintained by the Association or which the Association elects to maintain whether or not such facilities are located within the Property.

Section 5.3. Annual Assessments.

(a) **Initial Annual Assessment.** The initial annual assessment shall be the amount set forth by the initial Board of Directors of the Association; provided, however, that there shall not be any annual assessment or special assessment for Lots owned by Declarant or any Builder without a Completed Dwelling Unit, unless, at the Declarant's sole and absolute discretion, Declarant provides written notice to a Builder that the Builder shall be obligated to pay an assessment on Lots owned by the Builder without a Completed Dwelling Unit, at which time, Builder shall be responsible for annual assessments in an amount equal to fifty percent (50%) of the assessment applicable to Class A Members. At the time that any Lot contains a Completed Dwelling Unit, the owner of such Lot, other than the Declarant, shall be responsible for payment of the full annual and special assessments applicable to Class A Members for such Lots. The Declarant shall only be responsible for payment of the full annual and special assessments for Lots owned by Declarant upon which there is a Completed Dwelling Unit that is occupied by a party other than the Declarant.

(b) **Deficit Period.** 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 an amount that would equal one hundred percent (100%) of the assessments for its Lots, had it not been exempted from the payment of assessments, 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, State of 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. 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.

(c) If the Association's Board of Directors determines that the functions of the Association may only be properly funded by an annual assessment greater than the annual assessment being assessed at any time, then the Board of Directors may levy such greater assessment as it deems appropriate. The increase in the annual assessment may be accomplished pursuant to a resolution.

(d) The Association's Board of Directors shall make a reasonable effort to prepare a budget at least thirty (30) days before the beginning of the fiscal year. The budget shall include the estimated costs of operating the Association during the coming year and shall also include an amount sufficient to establish and maintain a reserve fund in accordance with a reserve fund budget separately prepared by the Association's Board of Directors pursuant to Section 5.9. 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 fourteen (14) days prior to the commencement date of the new assessments. The budget and the assessments shall

become effective unless a special meeting of the Association is duly held and at such special meeting the budget and the assessments are disapproved by a vote of at least a majority of both classes of the total Association membership.

(e) Notwithstanding the foregoing, however, in the event the membership disapproves the budget or the Association's Board of Directors fails for any reason to establish the next year's budget before the beginning of the fiscal year, the budget in effect for the then-current year shall continue for the succeeding year.

(f) The Declarant may establish a working capital fund for the 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 Unit located on any Lot.

Section 5.4 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 Association's Board of Directors may deem appropriate. Written notice of each special assessment containing the amount, the purpose and the due date shall be sent to each Owner subject thereto. 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 this Declaration, the Articles of Incorporation, the Bylaws and the Rules of the Association. Such a special assessment may be levied upon the vote of the Association's Board of Directors after notice to the Owner and an opportunity for a hearing.

Section 5.5. Uniform Rate of Assessment. Except as otherwise provided in this Declaration, both annual and special assessments must be fixed at a uniform rate for all Lots and may be collected in advance on a monthly basis or upon such other basis determined by the Association's Board of Directors. In the event the actions or activities of any Owner causes or results in increased expenses for the Association, the Association's Board of Directors may assess such increase in expenses against such Owner and his Lot or Lots. Such assessments shall be a lien against the Owner's Lot or Lots and is collectible pursuant to the procedures set forth in this Declaration.

Section 5.6. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence as to all Lots simultaneously with the conveyance of the first Lot with a completed Dwelling Unit to a Class A Member or on the first day of the month following the first conveyance of the Common Area, whichever occurs first. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Association's Board of Directors shall make reasonable efforts to fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Association's 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 assessment on the Lots shall be binding on the Association as of the date of its issuance.

Section 5.7. Effect of Non-Payment of Assessments: Remedies of the Association. Any annual or special 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 VA or insured by FHA), but not to exceed ten percent (10%). 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 Lot (and all improvements thereon) in accordance with the Maryland Contract Lien Act. 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/her Lot. The Owner shall also be obligated to pay all attorneys' fees, court costs and administrative costs incurred in connection with the collection of assessments, if not paid when due.

Section 5.8. Creation and Enforcement of Lien.

(a) **Notice of Intent to Create a Lien.** At any time within two (2) years after an Assessment is levied against a Lot and before it is paid in full to the Association, the Association shall give notice to the Owner thereof (by certified or registered mail, return receipt requested) of the Association's intent to create a lien against such Lot (hereinafter referred to as a "Notice of Lien"). The form of the Notice of Lien shall be determined by the Association in the exercise of its sole discretion, provided that the Notice of Lien complies with the requirements of Section 14-203 of the Maryland Contract Lien Act. At a minimum, the Notice of Lien shall include the (i) the name and address of the party seeking to create the lien, (ii) a statement of intent to create a lien, (iii) an identification of the contract, (iv) the nature of the alleged breach, (v) the amount of alleged damages, (vi) a description of the property against which the lien is intended to be imposed sufficient to identify the property, and stating the county or counties in which the property is located, and (vii) a statement that the party against who property the lien is intended to be imposed has the right to a hearing by filing a Complaint in the Circuit Court for the county in which the subject Lot is located.

(b) **Statement of Lien.** The Association may execute and record among the Land Records, in accordance with the provisions of Section 14-203 of the Maryland Contract Lien Act, a statement of lien for such Assessment (or any installments thereof, if payable installments and if the Association elects to make such statement of lien applicable to such installment rather than to such Assessment in full), (i) sometime between thirty (30) to one hundred twenty (120) days after the Circuit Court for the County in which the subject Lot is located orders the imposition of a lien, if the Owner files a Complaint in the Circuit Court, or (ii) sometime between thirty (30) to one hundred twenty (120) days after the Owner received the Notice of Lien, if the Owners fails to file a Complaint in the Circuit Court. The form of any such statement of lien shall be determined by the Association in the exercise of its sole discretion, provided that, when it is executed and recorded among the Land Records, it constitutes a "statement of lien" for purposes of the provisions of Section 14-203 of the Maryland Contract Lien Act.

(c) **Effectiveness of Assessment of Lien.** Each annual assessment (or each installment thereof, if payable in installments) levied against a Lot, together with any interest accrued, court costs, late charges, and reasonable attorneys' fees (collectively, the "Assessment"),

shall constitute a lien (hereinafter referred to as an "Assessment Lien") upon the title to such Lot, from the time when the statement of lien is recorded among the Land Records pursuant to the provisions of Section 14-203 of the Maryland Contract Lien Act, until such amounts are paid or a bond is filed and posted with the Circuit Court pursuant to Section 14-203 of the Maryland Contract Lien Act.

(d) **Enforcement of Assessment Lien.** An Assessment Lien may be enforced and foreclosed by the Association within three (3) years of the recordation of the statement of lien, and may be foreclosed in the same manner and subject to the same requirements as are specified by the law of Maryland for the foreclosure of mortgages or deeds of trust containing a power of sale or an assent to a decree, and covering real property situate and lying in the same county. The Association shall be entitled (i) to protect the Association's right to collect any unpaid Assessment by purchasing the Lot against which it is levied, at any judicial or other sale involving the enforcement of any Assessment Lien or other lien against the Lot provided that such action is authorized by a majority of each class of Members; (ii) to hold, lease, sublet, sell, convey and mortgage any such Lot so purchased; and (iii) if authorized by the Board of Directors, to borrow any or all of the purchase money therefore. The payment of the purchase price for such Lot and of any interest charged for any such purchase money so borrowed shall be a proper expense of the Association and any income from any resale, mortgage or lease of such Lot shall be part of the Association's receipts.

(e) **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 only 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 5.9. Reserve Fund Budget and Contribution. The Association's Board of Directors shall 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. The Association's Board of Directors shall set the required reserve fund contribution, if any, in an amount sufficient to meet the projected reserve needs of the Association, as shown on the reserve fund budget, with respect both to amount and timing by the imposition of annual assessments over the period of the budget. The reserve fund contribution shall be fixed by the Association's Board of Directors and included within the budget and assessment, as provided in Section 5.3. Such reserve fund contribution shall be payable as part of the general assessment. A copy of the reserve fund budget shall be distributed to each Owner in the same manner as the operating budget.

Section 5.10. Exempt Property. All properties dedicated to, and accepted by, a local public authority and all properties owned by a charitable or nonprofit organization exempt from taxation by the laws of the State of Maryland shall be exempt from the assessments created herein. However, no land or improvements devoted to dwelling use shall be exempt from said assessments.

ARTICLE 6
ARCHITECTURAL CONTROL

Section 6.1. Architectural Change Approval. No building, fence, wall, patio, mailbox or other structure shall be commenced, erected or maintained upon any Lot, nor shall any exterior addition to or change or alteration therein or to any Completed Dwelling Unit be made (including, but not limited to, changes in color, and changes or additions to driveways or walkway surfaces) until the plans and specifications showing the nature, kind, shape, height, materials and locations of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by a covenant committee composed of three (3) or more representatives appointed by the Board of Directors of the Association ("Covenant Committee"). Applications for the approval of any such construction or alteration must be submitted to the Covenant Committee using an Architectural Change Request Form approved by the Covenant Committee, in form and substance similar to that attached hereto as Exhibit "D". In the event said Board of Directors, or its designated committee, fails to approve or disapprove any design and location within thirty (30) days after all required plans and specifications for such design and location have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with. Design and location approval by the Covenant Committee or by the Association's Board of Directors 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 Association's Board of Directors or the Covenant Committee shall have the right to charge a reasonable fee for reviewing each application in an amount not to exceed the costs actually incurred by the Association's Board of Directors or the Covenant Committee. 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. In addition, no changes, alterations or additions may be constructed which are not in compliance with local governmental guidelines or restrictions. Notwithstanding any provision of this Declaration to the contrary, the provisions of this Article 6 shall not be applicable to the Declarant or any part of the Property owned by the Declarant.

Section 6.2. Initiation and Completion of Approved Changes. Construction or alterations in accordance with plans and specifications approved by the Association's Board of Directors or the Covenant Committee pursuant to the provisions of this Article shall be commenced within six (6) months of such approval and completed within twelve (12) months of such approval. In the event construction is not commenced within the period aforesaid, then approval of the plans and specifications 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 Association's Board of Directors or the Covenant Committee without the prior consent in writing of the Association's Board of Directors or the Covenant Committee. Approval of any particular plans and specifications or design shall not be construed as a waiver of the right of the Association's Board of Directors or the Covenant Committee to disapprove such plans and specifications, or any elements or features thereof, in the event such plans and specifications are subsequently submitted for use in any other instance.

Section 6.3. Certificate of Compliance. Upon completion of any construction, alterations, improvements or structures in accordance with plans and specifications approved by the Association's Board of Directors or the Covenant Committee pursuant to the provisions of this Article, the Association's Board of Directors or the Covenant Committee shall, at the request of the Owner thereof, and for a reasonable charge, 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 Association's Board of Directors or the Covenant Committee in full compliance with the provisions of this Article and with such other provisions and requirements of this Declaration as may be applicable.

Section 6.4. Covenant Committee Rules and Regulations; Appeal of Covenant Committee Decision. The Association's Board of Directors or 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 Association's Board of Directors and, upon the request of such Member, shall be entitled to a hearing. Two-thirds (2/3) of the Association's Board of Directors shall be required to reverse the decision of the Covenant Committee.

Section 6.5. Exterior Appearance. Except as specifically provided herein to the contrary, and without limiting the generality of this Article 6, the following shall apply to every Lot and Completed Dwelling Unit within the Property, unless otherwise expressly provided by the Covenant Committee and the Association's Board of Directors.

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

(b) Storm doors, if any, shall be reviewed and approved by the Covenant Committee on a case-by-case basis and shall only be approved if they conform, at a minimum, to the following requirements:

1. **Style.** Storm doors must be of traditional design, must be either full or three-quarters view clear glass.
2. **Material.** Storm doors must have an aluminum or vinyl exterior. Wood or other material requiring maintenance is prohibited.
3. **Color.** Storm Doors must match the color of the door trim around the door.

(c) The color of the exterior of all structures and Completed Dwelling Units on Lots including, without limitation, garage doors, all siding, gutters, downspouts, brick and trim, shall not be changed or altered without the approval of the Covenant Committee.

(d) The roof of any Completed Dwelling Unit 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 Completed Dwelling Unit.

(e) Exterior wood decks, if any, shall be reviewed and approved by the Covenant Committee on a case-by-case basis and shall only be approved if they conform, at a minimum, to the following requirements:

1. **Material.** Decks must be made of pressure treated lumber.
2. **Color.** Decks must be left a natural finish. Stained and painted decks are prohibited.

(f) Exterior wood fences and gates, if any, shall be reviewed and approved by the Covenant Committee on a case-by-case basis and shall only be approved if they conform, at a minimum, to the following requirements:

1. **Height and Style.** All fences must be board-on-board construction and must be six feet in height. However, five foot board-on-board construction with one foot of a lattice design on top may be permitted. All fences shall follow the grade of the lot while maintaining the pattern and design at the top of the fence in a straight line.
2. **Material.** Fences must be made of pressure treated lumber.
3. **Location.** No fences are allowed in the front yard; fences in the side yards must terminate within five feet forward from the rear wall of the unit
4. **Color/Stain.** Fences must be left a natural finish. Stained, painted and white-washed finishes on fences are prohibited.
5. **Pipestem and Corner Lots.** Fences on pipestem lots must conform to the topography of the lot at the time of purchase

(g) Private swimming pools, if any, shall be reviewed and approved by the Covenant Committee on a case-by-case basis and shall only be approved if they conform, at a minimum, to the following requirements:

1. **Preference.** Underground pools preferred over above-ground pools.
2. **Location.** The wall of a swimming pool must be at least 15 feet from an adjacent property line. If it is an above-ground pool, it must be located in rear yard, out of view from the street, and must be screened from view by fencing, landscaping, or both. Pool and pool mechanical equipment cannot be located in any set-back area and must be protected by a fence. Mechanical equipment must also be screened from public view.

3. **Construction.** Removal or disturbance of existing trees must be minimized and reviewed for approval by the Covenant Committee prior to construction.
4. **Pool Fences and Gates.** Pool fences and gates must conform to fencing restrictions.

(h) Exterior storage sheds, if any, shall be reviewed and approved by the Covenant Committee on a case-by-case basis and shall only be approved if they conform, at a minimum, to the following requirements:

1. **Location.** Storage sheds must be located in the rear or side yard and must be located inside a fenced area.
2. **Color.** Sheds must be painted the same color as the Completed Dwelling Unit on the same Lot.
3. **View.** Sheds will not be approved for yards that are not fenced-in.
4. **Shed Roofs.** Sheds may only have shingle roofs, which must match the roof of the Completed Dwelling Unit on the same Lot.
5. **Size.** A storage shed cannot exceed eight (8) feet in height, eight (8) in width, and ten (10) feet in depth.
6. **Material.** Sheds must be constructed of pressure treated lumber. Metal, aluminum, or press board sheds are prohibited.

(i) Security bars, if any, shall be reviewed and approved by the Covenant Committee on a case-by-case basis and shall only be approved if they conform, at a minimum, to the following requirements:

1. **Location.** Security bars shall only be permitted on the lower level windows and doors which face the rear of the Completed Dwelling Unit. Security bars are prohibited on all upper-level windows and doors and on the front or side of the Completed Dwelling Unit.
2. **Color.** Security bars must be painted the same color to match the trim around the window or door. Black security bars are prohibited.

Notwithstanding anything to the contrary contained in this Section 6.5, the provisions of said Section 6.5 shall not apply to any Lot or Dwelling Unit owned by the Declarant or Builders. Compliance with these guidelines shall not be construed or deemed as compliance with all the provisions or requirements of the Building and Zoning Codes for Prince George's County, to which the Property is subject. All Owners are required to obtain the necessary building and other permits from Prince George's County prior to the commencement of any construction, alteration, or other activity hereunder.

ARTICLE 7

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 7.1. 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 dwelling, except that the following uses of or within a dwelling may be maintained: (i) a Family Day Care Home, defined as a dwelling unit registered under Title 5, Subtitle 5 of the Family Law Article of the Maryland Annotated Codes, and (ii) a No-Impact Home-Based Business, defined as a home-operated business that: (a) is consistent with the residential character of the dwelling; (b) is subordinate to the use of the dwelling for residential purposes and requires no external modifications that detract from the residential appearance of the dwelling; (c) uses no equipment or process that creates noise, vibration, glare, fumes, odors, or electrical or electronic interference detectable by neighbors, or that causes an increase in Common Expenses that can be solely and directly attributable to the business; and (d) does not involve use, storage, or disposal of any grouping or classification of materials that the United States Secretary of Transportation, the State of Maryland, or any local Board of Directors designates as a hazardous material. Any such allowed uses of or within a dwelling must be in strict conformity with the provisions of any applicable zoning law, ordinance or regulation. 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, or improvement thereon, for promotional or display purposes, or as "model homes", a sales and/or construction office, or the like.

Section 7.2. Prohibited Uses and Nuisances. Except for the activities of the Declarant during the construction or development of the Property, or as may be necessary in connection with reasonable and necessary repairs or maintenance to any Dwelling Unit or upon the Common Area, the following are prohibited uses and nuisances.

(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.

(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 dwelling, or other part of the Property, except that this shall not prohibit the keeping of a reasonable number of dogs, cats, caged birds or other small domestic animals as pets provided (i) they are not kept, bred or maintained for commercial purposes; (ii) such domestic pets are not a source of annoyance or nuisance to the neighborhood or other members; and (iii) such pets are maintained in strict conformance to all laws and ordinances. The Association's 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 Association's 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 lumber, scrap metals, refuse, bulk materials, waste, new or used building materials, or trash of any other kind shall be permitted on any Lot outside of the Dwelling Unit or other part of the Property. Notwithstanding the foregoing, a Builder shall be exempt from this paragraph during the construction of a Dwelling

Unit, or as may be necessary in connection with reasonable and necessary repairs or maintenance to any Dwelling Unit.

(d) Trash and garbage containers shall not be permitted to remain in public view except on days of trash collection and the evening prior to such days of trash collection. No incinerator shall be kept or maintained upon any Lot.

(e) Except for parking within garages, and except as herein elsewhere provided, no junk vehicle, commercial vehicle, truck, unlicensed or inoperable motor vehicle (which shall include, without limitation, any vehicle which would not pass applicable state inspection criteria,) house trailer, 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 maintenance and operation of the Common Area) shall be kept outside of a garage upon the Property or upon the public or private streets adjacent to the Property nor (except for bona fide emergencies) shall the repair or extra-ordinary maintenance of automobiles or other vehicles be carried out thereon.

(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 this Declaration, or which would be inharmonious with the aesthetics of the community of which it is a part.

(h) No trailer, tent, shack, barn, pen, kennel, run, stable, or other building shall be erected, used or maintained on any Lot at any time. A storage shed may be erected, constructed or placed on a Lot provided that such shed (i) is approved, in writing, with respect to design (including, but not limited to color and materials), location and construction by the Association's Board of Directors or the Covenant Committee; and (ii) any shed must be properly maintained at all times by the Owner of the Lot upon which it is located.

(i) Except for entrance signs, directional signs, signs for political candidates, signs regarding questions submitted to voters, signs for traffic control or safety, 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 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, cable or other similar transmission line shall be installed or maintained upon any Lot above the surface of the ground and no wire, cable or other similar transmission line may be attached to the exterior of any structure on any Lot; provided, however that such transmission lines, wires or cables providing utility services to any Lot (including, but not limited to, electricity, telephone, gas, water and cable television) shall be permitted.

(k) No play equipment, including, without limitation, basketball backboards, basketball hoops and other equipment associated with either adult or juvenile recreation, shall be attached in any manner to the exterior of any dwelling without the prior approval of the Association's Board of Directors or the Covenant Committee pursuant to Article 6 hereof. If approved in accordance with this Declaration, such play equipment must be properly maintained at all times.

(l) Children's play and similar equipment shall not be allowed to remain overnight within any front yard of any Lot or within the Common Areas.

(m) Children's outdoor permanent playhouses and swinging or climbing apparatus or equipment shall be permitted within the rear yard of a Lot; provided the prior written approval of the Association's Board of Directors or Covenant Committee is obtained and that such equipment, playhouse(s) and/or apparatus is properly maintained at all times.

(n) 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.

(o) No radio aerial, antenna or satellite or other signal receiving dish, or other aerial or antenna for reception or transmission, shall be placed or kept on a Lot outside of a dwelling, except on the following terms:

(i) An Owner may install, maintain and use on its Lot one (or, if approved by the Covenant Committee, more than one) Small Antenna (as hereinafter defined) in the rear yard of a dwelling on the Lot, at such location, and screened from view from adjacent dwellings in such a manner and using such trees, landscaping or other screening material, as are approved by the ARC, in accordance with these Articles. Notwithstanding the foregoing terms of this subsection, (1) if the requirement that a Small Antenna installed on a Lot be placed in the rear yard of a dwelling would impair such Small Antenna's installation, maintenance or use, then it may be installed, maintained and used at another location on such Lot approved by the Covenant Committee where such installation, maintenance or use would not be impaired; (2) if and to the extent that the requirement that such Small Antenna be screened would result in any such impairment, such approval shall be on terms not requiring such screening; and (3) if the prohibition against installing, maintaining and using more than one Small Antenna on a Lot would result in any such impairment, then such Owner may install on such Lot as many additional Small Antenna as are needed to prevent such impairment (but such installation shall otherwise be made in accordance with this subsection).

(ii) In determining whether to grant any approval pursuant to this Section, neither Declarant, the Covenant Committee nor the Board of Directors shall withhold such approval or grant it subject to any condition, if and to the extent that doing so would result in an impairment.

(iii) As used herein, (1) "impair" has the meaning given it in 47 Code of Federal Regulations Chapter I, Subchapter A, Part 1, Subpart S, section 1.400, as hereafter amended; and (2) "Small Antenna" means any antenna (and accompanying mast, if any) whose installation, maintenance or use, and the impairment thereof, is the subject of such regulation. Such antennae are currently defined thereunder as, generally, being one meter or less in diameter or diagonal measurement and designed to receive certain types of broadcast or other distribution services programming.

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

(q) 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, or side yard on any Lot.

(r) No Member shall make any private or exclusive or proprietary use of any of the Common Areas 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.

(s) Any fence constructed upon a Lot shall not extend forward of the rear building line of the dwelling on the Lot. No fence upon the Property shall be more than six feet (6') in height. Chainlink and other wire fencing is specifically prohibited; provided, however, thin wire fencing used in conjunction with a split rail or similar fencing for the purpose of enclosing pets is permitted if approval is obtained from the Covenant Committee pursuant to Article 6.

(t) Bed sheets, plastic sheets, newspapers, plastic storm windows or other similar window treatments shall not be hung or placed in or on any window or Dwelling Unit.

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

(v) Notwithstanding anything to the contrary contained in this Declaration, no garage may be altered, modified or changed in any manner which would inhibit or in any way limit its function as a parking area for vehicles without the prior written approval of the Association's Board of Directors or Covenant Committee pursuant to Article 6 of this Declaration. Notwithstanding the foregoing, any Lot owned by the Declarant or a Builder upon which is situated a Dwelling Unit in which the garage has been modified to serve as living area shall be exempt from this paragraph and any grantee of the Declarant or a Builder, and their successors and assigns, shall also be exempt until such time as the garage use is restored or a garage is constructed on such Lot.

(w) No drying or airing of any clothing or bedding shall be permitted outdoors on any Lot other than within rear yards.

Section 7.3. Leasing and Transfers.

(a) No portion of a Dwelling Unit, other than an entire Dwelling Unit, may be leased or rented unless the prior written approval of the Covenant Committee or the Association's Board of Directors is obtained. 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 of the Association; (ii) provide that the lease may be terminated upon default by the tenant in observing any of the provisions of this Declaration, the Bylaws or Rules 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 minimum term any Dwelling Unit may be rented or leased shall be six (6) months.

(b) Prior to the sale, conveyance or transfer of any Lot or Dwelling Unit to any person, the Owner shall notify the Association's Board of Directors in writing of the name and address of the person to whom the proposed sale, conveyance or transfer is to be made and provide to it such other information as the Association's Board of Directors may reasonably require. Failure to comply with the provisions of this subsection shall not void, prohibit or otherwise invalidate the sale, conveyance or transfer of any Lot or Dwelling Unit nor may it have any affect upon any mortgage or deed of trust thereon.

Section 7.4. Parking. Parking within the Property shall be subject to the following restrictions.

(a) 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.

(b) The Declarant or a Builder, their successors and assigns, and their nominee or nominees and any agents, servants and/or employees thereof shall be exempt from the provisions of this Section.

Section 7.5. Community Rules. There shall be no violation of any reasonable rules for the use of the Common Area and community facilities 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 7.6. Exemptions. None of the foregoing restrictions shall be applicable to the activities of:

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

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

Section 7.7. Declarant's Reservation of Easements. 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) 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 real property described on the Development Plan ("Benefitted 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, telephone or cable wires and conduits, sewer and water drainage lines, on, above, or below any portion of the Property, including any improvements constructed thereon, and to have construction vehicles, equipment and the like exercise the aforesaid right of ingress and egress over the Property.

(c) There is 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 Section. Further, without limiting the generality of the foregoing, the Declarant reserves the right to unilaterally execute and record such additional easements and agreements as may be necessary in order to give effect to the foregoing easements and other rights, which additional easements and other agreements need not be consented to or joined in by any party having any 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 and Builders 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 the Declarant or the Builder may be reasonably required, convenient or incidental to the construction and sale of residences, including, without limitation, a business office, sales/leasing office, storage area, construction yards, signs, displays and model units.

(e) Declarant hereby 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. Declarant reserves the right to grant such an easement to another when, in the Declarant's sole discretion, a grant of such easement to another is appropriate for the development of the Property.

(f) For a period of fifteen (15) years from the date of conveyance of the first Lot, the Declarant reserves a blanket easement and right on, over and under the Property to maintain and to correct drainage of surface water in order to maintain reasonable standards of health, safety and appearance. Such right expressly includes the right to cut any trees, bushes or shrubbery, make any gradings of the soil, or to take any other similar action reasonably necessary, following which the Declarant shall reasonably restore the affected property to its original condition. 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.

(g) The Declarant reserves the right to modify or alter the size, number and location of the Common Area and Lots, as well as the improvements thereon, as it deems necessary or desirable in conjunction with the development of the Project. Without limiting the generality of the foregoing, the Declarant reserves the right to resubdivide all or a portion of the Project, to convey Common Areas, to modify the site plans, to construct improvements on the Common Areas, and to take whatever other action with respect to the Common Areas and the Lots as it deems necessary.

Section 7.8. Easements to Association and Owners. The following easements and rights are hereby declared:

(a) Each Lot within the Property is hereby declared to have an easement, not exceeding one (1) foot 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 rainwater from roofs, or any other similar cause. There shall be valid easements for the maintenance of said encroachments so long as they shall exist, and the rights and obligations of Owners shall not be altered in any way by said encroachment, settlement or shifting; provided, however, that in no event shall a valid easement for encroachment be created in favor of an Owner or Owners if said encroachment occurred due to the willful misconduct of said Owner or Owners. In the event a structure on any Lot is partially or totally destroyed and then repaired or rebuilt, the Owners of each Lot agree that minor encroachments over adjoining Lots (similar to those before the

destruction) shall be permitted and that there shall be valid easements for the maintenance of said encroachments so long as they shall exist.

(b) 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 lie, to repair, replace and generally maintain said installations.

(ii) The right granted in Subparagraph (i) above shall be a limited right and exist 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 the Association's Board of Directors, or its designated committee, who shall decide the dispute, and the decision of the Association's Board of Directors, or its designated committee, shall be final and conclusive as to the parties.

(c) 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.

(d) 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. The interior of any dwelling situated on a Lot may not be entered by the Association or its agents or employees except in the case of an emergency to protect the Common Area, other Lots or persons from injury or damage.

(e) The Association's Board of Directors shall have the right to grant easements, rights-of-way, licenses and similar interests over any part of the Common Area for any lawful purpose which it determines, in its own discretion, to be in the best interests of the Association.

(f) 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 8 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.

(g) With respect to any step, patio, deck, downspouts or yard drain or other similar structure that may benefit any Lot and is constructed by the Declarant or a Builder 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 or Builder'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.

ARTICLE 8

MAINTENANCE

Section 8.1. Maintenance By Owner. The Owner of each Lot shall keep his Lot, and all improvements thereon, in good order and repair, including, but not limited to, the seeding, watering and mowing of all lawns and yards, keeping all sidewalks neat, clean, in good repair, and free of ice and snow, the pruning and cutting of all trees and shrubbery and the painting (or other appropriate external care) of all buildings and structures on the Lot, all in a manner and with such frequency as is consistent with good property management and maintenance. If, in the opinion of the Covenant Committee, any Owner fails to perform the duties imposed hereunder, the Homeowners Association, on affirmative vote of not less than sixty-six and two-thirds percent (66 2/3%) of the members of the Association's Board of Directors, after fifteen (15) days written notice to the Owner to remedy the condition in question, and upon failure of the Owner to remedy the condition, shall have the right (but not the obligation), through its agents and employees, to enter upon the Lot in question and to repair, maintain, repaint and restore the Lot and the improvements of structures thereon, and the cost thereof shall be a binding, personal obligation of such Owner of the Lot, and as an additional assessment on the Lot.

Section 8.2. Association Maintenance.

(a) The Association shall maintain and keep in good order the Common Areas (and any improvements or facilities situated thereon), 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 and entrance features or improvements, whether owned as part of a Lot or dedicated for public use, so long as the rights-of-way or entry strips or entrance features and improvements are within or appurtenant to 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 other flora, structures and improvements situated upon such areas. The Association shall also maintain any portion of any Lot which it is obligated to maintain pursuant to any easement or other agreement.

(b) The Association may, in the discretion of its Board of Directors, assume additional maintenance responsibilities upon all or any portion of the Property. In such event, all costs of such maintenance shall be assessed only against those Owners residing within the portion of the Property receiving the additional services. This assumption of responsibility may take place

either by contract or because, in the opinion of the Association's Board of Directors, the level and quality of service then being provided is not consistent with good property management or the general standard of repair and maintenance that exists elsewhere throughout the community. The provision of services in accordance with this Section shall not constitute discrimination within a class.

(c) 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 Areas and any Lot. The costs of such repairs shall be collectible from the Owner of such Lot in the same manner as assessments, as provided in Article 5 herein.

ARTICLE 9

INSURANCE

Section 9.1. 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 satisfaction of the Association's Board of Directors. In the event the Association's Board of Directors obtains insurance for any Lot or dwelling unit pursuant to this Section, the cost thereof shall be assessed against the Lot benefiting from such insurance and shall be collectible in the same manner as any other assessment under Article 5 of this Declaration. Each Owner further covenants and agrees that in the event of a partial loss or damage or destruction resulting in less than total destruction to the dwelling and other structures constructed on the Lot, the Owner shall proceed promptly to repair or to reconstruct the dwelling and other damaged structures in a manner consistent with the original construction. Each Owner of a Lot covenants and agrees that in the event that such dwelling is totally destroyed, the Owner shall proceed promptly to repair or to reconstruct the dwelling in a manner consistent with the original construction, unless approval to do otherwise is obtained from the Covenant Committee or the Association's Board of Directors.

Section 9.2 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, as well as common personal property and supplies.

The insurance policy shall afford, at 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 costs of the facilities, structures and equipment within the Common Areas (less a deductible deemed reasonable by the Association's Board of Directors), shall name the Association as the named insured, and shall contain, to the extent reasonably available, a waiver of subrogation

clause. Each hazard insurance policy must be written by a hazard insurance carrier which has a current rating by Best's Insurance Reports of A/VI or better (or its equivalent). Each insurer must be specifically licensed or authorized by law to transact business within the State of Maryland. The policy contract shall provide that no assessment may be made against the mortgagees.

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. 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 cancelled or substantially modified, by any party, without at least thirty (30) days prior written notice to the Association.

Section 9.3. Repair and Reconstruction of Common Areas After Fire or Other Casualty. 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 Association's Board of Directors shall arrange for the prompt repair and restoration thereof, and shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration.

Section 9.4. Annual Review of Policies. All insurance policies shall be reviewed at least annually by the Association's Board of Directors in order to ascertain whether the coverage contained in the policies is sufficient to make any necessary repairs or replacement of the property which may have been damaged or destroyed.

ARTICLE 10 MANAGEMENT

Section 10.1. Management Agent. The Association's 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 Association's Board of Directors shall from time to time authorize in writing.

Section 10.2. Duration of Management Agreement. Any management agreement entered into by the Association shall provide inter alia, that such agreement may be terminated, without 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.

ARTICLE 11
GENERAL PROVISIONS

Section 11.1. 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 11.2. 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 Association's 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 11.3. Implied Rights. The Association may exercise any other rights or privileges 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 11.4. 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 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 of 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 11.5. 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 no event be deemed a waiver of the right to do so thereafter. There shall be and there is hereby created and declared to be a conclusive presumption that any violation or breach or attempted violation or breach of any of the within covenants or restrictions or any provision of the Bylaws or Articles of Incorporation 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, if applicable, 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, and providing the Owner with an opportunity for a hearing, 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.

Section 11.6. Fines. In addition to the means for enforcement provided elsewhere herein, the Association shall have the right to levy fines against an Owner or his guests, relatives, lessees or invitees, in the manner set forth herein, and such fines shall be collectible as any other assessment such that the Association shall have a lien against the Lot of such Owner as provided in this Declaration, the Bylaws and the Articles of Incorporation and such fine(s) shall also become the binding personal obligation of such Owner. Notwithstanding the foregoing, the Association shall not have the right to levy fines against the Declarant or Builders.

(a) The Association's Board of Directors or the Covenant 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 Association's Board of Directors or the Covenant Committee determine an instance of such probable cause it shall cause the Association's 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 leasing or 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 Association's Board of Directors upon a request made by the Owner or alleged violator within five (5) days of the sending of the notice. The notice shall also specify, and it is hereby provided, that each recurrence of the alleged violation or each day during which it continues shall be deemed a separate offense, subject to a separate fine not to exceed a reasonable amount established by the Association's Board of Directors from time to time for each offense. The notice shall also specify, and it is hereby provided, that in lieu of requesting a hearing, the alleged violator or Owner may respond to the notice within five (5) days of its sending, acknowledging in writing that the violation occurred as alleged and promising that it will henceforth cease and will not recur, and that such acknowledgment and promise, and performance in accordance therewith, shall terminate the enforcement activity of the Association with regard to such violation.

(b) If a hearing is timely requested, the Association's 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, the Association's Board of Directors or Covenants 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 Association's Board of Directors shall determine

whether there is sufficient evidence of a violation or violations as provided herein. If the Association's 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 shall be assessed against the Lot which the violator occupied or was visiting at the time of the violation, whether or not the violator is an owner of that Lot, and shall be collectible in the same manner as any other assessment, including by the Association's lien rights as provided in this Declaration and the Bylaws. Nothing herein shall be construed to interfere with any right that an Owner may have to obtain from a violator, occupying or visiting his/her Lot, payment of the amount of any fine(s) assessed against that Lot.

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

Section 11.7. Severability. Invalidity of any one of these covenants or restrictions by judgment or court order shall in no wise affect any other provisions, which shall remain in full force and effect.

Section 11.8. Duration and Amendment. Except where permanent easements or other permanent rights or interests are herein created, the covenants and restrictions of this Declaration shall run with and bind the land for a term of Twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first twenty (20)-year period by an instrument signed by, or the affirmative vote of, the Owners of not less than seventy percent (70%) of the Lots, and thereafter, by an instrument signed by, or the affirmative vote of, the Owners of not less than sixty-six and two-thirds percent (66 2/3%) of the Lots. Any amendment must be recorded.

Section 11.9. FHA-VA Approvals. Notwithstanding any other provisions to the contrary, if a Lot subject to this Declaration is then encumbered by a deed of trust or mortgage which is insured by FHA or guaranteed by VA, then the Members, the Association's Board of Directors, and the Association shall not, by act or omission, take any of the following actions without the prior written consent or approval of the FHA and the VA, as circumstances may require:

- (a) change the basic organization of the Association including the merger, consolidation, or dissolution of the Association; or
- (b) dedicate, convey, or mortgage the Common Area; or
- (c) annex additional properties; or
- (d) otherwise materially modify or amend any provision of this Declaration, the Bylaws or the Articles of Incorporation of the Association, provided there are then Class B memberships of the Association outstanding.

Section 11.10. Consents. Any other provision of this Declaration or the Bylaws or Articles of Incorporation of the Association to the contrary notwithstanding, if any Lot is encumbered by a deed of trust or mortgage which is guaranteed or insured by VA, FHA, FNMA or FHLMC, then the Members, the Association's Board of Directors and the Association shall not, 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 Areas 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, other than Declarant, representing sixty-six and two-thirds percent (66 2/3%) of the votes in the Association have given their prior written approval; provided, however, that the granting of rights-of-way, easements and the like for public utilities, for the use of amenities and recreational facilities, or for other purposes consistent with the use of the Common Areas 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-six and two-thirds percent (66 2/3%) 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) convert Lots into Common Areas unless sixty-six and two-thirds percent (66 2/3%) 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 11.8 of this Declaration has been obtained, modify or amend any material provision of this Declaration, which establishes, provides for, governs or regulates any of the following:

- (i) voting rights;
- (ii) assessments, assessment liens or subordination of such liens;
- (iii) reserves for maintenance, repair and replacement of the Common Areas;
- (iv) insurance or fidelity bonds;
- (i) rights to use of the Common Areas by any Owner, except in accordance with Section 3.1(b);
- (vi) responsibility for maintenance and repairs;

- (vii) expansion or contraction of the property subject to this Declaration or the addition, annexation or deannexation of property to or from this Declaration;
- (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;
- (xi) restoration or repair of the project (after a hazard damage or partial condemnation) in a manner other than that specified in the documents;
- (xii) any provisions which expressly benefit mortgage holders, Eligible Mortgage Holders or insurers or guarantors.

An addition or amendment to this 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 receives a written request to approve any 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-six and two-thirds percent (66 2/3%) of the Eligible Mortgage Holders (based upon one vote for each first mortgage owned) and Lot Owners of the individual Lots in the Association have given their prior written approval; or

(f) fail to maintain insurance in accordance with Section 9.2 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-six and two-thirds percent (66 2/3%) of the Lot Owners have given their prior written approval; or

(g) 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-six and two-thirds percent (66 2/3%) of the Lot Owners have given their prior written approval.

Section 11.11. Additional Rights of Mortgagees - Notice.

(a) The Association shall promptly notify all Eligible Mortgage Holders who hold first mortgages on any Lot for which an assessment levied pursuant to this 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.

(b) 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.

(c) Any first mortgagee 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 11.12. Casualty Losses. In the event of substantial damage or destruction to any of the Common Areas 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 11.13. 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 Areas and community facilities.

Section 11.14. 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 this 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 or Declarant's

lender holding a security interest in all or part of the Property. The Declarant further reserves the right to waive in writing any exemption, right or privilege granted or reserved to the Declarant by this Declaration or the Articles of Incorporation or the Bylaws of the Association.

Section 11.15. 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 11.16. Successors or Declarant. Any and all rights, reservations, easements, interests, exemptions, privileges and powers of the Declarant hereunder, or any part of them, may be assigned and transferred (exclusively or non-exclusively) by the Declarant by an instrument, in writing, without notice to the Association.

Section 11.17. No Dedication to Public Use. Nothing herein contained shall be construed as a dedication to the public use or as an acceptance for maintenance of any Common Areas or community facility by any public or municipal agency, authority, or utility and no public or municipal agency, authority or utility shall have any responsibility or liability for the maintenance or operation of any of the Common Areas or community facilities.

Section 11.18. 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 11.19. 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 of the Declarant.

Section 11.20. Perpetuities. If any of the covenants, restrictions, or other provisions of this Declaration shall be unlawfully void, or voidable for violation of the rule against perpetuities, then such provision shall continue only until twenty-one (21) years after the death of the last survivor of the now living descendants of Elizabeth II, Queen of England.

Section 11.21. Declarant Development. As long as the Declarant has an interest in developing the Property or the Project, the Association may not use its financial resources or property, tangible or intangible, either directly or indirectly, to defray the costs of opposing any development activities reasonably consistent with the general intention of the Development Plan, as amended.

Section 11.22. 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.

Section 11.23. Rights of the Maryland-National Capital Park and Planning Commission.

(a) Any other provision of this Declaration, the Bylaws, or the Articles of Incorporation of the Association to the contrary notwithstanding, neither the Members, the Board of Directors, nor the Association shall by act or omission, take any of the following actions without the prior written consent of the Maryland-National Capital Park and Planning Commission (the "Commission"), which consent shall not be unreasonably withheld or delayed:

- (i) make any annexations or additions other than as provided for pursuant to Section 2.2 herein; or
- (ii) abandon, partition, dedicate, subdivide, encumber, sell or transfer any of the Common Area; provided, however, that the granting of rights-of-way, easements and the like for public utilities or for other purposes consistent with the use of the Common Area by the Members of the Association, shall not be considered a transfer within the meaning of this section; or
- (iii) abandon or terminate the Declaration;
- (iv) modify or amend any material or substantive provision of this Declaration, the Bylaws or the Articles of Incorporation of the Association; or
- (v) substantially modify the method of determining and collecting assessments as provided in this Declaration.

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

IN WITNESS WHEREOF, the undersigned, being the DECLARANT herein, has executed this instrument this 2nd day of October, 2003.

SUMMERWOOD, LLC
a Maryland limited liability company

By: U.S. Home Corporation,
Sole Member

By: Phillip Barber
Phillip Barber
Division President
U.S. Home Corporation

[additional jurat on following page]

18117 492

STATE OF MARYLAND :

SS:

COUNTY OF MONTGOMERY :

On this 2ND day of OCTOBER, 2003, before me, the undersigned officer, personally appeared Phillip Barber, satisfactorily proven to me to be the person whose name is subscribed to the within instrument, who acknowledged himself to be the Division President of Summerwood, LLC, a Maryland limited liability company, and that said PHILLIP BARBER, as such PRESIDENT, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation as such officer.

GIVEN under my hand and seal this 2ND day of OCTOBER, 2003.

Francis J. Brian III

Notary Public

My commission expires: NOVEMBER 1, 2003



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SUMMERWOOD COMMUNITY HOMEOWNERS ASSOCIATION, INC.
Prince George's County, Maryland

18117 493

Exhibit "A"

LEGAL DESCRIPTION OF PROPERTY OWNED BY DECLARANT

All that property conveyed by U.S. Home Corporation, a Delaware corporation, to Summerwood, LLC, a Maryland limited liability company, in a deed recorded among the Land Records for Prince George's County, Maryland at Liber 17583, Folio 544, and more particularly described as follows:

Part One

Being all of that property situated, lying and being in the Piscataway District, Prince George's County, Maryland and shown on a final plat of subdivision entitled "Plat One, Summerwood" to be recorded among the Land Records of Prince George's County, Maryland.

Part Two

Being all of that property situated, lying and being in the Piscataway District, Prince George's County, Maryland and shown on a final plat of subdivision entitled "Plat Two, Summerwood" to be recorded among the Land Records of Prince George's County, Maryland.

Part Three

Being all of that property situated, lying and being in the Piscataway District, Prince George's County, Maryland and shown on a final plat of subdivision entitled "Plat Three, Summerwood" to be recorded among the Land Records of Prince George's County, Maryland.

Part Four

Being all of that property situated, lying and being in the Piscataway District, Prince George's County, Maryland and shown on a final plat of subdivision entitled "Plat Four, Summerwood" to be recorded among the Land Records of Prince George's County, Maryland.

Part Five

Being all of that property situated, lying and being in the Piscataway District, Prince George's County, Maryland and shown on a final plat of subdivision entitled "Plat Five, Summerwood" to be recorded among the Land Records of Prince George's County, Maryland.

Part Six

Being all of that property situated, lying and being in the Piscataway District, Prince George's County, Maryland and shown on a final plat of subdivision entitled "Plat Six, Summerwood" to be recorded among the Land Records of Prince George's County, Maryland.

Part Seven

Being all of that property situated, lying and being in the Piscataway District, Prince George's County, Maryland and shown on a final plat of subdivision entitled "Plat Seven, Summerwood" to be recorded among the Land Records of Prince George's County, Maryland.

18117 494

Part Eight

Being all of that property situated, lying and being in the Piscataway District, Prince George's County, Maryland and shown on a final plat of subdivision entitled "Plat Eight, Summerwood" to be recorded among the Land Records of Prince George's County, Maryland.

Part Nine

Being all of that property situated, lying and being in the Piscataway District, Prince George's County, Maryland and shown on a final plat of subdivision entitled "Plat Nine, Summerwood" to be recorded among the Land Records of Prince George's County, Maryland.

Part Ten

Being all of that property situated, lying and being in the Piscataway District, Prince George's County, Maryland and shown on a final plat of subdivision entitled "Plat Ten, Summerwood" to be recorded among the Land Records of Prince George's County, Maryland.

SUMMERWOOD COMMUNITY HOMEOWNERS ASSOCIATION, INC.
Prince George's County, Maryland

Exhibit "B"

LEGAL DESCRIPTION OF PROPERTY SUBJECT TO DECLARATION
(INITIAL PROPERTY)

Part One

Being all of that property situated, lying and being in the Piscataway District, Prince George's County, Maryland and shown on a final plat of subdivision entitled "Plat One, Summerwood" to be recorded among the Land Records of Prince George's County, Maryland.

Part Two

Being all of that property situated, lying and being in the Piscataway District, Prince George's County, Maryland and shown on a final plat of subdivision entitled "Plat Two, Summerwood" to be recorded among the Land Records of Prince George's County, Maryland.

Part Three

Being all of that property situated, lying and being in the Piscataway District, Prince George's County, Maryland and shown on a final plat of subdivision entitled "Plat Three, Summerwood" to be recorded among the Land Records of Prince George's County, Maryland.

SUMMERWOOD COMMUNITY HOMEOWNERS ASSOCIATION, INC.
Prince George's County, Maryland

Exhibit "C"

LEGAL DESCRIPTION OF COMMON AREA SUBJECT TO DECLARATION

Part One

Being all of those strips or parcels of land labeled as "Parcel B" situated, lying and being in the Piscataway District, Prince George's County, Maryland and shown on a final plat of subdivision entitled "Plat One, Summerwood" to be recorded among the Land Records of Prince George's County, Maryland.

Part Two

Being all of those strips or parcels of land labeled as "Parcel C" situated, lying and being in the Piscataway District, Prince George's County, Maryland and shown on a final plat of subdivision entitled "Plat Two, Summerwood" to be recorded among the Land Records of Prince George's County, Maryland.

Part Three

Being all of those strips or parcels of land labeled as "Parcel D" situated, lying and being in the Piscataway District, Prince George's County, Maryland and shown on a final plat of subdivision entitled "Plat Four, Summerwood" to be recorded among the Land Records of Prince George's County, Maryland.

18117 497

SUMMERWOOD COMMUNITY HOMEOWNERS ASSOCIATION, INC.
Prince George's County, Maryland

Exhibit "D"

SAMPLE ARCHITECTURAL CHANGE REQUEST FORM

18117 498

SUMMERWOOD COMMUNITY HOMEOWNERS ASSOCIATION, INC.

ARCHITECTURAL CHANGE REQUEST FORM

Applicant's Name: _____ Date: _____
Address/Lot No. _____ Home Phone: _____

Type of Alteration/Change (Please check one):

Second Story Deck	_____	Complete Section (a) below.
Ground Level Deck	_____	Complete Section (a) below.
Patio	_____	Complete Section (c) below.
Fence	_____	Complete Section (b) below.
Other	_____	Complete Section (c) below.

(a) Complete this section if you are adding a deck:

Dimensions: Across back of house: _____; Length out from house: _____

Railing Height (from surface of deck) _____

Railing type (check one):

2" x 2" Picket _____
Board on Board _____
Lattice _____
Other _____

Describe _____

Please use the space on the back to describe any additional attachments, such as trellis, lighting, benches, flower boxes to the deck/home.

(b) Complete this section if you are adding a fence:

Total dimensions to be fenced in: _____

Fence type (check one):

Board on Board _____
Other _____

Describe _____

Type of gate (if any): _____

Type of materials (check one):

Pressure treated pine _____ (natural finish)
Other _____

Describe _____

(c) Complete this section for any other construction or modification:

Type of construction/modification: _____

Dimensions: _____

Type of materials (check one):

Pressure treated pine _____ (natural finish)
Other _____

Describe _____

PLEASE BE SURE THAT YOU HAVE INCLUDED:

- 1) A copy of your lot plat - you should have received this when you settled on your home - showing the dimensions of your property and exactly where the additional structure will be.
- 2) Detailed sketches or design plans.

USE THIS SPACE FOR ANY ADDITIONAL DESCRIPTIONS:

THIS PORTION FOR COVENANT COMMITTEE USE

Date received: _____ By: _____

Covenant Committee Action Taken:

Your request for approval of _____
has been:

APPROVED **DISAPPROVED** (circle one)

Comments:

_____ This construction must begin within six month and be completed within two months of the date of commencement.

_____ Any damage to nearby common or private areas must be corrected within fifteen days.

_____ Any variations from the approved plans must be resubmitted.

_____ The homeowner is responsible for obtaining any applicable Prince George's County building permits.

_____ All changes must be made entirely within the homeowners property lines.

_____ The homeowner is responsible for proper upkeep of the addition/change.

_____ Please contact "Miss Utility" at 800-257-7777 prior to any digging.

_____ Special conditions: _____